# Norway

## 1 COUNTRY PROFILE

TABLE 1. COUNTRY PROFILE

| | 2020 | 2022 |
|---|---|---|
| Population | 5,367,580 | 5,425,270 |
| Currency | Krone | Krone |
| GDP per capita in PPS (2012, EU28 = 100) | 143 | 212 |

*Source: Eurostat and National Statistical offices.*

## 2 HIGHLIGHTS NORWAY

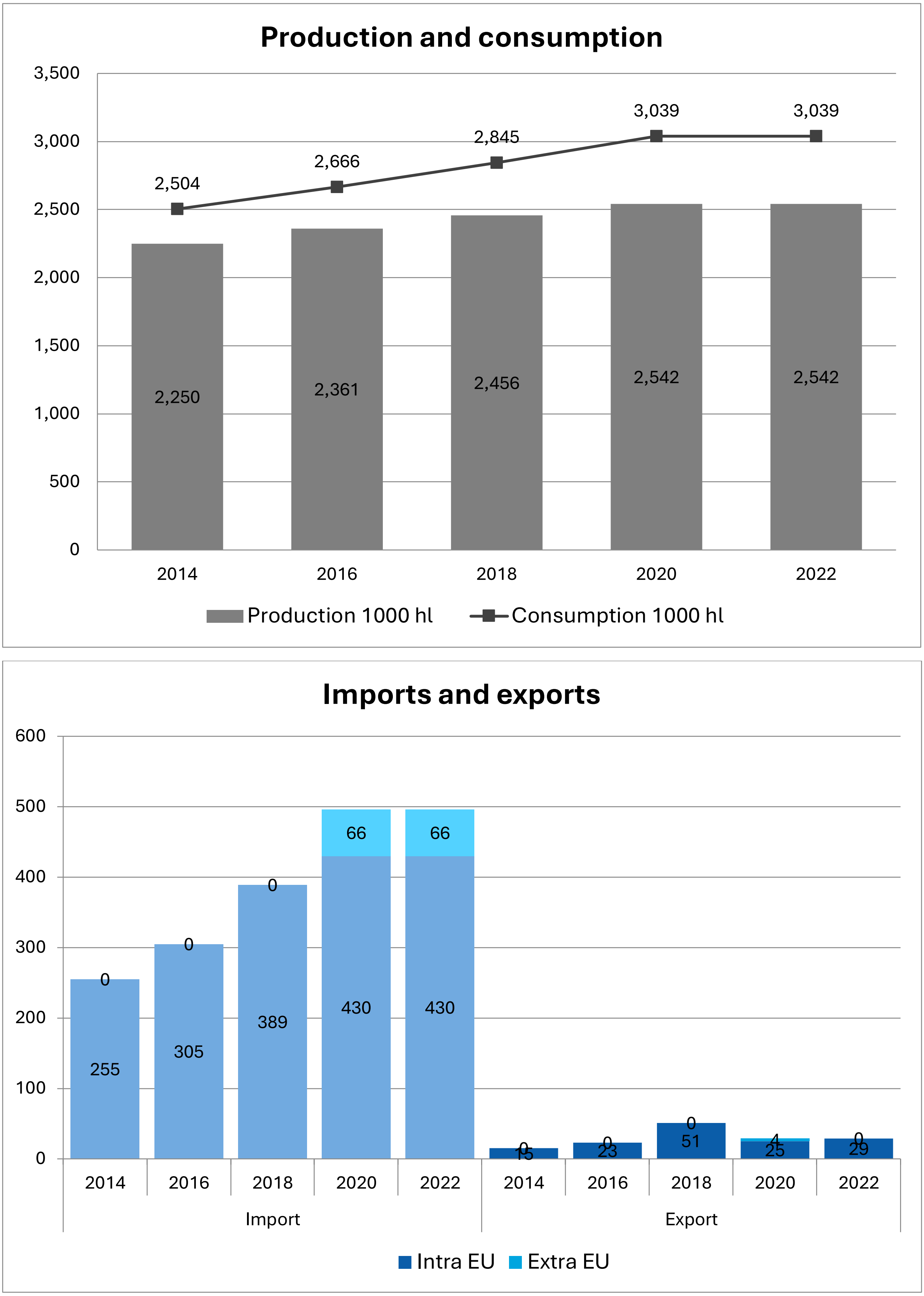
TABLE 2. SUMMARY OF BEER SECTOR'S ECONOMIC IMPACT (AND % CHANGE OVER THE PERIOD 2016-2022)

| | | 2016 | 2018 | 2020 | 2022 |
|---|---|---|---|---|---|
| Total number of jobs | [-16.3%] | 20,445 | 21,531 | 15,236 | 17,115 |
| Value-added (mEuro) | [-11.2%] | 1,007 | 1,040 | 825 | 894 |
| Government revenues (mEuro) | [7.7%] | 1,287 | 1,352 | 1,324 | 1,386 |

*Source: Calculations - different sources.*

Norway is a beer-importing country, which requires imports to satisfy the national demand. Both consumption and production have been steadily increasing over recent years, whilst imports experienced a significant increase in the last two years and exports have remained low.

FIGURE 1. EVOLUTION OF MAIN INDICATORS (2014-2022)




*Source: National Associations.*

# 3 A SNAPSHOT OF THE BREWING SECTOR

Total production in Norway is reasonably stable and has increased steadily from 2.3m to 2.5m hectolitres between 2016 and 2022. The sector has increasingly been diverse, with the number of breweries having increased steadily from 128 to 135. The increase in the total number of breweries is driven by the rise in the number of microbreweries (from 85 to 129).

TABLE 3. BASIC CHARACTERISTICS OF THE BEER SECTOR (2016-2022)

| | 2016 | 2018 | 2020 | 2022 |
|---|---|---|---|---|
| Total production (in hectolitres) | 2,361,000 | 2,456,000 | 2,542,000 | 2,542,000 |
| Brewing companies | 125 | 125 | 128 | 128 |
| Breweries (including microbreweries) | 128 | 128 | 135 | 135 |
| Microbreweries | 85 | 103 | 129 | 129 |

*Source: National Associations.*

# 4 LOOKING AT THE BEER MARKET

Total consumption has significantly increased from 2.6m to just over 3m hectolitres between 2016 and 2022. This has also meant that there has been higher consumer spending, as prices have remained relatively stable over the period (with slight increases from 2020 to 2022). The share of beer consumption attributed to the hospitality sector has fallen from 19 to 11 per cent, reflecting the shift to off-trade consumption. This is higher than the average European country: consumers in Norway tend to buy their beer from retail stores (like supermarkets) instead of buying it from bars or restaurants.

TABLE 4. BASIC CHARACTERISTICS OF THE BEER MARKET (2016-2022)

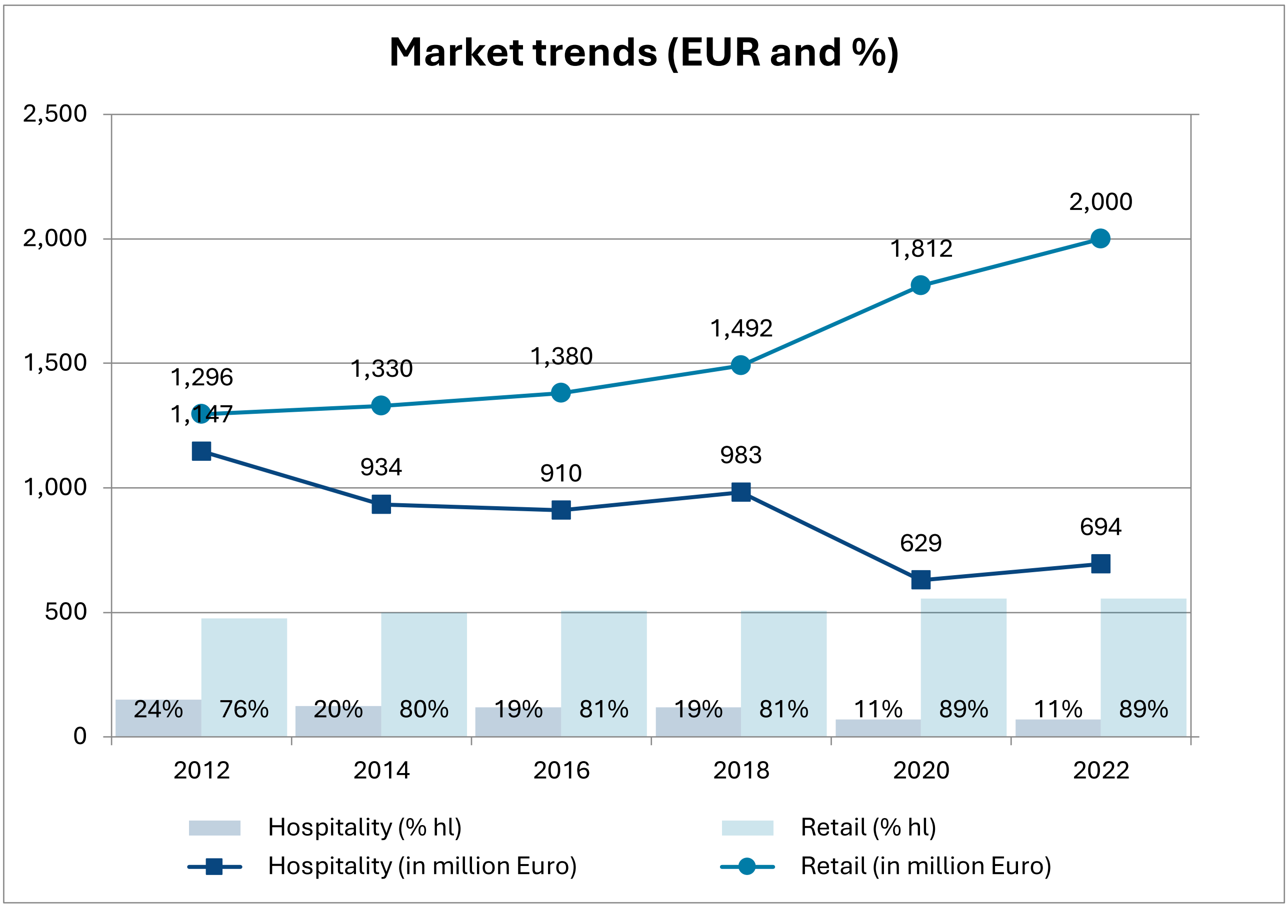
| | 2016 | 2018 | 2020 | 2022 |
|---|---|---|---|---|
| Total consumption in hectolitres | 2,666,000 | 2,845,000 | 3,039,000 | 3,039,000 |
| Total consumer spending (in million Euro) | 2,290 | 2,475 | 2,441 | 2,695 |
| Consumption of beer per capita (in litres) | 51 | 54 | 56 | 56 |
| Beer consumption hospitality | 19% | 19% | 11% | 11% |
| Beer consumption retail | 81% | 81% | 89% | 89% |
| Consumer price hospitality (€ / litre)* | 17.96 | 18.18 | 18.82 | 20.77 |
| Consumer price retail (€ / litre)* | 6.39 | 6.47 | 6.70 | 7.40 |

*Source: National Associations. Note: * Prices are averages inclusive of taxes and duties.*

# 5 TRENDS AND DEVELOPMENTS

There has been a consistent increase in the consumption of beer in the retail sector, with market value increasing significantly more during and after the pandemic (increasing by 25 per cent since 2018), reflecting the shift in consumption patterns. The same trend can be observed by a decline in the market value of the hospitality industry, which was negatively impacted by the pandemic (falling by 29 per cent since 2018). The general growth in the beer market can also be explained by large companies introducing a growing number speciality beers, in order to compete directly with the craft segment.

FIGURE 2: RECENT CONSUMPTION TRENDS (2012-2022)



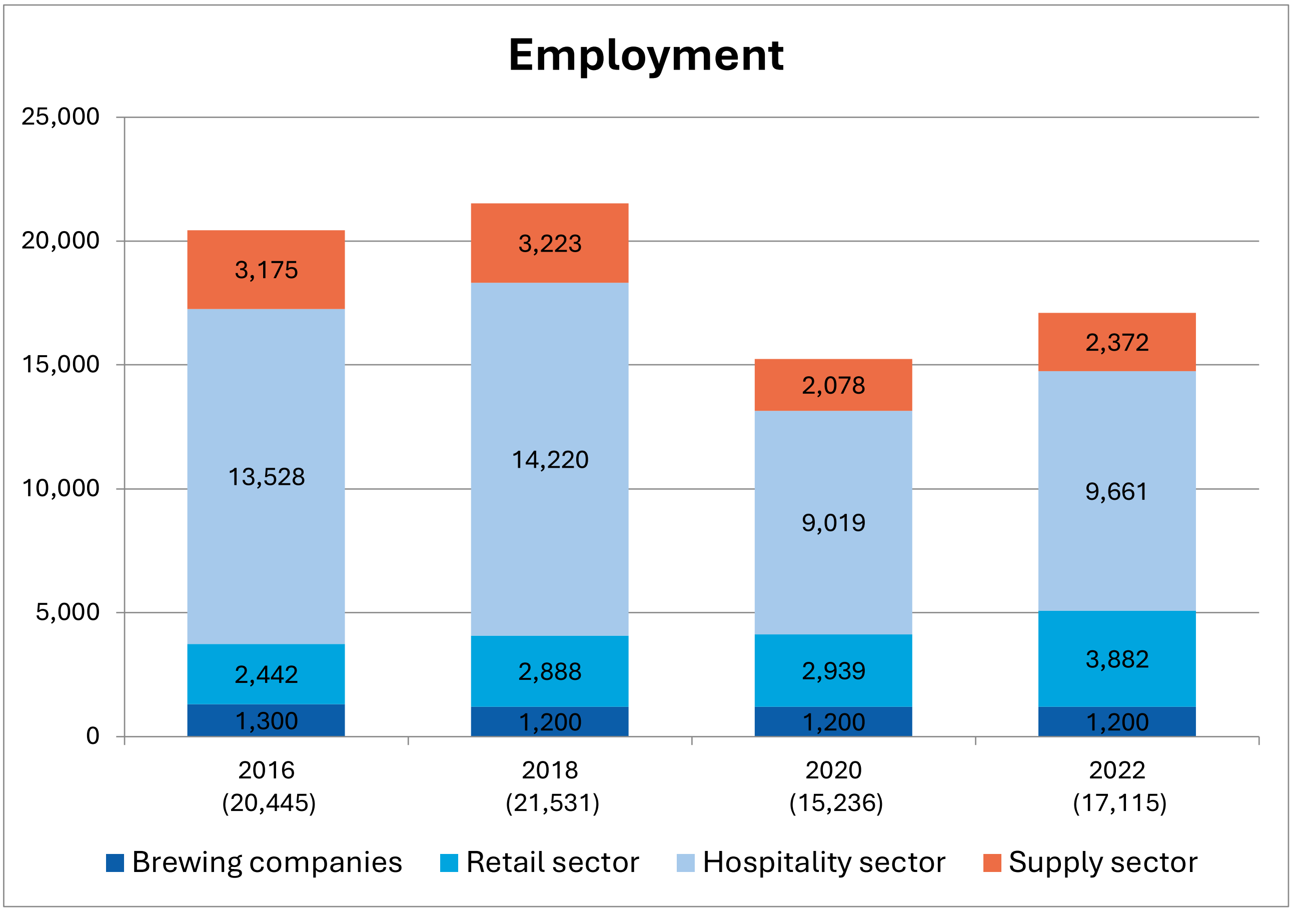

*Source: National Associations.*

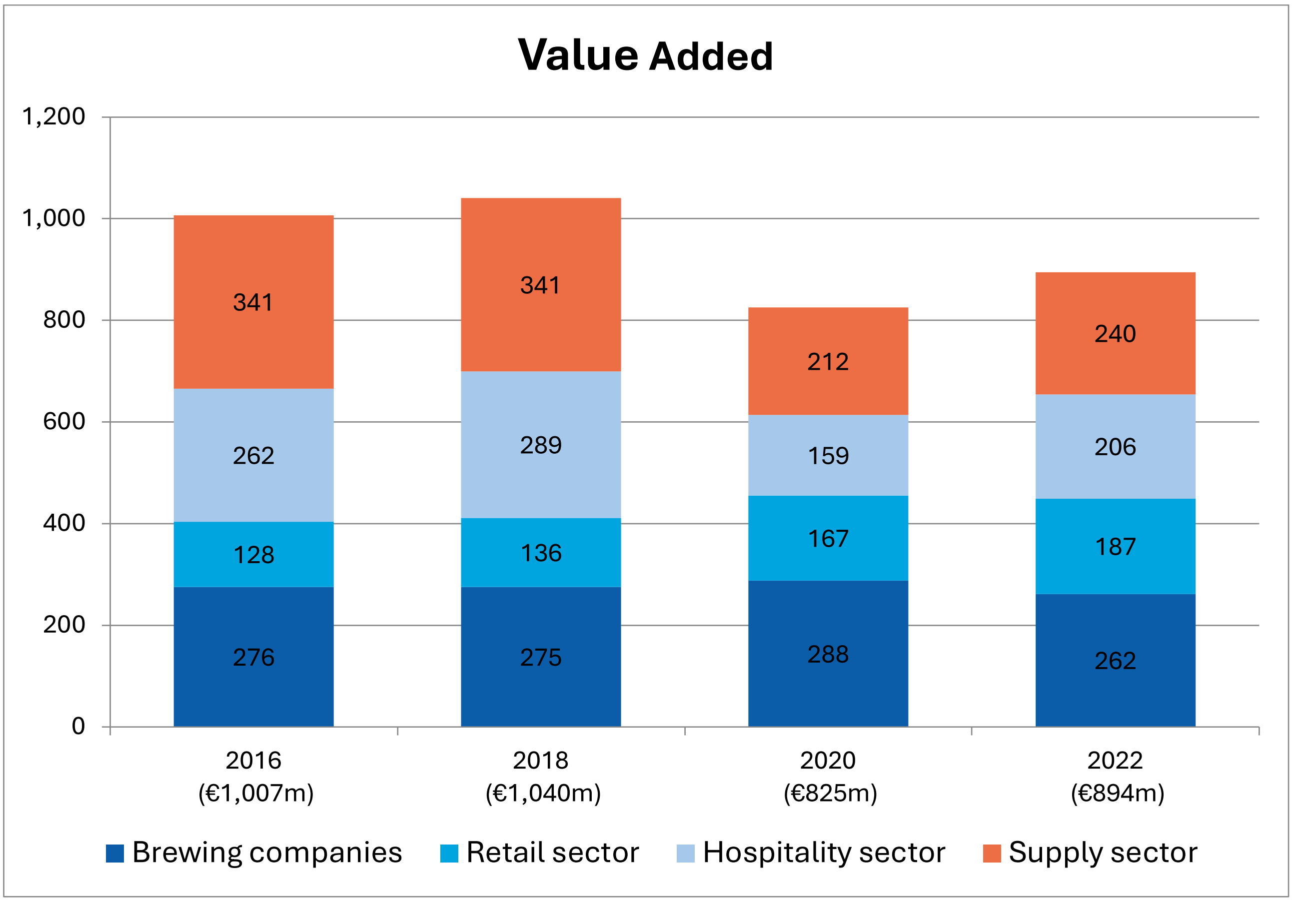
# 6 THE IMPACTS BEYOND THE SECTOR: RELATED JOBS AND VALUE ADDED

Employment has been concentrated in the hospitality sector in Norway (accounting for around 60 per cent of total employment from 2016 to 2022), with the retail sector contributing the next greatest amount. Beer production in Norway means that the sector has a direct impact on employment, unlike some other alcoholic beverages which are hardly produced in Norway.

The pattern in value added that can be attributed to the beer sector has fallen from 2018 levels, although by 2022 it had recovered from the lows of 2020. The value added in the hospitality industry has reduced slightly from 2016 to 2022, while the value added in retails has increased slightly over the same period. The brewing and supply sector adds the most value, showing the value of having beer produced in Norway.

FIGURE 4: CHANGE IN EMPLOYMENT AND VALUE ADDED (2016-2022).



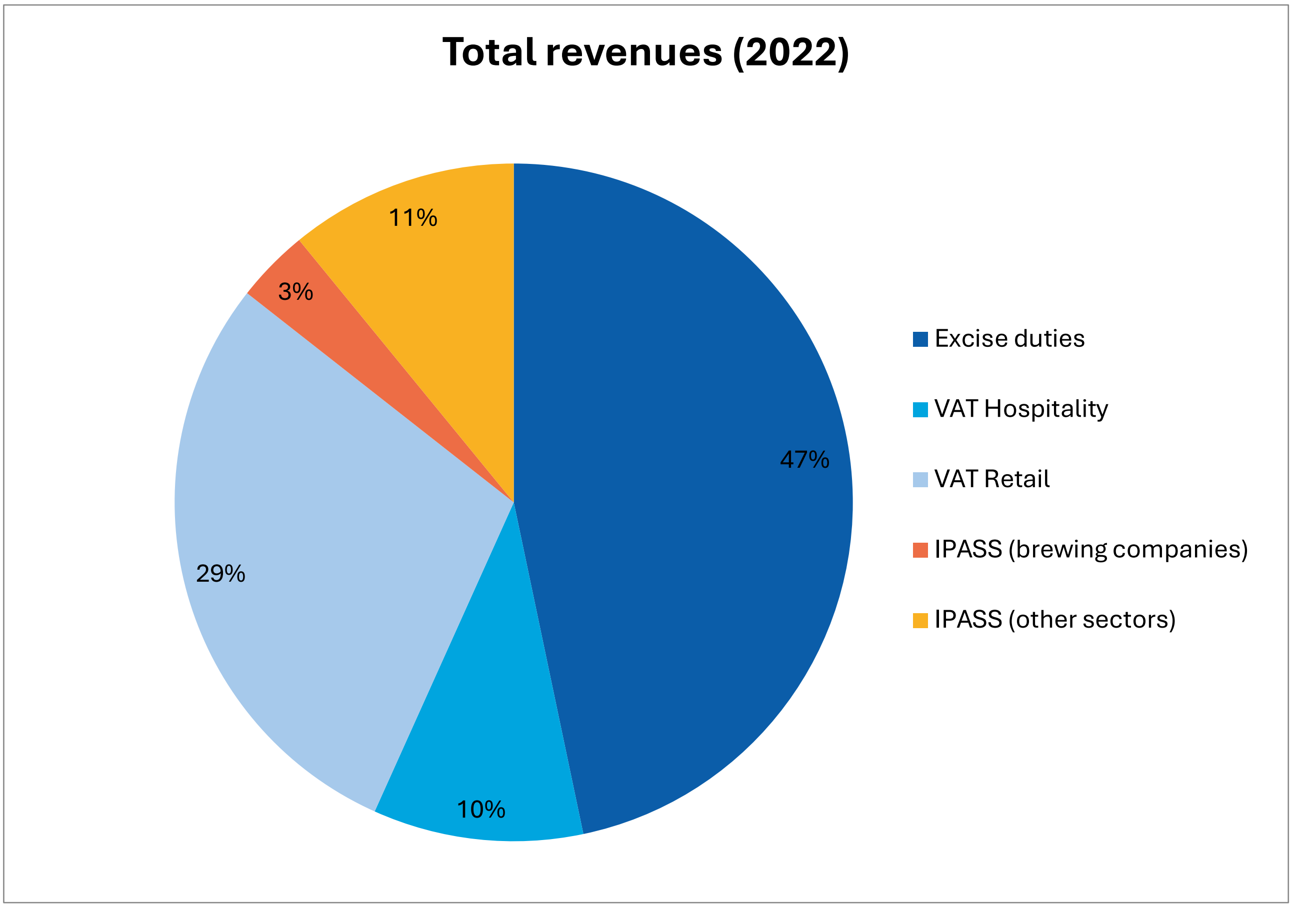




*Source: Calculations based on data from Eurostat, National Associations, and the Individual Brewers Questionnaire.*

# 7 GOVERNMENT REVENUES RELATED TO BEER

Norway has one of the highest excise duty rates. Therefore, about 47 per cent of the government revenues are generated through excise duties. VAT revenues are also substantial.

FIGURE 5: GOVERNMENT REVENUES RELATED TO THE PRODUCTION AND SALE OF BEER IN 2022: (PER CENT)




*Note: IPASS - Income, payroll tax and social security*

*Source: Calculations based on data from Eurostat, and the National Associations.*

The beer sector contributes more than one billion Euros to government revenues. Its contribution has increased by approximately seven per cent since 2016. The figure has remained broadly constant in recent years with a slight decrease in revenues from 2018 to 2020 (two per cent) which has since increased by around four per cent.

#### TABLE 5. GOVERNMENT REVENUES, €M (2016-2022)

| | 2016 | 2018 | 2020 | 2022 |
|---|---|---|---|---|
| Excise duties | 599 | 647 | 647 | 647 |
| VAT Hospitality | 182 | 197 | 126 | 139 |
| VAT Retail | 276 | 298 | 362 | 400 |
| IPASS (brewing companies) | 55 | 53 | 45 | 48 |
| IPASS (other sectors) | 175 | 182 | 144 | 151 |
| Total government revenues | **1,287** | **1,352** | **1,324** | **1,386** |

*Note: IPASS - Income, payroll tax and social security*

*Source: Calculations - different sources.*