

INDUSTRY STATS



Bottles increase market share



It's a good time to be a British brewer, but pubs sales fall



BBPA chief executive Brigid Simmonds

The number of British breweries increased by 16% to 2,250 during 2016, according to the British Beer & Pub Association's (BBPA) 2017 Statistical Handbook. That's an average of seven new breweries opening every week.

There's also been big investment in the industry with one third of the Society of Independent Brewers (SIBA) members saying they were going to invest £50,000 or more in their plants in 2016.

What's more, one in three members forecast turnover growth of more than £100,000 in 2017 and around 15% expected to double their production, sales and turnover by 2018.

But there's still room for growth with only one quarter of licensees saying they have special relationships with local breweries, according to the Cask Report.

Meanwhile, British beer sales increased by 0.7% in 2017, boosted by a freeze on beer duty in the November Budget, said the BBPA. That equates to 55 million more pints of beer sold last year compared to 2016.

Despite the overall rise in sales, however, pub and bar sales fell by 2.4%, the biggest drop since 2013, driven by a 3.9% duty increase in March, higher operating expenses including business rate hikes and soaring employment costs, not to mention a fragile customer confidence. BBPA chief executive Brigid Simmonds said:

"Whilst it is encouraging to see beer sales rise slightly in 2017, it is still hugely concerning to see on-trade sales fall for the seventeenth year in a row. This shows just how important the decision to freeze beer duty in the Autumn Budget was, particularly after an inflation-busting 3.9 per cent rise in the Spring Budget."

Beer production, however, is in decline, down one percent at 43.7 million hectoliters (hl) in 2016 from 44.7m hl in 2015, according to the BBPA.

There was also a further shift from ales and stouts to lagers, with a 0.3 percentage point increase in lager market share to 74.1%.

By format, bottle sales' market share rose 0.9 percentage points to 22.5%, while draught and cans decreased to 44.7% and 32.8% respectively.

Breweries are also doing their bit for the environment and keeping their carbon footprint down with 65% of SIBA members' beer sold within 40 miles of their brewery.

They are playing their part in the community as well with 84% of those surveyed saying they supported local charities, while 71% expect to hire at least one new employee in the next year. That equates to just under 1,000 new jobs.

With thanks to the British Beer and Pub Association (BBPA)

www.beerandpub.com