

# The Contribution made by Beer to the European Economy

 Luxembourg - January 2016



# LUXEMBOURG

## 1. COUNTRY PROFILE

	2014
Population	549,692
Currency	Euro
GDP per capita in PPS (2012, EU28 = 100)	263

Source: Eurostat and National Statistical offices.

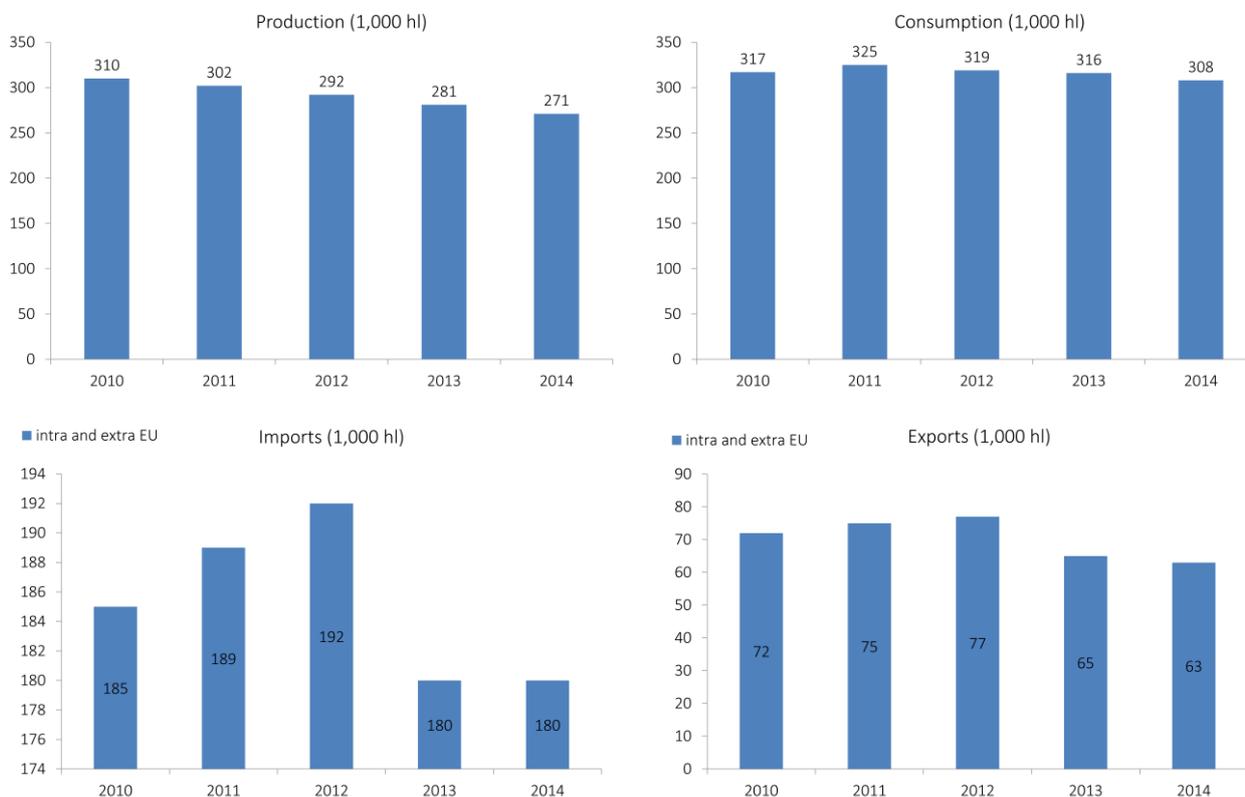
## 2. HIGHLIGHTS LUXEMBOURG

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

	2013	2014	% Change
Total number of jobs	1,882	1,802	-4.2 %
Value-added (million Euro)	81	77	-4.1 %
Government revenues (million Euro)	43	42	-3.2 %

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 Luxembourg brewing sector (2013-2014)

	2013	2014
Total production (in hectolitres)	281,000	271,000
Brewing companies	6	7
Breweries (including microbreweries)	7	7
Microbreweries	2	3

Source: National Associations.

Production fell somewhat from 2013 to 2014. The number of brewing companies and microbreweries have increased, but the overall number of breweries has remained constant.

### 4. BEER MARKET

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

	2013	2014
Total consumption in hectolitres	316,000	308,000
Total consumer spending (in million Euro)	161	156
Consumption of beer per capita (in litres)	83.0	83.0
Beer consumption on-trade (hospitality)	52%	51%
Beer consumption off-trade (retail)	48%	49%
Average consumer price in on-trade (1 litre, including taxes) (in Euro)	7.5	7.5
Average consumer price in off-trade (1 litre, including taxes) (in Euro)	2.5	2.5

Source: National Associations.

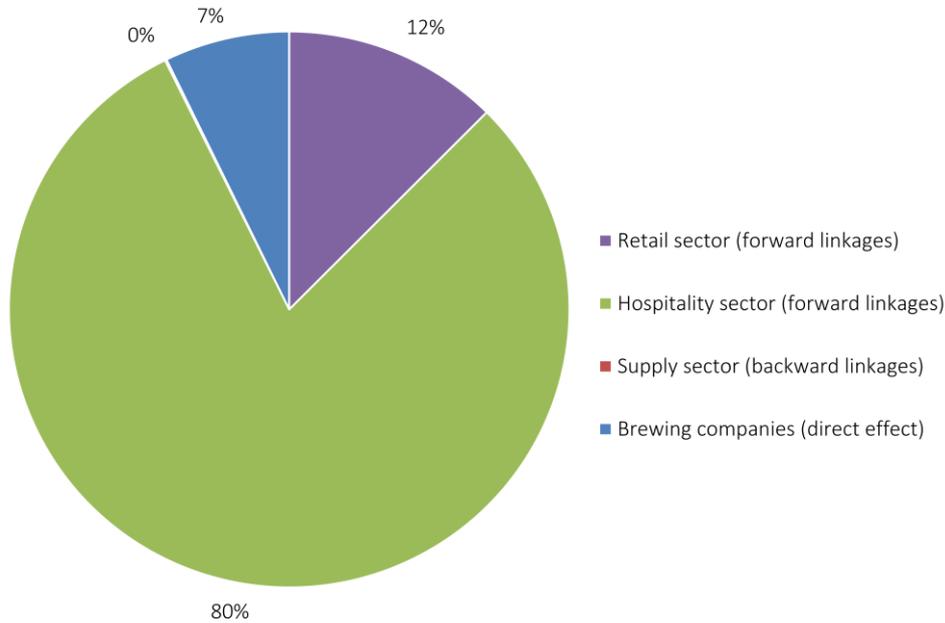
Consumption fell from 2013 to 2014 and prices were stable, meaning a fall in consumer spending. The on-trade share fell slightly, to 51 per cent of the overall market.

### 5. TRENDS AND DEVELOPMENTS

There has been a steady shift from consumption in the on-trade to consumption in the off-trade and a decline in overall beer consumption in line with wider European trends. There has also been an increase in the diversity of the beers on offer, including an increase in consumption of craft beers offered by small Belgian and Luxembourg producers.

## 6. EMPLOYMENT GENERATED BY THE BEER SECTOR

Figure 2: Total employment because of beer in 2014: 1,802 jobs



Source: Calculations - different sources.

The total beer-related contribution to employment remains at 1,800 workers. As in the rest of Europe, most are employed in the hospitality sector (80 per cent). The numbers employed in the retail and hospitality sectors fell. Employment remained constant in the brewing companies (and, apart from one job in the utilities sector, there is no employment in the supply sectors, with supplies imported).

Figure 3: Change in employment (2013-2014): -4.2 %

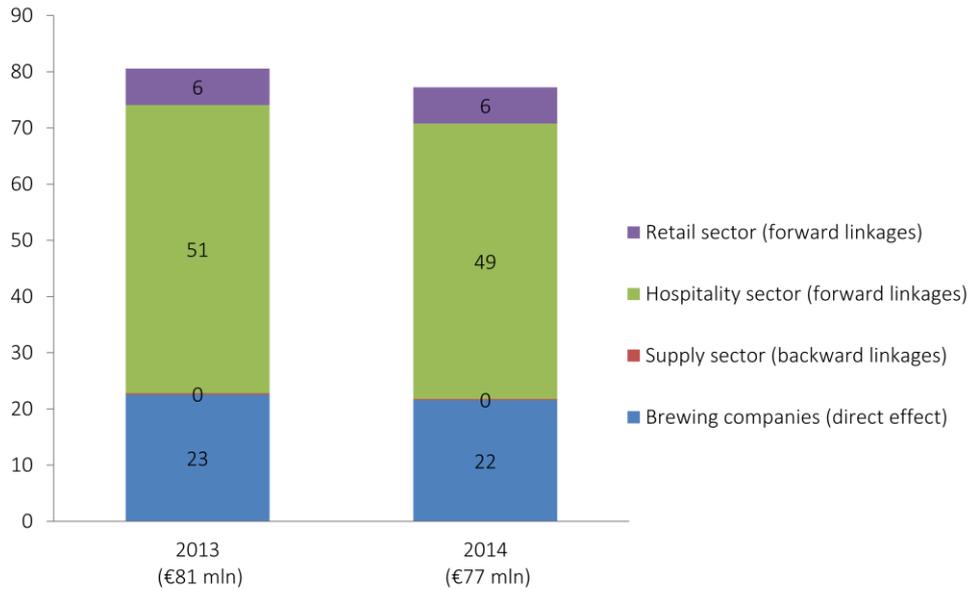


Source: Calculations - different sources.

## 7. VALUE ADDED GENERATED BY THE BEER SECTOR

The beer-related contribution to value added declined by around 4 per cent from 2013 to 2014. The sectoral pattern is similar to that in the contribution to employment.

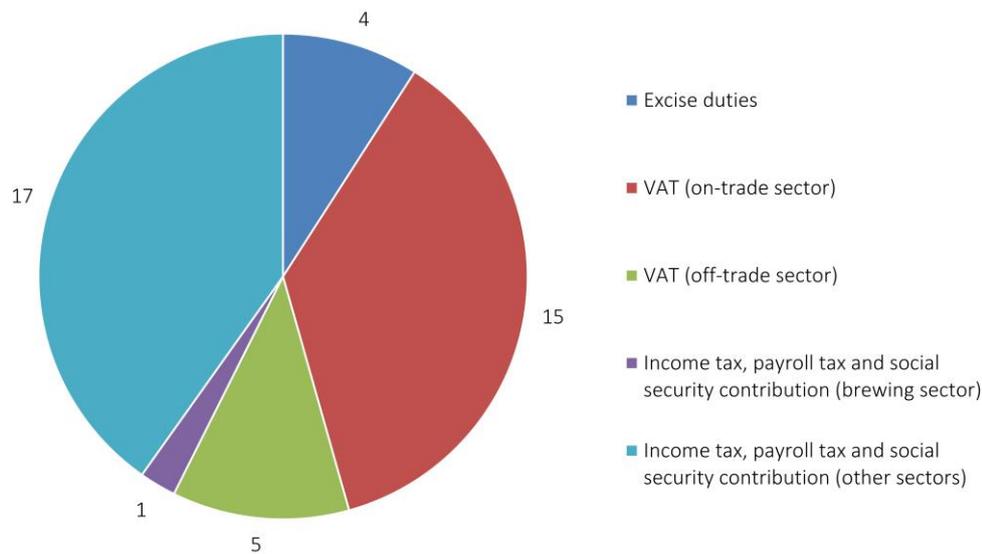
Figure 5: Change in value added (2013-2014): -4.1 %



Source: Calculations - different sources.

## 8. GOVERNMENT REVENUES RELATED TO BEER

Figure 6: Government revenues generated by beer in 2014: 42 million Euro



Source: Calculations - different sources.

Table 4: Government revenues (2013-2014)

	2013	2014	% Change
Excise duties (million Euro)	4	4	1.3 %
VAT (on-trade) (million Euro)	16	15	-4.4 %
VAT (off-trade) (million Euro)	5	5	-0.5 %
Income tax, payroll tax and social security revenues (brewing companies) (million Euro)	1	1	-4.4 %
Income tax, payroll tax and social security revenues (other sectors) (million Euro)	18	17	-3.7 %
Total government revenues (million Euro)	43	42	-3.2 %

Source: Calculations - different sources.

The total beer-related contribution to government revenues was around €42 million. The largest shares in government total revenues are represented by income tax, payroll tax and social security contributions in the retail and hospitality sectors. Changes from 2013 to 2014 were modest, but revenues fell around 3 per cent overall.

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