

# Beer serves Europe.

Let's treat  
it fairly.



Europe's brewers call for a **sustainable tax regime** that recognises beer's positive impact throughout the value chain, from grain to glass.

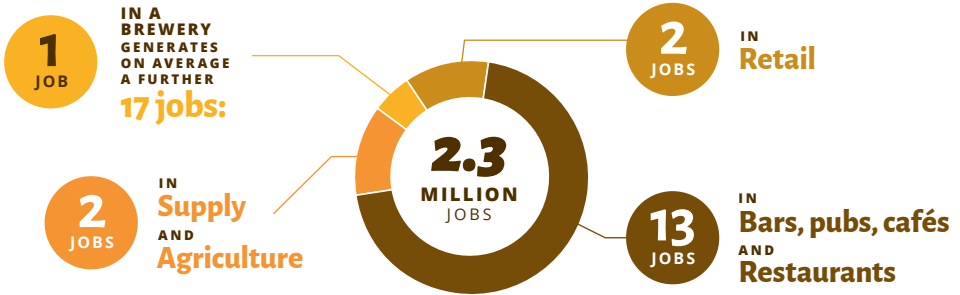


The Brewers of Europe

# 2.3 Million jobs

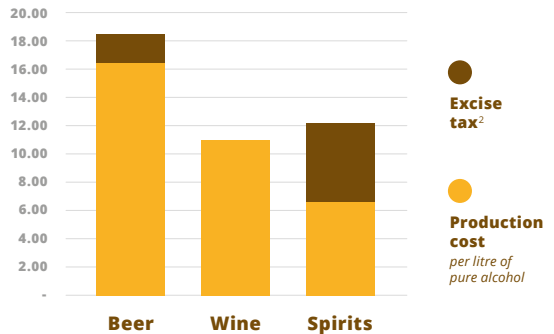


With thousands of years of prestige and a bubbly future in innovation and diversity, beer is a vital European business.



## We put more into beer

Beer is by far the most costly alcoholic beverage to produce, distribute and sell. Looked at in terms of pure alcohol, beer costs **2.5 times more** to produce than spirits and **1.5 times more** than wine, while distributing and retailing beer can be up to **3 times more expensive** than wine and **8 times more** than spirits.<sup>1</sup>

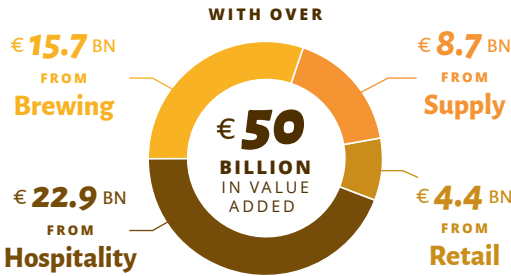


When excise tax is added to the cost per litre of pure alcohol, beer remains by far the most costly to produce.

<sup>1</sup> Cost comparability study by Europe Economics, February 2017

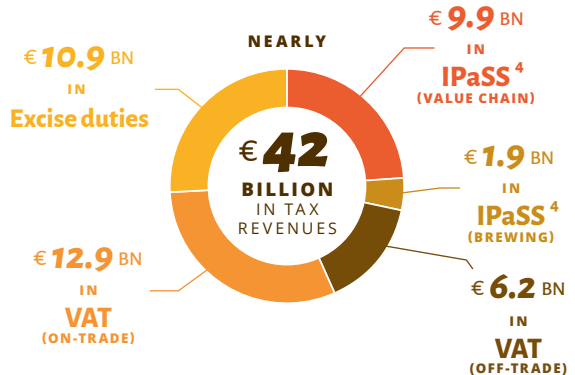
<sup>2</sup> Minimum excise duty as set by EU Council Directive 92/84/EEC.

# Beer puts more into Europe



Beer is one of Europe's fastest growing agri-food exports, annual value up over 15% in two years, growing at more than twice the rate of EU agri-foods in general. Brewers also make a vital contribution to their local communities. Small and medium-sized brewers are major customers for farmers and suppliers in brewing regions, with the beer sector spending nearly **€20 billion a year** on goods and services.<sup>2</sup> Brewers also spend over **€1 billion annually** on supporting grass roots sporting events, culture, arts and community events.

Meanwhile, governments across the EU raise nearly **€42 billion in tax revenues generated by beer.**<sup>3</sup>



## Don't let tax take it out

In fact, lower rates often mean higher revenues: the government take from beer went down in nearly half the EU countries where excise duties were put up in 2008-2012<sup>5</sup>. High rates in Nordic countries generate excessive levels of cross-border shopping for beer, adding up to a billion-euro tax loss. Similarly, the large 2013 increase in rates in Romania led to a sharp decline in beer consumption in 2014, translating not only into a loss of over 10% of jobs and value-added, but also a decrease of over 8% in government revenues<sup>3</sup>.

<sup>3</sup> The Contribution made by Beer to the European Economy - Europe Economics, January 2016.

<sup>4</sup> iPaSS denotes income, payroll and social security contributions.

<sup>5</sup> 2014 Regiplan Policy and EY report: Economic Effects of High Excise Duties on Beer.

## **Simple can mean simplistic**

The deceptively simple solution of taxing all alcoholic beverages on the percentage of alcohol by volume (ABV) overlooks the varying structures of the different drinks sectors, **the integral role played by beer in Europe's economy** and the fact that **beer is so much more than alcohol**.

Maintaining a tax differential between beer and higher strength drinks **can help avoid distorting competition**. Favouring higher strength beverages would **reduce demand for beer, hitting local jobs and tax revenues**, whilst undermining efforts to nudge consumers towards lower alcohol beverages.

## **Keeping excise down will keep the bars open**

Beer is Europe's most popular alcoholic beverage, bringing people together in cafés, bars and pubs. Given the fragile economic recovery and the importance of the hospitality sector as a driver of growth and jobs, particularly amongst young people, **policy makers need to ensure that beer tax regimes are supporting the value chain**, not hindering it.

**#BeerServesEurope**  
[beerserveurope.eu](http://beerserveurope.eu)



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