



The Contribution made by Beer to the Czech Republic Economy

Country report
Edition 2009



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Ernst & Young Tax Advisors and Regioplan Policy Research

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About the study

Second edition

This country report has been compiled by Ernst & Young, Regioplan Policy Research and the national brewers' association. It is also published as a separate chapter in the European report named 'The Contribution made by Beer to the European Economy'.

Methodology

The study focuses on the economic impact of the brewing sector in 27 European Union Member States plus four other countries (Croatia, Norway, Switzerland and Turkey). The methodology used for estimating this economic impact is described in Annexes I to III. Annex VI reports on the differences between the 2006 study and this current one.

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About Regioplan Policy Research

Since 1983 Regioplan Policy Research has been active in the Netherlands as a policy research agency specialising in social and economic research in a wide field of expertise. Regioplan offers a number of services, such as research studies, monitoring and evaluation, policy advice, product development and secondment for most knowledge areas within policy research. In addition to assignments for Dutch organisations, Regioplan Policy Research is also very active in the international market for policy research. One of Regioplan's large international clients is the European Commission and its various Directorates General. Regioplan was a subsidiary of Ernst & Young until 1 July 2008. For more information and for new requests for proposals please consult our international webpage at <http://www.regioplan.nl/pagina/english>

About The Brewers of Europe

For European institutions and international organisations, The Brewers of Europe, founded in 1958 and based in Brussels, is the voice of the European brewing sector. It has 27 members, comprising 24 national brewers' associations from EU Member States plus Norway, Switzerland and Turkey. For more information: www.brewersofeurope.org.



1 Czech Republic: Economic Impact of beer

1.1 Highlights of the economic impact

Total production (in hectolitres)	19,810,000
Total exports (in hectolitres)	3,710,000
Total imports (in hectolitres)	140,000
Total consumption (in hectolitres)	16,240,000
Number of brewing companies (including micro brewing companies)	90*
Number of breweries (including microbreweries)	128

Source: Czech Beer and Malt Association (2009); *Eurostat (2006)

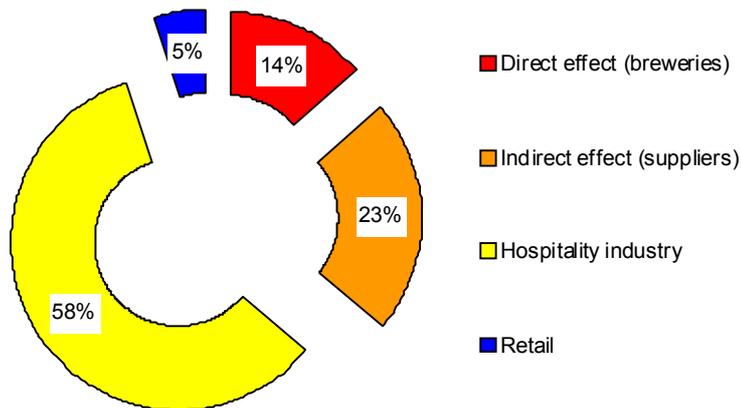
The most important characteristics of the Czech beer market are:

- ▶ Czech brewers produced 19.8 million hectolitres of beer in 2008. There are 48 breweries in the Czech Republic and approximately 80 microbreweries.
- ▶ The direct employment in the Czech breweries is 7,400 jobs.
- ▶ Further jobs are created in the supplying sectors due to purchases by the Czech brewers (12,300 jobs).
- ▶ In the hospitality sector approximately 32,000 jobs can be attributed to the brewing sector while in retail around 2,800 employees have jobs related to beer sales.
- ▶ The total employment effect thus consists of 54,500 jobs related to beer production and sales.
- ▶ The Czech government also benefits from beer production and sales, receiving approximately 676 million euros in revenues. These revenues consist of 133 million euros excise, 235 million euros VAT and the 54,500 beer related jobs generate 308 million euros of income-related contributions and taxes.



The employment impact of the brewing sector is presented below:

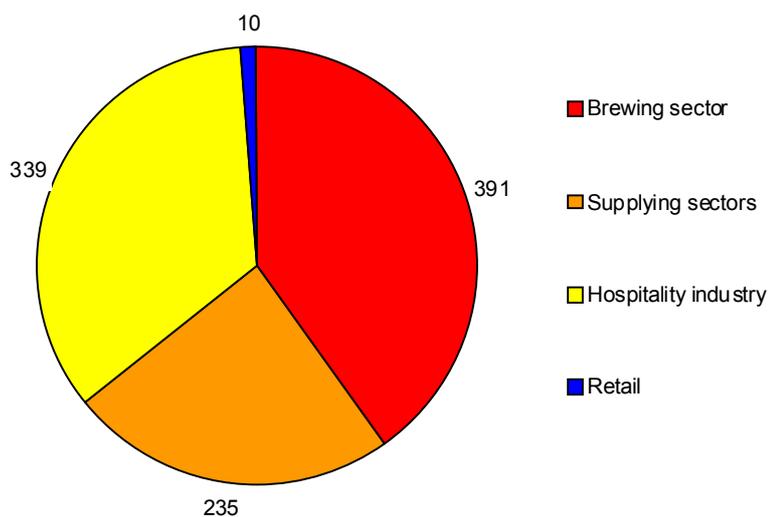
Total employment because of beer: 54,500 jobs



Source: Ernst & Young calculation (2009) (see Annex III for an explanation of the methodology)

The contribution of the brewing sector to the Czech economy can also be expressed in terms of value-added. The total contribution to the Czech economy in terms of value-added due to beer production and sales is estimated at 980 million euros. The brewing sector itself is responsible for around 40% of this value-added.

**Value added due to the production and sale of beer:
980 million euros**



Source: Ernst & Young calculation (2009)



1.2 Industry and market structure, trends and developments

The Czech Republic can be seen as 'the home of beer', especially where lager ('pilsen', beer brewed according to the Bohemian tradition) is concerned. The first record of beer brewing in the Czech territory dates back to the year 993. Today with an annual consumption of 16.240 million hectolitres the Czech beer market is one of the largest in Europe.¹ Beer consumption per capita (158 litres per year) is actually the highest in Europe.

Czech breweries produced 19.810 million hectolitres of beer in 2008, of which 3.710 million hectolitres were exported.² Czech beer is exported to more than 50 countries worldwide. Approximately 41% of exports go to Germany, 14% to Slovakia and 7% to the United Kingdom. With 0.140 million hectolitres the amount of imported beer on the Czech market is limited.

The fall of communism was an important moment for the Czech brewing sector. Since then many breweries have been privatised or bought by foreign brewing companies. The current market share of the market leader is 49%, followed by a brewery with a market share of 15% and five breweries with a market share of 5% each.

	1950	1960	1970	1980	1990	2000	2008
Number of breweries (excl. microbreweries)	176	129	104	79	71	57	48
Beer production in millions of hectolitres	9.245	11.418	16.276	17.475	19.198	17.924	19.810

Source: Czech Brewers Association (2009)

The economic impact of the brewing sector is influenced by the following trends, developments and characteristics of the Czech beer market and the brewing sector:

- ▶ The Czech brewing industry has a very diverse landscape, with large as well as medium and small (brewing pub) breweries.
- ▶ Most major multinational brewing companies own a brewery in the Czech Republic.
- ▶ The Czech Republic is one of the largest producers of malt (526 tons in 2008) and hops (5,631 tons).³
- ▶ Many Czech breweries have their own malting facilities.

Other developments which influence the economic impact of the brewing sector are:

- ▶ Beer consumption per capita has remained stable in recent decades. In 1970 annual consumption was approximately 152 litres while in 2006 Czech citizens drank 158 litres of beer (the highest in Europe).⁴
- ▶ Due to the high reputation of Czech beer, breweries have good opportunities for exporting (all large breweries and many medium ones currently export).

¹ Source: Czech Brewers Association, 2009.

² Source: Czech Brewers Association, 2009.

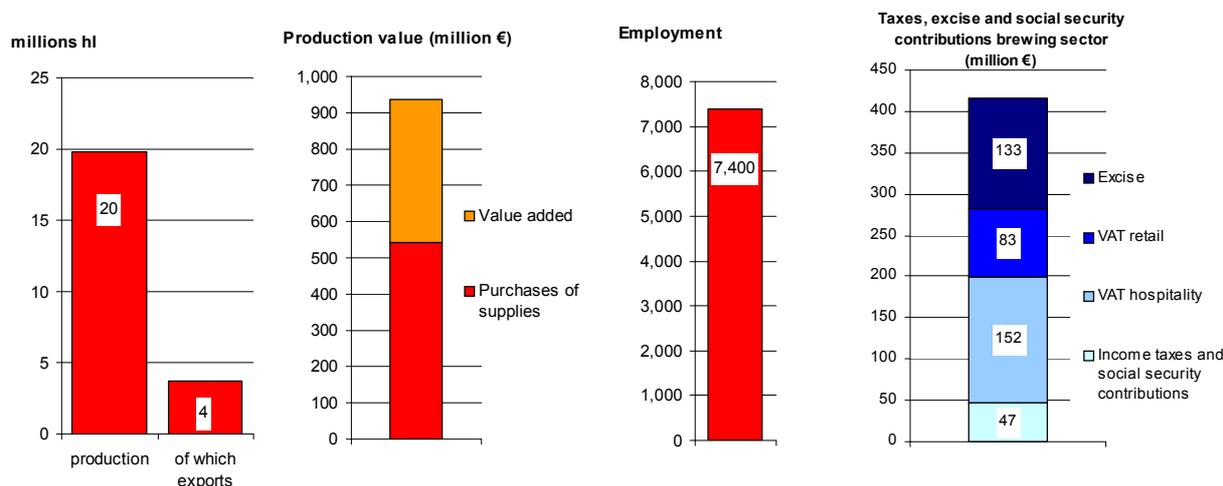
³ Source: Euromalt, 2008.

⁴ Source: Czech Brewers Association, 2009.



1.3 Direct effect of the brewing sector

The direct employment of the Czech brewing sector consists of 7,400 jobs. Czech breweries together realise a production value of approximately 934 million euros, of which 543 million is spent on supplies. The value-added of the Czech brewing sector is thus 391 million.



Source: Ernst & Young calculation (2009)

The government also benefits from the production and sale of beer. Excise and VAT revenues accounted for 133 million euros and 235 million euros respectively. Employees and employers in the brewing sector paid 47 million euros in income taxes, social security contributions and payroll taxes.

1.4 Economic impact of breweries on goods and services suppliers

The Czech breweries spend 543 million euros on purchasing goods and services, which means a substantial economic impulse in the supplying sectors. The largest proportion of supplies is purchased in agriculture, resulting in around 3,300 jobs in this sector (first round effect). The indirect employment in transport (1,400 jobs) and media and marketing (1,600 jobs) are also substantial. As this primary effect can be estimated at about 65% of the total impact, the total impact in these sectors will even be higher.

Sectors	Stimulus ⁵	Stimulus for the Czech Republic		Turnover per employee ⁶	Number of employees
	(mln. €)	%	(mln. €)	(in €)	
Agriculture	124	95	118	35,725	3,296
Utilities	46	100	46	360,400	128
Packaging industry	108	70	76	86,900	873
Equipment	29	98	28	86,900	322
Transport	92	100	92	66,100	1,388
Media, marketing	115	95	109	68,247	1,595
Services	29	95	28	68,247	410
Total	543		496		8,012
First-round impact as % of total impact					65
Total indirect effect of brewing sector (inclusive second-round impact)					12,327

Source: EY Questionnaire among breweries (2009); Eurostat (2006)

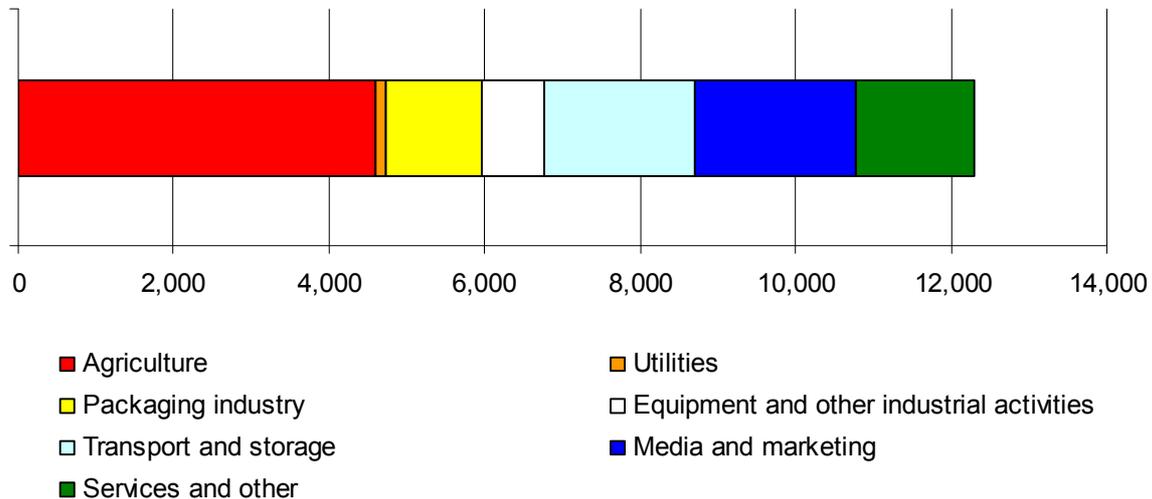
⁵ (Domestic) stimulus is calculated on the basis of the questionnaire survey and Eurostat data.

⁶ Turnover per employee is obtained from Eurostat.



The indirect employment effects are illustrated below:

Indirect employment



Source: Ernst & Young calculation (2009)

1.5 Retail and hospitality sectors

The most important economic effect of the brewing sector involves the benefits of the hospitality sector through beer.

Hospitality sector

Employment arising from beer sales in the hospitality sector is estimated at 31,963 jobs:

- ▶ Approximately 51% of beer consumption in the Czech Republic occurs in the hospitality sector.⁷
- ▶ This means 8.0 million hectolitres of beer is consumed in Czech pubs, restaurants and other hospitality facilities.
- ▶ With a consumer price of 1.15 euros per litre (incl. 19% VAT)⁸ this means consumers spent approximately 799 million euros (excl. VAT) on beer in pubs and restaurants.
- ▶ The average turnover per employee in the Czech hospitality industry is 25,000 euros a year.⁹
- ▶ The employment in Czech hospitality sector due to beer sales is 32,000 jobs.

Retail

The importance of the brewing sector for retail can be similarly assessed:

- ▶ Of the total Czech beer consumption, 49% is sold in supermarkets and other retail companies.
- ▶ With an average consumer price of 0.65 euros (incl. 19% VAT)¹⁰ per litre, this means consumer spending on beer in retail companies is estimated at 438 million euros (excl. VAT).
- ▶ Employees in the retail sector realise an annual turnover of 156,500 euros each.¹¹
- ▶ Total employment in the Czech retail sector through beer sales equals 2,800 employees.

⁷ Source: Czech Brewers Association, 2009.

⁸ Estimate by E & Y based on multiple sources.

⁹ Source: Eurostat, 2006.

¹⁰ Estimate by E & Y based on multiple sources.

¹¹ Source: Eurostat, 2006.

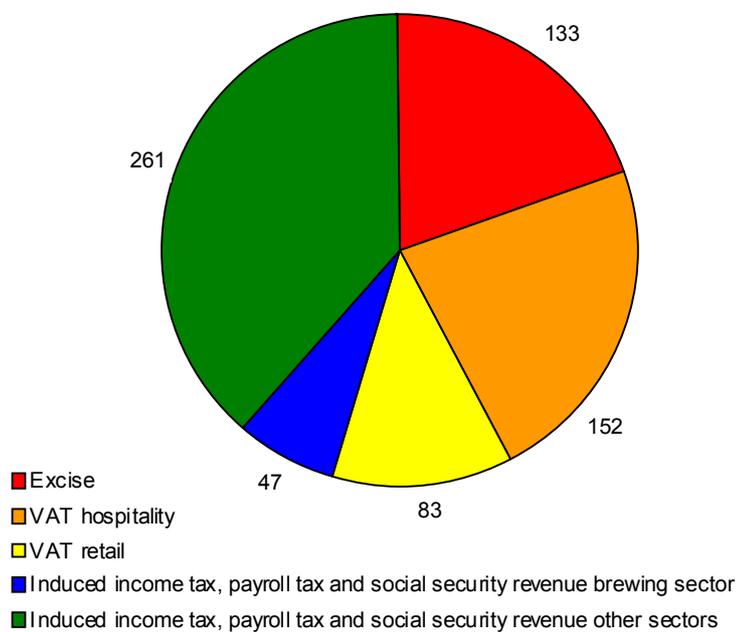


1.6 Government revenues

The revenues of excise, VAT and income-related contributions due to beer production and sales are estimated at 676 million euros:

- ▶ VAT revenues from sales in hospitality amount to 152 million euros, while the VAT revenue from sales in retail is 83 million euros. The total VAT revenue is thus 235 million euros.
- ▶ The total in excise revenues due to the brewing industry is 133 million euros.
- ▶ The 54,500 jobs related to beer production and sales generate 65 million euros in income tax, 63 million euros social security contributions paid by employees and 180 million euros social security taxes and payroll taxes paid by employers. The total income-related revenues due to beer production and sales is thus 308 million euros.

**Government revenues due to the production and sale of beer:
676 million euros**



Source: Ernst & Young calculation (2009)

Annex I: Methodology & scope

This study focuses on the economic impact of the brewing sector in **27 European union Member States plus 4 countries** (Croatia, Norway, Switzerland and Turkey). Although the brewing sector is international in scope and many brewing companies are organisations operating as multinationals, the analyses were carried out at country level. In this manner, the impact on individual national economies could be measured.

The base year for the analysis is **2008**. If data was not available for this year, data for 2007 and in some exceptional cases, data for 2006 was used.

Some of the reported outcomes are estimated on the basis of a **model** constructed by Ernst & Young. For this reason these outcomes are not a direct representation and are dependent on decisions made by Ernst & Young. These decisions are elucidated in Annex III.

To represent the economic impact of the brewing sector, three different effects can be distinguished:

- ▶ direct impact
- ▶ indirect impact
- ▶ induced impact

The **direct impact** is defined straightforwardly as the effect generated directly by the brewing sector.

The **indirect impact** represents the impact of breweries on their suppliers. To be able to produce beer, breweries need to purchase a highly diverse range of goods and services. To mention just a selection: barley malt, hops and water and many types of packaging materials such as glass and aluminium. Breweries also hire engineers, marketers, communications agencies and many more services. In this study, six supplying sectors are distinguished: agriculture, utilities, packaging industry, transport, media and marketing and other services.

The sale of beer by retail outlets and hospitality firms is an important source of economic benefits. The economic contribution of firms in the retail and hospitality sectors arising from the sale of beer is labelled in this study as the brewing sector's **induced impact**.

The abovementioned effects have been measured in three areas (**employment, value added and government revenues**). Together this results in nine dimensions:

	Direct impact	Indirect impact	Induced impact
Employment	Total number of jobs in the brewing sector	Total number of jobs in supplying sectors resulting from the production and sale of beer	Total number of jobs in the hospitality and wholesale/retail sector resulting from the sale of beer
Value Added	Value added by brewing companies	Value added in supply sectors resulting from the production and sale of beer	Value added in the hospitality and wholesale/ retail sector resulting from the sale of beer
Government Revenues	Excise revenues resulting from the production and sale of beer and income tax and social contributions from employers and employees in the brewing industry	Income tax and social contributions from employers and employees in supply sectors	VAT revenues, income tax and social contributions from employers and employees in the hospitality and wholesale/retail sector resulting from the sale of beer

Annex II: Data sources

The results presented in this report derive from multiple data sources. In hierarchical order of importance these sources are:

- a data obtained from a questionnaire completed by national associations representing the brewing sector;
- b statistics obtained from The Brewers of Europe;
- c data collected directly from individual breweries across Europe through a detailed questionnaire;
- d data from Eurostat;
- e data from other (public) sources, such as national statistics agencies and the OECD;
- f data used in the 2006 study: The Contribution Made by Beer to the European Economy.

Sub a

The **national brewing associations** have been a major source of valuable data. 29 associations completed a detailed questionnaire (only the associations from Croatia and Malta did not respond). Important elements of this questionnaire were:

- ▶ production and consumption volume, imports and exports;
- ▶ number of breweries and employees in the brewing sector;
- ▶ consumer prices in the on-trade and off-trade sectors and distribution margins of production sold on-trade and off-trade;
- ▶ information on the tax structure and changes in taxation over the last years.

Another important role of the national associations was to validate the outcomes of the study. To strengthen the underlying database for this study, Ernst & Young has presented draft country reports on the economic impact of the brewing sector to all national associations representing the brewing sector. The validated reports provide necessary national checks on the European data series used.

Sub b

In addition to the information from the questionnaires, statistics provided by **The Brewers of Europe** have been used. These statistics consisted of general information on the beer industry in particular countries, for example: data on production, consumption and direct employment in the brewing sector.

Sub c

Some of the data on the brewing sector could not be provided by the national brewing associations. In addition to the questionnaire that was sent to the national brewing associations, a different questionnaire was completed directly by 49 individual **brewing companies** all over Europe. It consisted of questions about:

- ▶ procurement and purchase management (amounts of money spent on a variety of goods and services needed to produce beer, and the proportion of purchases made domestically).
- ▶ consumer prices on-trade and off-trade and a breakdown of consumer prices in distribution margins for the retail and hospitality sector, VAT and excise duties, value-added for the brewing sector and goods and services purchased by the brewing sector.

Questionnaires returned by brewing companies provided good coverage of European regions:



Sub d

Whereas specific data on the brewing sector was collected through questionnaires completed by national brewing associations and breweries, more general data on individual European economies was obtained from **Eurostat**. Eurostat statistics have provided useful data on labour costs, turnover and value-added per employee generally covering all or most of the countries considered.

Sub e

If data could not be collected through the questionnaires, statistics by The Brewers of Europe and Eurostat, **alternative sources** have been used. For general data on national economies this data derives primarily from public sources such as national statistics agencies and OECD statistics. For more specific data, commercial reports on the brewing industry (for example Canadean¹² and Euromonitor¹³) have been used.

Sub f

In the exceptional case where no new data could be obtained at all, data has been used from the **2006 study**. This is mainly data which is unlikely to change much over time, for example the division of purchased goods among supply sectors in terms of percentages.

¹² http://www.canadean.com/Products_Services/Beverages/Beer.aspx

¹³ <http://www.euromonitor.com/Beer>

Annex III: Variables and estimates

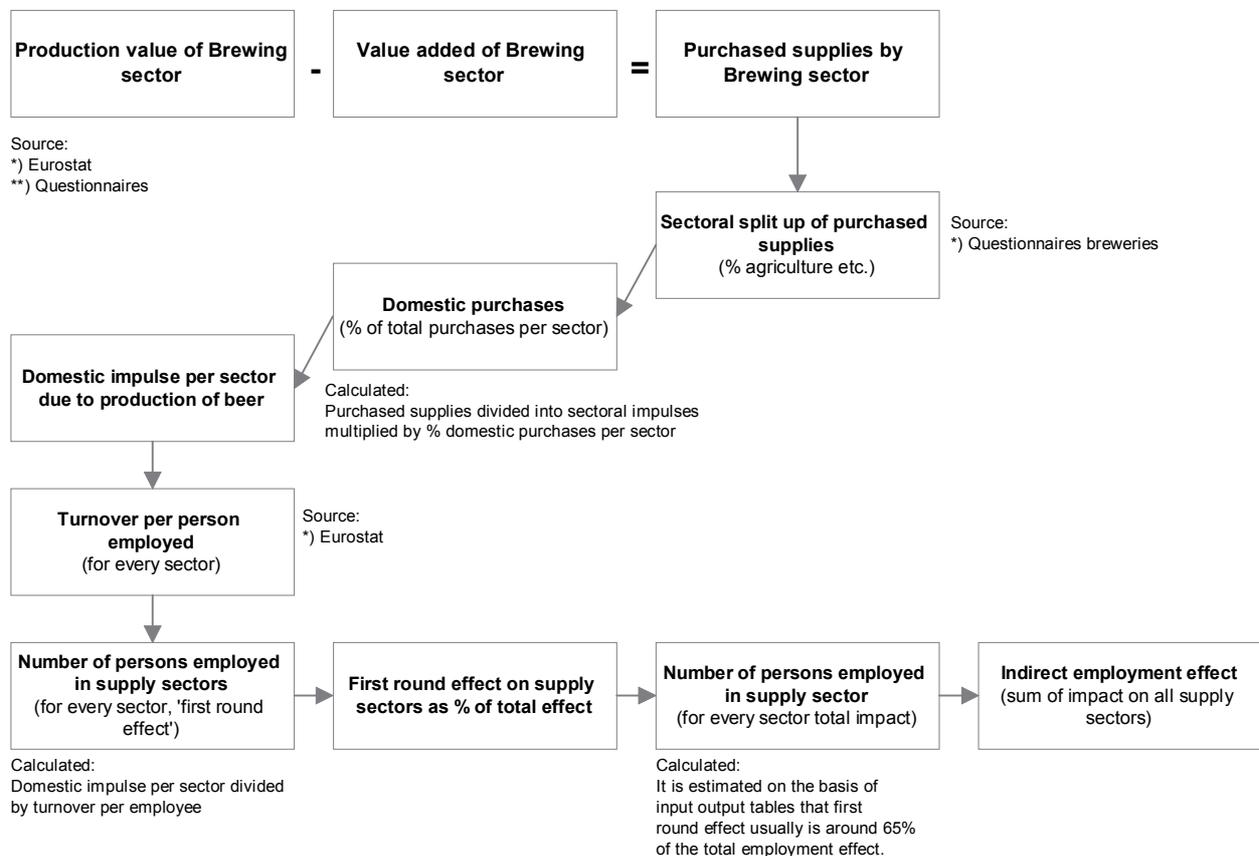
Some of the reported outcomes concerning the economic impact of the brewing sector are based on estimates. These estimates derived from a **model** constructed by Ernst & Young. We illustrate here how these variables have been estimated, focusing on:

- ▶ Employment effects
- ▶ Value-added due to the production and sale of beer
- ▶ Government revenues due to the production and sale of beer

Employment effects

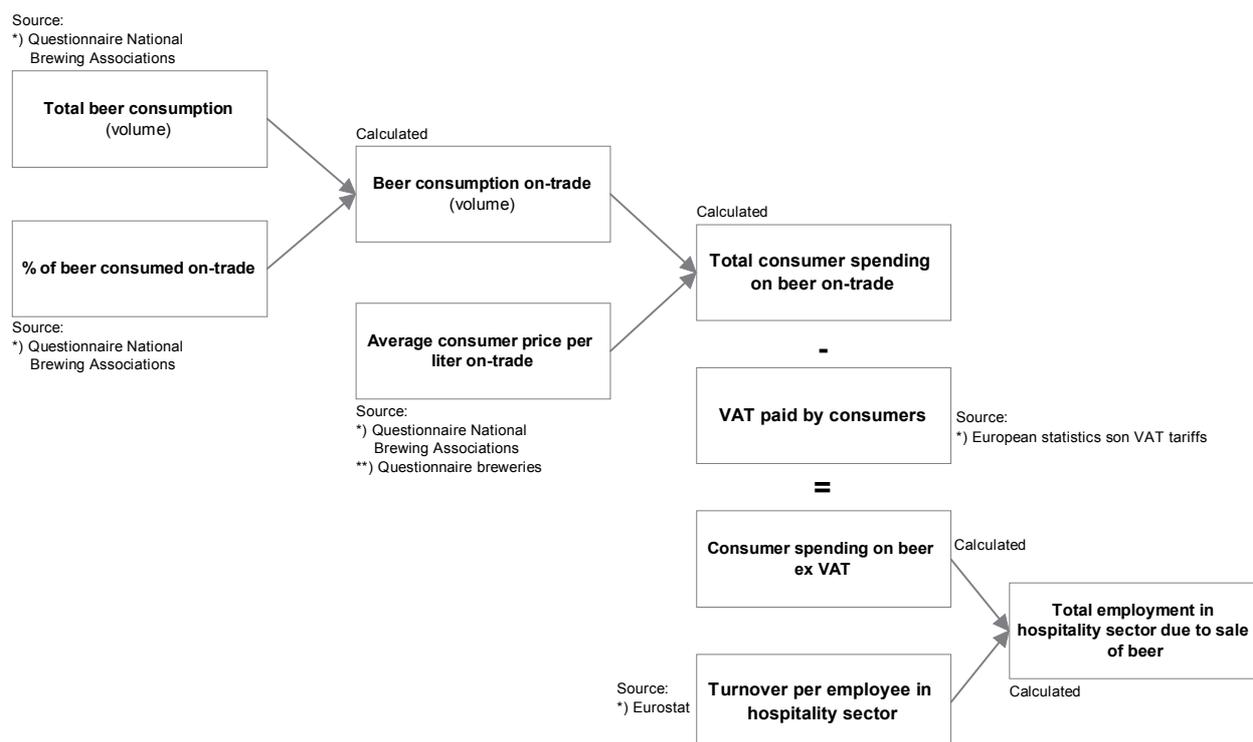
The **direct employment** effect signifies the number of people employed in the brewing sector. The data on direct employment was obtained from statistics from The Brewers of Europe and the results of the questionnaires among national brewing associations. If these sources were not available, alternative sources (mainly Eurostat) have been used.

The **indirect employment** effect concerns the employment generated in supply sectors due to the production and sale of beer. The starting point of the estimates on indirect employment is the impulse in supply sectors resulting from purchases made by the brewing sector.



Data on turnover and value added per employee per sector was obtained from Eurostat. For sector data NACE codes (classification of economic activities by the European Union) have been used: for agriculture data with NACE code A (agriculture, forestry and fishing) were used; packaging industry and equipment (C manufacturing); utilities (E electricity, gas, water supply); wholesale and retail¹⁴ (G wholesale and retail trade; repair of motor vehicles and motorcycles); hospitality (H Hotels and restaurants); transport (I Transport storage and communication); marketing and services and other (K retail renting and business activities).

The **induced employment** effect, resulting in employment due to the sale of beer in the hospitality sector and in retail, is estimated as follows:

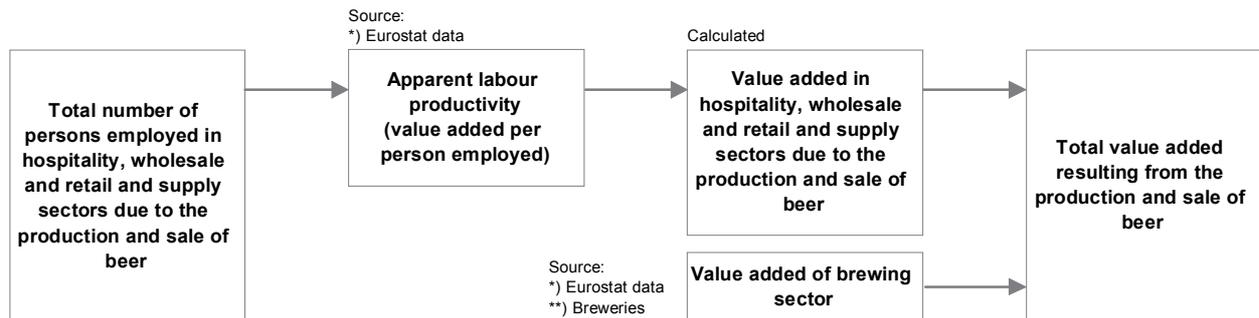


Depicted is the way the employment impact on the hospitality sector is estimated. Estimates for retail are made in a similar way.

Value-added due to the production and sale of beer

The **direct value-added** in the brewing sector is obtained through the questionnaires completed by breweries and brewing associations and through Eurostat data. The value-added in other sectors resulting from the production and sale of beer (**indirect and induced value-added**) is estimated on the basis of the employment effects. The value-added in a particular sector is estimated by multiplying the employment effect by the apparent labour productivity (Gross value added per person employed) in the sector. If no data on labour productivity for a particular country was available, estimates were made based on statistics of national statistics agencies or the OECD.

¹⁴ The percentage of added-value on beer in the wholesale and retail sector differs significantly from other products. For this reason NACE code G5225 (Retail sale of alcoholic and other beverages) has been used for the added-value per employee in wholesale and retail.



Government revenues due to the production and sale of beer

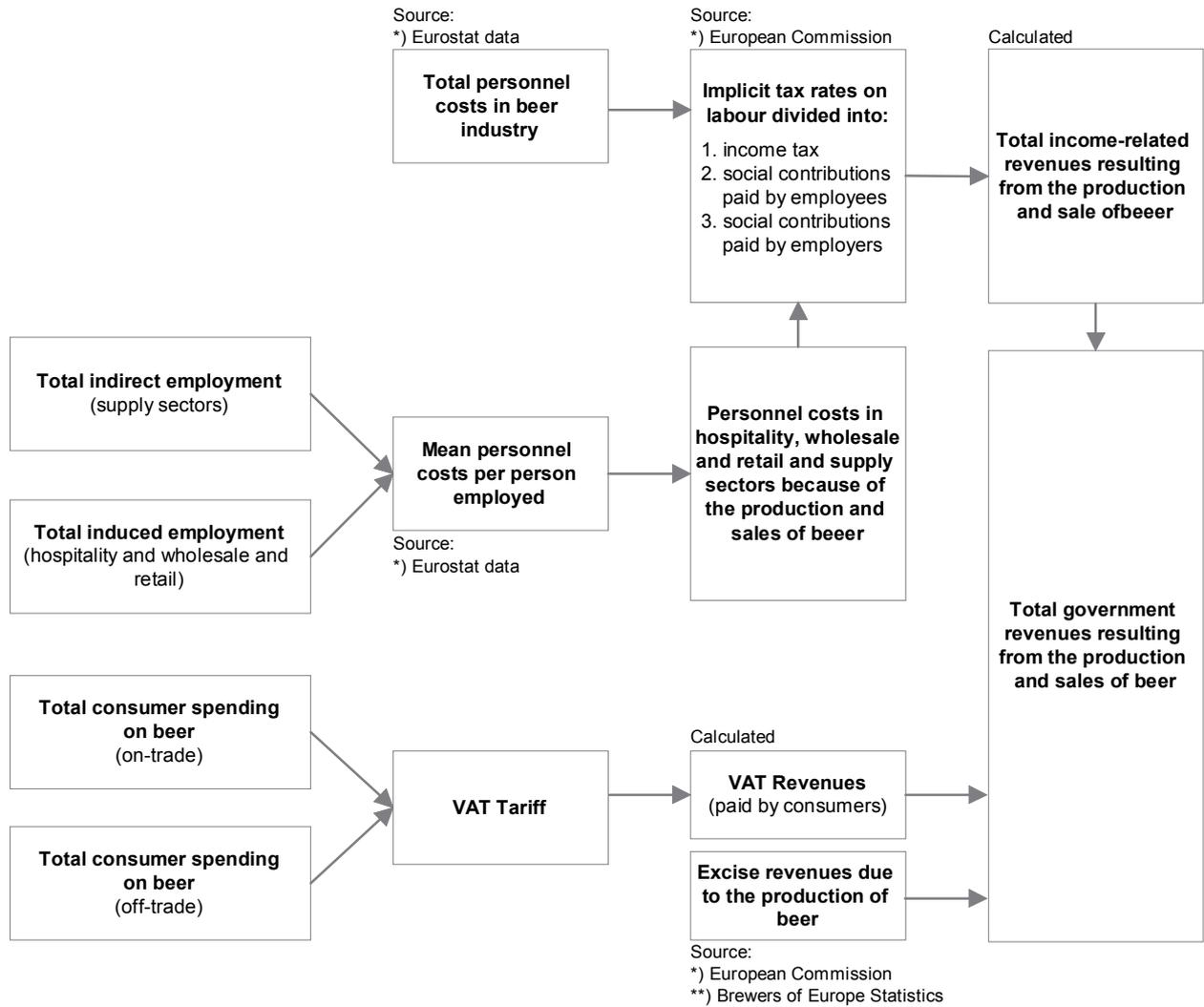
The government revenues due to the brewing industry consist of three segments:

- ▶ excise revenues
- ▶ VAT revenues
- ▶ income-related revenues

Data on **excise revenues** is obtained from the European Commission and from statistics from The Brewers of Europe. **VAT revenues** resulting from the sale of beer are calculated by multiplying the total consumer spending on beer (on-trade and off-trade) in a particular country.

Income-related revenues have been estimated by multiplying personnel costs with implicit tax rates. The personnel costs in the brewing industry were obtained directly from Eurostat. Personnel costs in supply sectors, hospitality and wholesale and retail were calculated by multiplying indirect and induced employment by the mean personnel costs per person employed according to Eurostat.

Implicit tax rates on labour were obtained from statistics from the European Commission. The implicit tax rate is the percentage of personnel costs which consists of taxes and social contributions. It consists of three parts: mean ratio of 1) income tax, 2) social contributions paid by employees and 3) social contributions paid by employers. Using implicit tax rates made it possible to report separately on income tax revenues and social contributions.



Annex IV: Exchange Rates

Since most data sources used for the study apply to the year 2008, the mean exchange rates of that year have been used for the majority of data calculations. For data that applied to an earlier period, mean exchange rates of 2007 were used.

Table 3: Exchange rates used in the report

Currency	Mean euro exchange rate in 2007	Mean euro exchange rate in 2008
Bulgarian Leva	1.9558	1.9558
Croatian Kuna	7.338	7.224
Czech Koruny	27.766	24.946
Danish Krone	7.4506	7.4560
Estonian Krooni	15.6466	15.6466
Hungarian Forint	251.3520	251.5121
Latvia Lats	0.7001	0.7027
Lithuanian Litas	3.4528	3.4528
Norwegian Krone	8.0165	8.2237
Polish Zlotych	3.7837	3.5121
Romanian Lei	3.3353	3.6826
Slovakian Koruna	33.7745	31.2617
Swedish Krone	9.2501	9.6152
Swiss Franc	1.6427	1.5874
Turkish Lira	1.7865	1.9064
UK Pound Sterling	0.68434	0.79628

Source: www.statistics.dnb.nl

Annex V: Glossary

Backward linkage	See indirect employment
Bottom up approach	Analysis of the direct, indirect and induced effects, taking a selection of brewing companies as a starting point.
Brewing sector	All the brewing companies located within a certain geographical area. These companies may also be involved in activities other than brewing beer, such as the production of soft drinks and bottled mineral water.
Brewery	A plant where beer is brewed by fermentation.
Brewing company	A company which produces and/or sells beer.
Direct employment	Employment, value-added and tax revenues for governments generated directly by the brewing sector.
Europe	27 Member States of the European Union (Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and the United Kingdom) plus Norway, Switzerland, Croatia and Turkey.
Excise	A taxation on the production volume, rather than the production value, of a certain good. In the case of beer it is often related to the amount of alcohol released for consumption.
Exports	The annual volume of beer sold and shipped to foreign countries. Both intra-European (within Europe) as well extra-European (to countries outside Europe) flows are included in this figure.
First round employment effect	The amount of jobs that is directly generated in supplying sectors by purchases of the brewing sector. The employment that is generated by purchases of these supplying sectors is not included.
Forward linkage	See induced employment
FTEs	Full time equivalents
Government revenues	Amount of money received by the government from outside the government entity. In this study they include excise revenues on beer, VAT on beer sold in hospitality and retail sectors and all labour-income-related revenues from jobs in the brewing sector and jobs in other sectors generated by beer production and sales. These income-related revenues include personal income tax, social security contributions paid by employees and social security contributions and payroll taxes paid by employers.

Hectolitre (hl)	One hectolitre equals 100 litres.
Implicit tax rate on labour	Ratio of taxes and social security contributions on employed labour income to total compensation of employees. It is the sum of all direct and indirect taxes and employees' and employers' social contributions levied on employed labour income divided by the total compensation of employees working in the economic territory increased by taxes on wage bills and payroll.
Indirect employment	Impact of the brewing sector on supplying sectors in terms of employment or value-added. For example: farmers selling hops or barley or manufacturing industry producing bottles, cans, kegs or brewing equipment.
Induced employment	Employment at companies that distribute or sell beer, mainly in the wholesale, retail and hospitality sectors. For example: bartenders, waitresses and shopkeepers. For this study the induced employment is confined to the retail and hospitality sectors.
Input output table	A detailed matrix containing data on how much one industry purchases from other industries. These tables were used to calculate the purchases of the brewing sector from supplying industries.
Imports	The annual volume of beer bought and brought in from foreign countries. Both intra European (within Europe) as well extra European (from countries outside Europe) flows are included in this figure.
Multiplier	The multiplier in this study is defined as indirect employment divided by direct employment. Multipliers can also be estimated for induced impact and they can be expressed in terms of employment and in terms of value-added.
On-trade	Beer sales through (licensed) pubs, clubs, bars, restaurants and the like.
Off-trade	Beer sales through shops, supermarkets and other retail outlets.
Personal income tax	A tax levied on the personal income of people. In this study taxes on income out of labour generated by beer production and sales are included in the figures.
Personnel costs	The total remuneration payable by an employer to an employee in return for work done by the latter during the reference period. Besides salary, personnel costs also include taxes and employees' social security contributions retained as well as the employer's social contributions.
PET bottle	A bottle made of polyester (polyethylene terephthalate).
Production Value	The amount actually produced by the unit, based on sales, including changes in stocks and the resale of goods and services. The production value is defined as turnover, plus or minus the changes in stocks of finished products, work in progress and goods and services purchased for resale, minus the purchases of goods and services for resale, plus capitalised production, plus other operating income (excluding subsidies). Income and expenditure classified as financial or extraordinary in company accounts is excluded from production value.

Purchases of goods	The value of all goods and services purchased during the and services accounting period for resale or consumption in the production process, excluding capital goods. It refers to externally-bought products and services.
Social security contributions	Financial contributions paid by employees and their employers giving access to the social security system and entitlement to certain benefits in situations of unemployment, sickness, disability or old age
SSC	See: Social security contributions.
Top down approach	Analysis of the direct, indirect and induced effects, taking existing statistics as a starting point.
Value-added	Difference between the production value and the value of purchased inputs (goods and services). In economic terminology value-added is also defined as the reward for all production factors (mainly labour, capital, entrepreneurship).
VAT	Value Added Tax

Annex VI: Comparison with the 2006 study

In January 2006, for the first time The Brewers of Europe published a report conducted by Ernst & Young on the economic impact of the production and sale of beer in Europe. The current report is an update of this study, pointing out that in 2009 the European brewing sector still generates a substantial contribution to the economy in terms of employment, value-added and governmental revenues.

Although most of the methods and data sources used are the same as in the 2006 study, there are some differences that cause deviations in the outcomes at the country level and make it difficult to draw comparisons between the two studies. The most important reasons for these deviations are:

- ▶ more accurate statistics available;
- ▶ improvements in the quality of the model;
- ▶ developments in regional economies.

There was a higher response rate to the questionnaire. More national brewers' associations as well as more breweries completed the questionnaire. There is also a wider coverage of country statistics through Eurostat in comparison with 2006. Due to the higher response rate and the wider coverage of statistics we had more accurate data and we were less dependent on estimates as an input for our calculations.

In comparison to the 2006 study some adjustments have been made in the methods used for the data calculations. The indirect employment is now calculated more directly (see Annex III). An adjustment is also made in the way the income-related taxes and revenues have been calculated. Due to more accurate statistics we were able to estimate not only the income taxes but also the payroll taxes and social security contributions for almost all countries.

Economic developments in certain countries also led to substantial differences in outcomes in 2006. The most prominent example of this is the increase in price levels in some Eastern European countries in recent years. This led to higher expenses by consumers and to higher labour costs for employers, and ultimately influenced the outcomes of the economic impact of the brewing industry in these countries substantially.

The abovementioned effects are most prominent at the country level. On a higher scale these deviations level out and the effect at the European level is therefore limited.

Annex VII: Contact information

For more information about this study, please contact us. See below for contact details.

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