



The Contribution made by Beer to the European Economy

 Denmark - January 2016

DENMARK

1. COUNTRY PROFILE

	2014
Population	5,627,235
Currency	Krone
GDP per capita in PPS (2012, EU28 = 100)	124

Source: Eurostat and National Statistical offices.

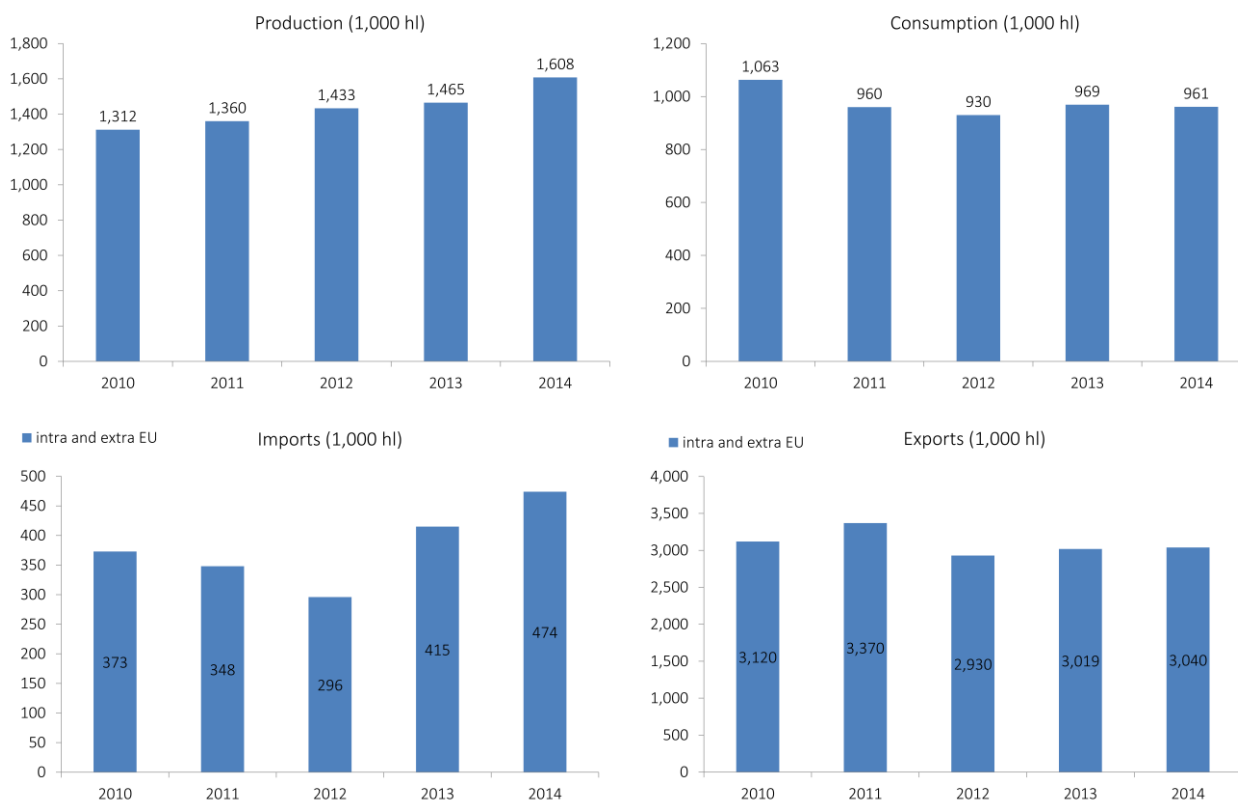
2. HIGHLIGHTS DENMARK

Table 1: Economic impact of beer in Denmark (2013-2014)

	2013	2014	% Change
Total number of jobs	15,316	15,581	1.7 %
Value-added (million Euro)	675	682	1 %
Government revenues (million Euro)	599	600	0.2 %

Source: Calculations - different sources.

Figure 1: Development of production, consumption, imports and exports (2010-2014)



Source: National associations.

3. BREWING SECTOR

Table 2: Basic characteristics of the Denmark brewing sector (2013-2014)

	2013	2014
Total production (in hectolitres)	6,166,000	6,110,000
Brewing companies	120	120
Breweries (including microbreweries)	150	150
Microbreweries	115	115

Source: National Associations.

Total production of beer declined marginally in 2014, from around 6.2 million hectolitres to 6.1 million hectolitres. The number of brewing companies and microbreweries remained stable.

4. BEER MARKET

Table 3: Basic characteristics beer market (2013-2014)

	2013	2014
Total consumption in hectolitres	3,530,000	3,650,000
Total consumer spending (in million Euro)	1,500	1,541
Consumption of beer per capita (in litres)	64.0	65.0
Beer consumption on-trade (hospitality)	25%	25%
Beer consumption off-trade (retail)	75%	75%
Average consumer price in on-trade (1 litre, including taxes) (in Euro)	10.70	10.73
Average consumer price in off-trade (1 litre, including taxes) (in Euro)	2.10	2.05

Source: National Associations.

Note: Average consumer prices for 2014 were unavailable and have been constructed using 2013 prices and the national average inflation rate for 2014.

Beer consumption and total consumer spending increased in 2014. Prices and the shares of consumption accounted for by the on- and off-trades remained broadly stable.

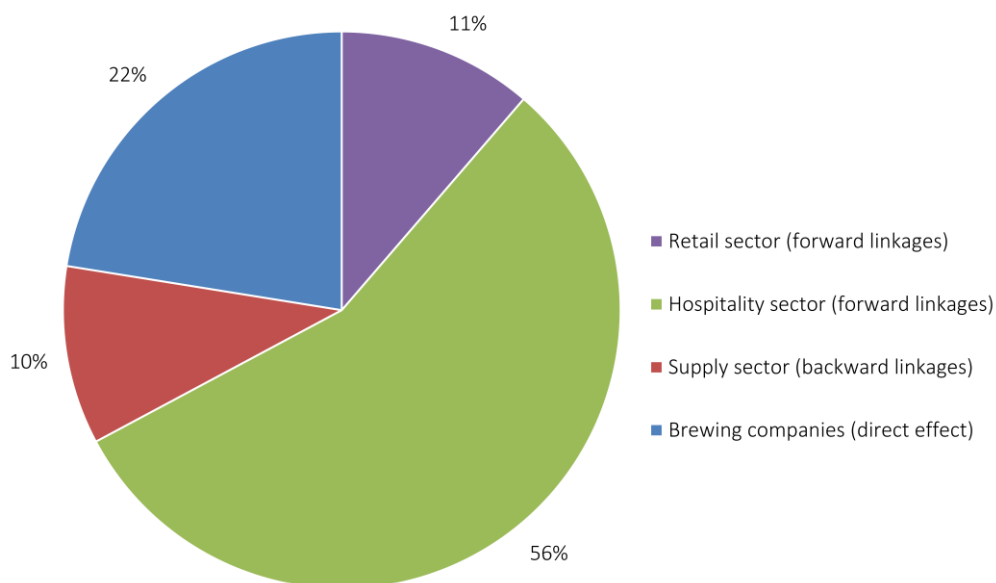
5. TRENDS AND DEVELOPMENTS

There has been a general decline in beer consumption over time and a shift from the on-trade to the off-trade, in line with wider European trends. However, a reduction in beer excise duty in 2013 appears to have led to a reduction in legal and illegal cross-border sales with stable sales in Denmark in recent years.

Companies are responding by introducing new products which respond to consumer demand particularly for more craft or niche beers.

6. EMPLOYMENT GENERATED BY THE BEER SECTOR

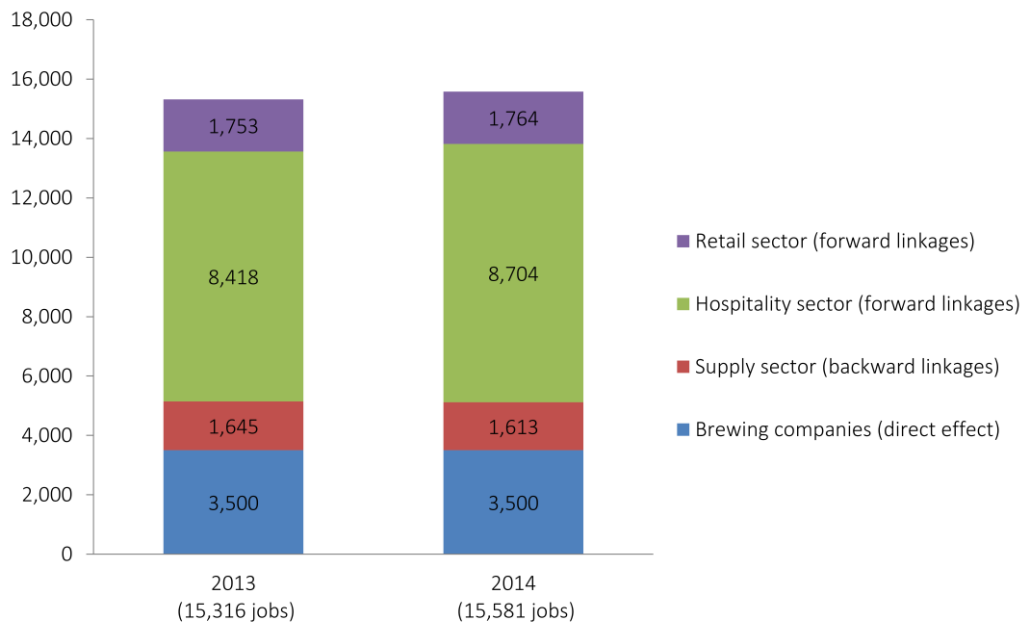
Figure 2: 2 Total employment because of beer in 2014: 15,581 jobs



Source: Calculations - different sources.

The beer sector contribution to employment in Denmark in 2014 was around 16,000 and increased moderately from 2013. Like many other European countries, most people are employed in the hospitality sector, which accounted for 56 per cent of the total employment impact in 2014 and grew the most.

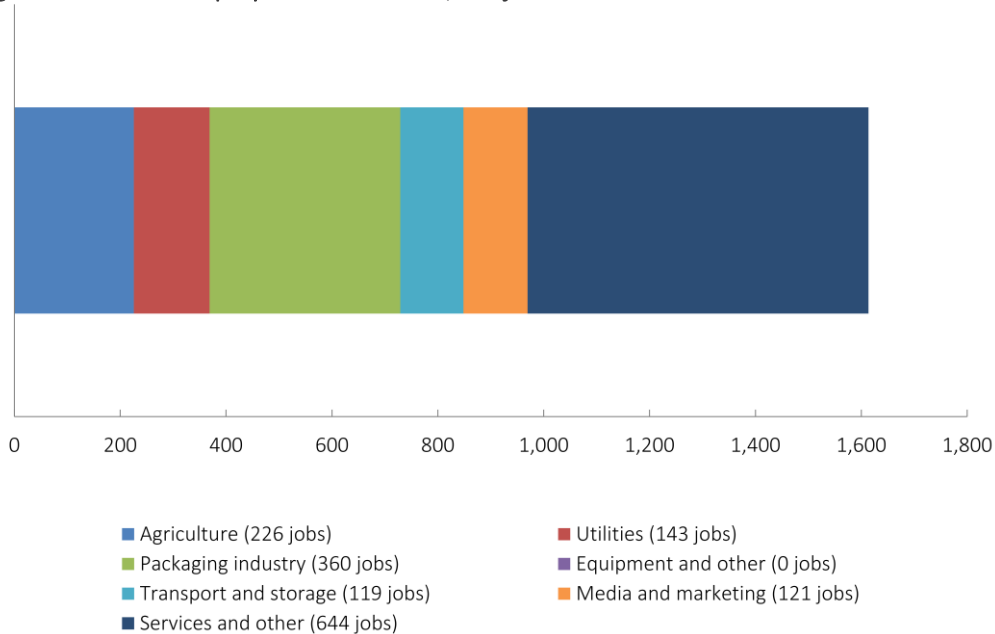
Figure 3: Change in employment (2013-2014): 1.7 %



Source: Calculations - different sources.

The contribution to employment in supply sectors is concentrated in the services and other sectors, reflecting a high value for purchases from that sector reported by Danish breweries.

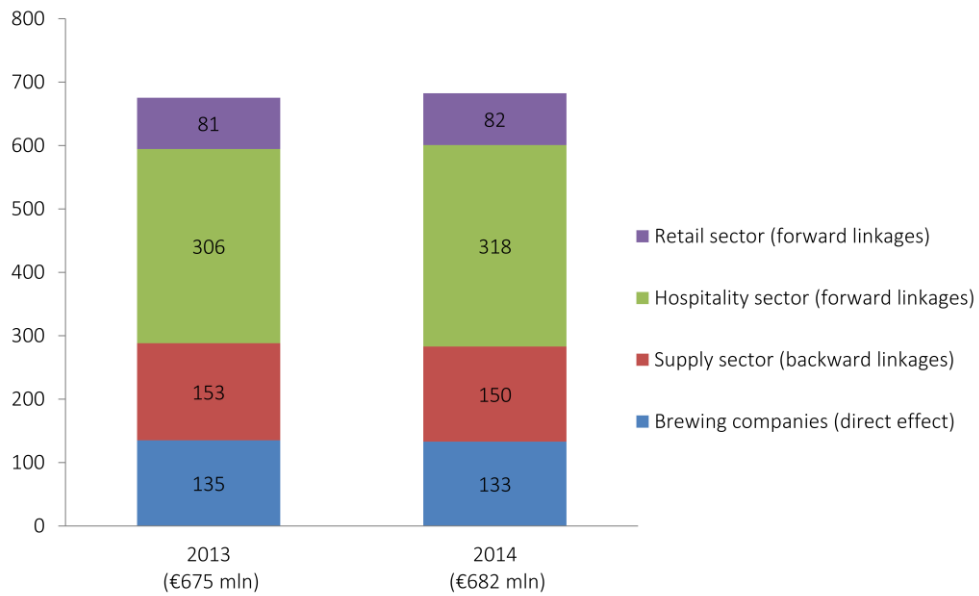
Figure 4: Indirect employment in 2014: 1,613 jobs



Source: Calculations - different sources.

7. VALUE ADDED GENERATED BY THE BEER SECTOR

Figure 5: Change in value added (2013-2014): 1 %

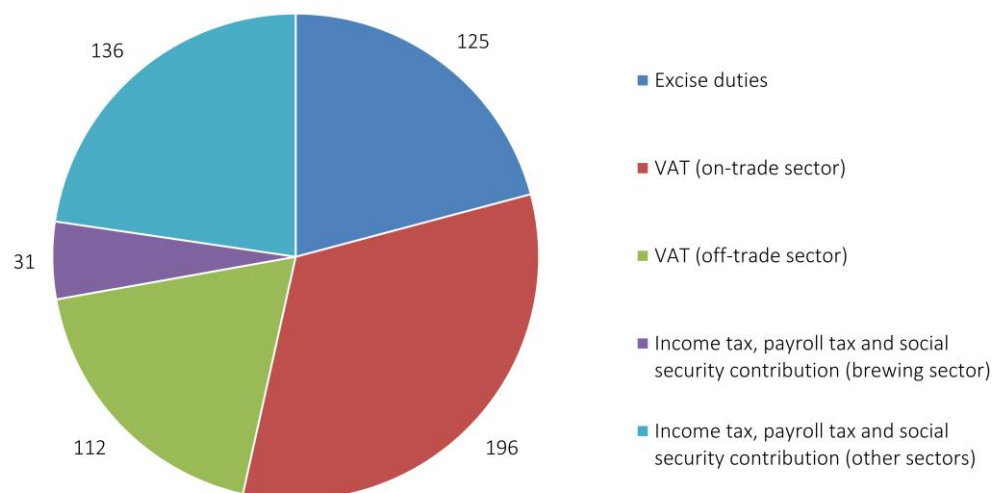


Source: Calculations - different sources.

The beer-related contribution to value added has increased slightly from 2013 to 2014 to over €680 million. The largest increase occurred in the on-trade, while there was a fall in the brewing and supply sectors.

8. GOVERNMENT REVENUES RELATED TO BEER

Figure 6: Government revenues generated by beer in 2014: 600 million Euro



Source: Calculations - different sources.

Table 4: Government revenues (2013-2014)

	2013	2014	% Change
Excise duties (million Euro)	131	125	-4.7 %
VAT (on-trade) (million Euro)	189	196	3.8 %
VAT (off-trade) (million Euro)	111	112	0.9 %
Income tax, payroll tax and social security revenues (brewing companies) (million Euro)	34	31	-10.1 %
Income tax, payroll tax and social security revenues (other sectors) (million Euro)	133	136	2.2 %
Total government revenues (million Euro)	599	600	0.2 %

Source: Calculations - different sources.

Note: Excise duty percentage is calculated on the basis of local currency converted to Euro, as used in the European Commission's (DG Taxud) database. For percentage change in local currency, please consult the same database.

The total beer-related contribution to government revenue was around €600 million in 2014, a €1 million increase. Excise duties and taxes on income, payroll and social security revenues in brewing companies fell, reflecting a decline in value added, while revenues rose in VAT on the on-trade.

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