THE BREWERS OF EUROPE PRESS STATEMENT

Europe's brewers welcome President Barroso's 2011 State of the Union address

Brussels, 28 September 2011: The European brewing sector welcomes today's 'State of the Union Address 2011' by European Commission President José Manuel Barroso to the European Parliament in Strasbourg. As Europe's brewers provide more than 2 million jobs across Europe and government revenues of over €50 billion, we are deeply encouraged that President Barroso today re-affirmed the need to implement and accelerate the roll-out of the Europe 2020 strategy for smart, sustainable and inclusive growth.

Our sector is emerging from a difficult period. A <u>September 2011 report</u> shows that the economic crisis, in particular coupled with significant tax increases on beer, caused beer consumption to fall 8 percent from 2008 to 2010, with beer sales in the hospitality sector being particularly badly hit. This has led to 260,000 European job losses and a dramatic fall of 6% in government tax revenues from beer, in spite of excise duty increases on beer across a number of countries.

The downward trends did however slow in 2010, aided by innovation and entrepreneurship, which can also be seen in the large growth in the number of, particularly smaller, breweries operating in Europe. This growth is a significant boost for the SME economy and communities across Europe. With supportive government policies in terms of regulation and taxation and the continued implementation of the Commission's 'Smart Regulation' agenda, our sector can help to drive the job creation, growth and re-establish the trust that President Barroso spoke of today.

Europe's brewers continue to pursue <u>smart growth</u> through innovation in the sector and will foster <u>inclusive growth</u> by boosting employment as the sector recovers from the economic crisis, including in vulnerable rural areas and communities which depend on the local brewery as the primary employer. We are also responding to a growing trend towards <u>sustainable</u> consumption and production by reducing water and energy usage through the sector and look forward to reporting to policymakers on the situation in 2012.

The contribution of Europe's brewers is clearly not limited to economic performance. Europe's brewers support a broad range of activities in communities across the EU, spending almost €1 billion supporting activities such as major and grassroots events, culture and arts, charity, conservation and environment, shows and exhibitions, and city and community events. This contribution was documented for the first time in a May 2011 report.

Europe's brewers will continue to support President Barroso and his Commission in the ambitious drive for smart, sustainable and inclusive growth. Our sector has demonstrated its commitment to the Europe 2020 plan and we will continue to do so over the coming months and years.

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