



**Drinks  
Ireland**  
Ibec

**Drinks Ireland**  
Championing Ireland's best  
loved drinks brands

**Annual Review 2020/21**



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## **Foreword**

**Pat Rigney, The Shed Distillery**

Prior to the Covid-19 outbreak, the drinks industry was going from strength to strength. In 2019, it generated exports to over 140 markets, worth €1.45 billion, and contributed €2.6 billion in VAT and Excise payments to the exchequer.

There is no doubt that the sector has been one of the hardest hit by the pandemic. While the industry rallied to support the national effort in the fight against Covid-19, with emergency sanitiser production and other innovative initiatives, our members continued to be significantly impacted across production, export, and sales.

To support our members, Drinks Ireland lobbied on key issues including protecting Irish drinks categories production, hospitality cashflow supports, as well as exports, visitor centres and domestic tourism supports. We also ran campaigns which highlighted that the drinks industry was a responsible player when it came to the reopening of pubs, bars and restaurants. We now need to look forward to drive recovery in the sector.

Key policy issues in 2020/2021 included the implementation and lobbying on the Public Health (Alcohol) Act, EU/US tariffs on the Irish Spirits sector, Brexit, the introduction of a Deposit Return Scheme and the DAFM Food Vision 2030 strategy. There was no excise increase on alcohol in the Republic of Ireland, following another successful DIGI Support Your Local campaign. Although we face many challenges ahead, we are resilient, dynamic and innovative and passionate about our industry. Wishing all our members the best as we embark on this period of recovery together.

**Pat Rigney, Chair of Drinks Ireland, and Managing Director  
and Founder of The Shed Distillery, Drumshanbo.**





## Welcome Drinks Ireland Annual Review 2020/21



Patricia Callan, Director, Drinks Ireland

Ireland's lockdowns were by far the longest in Europe for pubs, bars, and restaurants. During these hard times, the drinks industry showed resilience by working together. This included our distilleries changing over to production of hand sanitizer, our members offering financial and in-kind supports to the hospitality sector and charities, as well as the massive operation to collect and dispose of out-of-date beer and cider in an environmentally sound manner at no cost to the pub sector.

This strength was further demonstrated at the various stages of reopening. The industry continuously prepared, and worked hard, for a safe and sustainable reopening, showing itself as a responsible player throughout the pandemic.

I am hugely proud of the work carried out by our members, my team, and the wider hospitality industry, that has helped support the sustainable reopening of the entire Experience Economy.

While we have a long road ahead, we are confident that together we can drive forward to a strong recovery.

In this Annual Review, we present some headline statistical information on the beer, cider, Irish Whiskey, spirits and wine categories in 2020, and share details of the work carried out throughout 2020/2021 along with updates on other key issues facing the industry.



### Welcome to membership

Between January 2020 and August 2021, six companies joined Drinks Ireland, bringing our membership to 63 companies. Here we introduce you to them.

**Ahascragh Distillery** is run by Gareth and Michelle McAllister in Ahascragh, Co. Galway. It was established with the purpose of producing authentically crafted Irish whiskey and gin. An old mill complex is being renovated into a distillery and visitor experience which will include rooms for hospitality events and a newly opened retail shop and café. 15 jobs will be created at the distillery and visitor centre, with a further 60-70 indirect roles for suppliers, farmers, logistics providers and other local and national businesses. While they wait for the first drop of Ahascragh spirit, the McAllister's began their whiskey and gin journey with their Family Bond series of hand selected releases, Clan Colla and Xin Gin. These special releases although not distilled by Ahascragh Distillery, are partly matured, finished, and blended by the McAllisters, and bottled in the village.



**Killarney Brewing & Distilling Company**, led by Barry Spellman and colleagues, has been producing consistently great tasting and award-winning beers since 2015. Beer sales have grown year on year since and the company have expanded into the spirits category with the launch of Killarney Distilling Company in 2019. They announced aggressive expansion plans and the development of a new state of the art production facility and visitor centre. Killarney Distilling Company will expand their premium spirits portfolio including a range of gins and pot still Irish whiskeys. Construction is well under way at their new facility with expected opening in March of 2022. The uniquely designed 62,000 sq ft facility on the Ring of Kerry overlooks the scenic Gap of Dunloe and the lakes of Killarney. Once fully operational, it will be Ireland's largest independently owned brewery, distillery, and visitor centre. It will also employ more than 85 people and aims to attract in excess of 100,000 annual visitors.



**Micil Distillery** are a family of sixth generation Connemara distillers with a unique 170 year illicit heritage, crafting exceptional Irish spirits while forging a new legacy for Galway whiskey. Micil produces a range of award winning poitíns and gins, and in 2020 began laying down Galway's first whiskey in over a century at their Salthill distillery. October 2021 saw the rollout of their whiskey cask scheme, Síolta Mhicil, and in November 2021 they launched a Poitín-based Irish Cream. Plans are in motion to build a new 1 million LPA whiskey distillery in Connemara, to open mid 2024. The business is managed by co-founders Pádraic Ó Griallais and Ross Tobin, and sixth generation distiller Jímín Ó Griallais heads up spirit production.



**O'Shaughnessy Distilling Company** was founded by cousins and lifelong friends, Patrick and Michael O'Shaughnessy. Their vision is to provide whiskeys worthy of their rich Irish American heritage, that bring people together and create a legacy for future generations. Helmed by world-renowned Irish whiskey Master Distiller, Brian Nation, the company have recently released their first 10-year-old Single Malt Irish whiskey product.

## CHURCH OF OAK

**Church of Oak Distillery** is a new multi-grain distillery based in Monasterevin, Co Kildare. The team, led by Garrett Pitcher, are building the final chapter of the Ballykelly Mills grain to glass heritage. One hundred years after distillation ceased, the town of Monasterevin will be making whiskey once again. From the first grain of an idea, they approach whiskey differently. They believe in facts and flavour, in process and possibilities. High quality, low impact. Simple principles. Everyone has a story. It's the details that matter. This is Irish but not as you know it.



**The Kinsale Spirits Company** was founded by Tom O Riordan, who started out by making small batches of gin in Kinsale, Co. Cork. He was joined by two local entrepreneurs, Colin Ross and Ernest Cantillon. Using various botanicals, both traditional and foraged from the local area, they produced Kinsale Gin. The company has since launched a range of Irish Whiskeys titled The Battle of Kinsale Series and begun exporting. Their future plans include the construction of a distillery and a visitor centre in Kinsale.



## General Election 2020 Continuing to shift perceptions

In 2020 we continued our work on the Drinks Ireland RoadMap, which aims to shift the perception of the drinks industry in a way that will have a positive impact on its reputation as a key contributor to Ireland's economic, social and cultural landscape.

As part of this, we ran our General Election 2020 campaign, which aimed to draw attention to the innovation, growth, and potential of the drinks industry in Ireland among political stakeholders.

Ahead of parties issuing their manifestos, we shared Drinks Ireland's policy priorities, including our four part manifesto, with special advisers and policy officers. This armed political parties with the facts about our industry, and about alcohol misuse. It highlighted the important contribution our sector makes to the national economy and the communities in which our members operate.

We asked all political parties to support the Irish drinks industry by:

- Creating an effective environment for global business growth
- Bringing excise into line with the majority of EU economies
- Supporting sustainability in the drinks industry and in our supply chain
- Working in partnership to reduce alcohol misuse

We also extended invites to candidates and Deputies/Senators to visit our members' premises in their local constituencies in order to discuss these policies further.

We activated our Members workforce by providing them with shareable assets detailing the huge contribution they make to Ireland's economy, with a call to action to support the drinks industry.

Finally, in February, we held a celebratory event on the opening of the new Oireachtas, with over 80 attendees, including Ministers, Deputies, Senators, political advisors, civil servants, state agency and Foreign Embassy representatives.

## **Covid-19** Supporting the drinks industry through the Covid-19 crisis



There is no doubt that the drinks industry has been hard-hit by the pandemic. We saw periods of global closure of the on-trade and global travel retail, as well as restrictions in supply to off-trade channels in some markets. Overall alcohol consumption declined by 6% worldwide in 2020 and by 6.6% in Ireland.

Nevertheless, the Irish drinks industry immediately joined the national effort to respond to the Covid-19 crisis in many positive ways, including through producing sanitising products (or producing alcohol for such products) and making donations to support unemployed bar workers and charities working with more vulnerable groups in our society. We extended credit lines to support our customers in the on-trade, and when product went out of date during the repeated lockdowns, in a massive logistical undertaking, we collected beer and cider from 7,000 outlets throughout the country and disposed of it in an environmentally friendly manner at no cost to the pubs.

Drinks Ireland had ongoing meetings with key political figures to request support for the drinks industry in the following areas:

### **Protect Irish drinks production**

Drinks Ireland ensured that Irish distilleries, breweries, cideries, manufacturing and bottling/canning sites were not restricted in operation and continued to be recognised as essential food and beverage production throughout the pandemic.

### **Cashflow Supports**

Together with our colleagues in Ibec, through our Reboot & Reimagine campaign, we successfully lobbied Government to introduce a very extensive range of financial supports across our industry and the hospitality sector, which ensured ongoing business survival during the multiple lockdowns.

### **Support exports**

We've worked with state agencies, including Bord Bia, Invest NI and Enterprise Ireland to enhance their range of supports to our members, enabling them to get back into export markets as quickly as possible.

### **Supporting our Visitor Centres and Domestic Tourism**

With our visitor attractions (which cumulatively attracted over 3 million visitors in 2019) having to close and visitor attractions being highly dependent (88%) on international visitors, Drinks Ireland secured funding support from the Government, via Fáilte Ireland, for a targeted advertising and promotional campaign aimed at Irish domestic tourists.

We also contributed to the establishment of the Ibec Experience Economy campaign, which encompasses hospitality, retail, travel, food, drink, tourism, entertainment, technology, events and organisations in the arts, cultural, sporting and heritage sectors. This campaign highlighted the importance of the sector and called on the Government to ensure its timely reopening. Its longer term ambition is to create the conditions for the Experience Economy to achieve world class potential that is sustainable and uniquely Irish.





## Covid-19 Re-opening hospitality campaigns

As the Covid-19 situation evolved, we switched our RoadMap strategy to support the drinks industry with this unprecedented situation.

During the crisis period we developed communications to support the industry, as well as to highlight how our industry supported the national effort to tackle Covid-19.

In preparation for the reopening, bars, pubs and restaurants worked hard to make sure they were ready to reopen for consumers. Drinks Ireland supported this safe and sustainable reopening of the hospitality sector by developing a campaign addressing consumer behaviour in the new hospitality setting.

This digital first campaign, the #BeSound campaign, was launched in June 2020 and provided a unified voice for the drinks industry encouraging consumers to play their part in the safe reopening of hospitality venues. Through simple, friendly, identifiable, and welcoming language and visuals we asked the consumer to follow these steps: respect the guidelines, respect hospitality workers, respect each other, and #BeSound.



Building on the #BeSound campaign, we launched our #OpeningTime campaign in September 2020, highlighting how Irish pubs had the structures in place to welcome customers back safely. We reiterated our call on the Government to allow them to reopen, in a sustained manner, through an Open Letter to the Taoiseach, with 15 signatories from representatives in trade associations and 471 signatories from representatives in individual businesses, advising that organisations in the hospitality and experience sector are regulated and have proven to be responsible players throughout the crisis. These businesses, if allowed to reopen, would play their part in maintaining strict Covid-19 measures. We also created a video asset that showed what a safe and reopened pub would look like.

Finally, before the re-opening of the sector in June 2021, we launched our #TogetherAgain campaign which included a video series involving some well-known drinks brands and venues exploring how the drinks industry has worked closely with pubs throughout Ireland to ensure they were ready for a safe and sustainable opening.

Through media interventions, public affairs activity, social media activity and stakeholder engagement we amplified the message that those in the drinks industry have been and continue to be responsible players throughout the crisis.



## Brexit

On 31st January 2020, the UK left the EU, with an agreed transition period until 31st December 2020. Negotiations on an EU-UK trade agreement continued and the new Trade and Cooperation Agreement is now in place, including the Protocol on Ireland/Northern Ireland.

Having secured early commitment to equal recognition and protection of the All-island GIs for Irish Cream Liqueur, Irish Whiskey, Poitin in the EU and the UK post-Brexit, Drinks Ireland continued to monitor and lobby on a range of issues including supply chain challenges and post-Brexit rules of origin.

Drinks Ireland has represented our Irish and Northern Irish members, including at DAFM Brexit Stakeholder Consultative Committee (incl. Revenue Commissioners), DfE EU Stakeholder Forum, UK DEFRA Food and Drink Panel, HMRC Joint Alcohol Tobacco Consultative Group & Excise Brexit Sub-group, as well as engagement by Ibec with Government and the European Commission.

## Food Vision Strategy 2030

The Department of Agriculture, Food and Marine prepare a new strategy every five years, with a 10-year horizon.

Drinks Ireland engaged intensively throughout 2020 on the development of the new agri-food strategy to 2030. Drinks Ireland was represented on the stakeholder committee by Oliver Loomes, Diageo.

Drinks Ireland lobbying included seeking:

- Recognition of the importance of premiumisation and authenticity as key consumer trends
- Action to support export and market diversification
- Recognition of the tillage sector as one of the most carbon efficient sectors of Irish agriculture
- A target for increased tillage production
- Recognition of the investment of the Irish whiskey industry to protect the Irish whiskey GI
- Commitment to support for business development and marketing initiatives to support and promote food and drink visitor attractions including the distillery and brewery tourism sector
- Recognition of all-island sectors and protection of cross-border supply chains from tariffs.

## EU/US tariffs

Throughout 2020 and 2021, Drinks Ireland engaged with Irish and international stakeholders on twin transatlantic tariff disputes in unrelated sectors both of which had drawn in the spirits sector on either sides of the Atlantic. These were the Airbus /Boeing dispute which saw US tariffs on Irish Cream and other Irish liqueurs and Single Malt Irish Whiskey from Northern Ireland (with tariffs having started to be applied in October 2019). And the EU's rebalancing tariffs targeting US Whiskey and Bourbon which started in July 2018 in response to US Section 232 tariffs on European steel and aluminium imports. November 2020 saw an escalation as the EU was allowed, by the WTO, to apply its own tariffs in the Airbus /Boeing dispute including on further US spirits products.

Drinks Ireland's lobbying on these trade disputes saw engagement with the Irish Government, elected representatives and officials active at both national and European levels. International engagement continued in Brussels both independently, and with members, our European trade association, spiritsEUROPE and in the US partnering with Washington based organisations.

We provided input to US calls for comment and European /UK consultations. We have engaged with Irish /UK government ministers calling for support for effected companies and co-authored /signed sector letters to USTR and DG TRADE calling for an end to the targeting of unrelated sectors and a return to, and expansion of, the 1994 "zero-for-zero" agreement through which we had seen the mutual elimination of most tariffs on distilled spirits.

To date we have seen a temporary suspension of European and US Airbus /Boeing tariffs, extended to five years as both sides commit to addressing aircraft financing issues. And in the steel and aluminium dispute, first the unilateral postponement in July 2021 by the EU of the automatic doubling to 50% of its tariffs on US Whiskey and Bourbon for a period of six months with a view to facilitating further negotiations on the dispute. This was followed at the end of October by an announcement that both sides had reached agreement to resolve the dispute. This agreement sees the US move to a tariff-rate quota (TRQ) system to replace the section 232 tariffs. EU steel and aluminium exports to the US will be tariff free up to a certain threshold as long as the products are entirely produced in the EU. In return the EU have agreed to suspend all tariffs on US Whiskey and Bourbon from the 1st January 2022 but will keep it under review in light of new developments.

## Public Health (Alcohol) Act Implementation continues

Drinks Ireland continued to prepare members for the commencement of the various provisions under the Public Health (Alcohol) Act 2018.

Outdoor and cinema advertising restrictions, that came into effect in November 2019, have been implemented. In January 2020, promotional restrictions came into place. In November 2020, structural separation measures came into force. The measures include minimising the visibility of alcohol products in mixed retail outlets. One of the display options for mixed retailer includes having an area of the shop floor dedicated to selling alcohol that is separated by a physical barrier. Another option is having enclosed adjacent storage units of alcohol products that are not visible up to a height of 1.5 metres. Drinks Ireland fully supports any measures that retailers take to ensure that alcohol products are sold, promoted and displayed (in-store) in a responsible manner.

In November 2021, sponsorship restrictions came into force. The Act states that during a sports event a person shall not advertise, or cause to be advertised, an alcohol product in or on a sports area. There is also a ban on alcohol advertising at events aimed at children or at events in which the majority of participants or competitors are children. Alcohol sponsorship of events aimed at children, events which the majority of participants or competitors are children and events involving driving or racing motor vehicles are also prohibited. Minimum Unit Price will come into effect on 4th January 2022 in the Republic of Ireland. Retailers continue to be concerned about the likely impact on cross-border trade.

Regarding the new labelling provisions, that require the inclusion of general health warnings and a cancer specific warning on alcohol products, Drinks Ireland made a submission to the consultation on labelling conducted by the Food Safety Authority of Ireland (FSAI) for the Department of Health in 2019. The FSAI reported back to the Department in January 2020, but work on drafting the regulations was suspended due to Covid. The draft regulations are currently with the Attorney-General's office and will be notified to the European Commission once finalised. The European Commission will then invite EU Member States to give their view on the proposed regulations. Once approved, there will be a 3-year transition period.

Regulations for advertising content restrictions are still being drafted by the Department of Health. A commencement date on advertising restrictions in print media and broadcast media has yet to be announced.

## Excise / VAT

Drinks Ireland continue to lobby on behalf of its members in relation to excise and VAT in the Republic of Ireland, EU and the UK.

### Republic of Ireland

Drinks Ireland ran its annual excise campaign, "Support Your Local" in conjunction with the Drinks Industry Group of Ireland (DIGI), whose membership includes the LVA, VFI, RAI, IHF and Noffla. In 2021, for the eighth consecutive year, there was no change to the excise duty rate. Drinks Ireland|Cider successfully campaigned for the introduction of a craft cider excise exemption scheme, which the Minister for Finance announced will be introduced in 2023. In addition, in 2020, as part of our Covid support measure calls, we ran a new campaign, "Protect our Pubs" with the LVA and VFI, seeking a temporary reduction in the VAT rate. VAT was reduced from 23 to 21% (including on alcohol) on a temporary basis in Budget 2021.

### EU

Under the EU Excise Structures Directive, member states are permitted to apply excise relief to small wine and beer producers. We successfully lobbied for this to be extended to craft cider producers in the review undertaken in 2020. We will continue to lobby for equality for small spirits producers.

### UK

Drinks Ireland has successfully lobbied in recent years for a UK excise freeze on drinks. We are also engaging in the UK Government's current review of excise laws.

## Deposit Return Scheme (DRS)

In 2020, an Ibec consortium, including members of Drinks Ireland and the Irish Beverage Council (soft drinks) was established. The consortium has been liaising with the Department of Environment and other stakeholders with the aim of creating a Deposit Return Scheme (DRS) for aluminium / steel cans and plastic bottles. The consortium proposes one single, centralised, mandatory, national scheme, employing a conventional 'return to retail' model, with mandatory participation from both producers and retailers/return point operators. The consortium supports a DRS that is owned, governed and operated by the obliged industry in an independent, not-for-profit structure. The deposit charges will be varied by material type, size of bottle/can. 'Take outs' from hospitality outlets will not be covered in the proposed DRS. The regulations of the scheme were announced by the Department in November and Drinks Ireland looks forward to continue engaging with the Department and key stakeholders to ensure the successful establishment of the scheme.



## Drinks Ireland | Beer

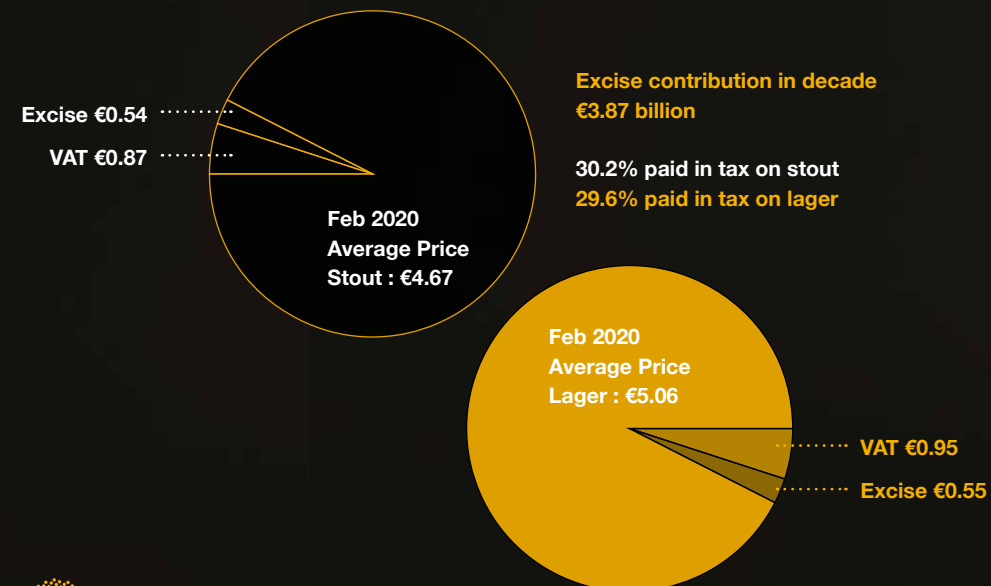
The Drinks Ireland | Beer Market Report 2020 shows that the Covid-19 pandemic had a significant impact on the brewing sector both domestically and globally. Beer remains Ireland's favourite alcohol beverage. However, its market share has fallen from 45% in 2019 to 38% in 2020. The closure of the hospitality sector saw beer sales decline by 17.3% in Ireland. In fact, just 29.7% of beer sold was in hospitality businesses in 2020, down from 60% share in 2019.

The value of beer exports declined by 17% in 2020, from €305 million to €254 million. This is unsurprising due to the lockdowns endured by other hospitality sector markets.

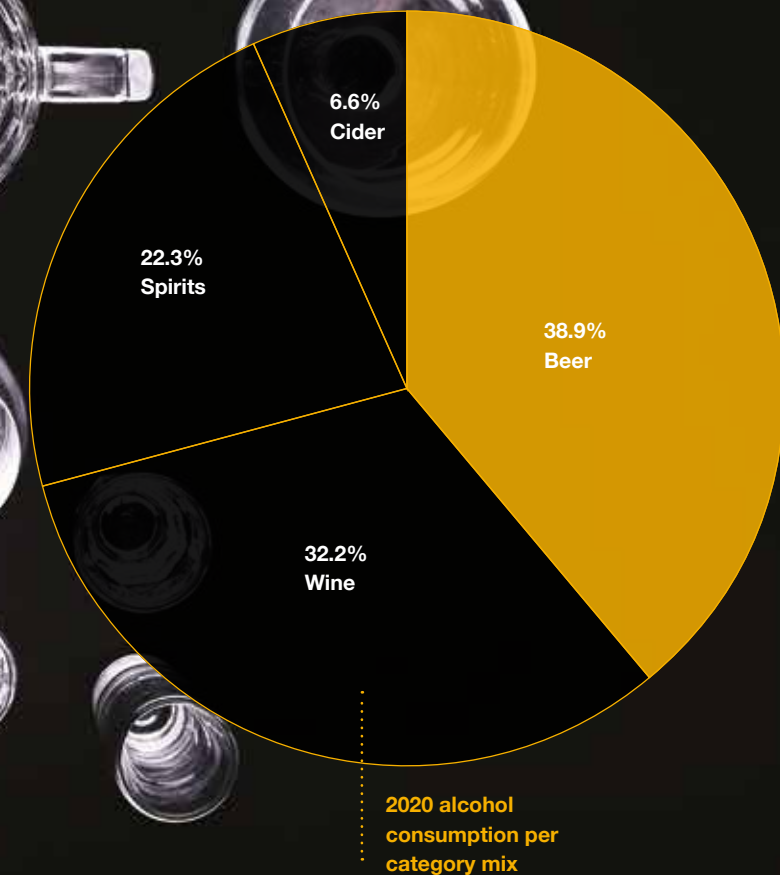
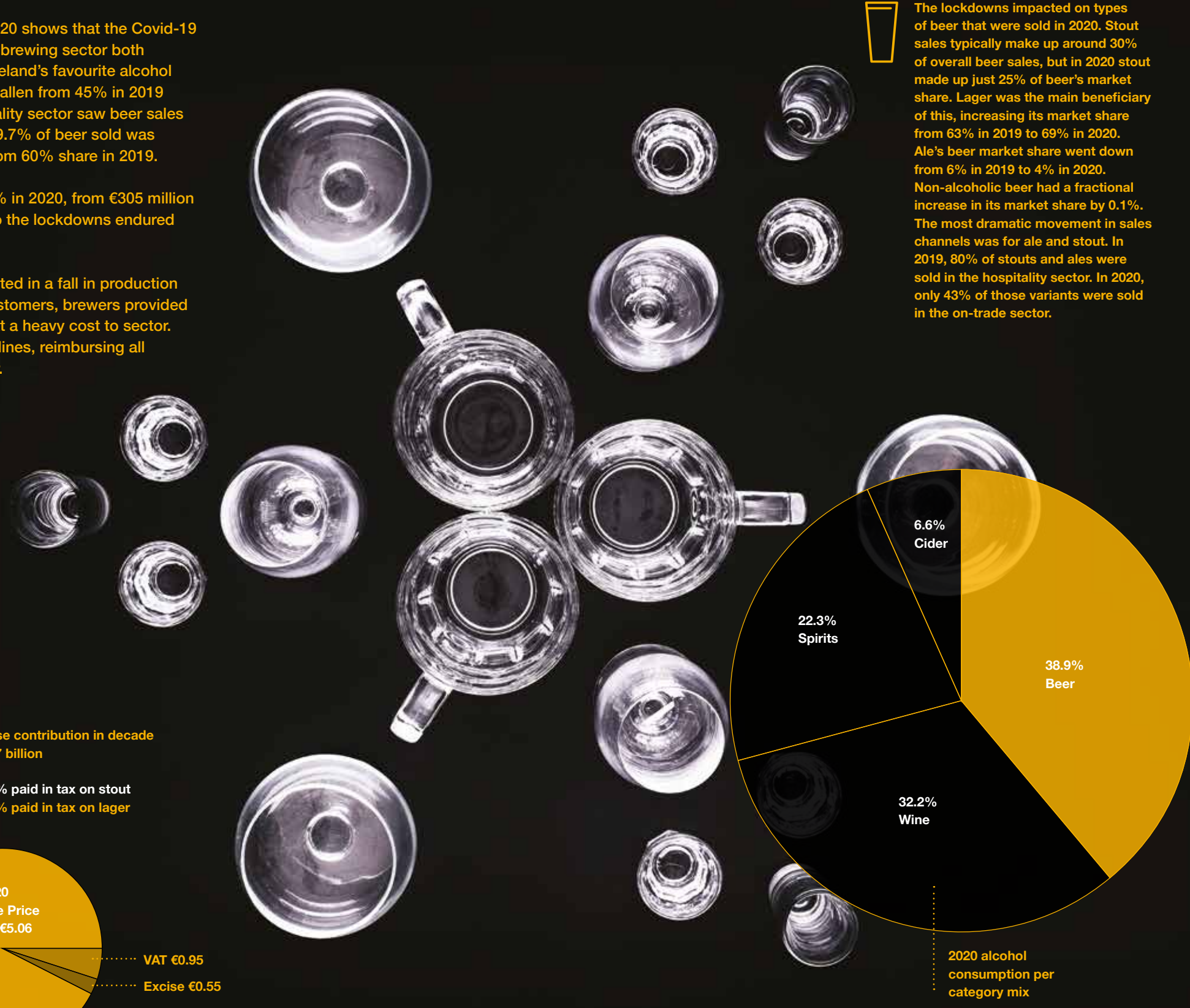
This decrease in total beer sales has resulted in a fall in production by 13% in 2020. To support hospitality customers, brewers provided extensive financial support, which came at a heavy cost to sector. This included extending high value credit lines, reimbursing all unsold kegs and disposing of unsold beer.

### Jonathan McDade, Head of Beer at Drinks Ireland on post-Covid and beyond –

“As the vaccine roll-out continues, the beer sector hopes to be able to see more consumers engaging with the hospitality sector. With such a significant fall in beer sales, it is important that the brewing sector receives additional supports from Government to help cover of costs associated with the uplift, disposal, and writing-off of out-of-date beer. Furthermore, the sector requires a change in the duty system, allowing for excise to be recovered in a similar manner to VAT on bad debts, which would prove invaluable in us continuing to support the provision of credit to the hospitality sector.”



The lockdowns impacted on types of beer that were sold in 2020. Stout sales typically make up around 30% of overall beer sales, but in 2020 stout made up just 25% of beer's market share. Lager was the main beneficiary of this, increasing its market share from 63% in 2019 to 69% in 2020. Ale's beer market share went down from 6% in 2019 to 4% in 2020. Non-alcoholic beer had a fractional increase in its market share by 0.1%. The most dramatic movement in sales channels was for ale and stout. In 2019, 80% of stouts and ales were sold in the hospitality sector. In 2020, only 43% of those variants were sold in the on-trade sector.



## Drinks Ireland | Cider

Like beer, the rolling lockdowns of the hospitality sector during Covid has hit cider sales hard in 2020. This report highlights the key findings from the Drinks Ireland|Cider Market Report 2020.

Cider remains one of Ireland's favourite alcohol beverages. Although its market share has fallen from 7.4% in 2019 to 6.9% in 2020, due to an 11.3% fall in total cider sales in 2020, when compared to the previous year. The impact of Covid-19 is seen through this fall in sales as well as the fact that in 2019 an estimated 45% of cider sales were from pubs, restaurants, and hotels, compared to an estimated 16% in 2020.

The value of cider exports declined by 2.7% to €58.2 million in 2020, down from €60.9 million in 2019, which can be attributed to the lockdowns experienced by the hospitality sector in our export markets.

Since 2010 over half a billion Euro worth of excise receipts has been collected from cider sales in Ireland. Cider drinkers in Ireland continue to pay the third highest rate of excise in the EU.

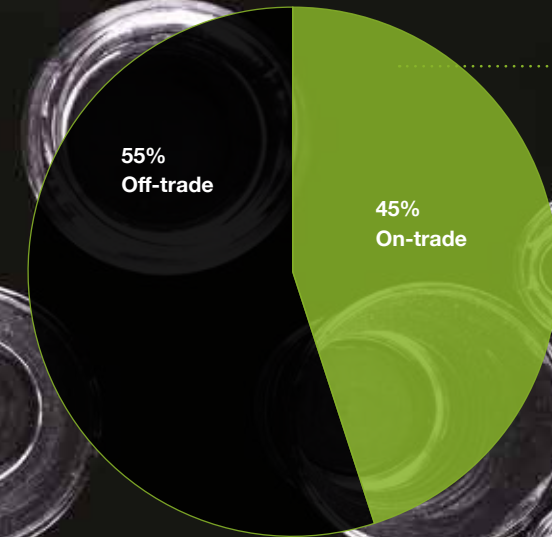
**Jonathan McDade, Head of Cider at Drinks Ireland –**  
 “Irish consumers are lucky to have an unprecedented choice of quality Irish and imported cider products in our hotels, pubs, and restaurants. It is hoped that the reopening of the hospitality sector will result in increased cider sales in the coming years.”



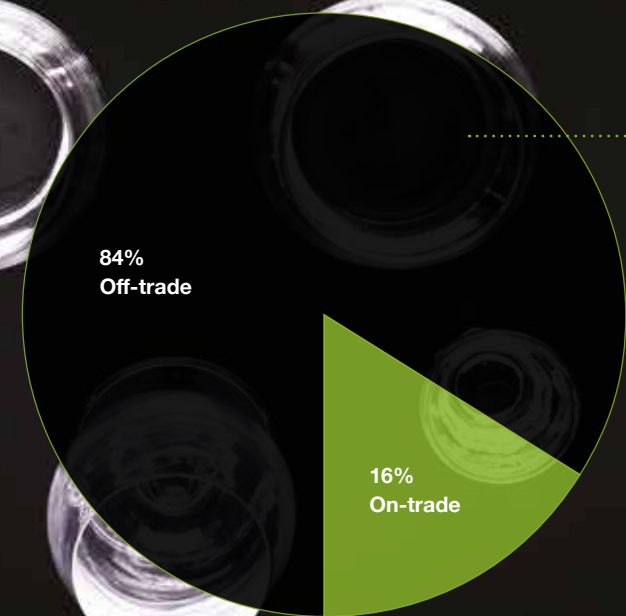
Total cider consumption in litres

2014	62,410,778
2015	58,100,576
2016	63,068,636
2017	64,021,782
2018	64,299,656
2019	63,182,054
2020	55,997,813

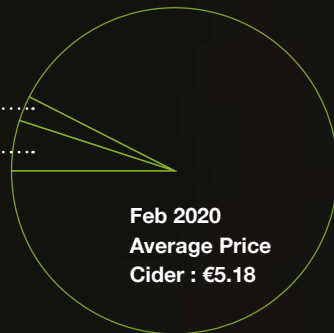
2019  
On-trade vs  
off-trade



2020  
On-trade vs  
off-trade



Excise €0.53  
 VAT €0.97





## Drinks Ireland | Spirits

The Drinks Ireland | Spirits Market Report 2020 shows that overall spirits sales in Ireland dropped by 4.8%, while the value of exports dropped by 16%. However, some spirits categories benefited from the consumer focus on the off-trade, with domestic sales of Irish Cream liqueur increasing by 26.5% and Scotch whisky by 9.9%. Vodka and Tequila however did less well registering, what we believe to be temporary, decreases of -10.2% and -30.4% respectively. The gin and Irish gin category registered its first decline in growth since 2015. These fluctuations can be placed at the door of Covid-19 and the restrictions in place in the on-trade, a key consumer channel for the category.

Imports of US whiskey and bourbon into Ireland fell for the third year running down a massive 39.5% on the previous year. Much if not all of this is due to the EU's rebalancing tariffs of 25% applied (since July 2018) in retaliation for US tariffs on European steel and aluminium products.

Ireland retained its unnecessary third-place position in the 2020 European spirits excise league table, with only Sweden and Finland ahead of it. Spirits contributed €373.3 million or just over 31% to the excise duty collected by the Irish State.

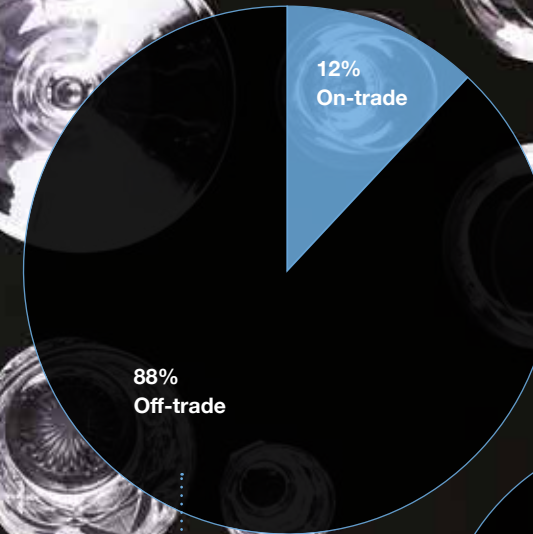
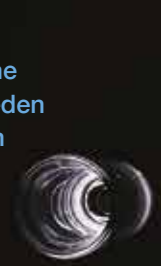
## US Whiskey and Bourbon exports to Ireland

Year	Annual growth	% Change
2015	€3,575,505	+1.9%
2016	€3,836,759	+7.3%
2017	€3,602,959	-6.1%
2018*	€4,431,071	+23%**
2019*	€3,693,428	-16.6%
2020*	€2,235,767	-39.5%

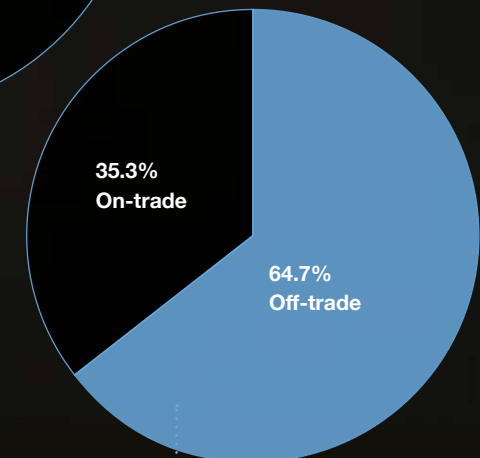


\* EU tariffs of 25% were applied to US Whiskey and Bourbon imports in July 2018 in retaliation for US tariffs applied to European steel and aluminium products. In July 2021, these tariffs were due to automatically rise to 50%. This automatic doubling was unilaterally postponed by the EU for six months to facilitate further negotiations. At the end of October 2021 agreement was reached between both sides which should see the lifting of tariffs by both sides by the end of the year.

\*\* US exporters, including Drinks Ireland members, frontloaded Whiskey and Bourbon exports into Ireland in the six months prior to EU tariffs being applied in July 2018 resulting in a +75.11% increase of exports compared to the same six-month period the previous year.



On-trade vs Off-trade Volume 2020



On-trade vs Off-trade Value 2020

Source: Industry

## Ireland's most popular spirits categories

Sales in Ireland 2020 Source: The IWSR, industry

	2014	2015	2016	2017	2018	2019	2020	2019/20 Change
Vodka	805.5	743.75	750.95	750.00	786	791	710.5*	-10.2%
Irish Whiskey	468	504.25	521.75	548.25	584.75	590.45	591	0.1%
Gin (total)	111.25	125.5	171.25	245.65	323.65	338.5	316	-6.6%
Rum	211	179.25	176.5	175.5	169.5	172.5	167	-3.5%
Brandy	108.25	111.75	118	117.25	119	117	107.75	-7.9%
Other Liqueurs	103.00	104.50	109.70	111.7	112.85	113.6	116.15	2.2%
Irish Cream Liqueur	100.75	93.25	95.2	84.5	95.4	89.4	113.1	26.5%
US Whiskey	49.5	55.75	58	56.5	73.2	70	69.5	-0.7%
Scotch Whiskey	75.5	67.5	61.75	55.75	51.5	42.75	47	9.9%
Tequila	13.5	15.75	16	15.75	16	16.5	11.48	-30.4%

## Vincent McGovern, Head of Spirits at Drinks Ireland

"The value of spirits exports from the island of Ireland showed a decline in 2020 of just under 16%. This fall is not unexpected given the year that was however looking forward it is hoped that it can be reversed in time. While the largest export markets for the three Irish spirit GIs (Irish Whiskey, Irish Cream liqueur and Irish Poitín) remained the United States and the United Kingdom, Global Travel Retail which was the third largest market collapsed with the restrictions on air travel."



## Drinks Ireland | Wine

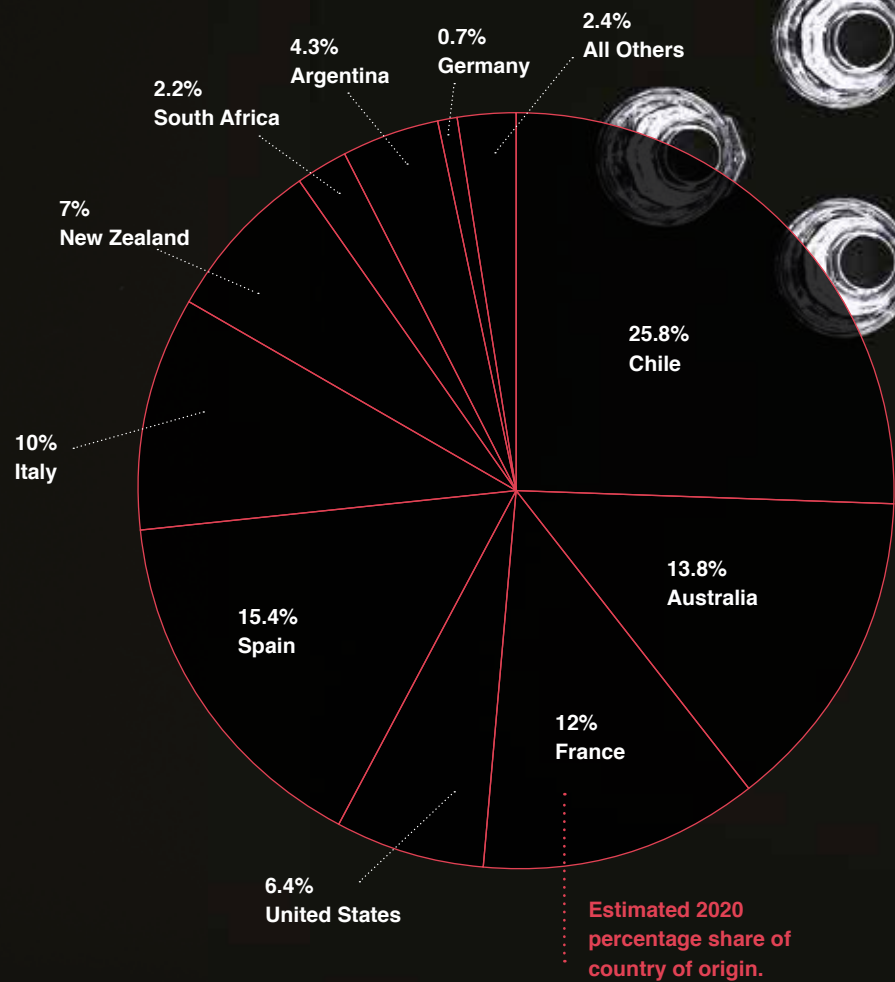
The Drinks Ireland | Wine Market Report 2020 shows that wine remains the nation's second favourite alcohol beverage with its market share increasing to 32%. Retail wine sales rose by 28% in 2020, which is an increase of 12% on the previous year, due to wine's association with home consumption coupled with the hospitality sector lockdowns.

Like the last five years, Chilean wines remain the nation's favourite. As for the variants, the popularity of rosé continues to grow with an estimated 7% share of the wine market, double its share since 2016. White wine is still the most popular type of wine with a 48% share, with red wine at 45%.

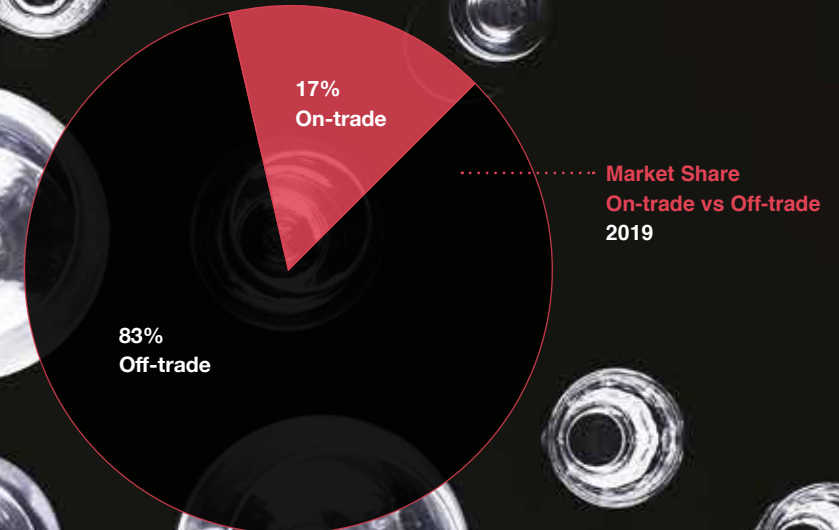
### Jonathan McDade, Head of Wine at Drinks Ireland

"Irish wine drinkers pay the highest rate of excise in the EU at €3.19 per standard bottle of wine. The excise rate is doubled for sparkling wine which is effectively a tax on our celebrations. It is a punitive rate for businesses and consumers to bare."

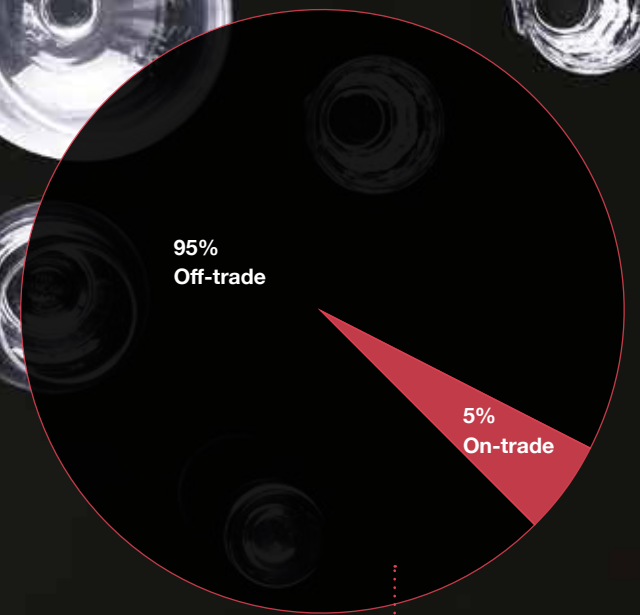
Wine's share of the alcohol market, 2020 saw a fivepoint increase in wine's market share to 32%.



Estimated 2020 percentage share of country of origin.



Market Share On-trade vs Off-trade 2019



Market Share On-trade vs Off-trade 2020

### Irish Whiskey Association

The Irish Whiskey Report 2010-2020 provides an economic assessment of the broader contribution of the Irish Whiskey sector to our shared economy across the island of Ireland.

#### Over the past decade, the Irish whiskey industry:

Invested €1.55 billion

Contributed €686 million in value added to our shared economy

Contributed €412,756 GVA per employee, the highest across Irish food and drink

Directly employed 1,640 persons pre-Covid

Delivered €770 million in excise on domestic sales to the Irish exchequer.

#### In 2020, the Irish whiskey industry:

Distilled over 100 million litres of pure alcohol

Purchased 61,000 timber pallets

Purchased 270,000 used American oak barrels from the US whiskey industry

Used over 200,000 tonnes of malt and grain

Used over 414,000 cubic metres of water

Had over 3.1 million casks being matured on the island of Ireland

### Irish Whiskey Global Sales

In February 2020, the 12-month rolling total for Irish whiskey global sales broke 12 million cases. For the calendar year of 2020, 11.4 million cases were sold, a slight decrease compared to 2019, but still exceeding expectations for what was a challenging year.

### Protecting Irish Whiskey

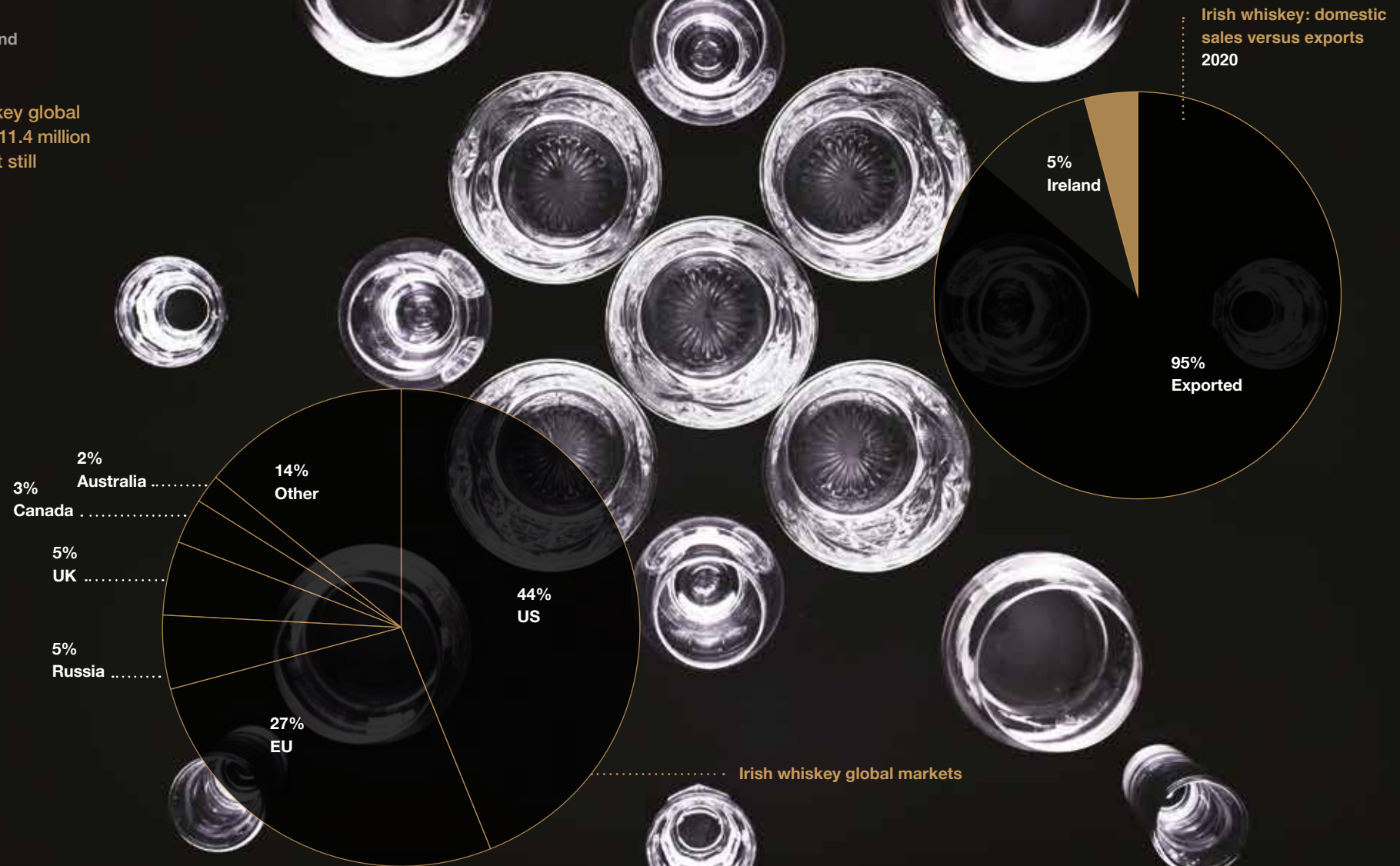
In 2020/2021, the Irish Whiskey Association has successfully secured legal recognition and protection for Irish Whiskey in Belarus, Mozambique and Malaysia with more applications pending. In all these markets Irish Whiskey was successfully registered as Geographic Indication granting it protection similar to the protection afforded by the European Union and provides a legal mechanism to take enforcement action against products infringing on the Irish Whiskey GI. In addition, the association has engaged with the EU Commission, Irish and UK Governments to ensure the inclusion of the Irish Whiskey GI in trade agreements with Vietnam, Armenia and in the UK continuity agreement.

### Irish Whiskey Product Specification

In mid 2020, the association commenced a wholesale review of the Product Specification to identify areas impacting the growing and developing needs of the Irish Whiskey category and industry. Following this analysis, the association has proposed several amendments to the Product Specification which have been submitted to the Department of Agriculture pursuant to the amendment procedure laid down by the 2019 Spirit Drink Regulation.

### William Lavelle, Head of the Irish Whiskey Association

“Despite the pandemic, 11.4 million cases of Irish whiskey were sold globally in 2020, with sales holding-up or growing in many major markets. We can realistically target full recovery in 2021. This is testament to the resilience and resolve of our industry and to ever-increasing global consumer ‘grá’ for Irish whiskey.”





## Drinks Ireland

Drinks Ireland is the Ibec sector that represents the interests of alcohol drinks manufacturers, brand owners and suppliers on the island of Ireland. Drinks Ireland is globally unique as it represents all categories of alcohol products in one umbrella organisation through its various trade associations.

Drinks Ireland | Beer  
Drinks Ireland | Cider  
Drinks Ireland | Spirits  
Drinks Ireland | Wine  
Irish Whiskey Association

### Drinks Ireland Board

Pat Rigney, The Shed Distillery (in the Chair)  
Bryan Fallon, Heaven Hill  
Johnny Harte, McCormick Distilling  
Ryan McFarland, Molson Coors  
Conor McQuaid, Irish Distillers  
Peter Mosley, The Porterhouse  
Denis O'Flynn, Clonakilty Distillery  
Andy O'Hara, Edward Dillon  
Seamus O'Hara, Carlow Brewing Company  
Barry O'Sullivan, Diageo  
John Quinn, William Grant & Sons  
Maarten Schuurman, Heineken  
Bernard Walsh, Walsh Whiskey

### Drinks Ireland Executive

Patricia Callan, Director, Drinks Ireland  
William Lavelle, Head of the Irish Whiskey Association  
Carleen Madigan, Legal Advisor, Irish Whiskey Association  
Jonathan McDade, Head of Beer / Cider / Wine in Drinks Ireland  
Vincent McGovern, Head of Spirits in Drinks Ireland  
Miriam Mooney, Legal Advisor, Irish Whiskey Association  
Emma O'Brien, Campaign Manager, Drinks Ireland  
Ali O'Keefe, Administrator, Drinks Ireland / Ibec

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**Drinks  
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Championing Ireland's best  
loved drinks brands

**Annual Review 2020/21**

