



Związek Pracodawców Przemysłu Piwowarskiego w Polsce

PRESS RELEASE

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Brewing sector after the 1st term

The first half of the year brought sales raise of 3% in the beer market and over 1.4 billion PLN filled the budget from the excise only. However the industry with anxiety observes works concerning the updating of the Act on education in sobriety and alcoholism counteraction, which restricts the sector and which will yield negative economic consequences.

skrajowa brand-owa	2007			2008		
	kw.I	kw.II	VI	kw.I	kw.II	VI
W cateringu	0	10000	10000	0	10000	10000
Skrajowa brand-owa	10000	10000	10000	10000	10000	10000
Przebieg eksportu	10000	10000	10000	10000	10000	10000
Przebieg importu	10000	10000	10000	10000	10000	10000
Razem Browary	10000	10000	10000	10000	10000	10000
Wzrost popytu	+17,7%	+18,5%	+18,2%	+6,4%	-1,8%	+8,8%

The market raises

If you compare the 1st term of 2008 to the corresponding period of the previous year, the raise in sales in the beer market reached over 3%.

More to the budget

Bigger sales in the brewing sector mean higher inflows to the budget from the excise tax and VAT. Brewers are becoming an ever more important source of income for the Treasury in this category. The value of the excise that breweries assured in the 1st term of 2008 equaled 1.431,1 billion, which means a 2.3% raise compared to the corresponding period of the last year (1.398,8 billion PLN) and an almost 19% raise as far as the excise value paid by the sector in the 1st term of 2006 is concerned (1.203,7 billion PLN).



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Heavy blow

The deputies' project to up-date the Act on education in sobriety and alcoholism counteraction awakens a lot of emotions. If it was adopted by the Parliament, warning inscriptions would take 1/5th of the surface of the packaging. It is worth underlining: of the packaging, not of the label. This means that an additional warning inscription would be seen incomparably better than the brand, which on one hand can be in contradiction with the regulations on trademarks protection and intellectual property and on the other hand would violate consumers' rights, who making their purchasing decisions have a right to a full information about the brand and specificity of the purchased good. It is already known that the perspective of labels in such a form would constitute a big problem for exclusive brands' owners in Europe and around the world. Such producers, offering noble wines or other alcoholic beverages with a long tradition, by not giving their consent to present the trademark with additional elements influencing the brand image could withdraw their goods from the Polish market.

The problem with labels also has a financial aspect. Introducing large warning inscriptions would constitute a significant cost to brewers, forcing them to modify the labeling line. Withdrawing alcohols without the obligatory warning inscription from the market would also constitute a big financial and logistic effort. The consequences of such regulations would hit medium and small breweries the most.

*This is an unreasonable copying of the pattern used in the tobacco industry – says **Danuta Gut**, the director of the Management Board Office of the Union of Brewing Industry Employers in Poland . – This solution is absolutely not adapted to the industry specificity, where the packaging, the label and the look have a completely different role than in case of tobacco. It is completely different to label packets of cigarettes with warning inscriptions reaching 1/5th of the packet and to label the entire bottle of beer or another alcohol – as it is foreseen in the project. We committed to certain obligations and we fulfill them consistently – since the 1st of April on bottles and cans of beer produced by breweries-signatories of the agreement there is the symbol „I never drive after a drink”. The initiative is not compulsory and corresponds with our activities to eliminate irresponsible consumption. We above all support wise education that cannot be replaced by anything else, not even by the strictest law or ostentatious horror. The change has to be made in us, not only around us. This is why for many years we concentrate on campaigns concerning the problem of drunk drivers and access of minors to alcohol that involve emotions and change attitudes – added **Danuta Gut**.*



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The problem of drinking alcohol by youth is a complex social problem. There are many factors that influence this kind of behavior: other teenagers, easy access to alcohol, family environment, life perspectives or financial situation. Publicity definitely occupies a further place in this list. For the authors of the Act's updating limiting beer publicity (publicity ban between 6 a.m. and 11 p.m.) is supposed to be a remedy to eliminate the problem of drinking alcohol by minor youth. The brewing sector opposes this position.

*Publicity has a meaning only for the market share of its participants and for the brand image creation. Instead of multiplying the boundaries, we should focus on education and on a better execution of laws on alcohol sale ban – says **Danuta Gut** from the Union of Brewing Industry Employers in Poland.*

Not to toe the line

The brewing sector does not want to be an object of restrictions but a partner in eliminating negative phenomena linked to irresponsible alcohol sales and consumption.

In June 2007 the European Commission appointed an Alcohol and Health Forum as a platform of activities of all interested parties (including producers) for a common strategy against the effects of excessive, irresponsible alcohol consumption. In September 2007 the European Parliament rejected the project on health warnings' harmonization on alcohol packaging. Instead it recommended to address the European Commission in order to make it conduct comparative surveys in the whole Europe on the effectiveness and meaning as well as content of diverse voluntary information and health warnings. The results of these surveys should be published until the end of 2009. The deputies, authors of the project updating the Act on education in sobriety and alcoholism counteraction seem to completely neglect these facts.

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