Drinks Ireland
Beer

Irish Beer Market Report 2022

drinksireland.ie/beer

Introduction

Drinks Ireland's annual beer market report reflects the recovery and growth of the Irish beer sector in 2022. In particular, there was a significant recovery in domestic beer production, which doubled last year. This is welcome news for the industry following a challenging few years of the Covid pandemic which saw hospitality venues close.

In 2023, official Revenue data shows that beer sales increased by 18.5% which helped to offset the impact of an increasingly challenging input cost environment. However, while sales increased in 2022, per capita consumption of beer has declined by 7.8% since 2019. This is in line with the long-term trend of alcohol consumption declining in Ireland, down by around 30% in the past 20 years.

Beer remains Ireland's favourite drink, and its share of the drinks market increased from 40.2% in 2021 to 43.5% in 2022. In particular, beer sales in Ireland's pubs, restaurants, and hotels grew substantially to cover 63.5% of all sales in 2022. This contrasts to the previous year's figures which showed a more balanced picture between the on-trade, 46.4%, and off-trade market, 53.6%, due to the continued impact of Covid lockdowns.

Our domestic beer production saw a significant recovery in 2022 as it increased by 110% on 2021 following year on year declines in 2020 and 2021. This revival also demonstrates the recovery in international demand as their hospitality sectors bounced back following lockdowns and restrictions. Overall beer exports amounted to €280 million in 2022, representing a 14% increase on the previous year. However, beer exports were still 7% below 2019 pre-pandemic levels. The most important destination for Irish beer continues to be the United Kingdom followed by the United States. The beer sector also continues to provide a valuable economic impact in its spend with its supplier base from raw materials to professional service providers.

Lager remains the dominant beer category in the Irish market despite a decrease of 3.9% to 58.8% of the market. In 2022, stout saw its market share increase by 7.8% to 34.7%. In contrast, Ale's market share dropped to 4.8% from 5.1% in 2021. The phenomenal growth seen in the emerging non-alcohol beer category continued in 2022. Non-alcohol (0.0%) beer share grew this year to 1.7%. 0.0 beers have seen a fourfold increase in market share over the last five years. The demand in this category can be linked to the trend of balanced drinking and should be welcomed as it is all about giving consumers choice and further driving the positive trends we are seeing in the market. Drinks Ireland has been involved in extensive media engagements to highlight the growth of this category, promoting this positive development.

In the past decade, the exchequer has received almost €4 billion in excise receipts from the brewing sector. Irish beer drinkers continue to pay the second highest rate of excise on beer in the EU with 55 cents of excise going to the exchequer on every pint of lager. When excise and VAT are combined, €1.67 of every pint goes to the exchequer. Drinks Ireland | Beer urges the government to reduce the rate of excise in this year's budget by 7.5%. Arising from the introduction of a minimum unit price on alcohol products, coupled with cost-of-living increases, an excise reduction would benefit hard pressed consumers. An excise reduction would also enable more investment and innovation within the sector following the ongoing issue of spiralling business costs.

With many of the world's favourite beers brewed here in Ireland, as well as a vibrant craft brewing industry, the drinks industry is driving towards a net zero emissions future in the years ahead. Key players are investing heavily in carbon efficient production processes, embracing greener transport, circular packaging solutions and funding regenerative agricultural practices amongst Ireland's important grain growers. The sector is in need of Government support in these areas, especially access to greener energy solutions.

As mentioned, the beer market still faces challenges in the wider trading and business environment despite the remarkable recovery and growth of the sector. As an energy dependent sector, beer companies experienced higher input costs in 2022. The availability and cost of aluminium cans and glass, the cost of logistics and input price inflation added to the challenges facing the sector. However, the reopening of the on-trade has particularly benefited the beer industry.

Cormac Healy
Director of Drinks Ireland

Irish beer drinkers continue to pay the second highest rate of excise on beer in the EU. When combined, excise and VAT result in €1.67 of every pint going to the exchequer.

Headlines

	2022	2021	Difference
Total production (1,000HL*)	8,083	3,828	+111.2%

Source: Drinks Ireland | Beer Members

	2022	2021	Difference
Total employment	935	923	+1.3%

Source: Drinks Ireland | Beer Members

	2022	2021	Difference
Total consumption (1,000HL*)	4,260	3,596	+18.5%

Source: Revenue Commissioners

	2022	2021	Difference
Per capita consumption	71.2	61.7	+15.4%

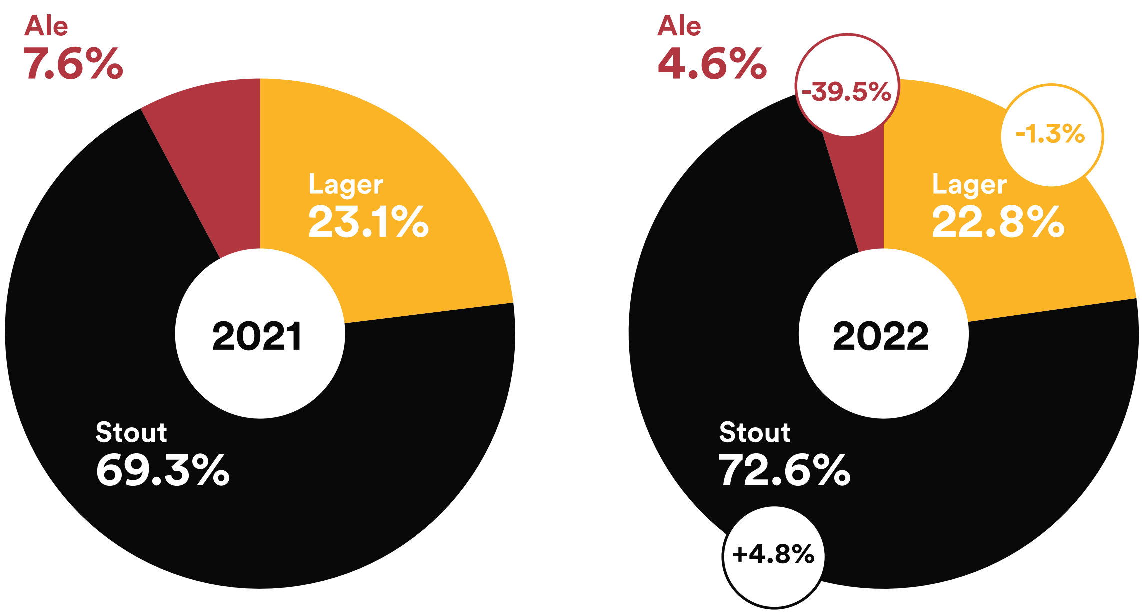
Source: Calculation based on consumption but as 5% ABV (pan-European benchmark) and CSO population estimated figure of 2022 Census of 5,100,200.

	2022	2021	Difference
Export value	€280m	€246m	+13.8%

* HL: hectolitres (100 litres)

Source: Eurostat

Variant share of production in 2022



Source: Drinks Ireland | Beer Members

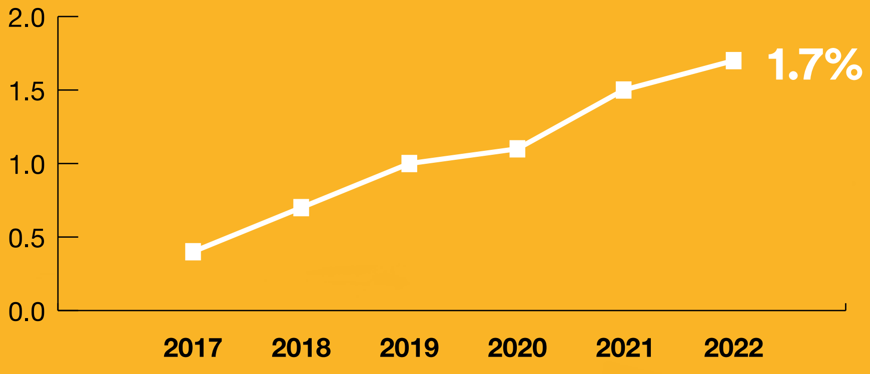
0.0% alcohol beer sales

The growth of 0.0% beer is a promising trend, offering consumers a choice that supports moderation. While the category is emerging from a low base here, we see from markets like Spain and Germany that no and low drinks have a market share of over 10%. Based on data from Drinks Ireland | Beer members over the last five years, the market share for 0.0% beers has grown by 325% and last year alone, volume sales increase by 25%. Therefore, brewers should be allowed to market and promote these products under the strict codes already in places, and not be targeted with unnecessary additional regulation on products that can actually support the Government and industry objective of reducing alcohol misuse.

25% increase in 0.0% beer sales in 2022

Market share of non-alcohol beer

Market share grew by 325% during this time, from 2017 to 2022.



Source: Drinks Ireland | Beer Members

Four-fold increase in 0.0% beer market share

Sales channel

	2022	2021
On-Trade	63.5%	46.4%
Off-Trade	36.5%	53.6%

Source: Drinks Ireland | Beer Members

Variant share of sales

	2022	2021	Difference
Lager	58.8%	61.2%	-3.9%
Stout	34.7%	32.2%	+7.8%
Ale	4.8%	5.1%	-5.9%
Non-alcohol	1.7%	1.5%	+13.3%

Source: Drinks Ireland | Beer Members

Variant share on/off trade

Variant	2022 on-trade	2022 off-trade
Lager	40.1%	59.9%
Stout	65.7%	34.2%
Ale	59.1%	40.9%
Non-alcohol	20.0%	80.0%

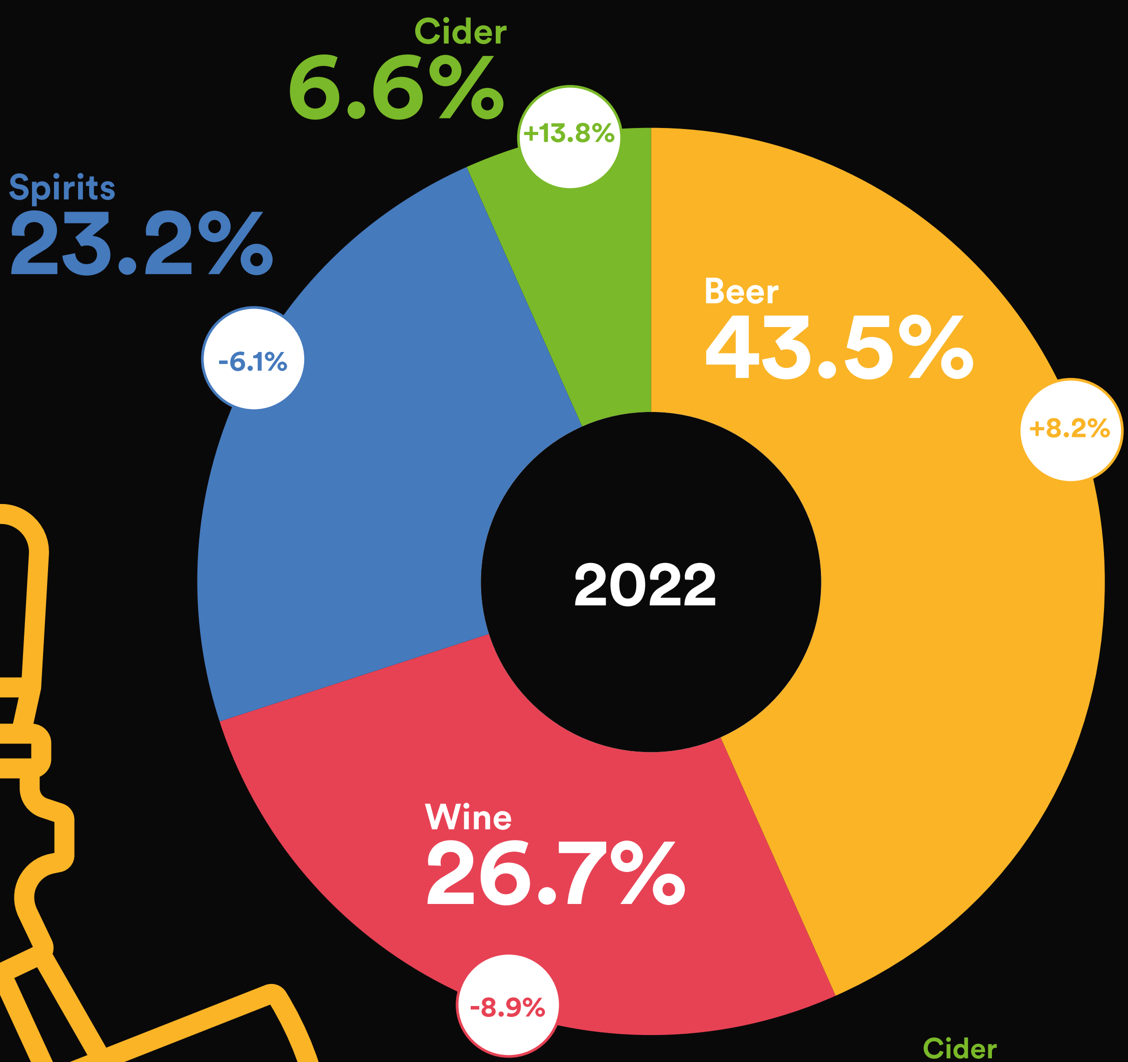
Source: Drinks Ireland | Beer Members

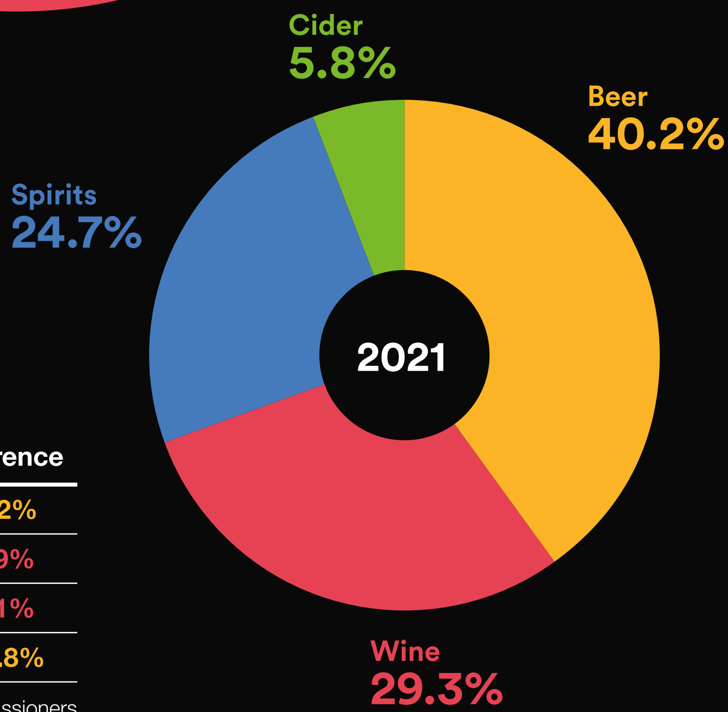
Variant	2021 on-trade	2021 off-trade
Lager	37.9%	62.1%
Stout	38.6%	61.2%
Ale	64.0%	36.0%
Non-alcohol	14.9%	85.1%

Source: Drinks Ireland | Beer Members

With a constant focus on sustainability, key players are investing in carbon efficient production processes, greener transport, circular packaging solutions and funding regenerative agricultural practices.

Alcohol consumption by category mix





	2022	2021	Difference
Beer	43.5%	40.2%	+8.2%
Wine	26.7%	29.3%	-8.9%
Spirits	23.2%	24.7%	-6.1%
Cider	6.6%	5.8%	+13.8%

Source: Revenue Commissioners

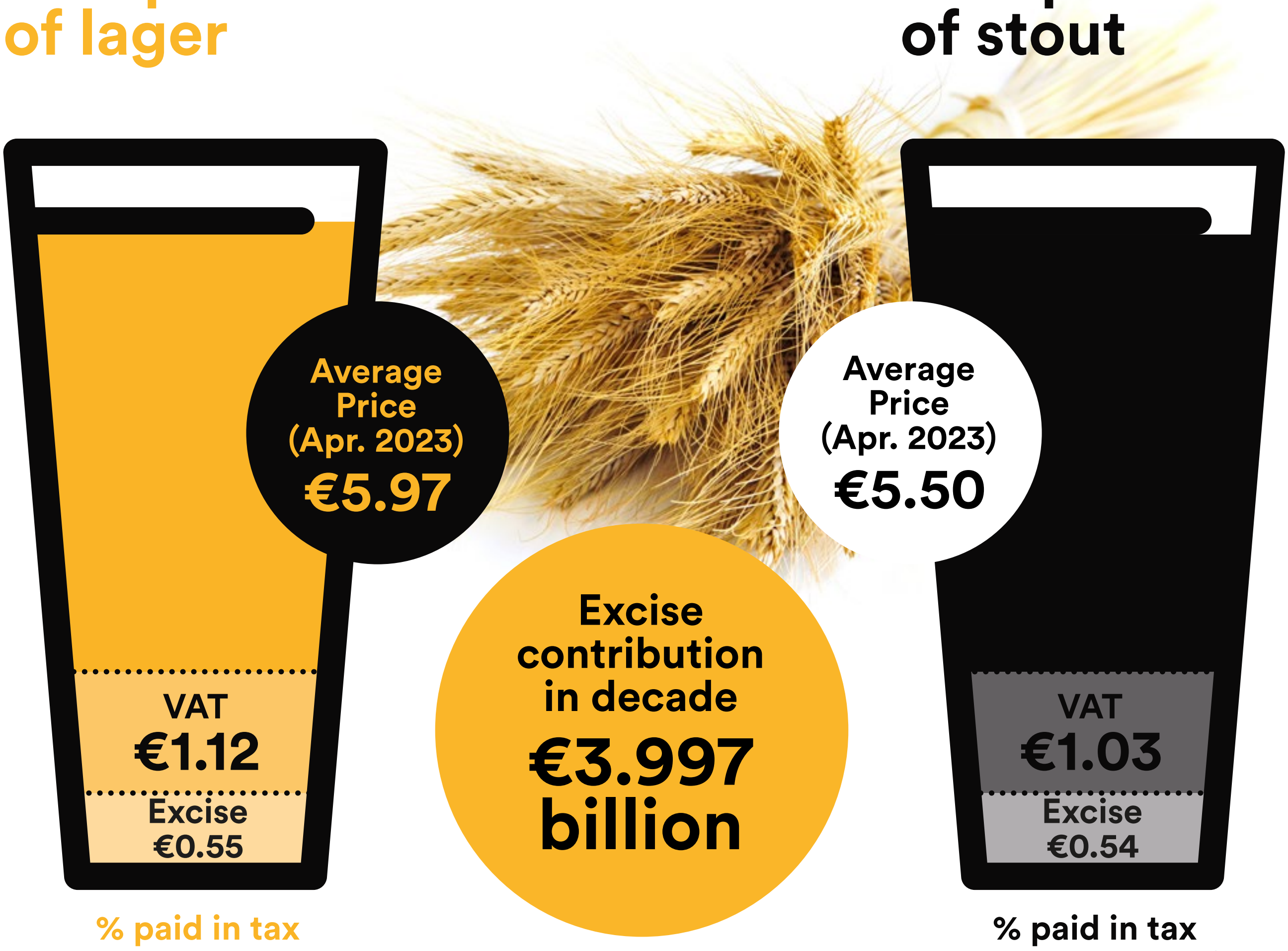
Excise receipts (€ million)

Year	Beer	Wine	Spirits	Cider	Total	Beer as %
2013	€358	€302	€290	€52	€1,002	36%
2014	€425	€355	€302	€59	€1,141	37%
2015	€417	€355	€311	€54	€1,137	37%
2016	€430	€380	€338	€59	€1,207	36%
2017	€424	€382	€353	€61	€1,220	35%
2018	€430	€376	€372	€61	€1,239	35%
2019	€421	€378	€373	€60	€1,233	34%
2020	€351	€425	€374	€53	€1,203	29%
2021	€351	€385	€389	€51	€1,176	30%
2022	**€390**	**€375**	**€411**	**€52**	**€1,228**	**32%**

Source: Revenue Commissioners

Excise duty on a pint of lager

Excise duty on a pint of stout



% paid in tax
28.0%

% paid in tax
28.5%

Source: CSO

EU (incl. UK) Beer Excise Rates in 2022

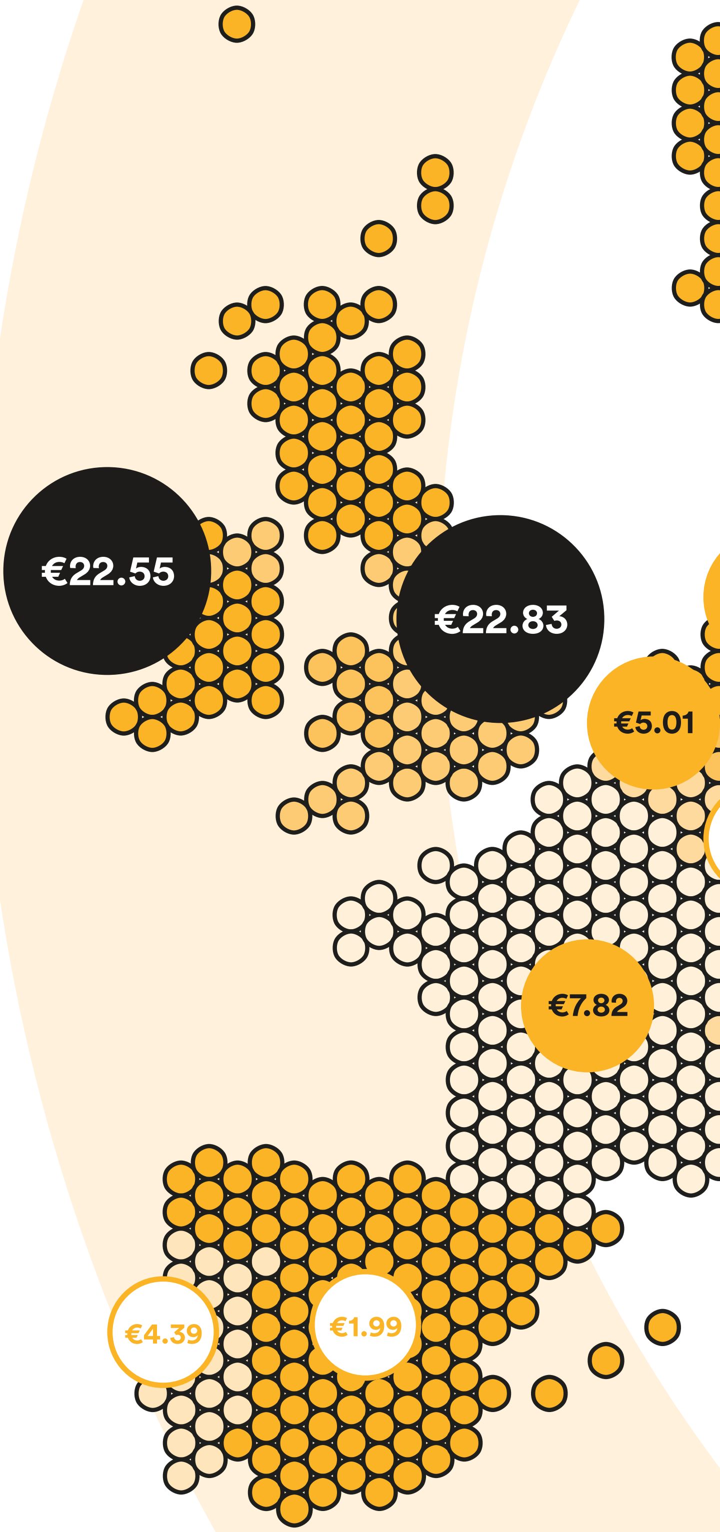
Rank	Country	Euro per HL
1	Finland	€38.06
2	United Kingdom	€22.83
3	Ireland	€22.55
4	Sweden	€18.18
5	Estonia	€12.70
6	Greece	€12.50
7	Slovenia	€12.10
8	Lithuania	€8.60
9	Latvia	€8.20
10	France	€7.82
11	Netherlands	€7.59
12	Italy	€7.55
13	Denmark	€6.55
14	Cyprus	€6.00
15	Poland	€5.54
16	Croatia	€5.31
17	Belgium	€5.01
18	Austria	€5.00
19	Malta	€4.83
20	Hungary	€4.84
21	Portugal	€4.39
22	Slovakia	€3.59
23	Czech Republic	€3.38
24	Romania	€2.12
25	Spain	€1.99
26	Luxembourg	€1.99
27	Germany	€1.97
28	Bulgaria	€1.92

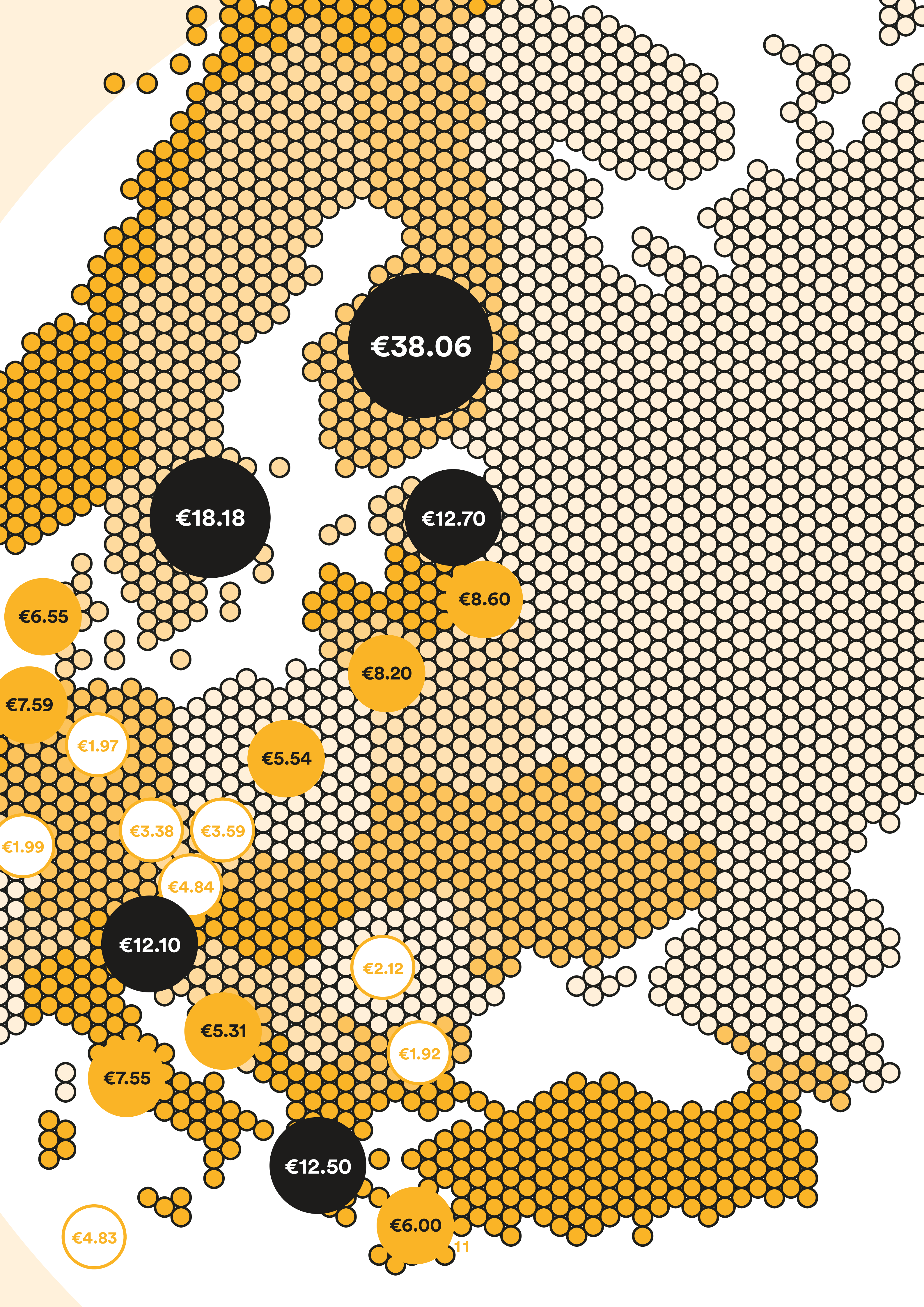
Rates in 2022
Source: European Commission

Export destinations

Rank	Country	€
1	United Kingdom	**€124m**
2	USA	**€61m**
3	France	**€24m**
4	Germany	**€14m**
5	Belgium	**€11m**

Source: Eurostat




€38.06
€18.18
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€8.20
€7.59
€1.97
€5.54
€3.38
€3.59
€1.99
€4.84
€12.10
€2.12
€5.31
€1.92
€7.55
€12.50
€6.00
€4.83

Drinks Ireland Beer

Established in 1904, **Drinks Ireland | Beer** is the representative voice for the brewing industry in Ireland. Today over 90% of all beer sold in Ireland is manufactured or distributed by members of the association. The success of the Irish brewing industry is demonstrated by the fact that premium Irish beers are now enjoyed the world over. The role of Drinks Ireland | Beer is to promote the beer category and highlight its huge contribution to Ireland economically, culturally and socially.

Drinks Ireland | Beer is a part of Drinks Ireland.

Drinks Ireland Ibec

Drinks Ireland is the **Ibec** sector that represents the interests of alcohol drinks manufacturers and suppliers on the island of Ireland. Drinks Ireland is globally unique as it represents all categories of alcohol products in one umbrella organisation through its various trade associations.

- Drinks Ireland | Beer
- Drinks Ireland | Cider
- Drinks Ireland | Spirits
- Drinks Ireland | Wine
- Irish Whiskey Association

Drinks Ireland aims to ensure that the business environment on the island of Ireland is conducive to drinks enterprise. Through our activity we aim to ensure that the industry is recognised for the positive contribution it makes to the economic and cultural landscape.

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