

# Irish drinking industry downfall. 15,000 workers already made redundant

Irish Drinks market is declining due to falling consumption and cross-border purchasing of alcohol, said Chairman of the Drinks Industry Group of Ireland (DIGI) Kieran Tobin during the launch of the report "Drinks Market Performance 2009" in Dublin yesterday.

In 2009 Drinks Market Performance in Ireland suffered a decline of almost 9%, worse than 2008 which in turn was described as "the worst performance in decades for the overall drinks industry", according to the report. Mr Tobin said that the overall consumption is now back to the pre-Celtic Tiger levels of 1995/96, with a consumption of more than 20% less per person since the peak of economic boom in 2001.

However, Director of Alcohol Action Ireland Joan Kelly observed that "even at current levels we are still drinking 20% above the levels we drank at in 1986/1987." According to the statistics of the charity, alcohol consumption in Ireland almost doubled between 1987 and 2001.

Tobin said also that the declining consumption has a major rebound on jobs in the

drinks industry, with a loss of 15,000 jobs in the last 18 months.

"As predicted, 2009 turned out to be an even poorer year than 2008 for drinks sales and consumption in Ireland," said the Chairman. "It was the worst year for our industry in leaving memory."

Declines has been registered by all four alcohol drinks categories, beer, spirits, cider and wine, with the highest decline suffered by spirits, with a fall of 18.5% and the lowest suffered by cider, with a decline of almost 6%.

The downfall of consumption have already impacted on jobs in the drink sector and in restaurants and pubs. "Declining sales and revenues are forcing many pubs, bars, and restaurants to reduce staff numbers or go out of business entirely," said Tobin.

2010 won't be better however: the report predicts that drinks market will remain weak and that the alcohol volume could keep declining by 5% in 2010 but "with a larger decline of 7% in the employment intensive on licensed sector."

However, pro consumers measures such as

the recent excise reduction combined with the encouraging export performance of some vital Irish drinks brands can rebuild confidence and halt the decline. The fact that some Irish brands are still successful in exports "is testimony to the global popularity and quality of these iconic products," said the Chairman. And added: "DIGI is calling on the Government to work with the industry to build on this export performance that provides approximately €1 billion in revenue every year."

Kelly, of Alcohol Action Ireland, expressed concern about the report: although he regretted that the trend "has resulted in a large number of redundancies, we believe it is much more worrying that there continues to be such a widespread, chronic dependency on alcohol in this country." He made reference to statistics compiled by the charity in recent years that show that 4 in 10 women and 7 in 10 men have a harmful pattern of drinking and that Ireland continues to rank among the highest consumers of alcohol in the 26 countries in the enlarged EU.