

---

# TAX ON IRELAND'S DRINKS AND HOSPITALITY SECTOR IN 2021

How Ireland's excise tax on drinks compares  
with other EU countries and the UK

---

by Anthony Foley,  
Dublin City University Business School



- September 2021 -

Commissioned by the Drinks Industry Group of Ireland (DIGI)

# FOREWORD

---

It is difficult to express how profoundly the pandemic has affected Ireland's drinks and hospitality industry.

Until relatively recently, the majority of the country's drinks and hospitality businesses were shut. Many so-called 'wet' pubs were completely closed for upwards of 400 days, longer than any other EU country. Some in our industry closed their doors for good. Others are still struggling to find sufficient numbers of suitable staff because thousands of hospitality workers have left the industry permanently.

As we move on and away from the acute phase of the pandemic, it is vitally important that the conversation we have about Ireland's drinks and hospitality industry moves beyond immediate-term rehabilitation towards sustainable growth.

If we truly want to rebuild and reinforce the industry and ensure that it has the capacity for growth for years to come, we need to work towards a bold new vision: to create the best drinks and hospitality industry in the world. That requires removing obstacles and using the economic instruments of the state to stimulate a sustainable recovery.

Currently, Ireland's high alcohol tax rate—on top of VAT, high commercial rents, and insurance—is forcing our drinks and hospitality businesses, particularly small exporting breweries and distilleries, to make growth-limiting sacrifices. As global tourism restarts, it is also making us a far more expensive place to visit compared to other European countries.

The Irish government takes approximately a third of the price of every drink purchased by a customer in a hospitality environment, money that could otherwise be invested by the business in maintaining employment, new staff, new premises, new technology, and new products and services.

This report, researched and authored by DCU economist Anthony Foley, shows us that among EU countries and the UK, Ireland has the second highest overall alcohol excise tax. We have the highest excise tax on wine, the second highest on beer, and the third highest on spirits, even though tourism, inextricably linked to the Irish pub, restaurant, and hotel, and drinks production are key to our domestic economy.

---

Indeed, in other European countries where drinks products are of similar if not greater importance to economic activity, such as wine in France and beer in Germany, excise tax is far lower. Excise tax on a glass of wine in France is just one cent, while on a pint of beer in Germany it is five cents (compared to 55 cents here). It is still cheaper to buy a bottle of Irish whiskey in Italy than it is in Ireland, where it is produced.

The French and German governments, as well as many others in Western Europe, such as Italy and Spain, recognise that their drinks industries are major employers, generate huge amounts of revenue for the economy through export and tourism, and are central to local communities and national heritage and culture.

It is DIGI's continuing recommendation that the Government reduces excise tax on beer, cider, wine, and spirits by 7.5% in October's Budget, beginning a process to bring Ireland's rates into line with other European countries. This can be done overnight through pre-existing economic instruments.

The effects of this reduction would be felt immediately by the thousands of hospitality businesses across Ireland and their combined hundreds of thousands of employees. It would serve to hoist up the industry from its current predicament and put it in the right position to recover and grow sustainably in 2022 and beyond.

We look forward to working with our partners in the Government and the industry to further advance this important cause.

### **Liam Reid**

Chair of the Drinks Industry Group of Ireland;  
Corporate Relations Director at Diageo Ireland

## IRELAND'S EXCISE TAX RATES AT A GLANCE

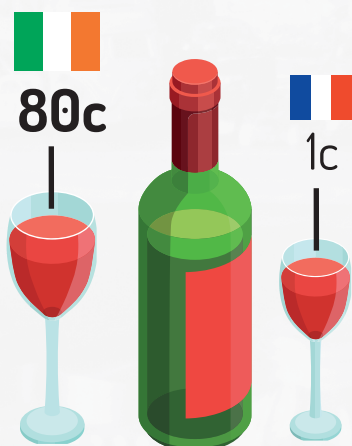


In Ireland, a pint of Irish beer served in a pub is levied with an excise tax of **55 cents**.

In a German pub, that same pint of Irish beer has an excise tax of just **5 cents**.

In Ireland, a 70cl bottle of Irish whiskey sold at an off-licence is levied with an excise tax of **€11.92**.

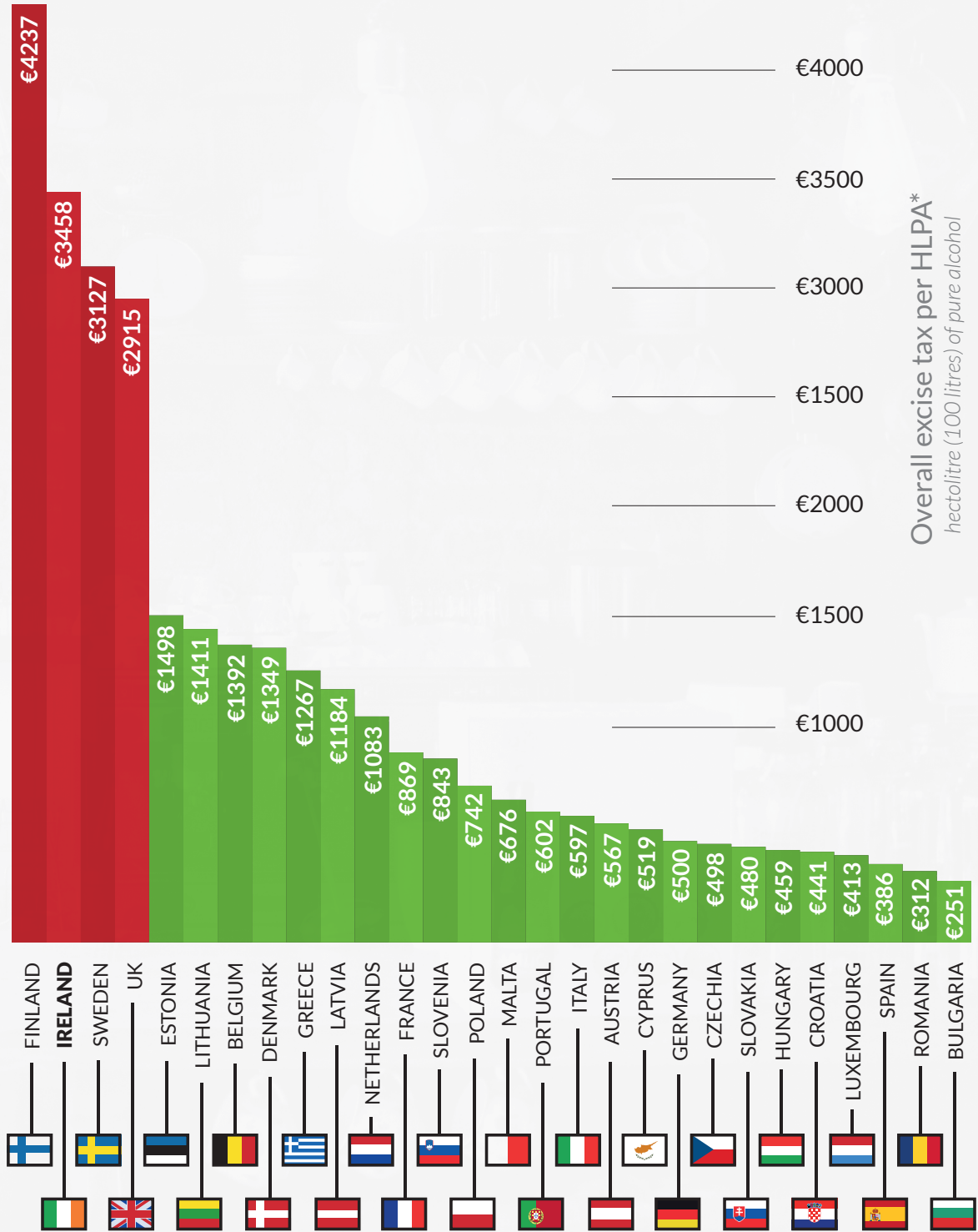
In an Italian off-licence, that same bottle of Irish whiskey has an excise tax of **€2.90**.



In Ireland, a 187ml glass of wine served in a restaurant is levied with an excise tax of **80 cents**.

In France, a glass of wine has an excise tax of just **1 cent**.

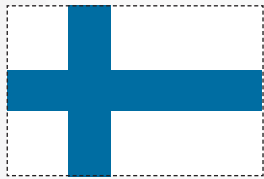
# IRELAND'S OVERALL EXCISE TAX RATE VS REST OF EUROPE



# IRELAND'S EXCISE TAX RATES RANKED



Ireland has the **second highest overall excise tax rate on alcohol in the EU+UK.**<sup>1</sup>



## FINLAND

Excise tax per HLP<sup>2</sup>  
€4,237



## IRELAND

Excise tax per HLP  
€3,458



## SWEDEN

Excise tax per HLP  
€3,127

### Three lowest:



## BULGARIA

€251



## ROMANIA

€312



## SPAIN

€386

<sup>1</sup>“Overall excise tax on alcohol” measures the weighted average of a country’s wine, beer, and spirits excise rates.  
<sup>2</sup>Hectolitre (100 litres) of pure alcohol.



**Ireland has the highest EU+UK excise tax rate on wine.**



**Ireland has the second highest EU+UK excise tax rate on beer.**



**Ireland has the third highest EU+UK excise tax rate on spirits.**



**IRELAND**  
Excise tax on a glass of wine<sup>3</sup>



**FINLAND**  
Excise tax on a pint of lager



**SWEDEN**  
Excise tax on a glass of whiskey<sup>4</sup>



**FINLAND**  
Excise tax on a glass of wine



**IRELAND**  
Excise tax on a pint of lager



**FINLAND**  
Excise tax on a glass of whiskey



**UNITED KINGDOM**  
Excise tax on a glass of wine



**UNITED KINGDOM**  
Excise tax on a pint of lager



**IRELAND**  
Excise tax on a glass of whiskey

**Three lowest:**



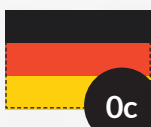
**ITALY**  
Excise tax on a glass of wine



**LUXEMBOURG**  
Excise tax on a pint of lager



**BULGARIA**  
Excise tax on a glass of whiskey



**GERMANY**  
Excise tax on a glass of wine



**GERMANY**  
Excise tax on a pint of lager



**ROMANIA**  
Excise tax on a glass of whiskey



**PORTUGAL**  
Excise tax on a glass of wine



**SPAIN**  
Excise tax on a pint of lager



**CROATIA**  
Excise tax on a glass of whiskey

<sup>3</sup>Standard restaurant or pub measure, 187ml. <sup>4</sup>Standard spirit measure.



**15** EU countries do not charge any excise tax on wine.



AUSTRIA



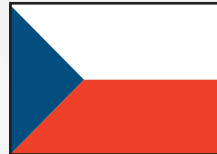
BULGARIA



CROATIA



CYPRUS



CZECHIA



GERMANY



GREECE



HUNGARY



ITALY



LUXEMBOURG



PORTUGAL



ROMANIA



SLOVAKIA



SLOVENIA



SPAIN





**RAIS UP**  
L. O'HANRAHAN

**SOFT DRINKS**  
Bottle of Softdrink (after 10pm)  
Coke, Cola, Diet Coke, Diet Pepsi  
Fanta  
Lemon-Lime  
Milkshake  
Ice Cream  
Hot Milk  
Hot Tea  
Hot Coffee  
Hot Chocolate  
Hot Lemonade  
Hot Lemon-Lime  
Hot Orange Juice  
Hot Apple Juice  
Hot Pineapple Juice  
Hot Strawberry Juice  
Hot Mango Juice  
Hot Peach Juice  
Hot Raspberry Juice  
Hot Blueberry Juice  
Hot Elderberry Juice  
Hot Pomegranate Juice  
Hot Blood Orange Juice  
Hot Mandarin Orange Juice  
Hot Tangerine Juice  
Hot Grapefruit Juice  
Hot Lemon-Lime  
Hot Orange  
Hot Lemon  
Hot Lime  
Hot Strawberry  
Hot Raspberry  
Hot Blueberry  
Hot Elderberry  
Hot Pomegranate  
Hot Blood Orange  
Hot Mandarin Orange  
Hot Tangerine  
Hot Grapefruit

**WINE**  
Bottle of Wine  
Bottle of Beer  
Bottle of Cider  
Bottle of Hard Seltzer  
Bottle of Sparkling Water  
Bottle of Soda Water  
Bottle of Club Soda  
Bottle of Tonic Water  
Bottle of Cola  
Bottle of Diet Cola  
Bottle of Fanta  
Bottle of Lemon-Lime  
Bottle of Milkshake  
Bottle of Ice Cream  
Bottle of Hot Milk  
Bottle of Hot Tea  
Bottle of Hot Coffee  
Bottle of Hot Chocolate  
Bottle of Hot Lemonade  
Bottle of Hot Lemon-Lime  
Bottle of Hot Orange Juice  
Bottle of Hot Apple Juice  
Bottle of Hot Pineapple Juice  
Bottle of Hot Strawberry Juice  
Bottle of Hot Mango Juice  
Bottle of Hot Peach Juice  
Bottle of Hot Raspberry Juice  
Bottle of Hot Blueberry Juice  
Bottle of Hot Elderberry Juice  
Bottle of Hot Pomegranate Juice  
Bottle of Hot Blood Orange Juice  
Bottle of Hot Mandarin Orange Juice  
Bottle of Hot Tangerine Juice  
Bottle of Hot Grapefruit Juice  
Bottle of Hot Lemon-Lime  
Bottle of Hot Orange  
Bottle of Hot Lemon  
Bottle of Hot Lime  
Bottle of Hot Strawberry  
Bottle of Hot Raspberry  
Bottle of Hot Blueberry  
Bottle of Hot Elderberry  
Bottle of Hot Pomegranate  
Bottle of Hot Blood Orange  
Bottle of Hot Mandarin Orange  
Bottle of Hot Tangerine  
Bottle of Hot Grapefruit

**BEER**  
Bottle of Beer  
Bottle of Cider  
Bottle of Hard Seltzer  
Bottle of Sparkling Water  
Bottle of Soda Water  
Bottle of Club Soda  
Bottle of Tonic Water  
Bottle of Cola  
Bottle of Diet Cola  
Bottle of Fanta  
Bottle of Lemon-Lime  
Bottle of Milkshake  
Bottle of Ice Cream  
Bottle of Hot Milk  
Bottle of Hot Tea  
Bottle of Hot Coffee  
Bottle of Hot Chocolate  
Bottle of Hot Lemonade  
Bottle of Hot Lemon-Lime  
Bottle of Hot Orange Juice  
Bottle of Hot Apple Juice  
Bottle of Hot Pineapple Juice  
Bottle of Hot Strawberry Juice  
Bottle of Hot Mango Juice  
Bottle of Hot Peach Juice  
Bottle of Hot Raspberry Juice  
Bottle of Hot Blueberry Juice  
Bottle of Hot Elderberry Juice  
Bottle of Hot Pomegranate Juice  
Bottle of Hot Blood Orange Juice  
Bottle of Hot Mandarin Orange Juice  
Bottle of Hot Tangerine Juice  
Bottle of Hot Grapefruit Juice  
Bottle of Hot Lemon-Lime  
Bottle of Hot Orange  
Bottle of Hot Lemon  
Bottle of Hot Lime  
Bottle of Hot Strawberry  
Bottle of Hot Raspberry  
Bottle of Hot Blueberry  
Bottle of Hot Elderberry  
Bottle of Hot Pomegranate  
Bottle of Hot Blood Orange  
Bottle of Hot Mandarin Orange  
Bottle of Hot Tangerine  
Bottle of Hot Grapefruit

**WINE**  
Bottle of Wine  
Bottle of Beer  
Bottle of Cider  
Bottle of Hard Seltzer  
Bottle of Sparkling Water  
Bottle of Soda Water  
Bottle of Club Soda  
Bottle of Tonic Water  
Bottle of Cola  
Bottle of Diet Cola  
Bottle of Fanta  
Bottle of Lemon-Lime  
Bottle of Milkshake  
Bottle of Ice Cream  
Bottle of Hot Milk  
Bottle of Hot Tea  
Bottle of Hot Coffee  
Bottle of Hot Chocolate  
Bottle of Hot Lemonade  
Bottle of Hot Lemon-Lime  
Bottle of Hot Orange Juice  
Bottle of Hot Apple Juice  
Bottle of Hot Pineapple Juice  
Bottle of Hot Strawberry Juice  
Bottle of Hot Mango Juice  
Bottle of Hot Peach Juice  
Bottle of Hot Raspberry Juice  
Bottle of Hot Blueberry Juice  
Bottle of Hot Elderberry Juice  
Bottle of Hot Pomegranate Juice  
Bottle of Hot Blood Orange Juice  
Bottle of Hot Mandarin Orange Juice  
Bottle of Hot Tangerine Juice  
Bottle of Hot Grapefruit Juice  
Bottle of Hot Lemon-Lime  
Bottle of Hot Orange  
Bottle of Hot Lemon  
Bottle of Hot Lime  
Bottle of Hot Strawberry  
Bottle of Hot Raspberry  
Bottle of Hot Blueberry  
Bottle of Hot Elderberry  
Bottle of Hot Pomegranate  
Bottle of Hot Blood Orange  
Bottle of Hot Mandarin Orange  
Bottle of Hot Tangerine  
Bottle of Hot Grapefruit



To read the full *Tax on Ireland's drinks and hospitality industry in 2021: How Ireland's excise tax on drinks compares with other EU countries and the UK* report, including notes on methodology, visit the DIGI website.

**Drinks Industry Group of Ireland**

Angelsea House, Angelsea Road, Ballsbridge, Dublin 4. | Tel: 01 668 0215



Connect with us at:

[www.supportyourlocal.ie](http://www.supportyourlocal.ie) | [www.drinksindustry.ie](http://www.drinksindustry.ie)

or via Twitter:

 [@DIGI\\_Ireland](https://twitter.com/DIGI_Ireland) | [#SYL21](https://twitter.com/#!/SYL21)