

## PRESS RELEASE



### **Job losses and declining sales: Covid crisis exerted significant negative impact on Europe's spirits sector**

Brussels, 14 March 2022 – **New analysis underscores devastating impact the Covid crisis has had on Europe's spirits sector and the entire supply chain.**

COVID-19-related restrictions and lockdowns hit hard in 2020 and did not spare the spirits sector. The collapse of the on-trade business in bars and restaurants, the complete fall off in visitor numbers at distilleries and other major tourist attractions, and the sharp declines in airport sales had an unprecedented impact. For instance, the European travel retail sector reported plummeting sales in airports and duty-free shops, caused by a -70% decrease in passenger traffic in 2020 compared to 2019.

A new analysis commissioned by spiritsEUROPE and carried out by the Institute of Advanced Studies in Vienna (Austria) confirms the negative impact. In 2020, the turnover of European spirits producers declined by -8.9% in EU+ (EU27, UK, Norway, Switzerland), while the sector's overall economic contribution in Gross Value Added (GVA) fell by almost one quarter (-24%). The losses in the on-trade business could not be compensated by off-trade sales in supermarkets and other retailers. In certain European countries such as Germany, Slovakia, Czech Republic, Malta and Portugal, even off-trade sales declined.

*"The Covid crisis did not spare the spirits sector. On-trade closures had a domino effect on the entire production and supply chain. The report shows that they did not just lead to an overall decline in the production and sales of spirits drinks, but also saw a loss of employment for 320,000 people in the hospitality sector which lost more than one quarter of their employees within one year. This poses a difficult challenge in the coming years as governments will need to continue to support the recovery of this important sector that offers stable employment for many people,"* said Ulrich Adam, Director General of spiritsEUROPE.

The report also shows that consumers in southern Europe (especially Spain, Greece, Portugal, Cyprus and Malta) cut their spirits purchases by almost a third. Spirits consumption remained relatively unchanged between 2019 and 2020 in countries such as Norway and Sweden which saw technical increases of about 20%. However, it must be noted that cross-border shopping, which accounts for a considerable share of the overall consumption in these countries, grinded to a near-complete halt during the lockdowns.

*"The crisis hit all players across the whole spirits supply chain hard. The spirits sector is made up of a myriad of small distillers. We should keep in mind that they have been the ones suffering the most in this situation. What Europe's distillers and our value chain partners need now is structural support and a favourable policy environment to become once again an engine for jobs and growth in rural areas,"* Adam concluded.

**ENDS**



## NOTES TO EDITORS

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- spiritsEUROPE ([www.spirits.eu](http://www.spirits.eu)) represents the interests of the spirits sector in 31 national associations as well as of the 11 leading multinational companies. Distilled spirits are as diverse as the EU's Member States, spanning 44 product categories and including a host of geographically specific products that contribute to the culture of their regions and the European Union. As the leading voice of the European spirits sector, we seek to maintain and advance the freedom to produce and market spirits in a responsible way.
- The economic and ecological footprint of the spirits sector in the EU, the UK, Norway and Switzerland – Institute for advanced Studies (Vienna): click [here](#) for the updated report.
- The Faces & Places of a vibrant sector: click [here](#) for the brochure