



# DIGI

## National and Regional Employment in the Drinks and Hospitality Sector

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# Drinks and Hospitality Employment in Ireland

## Total employment and % share of county employment



## Foreword by DIGI

Ireland's drinks industry is experiencing its renaissance. Modern consumers demand quality and variety. In response, drinks businesses have seized the opportunity to produce, market and sell innovative new products to customers in Ireland and importantly, around the world.

This economic activity is of huge value. As well as generating Exchequer revenue worth €2.3 billion, the drinks industry keeps 90,000 Irish people in work. When the tourism sector is included [much of which is dependent on or associated with the drinks industry], total employment is 254,400, or 11.5% of all Irish jobs.

In many rural parts of Ireland, tourism is the primary, and in some cases the only, employer. In terms of the accommodation and food service sector, which includes many drinks and tourism businesses, nine counties report a total employment share above the national average of 5.8%. This figure rises to 10.5% in Kerry. These jobs are immensely important to their local economies and communities.

Ireland's tourism and drinks products are held in high regard at home and abroad. Last year Fáilte Ireland recorded the seventh year of consecutive growth in overseas visitor numbers. In 2013, there were just four working whiskey distilleries in Ireland. Today there are eighteen, and a further sixteen are in development. The number of Irish microbreweries producing their own product has more than quadrupled since 2012, from 15 to 72.

However, changes to the international political and economic order significantly challenge this new success, particularly outside our major cities. The 2008 recession proved that in the event of a crisis or financial downturn, rural businesses are the first to feel the effects of closures and job losses.

Rural Ireland's new recession may come in the form of a hard or 'no deal' Brexit. In either of these instances, the value of sterling will fall, likely further than it has already, decreasing the purchasing power of British visitors who make up the biggest single market of tourists to Ireland.

Faced with this, the Irish Government must safeguard the integrity of Ireland's drinks and hospitality sector. While this country's Brexit policy will ultimately depend on decisions made in London, our lawmakers can take action now to remove obstacles to growth and provide the economic defences necessary to protect vulnerable industries.

To achieve this, DIGI believes that the Government must reduce excise tax on alcohol, which is the second highest in the EU. A 15% reduction, which is a reversal of the emergency measures introduced in 2012 and 2013, would return money to consumers and help drinks businesses across the country to invest money in growth and jobs, and offset the negative impacts of Brexit.



**Rosemary Garth**

Chairperson of the Drinks Industry Group of Ireland and Communications and Corporate Affairs Director at Irish Distillers

## About DIGI

The Drinks Industry Group of Ireland (DIGI) is the umbrella organisation for the drinks and hospitality industry in Ireland. DIGI's membership spans brewers, distillers, distributors and the retail sectors (both the on-trade – pubs, hotels, restaurants – and the independent off-licence sector). Its members include:

- **Alcohol Beverage Federation of Ireland**
- **Irish Hotels Federation**
- **Licensed Vintners Association**
- **National Off-Licence Association**
- **Restaurants Association of Ireland**
- **Vintners Federation of Ireland**

Almost 90,000 jobs across the country are dependent on the drinks industry alone. It purchases over €1.1bn of Irish produce annually, exports goods worth over €1.25bn, and provides over €2.45bn worth of excise and VAT income to the state, as well as hundreds of millions in income tax, PRSI receipts and tax on profits every year. It is also a vital element of Ireland's wider hospitality sector and internationally renowned tourism offering.

DIGI, through its Support Your Local campaign, seeks to highlight the positive economic, cultural and social contribution that the drinks and wider hospitality industry makes to Ireland nationally and locally. We work with stakeholders to create conditions that ensure the industry's stability and continued growth. The campaign looks forward to engaging with the Government to ensure that policy measures continue to support the ongoing growth and development of a key industry and driver of economic activity in Ireland.

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# EXECUTIVE SUMMARY AND KEY FINDINGS

The drinks and hospitality industry is a major employer in Ireland. In this report, we review and quantify those employed in the industry and analyse the performance of that employment in local and regional communities.

There are different definitions of what constitutes the tourism, hospitality and drinks sectors. The main approach in the report is to use the CSO accommodation and food service [AFS] activities [including bars] classification. This classification was used as it is the source of the most comprehensive data available and it includes employment in pubs, hotel bars, hotels, B&Bs and coffee shops among others [see list in the methodology section].

However, other drinks businesses exist outside of this definition, such as off-licences, and the drinks industry supports the wider tourism industry, which is also not included in these figures. The full methodology can be found at the end of the report in section 9.

Measured as a share of employment in the non-financial business sector in 2014, Ireland's accommodation and food service sector share was fourth highest in the EU after Cyprus, Greece and Malta.

### Summary of national employment performance

- AFS employment accounts for 7.6% of total employment or 7.6 out of every 100 jobs in Quarter 1 2018 compared with 6% in 2011
- The AFS sector provides 169.6k jobs [in Q1 2018]
- AFS employment increased each year since 2011 and total employment increased each year from Q1 2012
- Over the past six years AFS employment growth exceeded total employment growth. AFS employment increased by 40.0% between Q1 2012 and Q1 2018 compared to an increase of 19.2% in total employment
- Between Q1 2012 and Q1 2018 AFS accounted for 13.6% of the total employment increase
- The female share of AFS employment is 52.4% compared to 45.7% for total employment and 54.1% for services employment
- AFS provides 8.8% of all female employment and 6.7% of all male employment
- The non-national AFS employment share is 33.1% compared with 15.8% for total employment
- Based on Q1 2017 QNHS data, 41.2% of AFS employment is part-time compared to 21.5% for total employment
- Full-time jobs in AFS increased by 29.7% between 2012 and 2017 compared to 15.0% in total employment
- There is a wider tourism category than AFS. On previous ratios it could be 1.5 times the AFS level. This would translate into a wider tourism employment of 254.4k or 11.5% of total. On a more conservative 1.4 ratio the larger sector would be 237k persons or 10.7%.

### Summary of regional performance

- Hospitality employment as a % of regional total employment ranges from 9.5% in the West to 6.3% in the Mid-East. The State share is 7.6%
- Based on the most recent figures from the Labour Force Survey, the Dublin region share is higher than the State figure at 8%. Dublin's AFS share of total regional employment is the second highest of the eight regions in the State
- At the State level AFS accounts for 8.8% of all female jobs. The shares in the eight regions range from 7.4% [Dublin and Mid-East] to 11.1% in the West
- Six of the eight regions have AFS shares of female employment which are 9.4% or higher
- The rest of the country [excluding Dublin] has 69.2% of the total employment and only 67.9% of the AFS employment
- Dublin has 30.8% of total employment and 32.1% of AFS employment
- AFS contributes more to female regional employment than it does to male regional employment. 67.9% of all female employment is in the rest of the country but 72.7% of AFS female employment is in the rest of the country
- The rest of the country has 70.3% of total male employment but only 62.6% of AFS male employment
- Of the eight regions, seven had higher growth in AFS employment than in regional total employment between 2012 and 2018. The exception was South-west where AFS employment increased by 6.5% and total regional employment increased by 14.3%
- The AFS share of rest of country total employment increased from 6.8% in 2012 to 7.5% in 2018
- The AFS performance contributed to regional development in that AFS growth exceeded total and other sector regional growth. But, Dublin performed better than the rest of the country with an AFS employment growth of 72.2% compared to 28.7% in the rest of the country.
- A degree of caution should be attached to interpretation of short-term changes in regional totals as reported in the LFS because some of the reported annual changes are difficult to explain
- The 2016 Census of Population reported the per cent shares of national employment in the rest of the country were; hotel and similar accommodation 78%; other accommodation 80%; restaurants 66%; events catering 59% and bars 73%. The total employment rest of country share was 69.4%.

### Summary of county employment performance

- Based on the Census of Population data the national AFS share of employment is 5.8%. The LFS equivalent figure for Quarter 1 2016 is 7.3%
- The estimation of 2018 county AFS employment is inexact and produces estimates with a large margin of error
- The range of Census county AFS shares is 4.1% [Longford] to 10.5% [Kerry]. Sixteen counties are below the national average of 5.8%. One county is on 5.8% [Wicklow]. Nine counties have shares above 5.8%. These nine are Clare, Donegal, Galway, Kerry, Kilkenny, Leitrim, Sligo, Waterford and Wexford. Of these nine six are part of the Atlantic Way tourism region. The other three are in the Ancient East region
- Based on the Quarter 1 2018 LFS, the five lowest AFS employment counties are Longford, Leitrim, Monaghan, Carlow and Roscommon which are each under 2000 AFS jobs. Dublin, Cork and Galway are the top three counties with each having in excess of 10,000 AFS jobs. Dublin's total is 54,400.

### Summary of employment in the drinks industry

- The drinks sector for purposes of this report includes the manufacturing sector, the substantial off-licence sector with almost 2,000 full off-licences as well as many more wine off-licences, full and wine licensed restaurants, wholesalers and other distributors and drinks related visitor attractions
- The broader drinks sector directly employs over 63k persons in both part-time and full-time jobs. Including direct, indirect and multiplier related employment generates a total of 90k jobs associated with the drinks industry
- The 2016 Census of Population reported a beverages manufacturing total of 5,876 persons. This figure represents employment in alcoholic and non-alcoholic beverage manufacturing, which includes soft drinks and fruit juices. Dublin accounted for 1,786 of these or 30.4% with 4090 or 69.6% located in the rest of the country. Cork had 1,183 manufacturing jobs in beverages. Five other counties each had beverages manufacturing employments of above 200 persons.

### Summary of comparison to other sectors

- AFS employment had the second highest rate of employment increase of the 14 sectors of total employment between Q1 2011 and Q1 2018. Its growth of 50% was just below the construction growth of 54.3%
- Administrative and support services employment increased by 27.9% and professional, scientific and technical activities grew by 21.9%. All other sectors had increases of less than 20%
- Over Q1 2011 to Q1 2017 on QNHS data, full-time jobs in AFS increased by 39.0%. This was the largest increase of the 14 sectors
- AFS was followed by construction with 34.6%. Agriculture, forestry and fisheries had an increase of 23.6%. All other sectors had increases of lower than 20%. Two sectors had declines.

### Summary of earnings and occupations

- The AFS hourly earnings are €13.23 compared with the highest rate of €36.69 in financial and insurance activities. The next highest four sectors after AFS are "other service activities" [€15.74], administrative and support service activities [€17.96], "wholesale/retail, motor repair" [€18.61] and "arts/entertainment" [€18.97]
- Average earnings in drinks manufacturing is relatively high in comparison to total manufacturing and to individual sectors in manufacturing
- Average wages and salaries per person engaged was €53.4k compared to €44.8 in manufacturing as a whole according to the latest 2014 CSO data
- Elementary occupations were 47.3% of total in AFS compared to 10.7% of total employment. Managers, directors and senior officials were 8.4% of total employment and 13.9% of AFS employment. Skilled trades were 16% of total employment compared to 23.1% in AFS. Administrative and secretarial workers were 10.3% of total employment and 5.2% of AFS employment.

## Introduction and objective

**The objective of this report is to quantify those employed in the drinks and hospitality sector and analyse the performance of that employment in local and regional communities.**

It is prompted by the extensive revisions which have recently been made to official employment statistics. Recently there have been changes in regional composition, new collection and sampling methods and upward revisions to employment. These revisions make redundant earlier national and regional estimates of employment in the sector. The report updates information on the role and contribution of the sector to total employment. There are different definitions of the drinks, hospitality and tourism sectors which lead to different measures of the employment contribution of the sector. This report clarifies the differences between the sectoral classifications.

The report deals with the direct employment in the sector, such as the jobs directly created in pubs, hotels, restaurants and other enterprises. A sector can also generate indirect and multiplier jobs, through the purchase of inputs and the employment impact of the spending generated by the wages and salaries of the direct jobs. This report focuses on the direct employment generated by the drinks and hospitality sector.

There are other labour market and employment contribution indicators apart from employment or number of jobs such as wages/salaries and occupations. Earnings are referred to in the report but sectoral occupational data are not available. However, the primary focus is on the direct contribution of the sector to jobs at the national and regional levels.

Sections 2 to 5 deal with the sector's employment contribution at the national and sub-national levels. Section 6 compares the hospitality employment performance to other sectors. Section 7 deals with earnings and occupations. Conclusions are presented in Section 8.

The full methodology of the report can be found in section 9. The methodology details the classification of the drinks and hospitality sector and the sources of employment data.

The share of accommodation and food service activities in total non-financial business employment is relatively high in Ireland compared to other EU economies [Eurostat Statistics Explained. Online publications. May 2017]. Measured as share of employment in the non-financial business sector in 2014, Ireland's accommodation and food service sector share was fourth highest in the EU after Cyprus, Greece and Malta. The Cyprus share was approximately 18%. The Greece share was just over 14% with Malta just below 14% Ireland's share was approximately 13%.

## National employment performance

The national employment performance of the accommodation and food services (AFS) sector is outlined in Table 2.1. This table presents the AFS employment and the total employment performance from Q1 2007 to the latest available period of Q1 2018. The data is from the non-seasonally corrected series. Note that these figures are higher than the previously published levels of employment from the QNHS for the reasons discussed in the methodology of the report.

AFS employment provides 7.6% of total jobs in Q1 2018. This compares with 6.0% at its lowest share in 2011 and 6.5% in 2007. The AFS share of total employment increased in 2015, 2016, 2017 and 2018

**Table 2.1 Person aged 15 years and over in employment by NACE Rev 2 economic sector Q1 2007 to 2018, thousand**

	2007 Q1	2008 Q1	2009 Q1	2010 Q1	2011 Q1	2012 Q1	2013 Q1	2014 Q1	2015 Q1	2016 Q1	2017 Q1	2018 Q1
<b>Accommodation and food service activities</b>												
Employment	142.1	139.8	129.0	135.1	113.1	121.1	125.7	140.2	141.3	152.6	161.2	169.6
<b>Total</b>												
Employment	2,186.9	2,219.5	2,054.1	1,936.0	1,880.4	1,863.2	1,892.0	1,950.7	2,014.4	2,080.8	2,158.4	2,220.5
AFS share of total	6.5	6.3	6.3	7.0	6.0	6.5	6.6	7.2	7.0	7.3	7.5	7.6

Sources: Labour Force Survey Database, CSO.

Of the quarters shown, total national employment peaked in Q1 2008 and declined each year to 2012. The Q1 2012 total employment level was 1.8632 million which was 356.3k jobs or 16.1% less than the Q1 2008 level of 2.2195 million. After 2012, total employment increased each year to reach 2.2205 million in Q1 2018 which was just above the peak level of Q1 2008.

AFS employment followed a slightly different pattern. Of the quarters shown, it peaked in 2007, declined in 2008 and 2009, increased in 2010 and declined in 2011. From 2011 there was an increase each year up to 2018. 2018 is the seventh consecutive year in which employment in AFS increased. The Q1 2018 AFS employment level is substantially greater than the pre-economic collapse level.

Between Q1 2011 and 2018 AFS employment increased by 50.0% and national employment increased by 18.1%. Between Q1 2012 and Q1 2018, AFS employment increased by 40.0% compared to the total employment increase of 19.2%.

Between Q1 2012 and Q1 2018 AFS accounted for 13.6% of the total employment increase.

Table 2.2 presents details of the male/female structure of the AFS sector.

**Table 2.2 Person aged 15 years and over in employment (thousand) by quarter, sex and NACE Rev 2 economic sector, Q1 2018**

	Agriculture, forestry and fishing [A]	Industry [B to E]	Construction [F]	Services [G to U]	Accommodation and food service activities [I]	All NACE economic sectors
<b>2018Q1</b>						
Total	113.2	279.4	137.3	1,684.0	169.6	2,220.5
Male	95.6	203.7	129.1	773.7	80.8	1,206.6
Female	17.6	75.7	8.2	910.3	88.8	1,013.9
Female %	15.5	27.1	6.0	54.1	52.4	45.7

Sources: Labour Force Survey Database, CSO.

The female share of total employment is 45.7%. The services sector has a 54.1% female share while industry and construction have low female shares of 27.1% and 6.0% respectively. The female share of agricultural, forestry and fishing employment is 15.5%. Females are the majority of workers in AFS and the female share of AFS employment is 52.4%.

AFS provides 8.8% of all female employment and 6.7% of all male employment.

The nationality structure of the AFS sector is shown in Table 2.3. There were 56.2k non-Irish workers in AFS in Q1 2018 which was 33.1% of the total AFS employment. This compared with 15.8% for total employment. The AFS sector is more dependent on non-national labour than the economy as a whole. In Q1 2012 the AFS non-Irish employment share was 31.5% and in total employment the share was 14.7%. Between Q1 2012 and Q1 2018 AFS Irish nationality employment grew by 36.8% and non-national employment grew by 47.1%. The corresponding total employment changes were Irish 17.6% and non-national 28.3%

**Table 2.3 Persons aged 15 years and over in employment (Thousand) by NACE Rev 2 economic sector, nationality and quarter**

	2012 Q1	2018 Q1
<b>Accommodation and food service activities [I]</b>		
Irish	82.9	113.4
Non-Irish	38.2	56.2
All nationalities	121.1	169.6
Non-Irish share %	31.5	33.1
<b>All NACE economic sectors</b>		
Irish	1,590.2	1,870.0
Non-Irish	273.1	350.5
All nationalities	1,863.2	2,220.5
Non-Irish share %	14.7	15.8

Sources: Labour Force Survey Database, CSO.

The full-time/part-time feature of employment is shown in Table 2.4. This is an important aspect of labour market impact. This feature was reported on in the QNHS employment estimates but has not been updated in the LFS. Consequently we use the QNHS data which refer to Q1 2017. The part-time share of total employment was 21.5% in Q1 2017. The AFS sector is much more part-time intensive with a share of 41.2%. The part-time shares of AFS employment in Q1 2012 at 41.3% was almost the same as 2017, 41.2%. The total employment part-time share was a little larger in 2012, 23.6% than in 2017, 21.5%.

Over the period, in total, employment part-time jobs increased by 2.4% and full-time jobs increased by 15.0%. In AFS part-time jobs increased by 29% and full-time jobs increased by 29.7

**Table 2.4 Persons aged 15 years and over in employment (ILO) (thousand) by full and part-time status, quarter and NACE Rev 2 economic sector**

	2012Q1	2017Q1	% share 2017 Q1	% increase 2012/2017
<b>All NACE economic sectors</b>				
Full-time	1,394.8	1,604.5	78.5	15.0
Part-time	430.2	440.6	21.5	2.4
All employment status	1,825.0	2,045.1	100	12.1
<b>Accommodation and food service activities [I]</b>				
Full-time	69.0	89.5	58.8	29.7
Part-time	48.6	62.7	41.2	29.0
All employment status	117.6	152.2	100	29.4

Sources: CSO. Quarterly National Household Survey

As noted above, there is a wider tourism category than AFS. Exact details on the wider category are not available but on previous ratios it could be 1.5 times the AFS level. This would translate into a wider tourism employment of 254.4k. On a more conservative 1.4 ratio the larger sector would be 237k persons.

## Regional employment performance

Hospitality employment, defined as AFS, as a % of regional total employment, ranges from 9.5% in the West to 6.3% in the Mid-East [Table 3.1]. In absolute terms, the level ranges from 8,400 jobs in the Midlands to 54,400 in the Dublin region. Based on the most recent figures from the Labour Force Survey, the Dublin region share is higher than the State figure at 8%. Dublin's AFS share of total regional employment is the second highest of the eight regions in the State.

**Table 3.1 Persons aged 15 years and over in employment (thousand) by quarter, NACE Rev 2 economic sector and region**

	State	Border	West	Mid-West	South East	South West	Dublin	Mid-East	Midland
<b>2018 Q1</b>									
Accommodation and food service activities	169.6	12.5	19.8	16.4	13.9	24.5	54.4	19.9	8.4
Total employment	2,220.5	177.1	208.6	212.0	181.6	315.8	683.9	317.7	123.8
AFS share of regional total %	7.6	7.1	9.5	7.7	7.7	7.8	8.0	6.3	6.8

Sources: CSO databases

AFS is more significant for female employment in the regions than for total employment [Table 3.2]. At the State level, AFS accounts for 8.8% of all female jobs. The shares in the eight regions range from 7.4% [Dublin and Mid-East] to 11.1% in the West. Six of the eight regions have AFS shares of female employment which are 9.4% or higher.

**Table 3.2 Female persons aged 15 years and over in employment (thousand) by quarter, NACE Rev 2 economic sector and region**

	State	Border	West	Mid-West	South East	South West	Dublin	Mid-East	Midland
<b>2018 Q1</b>									
Female									
Accommodation and food service activities (I)	88.8	7.4	10.7	9.0	8.0	13.6	24.2	10.6	5.3
All NACE economic sectors	1,013.9	78.9	96.3	93.2	80.7	143.3	325.5	142.4	53.6
AFS share	8.8	9.4	11.1	9.7	9.9	9.5	7.4	7.4	9.9

Sources: CSO databases

### Summary of national employment performance

- AFS employment accounts for 7.6% of total employment or 7.6 out of every 100 jobs in Q1 2018 compared with 6% in 2011
- The AFS sector provides 169.6k jobs [in Q1 2018]
- AFS employment increased each year since 2011 and total employment increased each year from Q1 2012
- Over the past six years AFS employment growth exceeded total employment growth. AFS employment increased by 40.0% between Q1 2012 and Q1 2018 compared to an increase of 19.2% in total employment
- Between Q1 2012 and Q1 2018 AFS accounted for 13.6% of the total employment increase
- The female share of AFS employment is 52.4% compared to 45.7% for total employment and 54.1% for services employment
- AFS provides 8.8% of all female employment and 6.7% of all male employment
- The non-national AFS employment share is 33.1% compared with 15.8% for total employment
- Based on Q1 2017 QNHS data, 41.2% of AFS employment is part-time compared to 21.5% for total employment
- Full-time jobs in AFS increased by 29.7% between 2012 and 2017 compared to 15.0% in total employment
- There is a wider tourism category than AFS. On previous ratios it could be 1.5 times the AFS level. This would translate into a wider tourism employment of 254.4k. On a more conservative 1.4 ratio the larger sector would be 237k persons.

Dublin's employment distribution relative to the rest of the country is outlined in Table 3.3.

**Table 3.3 Dublin compared to rest of country in total and AFS employment Quarter 1 2018**

	Dublin	Rest of country	Total	Rest of country share %
Total employment	683.9	1536.6	2220.5	69.2
AFS employment	54.4	115.2	169.6	67.9
Total female employment	325.5	688.4	1013.9	67.9
AFS female employment	24.2	64.6	88.8	72.7
Total male employment	358.4	848.2	1206.6	70.3
AFS male employment	30.2	50.6	80.8	62.6

Sources: CSO databases

The rest of the country has 69.2% of the total employment and only 67.9% of the AFS employment. Dublin has 30.8% of total employment and 32.1% of AFS employment. AFS employment is more concentrated in Dublin than total employment.

While this may appear surprising, it reflects several factors. AFS refers to activities in addition to tourism such as work canteens and 'normal everyday' spending. A very large proportion of international tourists spend time in Dublin. Dublin has a substantial concentration of tourism facilities such as the two leading drinks-related visitor centres, Dublin Zoo, and the Book of Kells.

There is an interesting difference between males and females. AFS contributes more to female regional employment than it does to male employment. 67.9% of all female employment is in the rest of the country but 72.7% of AFS female employment is in the rest of the country. The rest of the country has 70.3% of total male employment but only 62.6% of AFS male employment.

The contribution of AFS employment growth to regional development in the 2012 to 2018 period [Table 3.4] is now examined. AFS has contributed to regional performance over the past several years.

**Table 3.4 Persons aged 15 years and over in employment (thousand) by region, quarter and NACE Rev 2 economic sector**

	Accommodation and food service activities (I)	All NACE economic sectors
<b>State</b>		
2012 Q1		
Both sexes	121.1	1,863.2
2018 Q1		
Both sexes	169.6	2,220.5
% change	40.0	19.2
<b>Border</b>		
2012 Q1		
Both sexes	9.61	45.1 s
2018 Q1		
Both sexes	12.5	177.1
% change	30.2	22.1
<b>West</b>		
2012 Q1		
Both sexes	12.5	175.6
2018 Q1		
Both sexes	19.8	208.6
% change	58.4	18.8
<b>Mid-West</b>		
2012 Q1		
Both sexes	12.4	188.9
2018 Q1		
Both sexes	16.4	212.0
% change	29.8	12.2
<b>South-East</b>		
2012 Q1		
Both sexes	10.3	153.4
2018 Q1		
Both sexes	13.9	181.6
% change	35.0	18.4
<b>South-West</b>		
2012 Q1		
Both sexes	23.0	276.2
2018 Q1		
Both sexes	24.5	315.8
% change	6.5	14.3
<b>Dublin</b>		
2012 Q1		
Both sexes	31.6	543.5
2018 Q1		
Both sexes	54.4	683.9
% change	72.2	25.8
<b>Mid-East</b>		
2012 Q1		
Both sexes	15.6	281.9
2018 Q1		
Both sexes	19.9	317.7
% change	27.6	12.7

Sources: CSO databases

Of the eight regions, seven had higher growth in AFS employment than in regional total employment. The exception was South-West where AFS employment increased by 6.5% and total regional employment increased by 14.3%. The AFS share of 'rest- of-country' total employment increased from 6.8% in 2012 to 7.5% in 2018.

AFS performance contributed to regional development in that AFS employment growth exceeded total and other sector regional employment growth. However, Dublin performed better than the rest of the country with an AFS growth of 72.2% compared to 28.7% in the rest of the country.

A degree of caution should be attached to interpretation of short-term changes in regional totals as reported in the LFS and revised from the earlier QNHS. The LFS regional totals are shown in Table 3.4 for Q1 of each year from 2012 to 2018.

Unusual annual changes are apparent in several cases. For example, Border AFS employment increases greatly in 2017 and drops by a very large 29% between 2017 and 2018. The scale of the 2017 decline, despite possible Brexit effects, is difficult to rationalise. The West's AFS employment declined greatly in 2015, increased greatly in 2016, and grew very substantially in each of 2017 and 2018. South-East employment increased greatly in 2014. South-West employment, between 2012 and 2018, grew by only 6.5%. Dublin's employment very greatly increased in 2014, declined in 2017 and greatly increased in 2018. Midland employment increased greatly in 2018. The data may reflect actual economic changes in the regional levels of AFS employment or the data may not fully reflect regional AFS economic activity.

**Table 3.4 Persons aged 15 years and over in employment [thousand] by NACE Rev 2 economic sector, region and quarter**

Accommodation and food service activities [I]	2012 Q1	2013 Q1	2014 Q1	2015 Q1	2016 Q1	2017 Q1	2018 Q1
<b>Both sexes</b>							
State	121.1	125.7	140.2	141.3	152.6	161.2	169.6
Border	9.6	9.4	11.4	13.4	14.2	17.6	12.5
West	12.5	12.4	12.6	9.0	11.6	21	9.8
Mid-West	12.4	12.5	12.9	11.3	13.9	16.4	16.4
South-East	10.3	9.5	12.2	12.6	11.5	13.8	13.9
South-West	23.0	21.0	20.9	23.7	22.2	24.8	24.5
Dublin	31.6	36.1	45.8	46.1	51.6	47.3	54.4
Mid-East	15.6	19.0	18.1	19.7	22.1	18.3	19.9
Midland	6.2	6.0	6.3	5.6	5.4	6.7	8.4

Sources: CSO databases.

The 2016 Census of Population reported the following regional employment distribution for some of the sub-sectors within AFS. This refers to the lower AFS Census total compared to the LFS. The indicator refers to per cent of total in the rest of the country; hotel and similar accommodation 78%; other accommodation 80%; restaurants 66%; events and catering 59% and bars 73%. The total employment rest of country share was 69.4%.

### Summary of regional performance

- Hospitality employment as a % of regional total employment ranges from 9.5% in the West to 6.3% in the Mid-East. The State share is 7.6%
- Based on the most recent figures from the Labour Force Survey, the Dublin region share is higher than the State figure at 8%. Dublin's AFS share of total regional employment is the second highest of the eight regions in the State
- At the State level, AFS accounts for 8.8% of all female jobs. The shares in the eight regions range from 7.4% [Dublin and Mid-East] to 11.1% in the West
- Six of the eight regions have AFS shares of female employment which are 9.4% or higher
- The rest of the country [excluding Dublin] has 69.2% of the total employment and only 67.9% of the AFS employment
- Dublin has 30.8% of total employment and 32.1% of AFS employment
- AFS contributes more to female regional employment than it does to male regional employment. 67.9% of all female employment is in the rest of the country but 72.7% of AFS female employment is in the rest of the country
- The rest of the country has 70.3% of total male employment but only 62.6% of AFS male employment
- Of the eight regions, seven had higher growth in AFS employment than in regional total employment between 2012 and 2018. The exception was South-West where AFS employment increased by 6.5% and total regional employment increased by 14.3%
- The AFS share of rest of country total employment increased from 6.8% in 2012 to 7.5% in 2018
- The AFS performance contributed to regional development in that AFS growth exceeded total and other sector regional growth. However, Dublin performed better than the rest of the country with an AFS employment growth of 72.2% compared to 28.7% in the rest of the country
- A degree of caution should be attached to interpretation of short-term changes in regional totals as reported in the LFS because some of the reported annual changes are difficult to explain
- The 2016 Census of Population reported the % shares of national employment in the rest of the country were: hotel and similar accommodation, 78%; other accommodation, 80%; restaurants, 66%; events catering, 59% and bars, 73%. The total employment rest of country share was 69.4%.

## County employment performance

As discussed in the methodology of the report in section 9, the QNHS and the LFS have regional employment data, but there are no county data. The only county source is the Census of Population information. As noted in the methodology and section 3, there is a very large difference between the QNHS and the revised LFS NACE 55 and 56 aggregate on the one hand, and the census figure on the other. Nonetheless it is useful to provide an estimate of current county AFS employment.

The approach is to apply the AFS Census county share of the regional total to the current LFS [Q1] regional total. Clearly this is inexact and produces estimates with a large margin of error. Even allowing for this, it is useful to generate up-to-date county estimates based on the widely used national and regional LFS employment data. Also, the CSO has made the Census of Population county employment details available.

These county estimates are different from previously estimated figures by this author on behalf of the Irish Hotel Federation which allocated the regional employment total between counties on the basis of estimates of international and national tourism expenditure. The now available 2016 Census of Population county data permit the approach used in this report. The IHF estimates also refer to a different period and sectoral coverage. Table 4.1 shows the differences between the April 2016 Census of Population AFS regional totals and the Q1 2016 LFS. The differences are large and, unfortunately, vary between the regions.

**Table 4.1 Persons aged 15 years and over in employment [thousand] by NACE Rev 2 economic sector, region and quarter, accommodation and food service activities**

	2016 Q1	April 2016	2018 Q1
	LFS	CENSUS OF POPULATION	LFS
State	152.6	116.9	169.6
Border	14.2	9.9	12.5
West	11.6	12.5	19.8
Mid-West	13.9	10.6	16.4
South-East	11.5	10.5	13.9
South-West	22.2	18.9	24.5
Dublin	51.6	34.0	54.4
Mid-East	22.1	14.5	19.9
Midland	5.4	5.7	8.4

Sources: CSO databases.

The LFS Q1 2016 national total of AFS employment is 30.5% higher than the census total. The Border region LFS is 43% higher than the census total. In the West the LFS figure is less than the CP. The Mid-West LFS total is 31% higher than the CP total. The South-East is 9.5% higher. The South-West LFS total is 17.5% higher. The Dublin figure is 51.8%. Mid-East is 52.4%. The Midlands region LFS total is lower than the census total.

The census AFS county totals and shares of county total employment are shown below in Table 4.2. The methodology notes that the 2016 Census AFS employment total is substantially less than the 2016 Q1 AFS employment figure.

**Table 4.2 County employment in AFS and total employment and estimated Q1 2018 county employment**

	Census employment AFS 2016 Q1	AFS share of county Employment %	Estimated AFS employment 2018 [to nearest 100]
Carlow	1203	5.5	1600
Cavan	1586	5.2	2000
Clare	3360	6.8	5200
Cork	12459	5.4	16100
Donegal	4602	7.9	5800
Dublin	33989	5.5	54400
Galway	7447	6.8	11800
Kerry	6450	10.5	8400
Kildare	4436	4.6	6100
Kilkenny	2575	6.2	3400
Laois	1711	5.1	2500
Leitrim	825	6.5	1000
Limerick	4302	5.6	6700
Longford	619	4.1	900
Louth	2698	5.4	3700
Mayo	2889	5.6	6200
Meath	3893	4.7	5400
Monaghan	1129	4.4	1400
Offaly	1421	4.6	2100
Roscommon	1184	4.6	1900
Sligo	1731	6.7	2200
Tipperary	2921	4.6	4500
Waterford	2761	6.1	3700
Westmeath	1980	5.6	2900
Wexford	3924	6.8	5200
Wicklow	3451	5.8	4700
Total	116918	5.8	169600

Sources: CSO and own estimates

Two counties, Longford and Leitrim, each have less than 1,000 AFS jobs. Eight counties each have between 1,000 and 2,000 AFS jobs. Four counties each have more than 5,000 AFS jobs. The other 12 counties each have between 2,000 and 5,000 jobs.

Based on the Census of Population data, the national AFS share of employment is 5.8%. The LFS equivalent figure for Q1 2016 is 7.3%. Using the Census national AFS share for comparisons, we get the following situation. The range of shares is 4.1% [Longford] to 10.5% [Kerry]. Sixteen counties are below the national average of 5.8%. One county is on 5.8% [Wicklow]. Nine counties have shares above 5.8%. These nine are Clare, Donegal, Galway, Kerry, Kilkenny, Leitrim, Sligo, Waterford and Wexford. Of these nine, six are part of the Atlantic Way tourism region. The other three are in the Ancient East region.

Table 4.2 contains the estimated county employments in AFS for the latest regional employment totals which refer to Q1 2018. It is not possible to compare the 2016 county data with 2018 because of the different data sources and different estimates from LFS and the Census of Population. The five lowest AFS employment counties are Longford, Leitrim, Monaghan, Carlow and Roscommon which are each under 2,000 AFS jobs. Dublin, Cork and Galway are the top three counties with each having in excess of 10,000 AFS jobs. Dublin's total is 54,400.

#### Summary of county employment performance

- Based on the Census of Population data, the national AFS share of employment is 5.8%. The LFS equivalent figure for Q1 2016 is 7.3%
- The estimation of 2018 county AFS employment is inexact and produces estimates with a large margin of error
- The range of Census county AFS shares is 4.1% [Longford] to 10.5% [Kerry]. Sixteen counties are below the national average of 5.8%. One county is on 5.8% [Wicklow]. Nine counties have shares above 5.8%. These nine are Clare, Donegal, Galway, Kerry, Kilkenny, Leitrim, Sligo, Waterford and Wexford. Of these nine, six are part of the Atlantic Way tourism region. The other three are in the Ancient East region
- Based on the Q1 2018 LFS, the five lowest AFS employment counties are Longford, Leitrim, Monaghan, Carlow and Roscommon which are each under 2,000 AFS jobs. Dublin, Cork and Galway are the top three counties with each having in excess of 10,000 AFS jobs. Dublin's total is 54,400.

## Employment in the drinks industry

**The main source of employment in the drinks industry is the on-licensed trade of public houses and other bars. The methodology identifies the very different estimates of employment in the public house sector from the two CSO sources of the Annual Services Inquiry and the Census of Population. Previous estimates from Failte Ireland, which are no longer collected, reported even larger employment totals than the other two sources.**

The drinks sector, for the purposes of this report, also includes the manufacturing sector on which aggregate employment is available from the LFS. County manufacturing employment is available from the Census of Population.

Other drinks sector activities include the substantial off-licence sector, with almost 2,000 full off-licences in the country, as well as many more wine off-licences, full and wine-licensed restaurants, wholesalers and other distributors, and drinks-related visitor attractions. Unfortunately, there is very limited data available on employment for these activities.

The hospitality data reviewed in this report includes the bars element of the drinks industry but does not include the other elements.

Employment totals for beverage-serving activities (NACE 56.3) from the Annual Services Inquiry were 38.8k in 2012, 38.7k in 2013, 39.1k in 2014 and 40.2k in 2015.

Since 2015 the volume of activity in bars has increased by almost 7% to end 2017, and there have been upward official revisions to previous employment estimates. This would suggest bar employment of about 43k in Q1 2018. Between hotel and other bars, licensed restaurants [drink-related employment] wholesalers, off-licences and visitor attractions there is an estimated 15,000 jobs. The average 2017 beverages manufacturing total from the LFS was 5.3k, but the Census of Population estimate is higher at 5,876. Beverages manufacturing includes soft drinks as well as alcohol.

Overall the broader drinks sector directly employs over 63k persons in both part-time and full-time jobs. Including direct, indirect and multiplier-related employment, there are a total of 90k jobs associated with the drinks industry. Obviously, the wider hospitality sector directly employs a much larger total as reported in this report.

The 2016 Census of Population reported a beverages manufacturing total of 5,876 persons. Dublin accounted for 1,786 of these or 30.4%, with 4,090 or 69.6% located in the rest of the country. Cork had 1,183 manufacturing jobs in beverages. Five other counties each had beverages manufacturing employments of above 200 persons.

### Summary of employment in the drinks industry

- The drinks sector for purposes of this report includes the manufacturing sector, the substantial off-licence sector with almost 2,000 full off-licences, as well as many more wine off-licences, full and wine-licensed restaurants, wholesalers and other distributors, and drinks-related visitor attractions
- The broader drinks sector directly employs over 63k persons in both part-time and full-time jobs. Including direct, indirect and multiplier-related employment, there are a total of 90k jobs associated with the drinks industry
- The 2016 Census of Population reported a beverages manufacturing total of 5,876 persons. Dublin accounted for 1,786 of these or 30.4%, with 4,090 or 69.6% located in the rest of the country. Cork had 1,183 manufacturing jobs in beverages. Five other counties each had beverages manufacturing employments of above 200 persons.

## Hospitality compared to other sectors

The hospitality employment performance between Q1 2011 and Q1 2018 is compared with the other 13 sectors into which total employment is classified.

AFS employment had the second highest rate of employment increase of the 14 sectors. Its growth of 50% was just below the construction growth of 54.3%. In third place was information and communication with an increase of 36.9%. Administrative and support services increased by 27.9%, and professional, scientific and technical activities grew by 21.9%. All other sectors had increases of less than 20%. Wholesale and retail and transportation and storage each grew by less than 10%.

**Table 6.1 Person aged 15 years and over in employment [thousand] by NACE Rev 2 economic sector and quarter**

	2011 Q1	2018 Q1	% increase
Agriculture, forestry and fishing [A]	107.5	113.2	5.3
Industry [B to E]	238.9	279.4	17.0
Construction [F]	89.0	137.3	54.3
Wholesale and retail trade, repair of motor vehicles and motorcycles [G]	274.4	295.0	7.5
Transportation and storage [H]	87.7	94.9	8.2
Accommodation and food service activities [I]	113.1	169.6	50.0
Information and communication [J]	84.6	115.8	36.9
Financial, insurance and real estate activities [K,L]	101.2	105.5	4.2
Professional, scientific and technical activities [M]	110.1	134.2	21.9
Administrative and support service activities [N]	78.1	99.9	27.9
Public administration and defence, compulsory social security [O]	93.9	103.5	10.2
Education [P]	141.2	167.0	18.3
Human health and social work activities [Q]	248.0	277.3	11.8
Other NACE activities [R to U]	105.3	121.4	15.3
All NACE economic sectors	1,880.4	2,220.5	18.1

Sources: CSO

## Earnings and occupations

The full employment impact of a sector relates to more than the number of jobs. The level of earnings per job is also of significance. The CSO data on hourly earnings for Q1 2018 are shown in Table 7.1.

The AFS level is €13.23 compared with the highest rate of €36.69 in financial and insurance activities. The next highest four sectors after AFS are 'other service activities' [€15.74], 'administrative and support service activities' [€17.96], 'wholesale/retail, motor repair' [€18.61] and 'arts/entertainment' [€18.97]. All other sectors are higher than €20. Four sectors are above €30 per hour.

**Table 6.2 Persons aged 15 years and over in Employment (ILO) [Thousand] by Full Time Status, NACE Rev 2 Economic Sector and Quarter**

	2011 Q1	2017 Q1	% increase
Agriculture, forestry and fishing [A]	71.9	88.9	23.6
Industry [B to E]	214.7	240.6	12.1
Construction [F]	91.8	123.6	34.6
Wholesale and retail trade, repair of motor vehicles and motorcycles [G]	173.8	195.7	
Transportation and storage [H]	80.7	80.4	-0.4
Accommodation and food service activities [I]	64.45	89.5	39.0
Information and communication [J]	66.2	85.5	29.2
Professional, scientific and technical activities [M]	86.7	98.2	13.3
Administrative and support service activities [N]	43.2	48.6	12.5
Public administration and defence, compulsory social security [O]	92.7	89.5	-3.5
Education [P]	111.2	122.5	10.2
Human health and social work activities [Q]	151.8	178.6	17.7
Financial, insurance and real estate activities [K,L]	87.5	89.7	2.5
Other NACE activities [R to U]	60.1	67.3	12.0
All NACE economic sectors	1,401.8	1,604.5	14.5

Sources: CSO

### Summary of comparison to other sectors

- AFS employment had the second highest rate of employment increase of the 14 sectors of total employment between Q1 2011 and Q1 2018. Its growth of 50% was just below the construction growth of 54.3%.
- Administrative and support services employment increased by 27.9% and professional, scientific and technical activities grew by 21.9%. All other sectors had increases of less than 20%
- Over Q1 2011 to Q1 2017 on QNHS data, full-time jobs in AFS increased by 39.0%. This was the largest increase of the 14 sectors.
- AFS was followed by construction with 34.6%. Agriculture, forestry and fisheries had an increase of 23.6%. All other sectors had increases of lower than 20%. Two sectors had declines.

**Table 7.1 Average hourly earnings (euros) by economic sector NACE Rev 2 and quarter, euros**

	2018 Q1
All employees	€
All NACE economic sectors	23.31
Mining and quarrying [B]	23.90
Manufacturing [C]	23.46
Construction [F]	20.59
Wholesale and retail trade; repair of motor vehicles and motorcycles [G]	18.61
Transportation and storage [H]	21.17
Accommodation and food service activities [I]	13.23
Information and communication [J]	32.46
Financial and insurance activities [K]	36.69
Real estate activities [L]	24.50
Professional, scientific and technical activities [M]	26.55
Administrative and support service activities [N]	17.96
Public administration and defence; compulsory social security [O]	26.03
Education [P]	35.53
Human health and social work activities [Q]	22.81
Arts, entertainment and recreation [R]	18.97
Other service activities [S]	15.74
Electricity, water supply and waste management [D,E]	27.78

Sources: CSO

The AFS sector's relatively low average labour earnings arise from the nature of the skills mix and production systems in the sector. It is generally acknowledged that a high proportion of low and minimum wage jobs arise in the AFS sector.

AFS also provides many skilled jobs such as managers, accountants, marketing executives, HR executives and IT specialists, as well as large numbers of lower skilled occupations.

Average earnings in drinks manufacturing is relatively high in comparison to total manufacturing and to individual sectors in manufacturing. The latest CSO beverages manufacturing earnings data refer to 2014. Average wages and salaries per person engaged was €53.4k compared to €44.8 in manufacturing as a whole.

Occupational data is available from the QNHS and the latest data relate to Q1 2017 and is on the unrevised total. The source still gives a solid indication of the occupational mix of AFS.

Elementary occupations were 47.3% of total in AFS compared to 10.7% of total employment. Managers, directors and senior officials were 8.4% of total employment and 13.9% of AFS employment. Skilled trades were 16% of total employment compared to 23.1% in AFS. Administrative and secretarial workers were 10.3% of total employment and 5.2% of AFS employment. Professional and associate professional staff were not separately identified for AFS in the QNHS for Q1 2017. An earlier QNHS reported an associate professional and technical share of 2.7% for AFS compared to 11.8% for total employment.

Overall, the AFS sector has a high proportion of elementary occupations compared to total employment and high proportions of skilled trades and directors/managers. The latter reflects the high proportion of small enterprises.

**Table 7.2 Persons aged 15 years and over in employment (ILO) [thousand] by detailed occupational group, quarter and NACE Rev 2 economic sector**

	All NACE economic sectors	Accommodation and food service activities (I)
<b>All occupational groups</b>		
2017 Q1	2,045.1	152.2
<b>Managers, directors and senior officials</b>		
2017 Q1	172.7	21.2
<b>Professional</b>		
2017 Q1	370.5	..
<b>Associate professional and technical</b>		
2017 Q1	238.4	..
<b>Administrative and secretarial</b>		
2017 Q1	211.1	7.9
<b>Skilled trades</b>		
2017 Q1	326.7	35.2
<b>Caring, leisure and other services</b>		
2017 Q1	171.3	4.3
<b>Sales and customer service</b>		
2017 Q1	165.1	4.1
<b>Process, plant and machine operatives</b>		
2017 Q1	152.8	..
<b>Elementary</b>		
2017 Q1	218.0	72.0
<b>Other/Not stated</b>		
2017 Q1	18.4	..

Sources: CSO, QNHS

### Summary of earnings and occupations

- The AFS sector is a relatively low average labour earnings sector. This arises from the nature of the skills mix and production systems in the sector.
- The AFS level is €13.23 compared with the highest rate of €36.69 in financial and insurance activities. The next highest four sectors after AFS are 'other service activities' [€15.74], 'administrative and support service activities' [€17.96], 'wholesale/retail, motor repair' [€18.61] and 'arts/entertainment' [€18.97].
- Average earnings in drinks manufacturing is relatively high in comparison to total manufacturing and to individual sectors in manufacturing.
- Average wages and salaries per person engaged was €53.4k compared to €44.8 in manufacturing as a whole according to the latest 2014 CSO data
- Elementary occupations were 47.3% of total in AFS compared to 10.7% of total employment. Managers, directors and senior officials were 8.4% of total employment and 13.9% of AFS employment. Skilled trades were 16% of total employment compared to 23.1% in AFS. Administrative and secretarial workers were 10.3% of total employment and 5.2% of AFS employment.

## Conclusions

**Drinks and hospitality employment in Ireland is substantial. It has grown in excess of total employment in the past several years. Its role in total employment is larger than most other EU economies. It has contributed to regional development, and in six of the seven regions excluding Dublin, hospitality employment has grown faster than total regional employment. Between 2011 and 2018 the hospitality employment growth was the second highest, after construction, of fourteen sectors.**

The sector has a higher female share of employment than total employment and its importance for female employment is higher than for total employment. Hospitality employment has a higher part-time component than overall employment and has a higher non-national share. Despite the high part-time share, it had the largest growth of the fourteen sectors in full-time employment between 2011 and 2017.

There are different measures of the employment contribution of the sector from the various sources. These have been outlined in the report. Most data is available for the category of accommodation and food service activities (including bars) from the CSO Labour Force Survey. However, this category excludes other tourism related activities such as coaches, car hire, visitor centres, and air and sea transport. Inclusion of these significantly increases the employment contribution of tourism.

It should be noted that accommodation and food service employment does not derive solely from tourism as usually understood. Restaurants and bars are used by non-tourists as part of normal everyday living. Food service includes work canteens. Consequently, the geographic spread of accommodation and food service [AFS] employment should not be treated as equivalent to the geographic spread of tourism activity. AFS employment is determined by a location's population and general employment level as well as by tourism. Even with no inward tourism, a location will still require restaurants and bars to meet local indigenous needs.

An interesting issue arises with the sector's contribution to regional development. A substantial issue in Irish regional development is the economic dominance of Dublin. In Q1 2018 Dublin accounted for 30.8% of total national employment but accounted for a higher share, 32.1%, of national AFS employment. Between 2012 and 2018 national AFS employment increased by 40% but Dublin's AFS employment increased by 72.2% and the rest of the country increased by only 28.7%. Dublin received 47% of the AFS increase despite accounting for only 26.1% of the 2012 AFS total.

Despite Dublin getting much of the 2012 to 2018 change in AFS employment, most of the other regions also did well from AFS employment. In six of the other seven regions, the growth of AFS employment exceeded the growth of regional total employment.

The economy is benefiting significantly from AFS employment, and wider tourism employment. All regions are gaining but Dublin is gaining proportionately more. From a national and regional tourism perspective, there is a need to foster overall national growth to ensure all regions benefit from the growth, and that regions outside Dublin gain a larger share than has been the case over the period covered in the report. However, it is to be emphasised that AFS is not directly equivalent to "tourism".

## Methodology

The methodology of the report identifies the factors involved in calculating the employment figures of the drinks industry. The first part of the methodology explains the classification of sectors. The second part identifies the data sources for employment and differences in estimates. These two factors account for the differences in employment estimations throughout the report.

### Classification of sectors

European industrial activity is classified into groups according to the NACE (Revision 2). However, drinks and hospitality do not constitute a specific sectoral classification. From a DIGI perspective the drinks industry includes manufacturing of beverages [beer, spirits and cider], the on-licence retail sector of pubs and hotels, licensed restaurants [both full and wine only], full and wine off-licences, and wholesale/distribution companies. In addition, drinks-related visitor attractions are included. This view of the drinks industry covers manufacturing, retail and wholesale distribution, aspects of hotels and restaurants, and visitor centres.

The Central Statistics Office publishes employment data for NACE 55 and 56 which include accommodation and food and beverages services (including bars). This aggregate is often referred to as the tourism or hospitality category. However, NACE 55 and 56 refer to only certain activities of tourism. Other tourism-related activities such as visitor attractions, coaches, car-hire and transport are included in other NACE sectors.

Failte Ireland and the Government have referred to a definition of tourism which is broader than NACE 55 and 56. The 2015 tourism policy report [‘People, Place and Policy: Growing Tourism to 2025’] stated:

**“The tourism sector supports 140,000 jobs in the accommodation and food sector alone, and overall employment in tourism is estimated to be in the region of 200,000.”**

This results in a ratio of 1.429 between the CSO and broader measures of hospitality employment. The FI Tourism Facts 2015 report notes that CSO employment was 139.9k and the wider hospitality total approximately 220k persons. The 139.9k refers to Q3 2015. The resulting ratio on these latest figures is 1.573. However, the Q4 2015 CSO total is 143.1k and the resulting ratio based on this is 1.537.

Moving from the CSO NACE 55 and 56 measure of employment to the broader tourism definition is hindered by lack of exact data and involves subjective assumptions. It is particularly difficult to move from the CSOP measure to the wider measure on a regional basis because the additional activities are not evenly spread across regions. NACE 55 and 56 includes bars, hotels and restaurants. However, it also includes non-tourism activity such as work canteens and “ordinary” lunches in restaurants. From a drinks industry perspective non- licensed restaurants are also included. Bars are included fully as part of the drinks industry but a significant portion of their activity relates to food service. Due to data limitations it is not possible to use an exact classification for the drinks and hospitality sector. Hence, the primary data used is the CSO NACE 55 and 56 combined category of accommodation and food service activities. Where data are available, information on the other elements of the drinks industry are included.

The full composition of NACE 55 and 56 is shown below.

#### Composition of NACE 55 and 56

NACE code: description

- 55 Accommodation
- 55.1 Hotels and similar accommodation
- 55.2 Holiday and other short-stay accommodation
- 55.3 Camping grounds, caravan parks
- 55.9 Other accommodation
- 56 Food and beverage service activities
- 56.1 Restaurants and mobile food service activities
- 56.2 Event catering and other food service activities
- 56.3 Beverage serving activities  
[includes pubs, other bars, fruit juice bars, coffee shops]

#### Data sources for employment and differences in estimate

**There are several CSO sources of employment data for the drinks and hospitality sectors and its subsectors. Unfortunately, there is not comprehensive up-to-date data available for each of the sub-sectors and industries within the hospitality sector.**

These sources are the Labour Force Survey, Quarterly National Household Survey which was replaced in 2017 with the Labour Force Survey, Annual Services Inquiry, Census of Industrial Production, and Census of Population. In addition, Failte Ireland used to carry out an employment survey but this ceased in 2011. The latest Annual Services Inquiry refers to 2015. The latest Census of Industrial Production also refers to 2015 but the beverages industry employment details are not separately identified and so the latest employment data for beverages manufacturing from this source is 2014.

#### An overview of the sources

The Labour Force Survey is the principal official source of employment data and it is the dataset which is most used in this report. The lowest level of disaggregation for which statistics are available in this source is the two-digit level in the NACE classification. This means that public houses which are in NACE 56.3 are not separately identified and, instead, are included with restaurants and other food service activities. They are separately identified in the Annual Services Inquiry.

The Labour Force Survey and its precursor the Quarterly National Household Survey are sample surveys of persons. The Annual Services Inquiry and the Census of Industrial Production collect statistics from enterprises. The latter two aim to provide full coverage of their sectors and, as such, are each a census, not a sample survey.

The information in the Census of Population is provided by persons and aims for 100% coverage. However, the census form is completed by one individual for the all the members of the household. The latest statistics from this source refer to 2016.

The long defunct Failte Ireland Survey is referred to because it provided detailed sub-sectoral employment. For example, it separately identified the level of employment in the public house sector. This facilitated the comparison of different employment estimates for various sub-sectors within the hospitality sector. Unfortunately the different sources give different estimates of employment. Some of the differences are caused by differences in the provider of information.

Employment levels in the Annual Services Inquiry are based on information supplied by enterprises. Employment details in the Quarterly National Household Survey are provided by the persons themselves. A person who is working part-time may describe themselves as “not working” in the household survey while the employing enterprise may report them as part-time employees. Enterprises and individuals may report different sectors of employment for the same person. In the Census of Population, one person is providing all the information for the members of the household and may be incorrect in some information.

In addition, a sample survey has a higher margin of error, especially in more disaggregated information, than a census or full coverage approach. There have been substantial revisions to recent employment data arising from different collection methodologies and from adjustments necessitated by higher than expected population and employment levels identified in the 2016 Census of Population. The impact of these changes is referred to later.

#### A closer look

Firstly, some of the differences which arise from the various employment data sources are identified. The Failte Ireland 2010 Tourism Employment Survey [published in 2011] is a sample survey of enterprises. It reported the employment for public houses of 51,563 persons for 2010 and 53,983 persons in 2009. These included year-round full-time and part-time and seasonal full-time and part-time jobs.

The Annual Services Inquiry for 2009 and 2010 provided employment details for beverage-serving activities [NACE 56.3] which includes some other activities besides pubs. It is a larger sector than public houses. It estimated 2009 employment to be 41,728 persons and 2010 employment to be 39,192 persons. Between the two sources for 2010, there is a substantial difference in the pubs employment estimate 51,563 compared to 39,192. It should be recalled that the FI data is from a sample survey with a relatively low response rate and the CSO data are based on a census approach.

The 2015 Annual Service Inquiry reports the following hospitality sector employment for 2015:

- NACE 55 and 56 170,222
- Accommodation 55,945
- Restaurants and other food 74,103
- Beverage serving 40,174

Before the revisions caused by the Census of Population and Labour Force Survey-related adjustments, the Quarterly National Household Survey reported the following employment figures for NACE 55 and 56 for each of the four quarters in 2015. The quarters range from 132.3k persons to 143.1k persons with an annual average of 138.0k persons. There is a very large difference in the estimates from the two sources.

**Table 9.1 Persons aged 15 years and over in employment (thousand) by NACE Rev 2 economic sector and quarter**

	2015 Q1	2015 Q2	2015 Q3	2015 Q4
<b>State</b>				
Accommodation and food service activities [I]	132.3	136.7	139.9	143.1

Sources: CSO

The Quarterly National Household Survey provides a two-digit classification for the Quarter 1 accommodation and food services activities. These are not revised for the latter two adjustments. Accommodation employment was reported as 50.3k compared with 55.9k in the Annual Services Inquiry. Food and beverage services together had an employment of 82.1k from the household survey compared to the Annual Services Inquiry estimate of 114.3k. There are substantial differences in the employment estimates for the food and beverage serving activities [NACE 56] from the two sources, 82.1k versus 114.3k.

Another data issue arises in comparing the Census of Population hospitality sector employment data with the Labour Force Survey data. According to the Census of Population, the 2016 employment in accommodation and food services activities, which refers to April 2016, was 116.9k. The sub-sectoral details are presented in Table 3.2. This compares with the Labour Force Survey which reported 152.6k persons in Q1 and 155.2k persons in Q2 in employment in the sector.

The beverage serving activities total of 20.3k from the Census of Population which refers to April 2016 is very different to the 2015 Annual Services Inquiry total of 40,174.

The above illustrates that there are difficulties in identifying the level of employment in the hospitality sector and its sub-sectors. As already stated, this report primarily depends on the new Labour Force Survey data.

The Labour Force Survey [LFS] and the Census of Population [CP] use two different classifications to establish the numbers in employment. The classification used for the LFS results is the ILO [International Labour Office] labour force classification. The ILO classification of employment is “persons who worked in the week before the survey for one hour or more for payment or profit, including work on the family farm or business and all persons who had a job but were not at work because of illness, holidays etc. in the week”. The employment classification used for the CP is that of “Principal Economic Status”. Consequently, a full-time university student who worked part-time would be included as employed in the LFS but not in the CP.

**Table 9.2 Employment in accommodation and food service activities NACE 55 and 56, Census of Population**

5510 Hotels and similar accommodation	40,482
5580 Other provision of short-stay accommodation	1,646
5610 Restaurants and mobile food service activities	45,030
5620 Event catering and food service activities	9,446
5630 Beverage serving activities [incl. bars and coffee shops]	20,314
Total	116,918

Sources: Census of Population. Statistics provided to author by CSO.

There have also been changes to the regional compositions. Louth is now included with Mid-East instead of Border and all of Tipperary is included with Mid-West instead of being divided between Mid-West and South-East. Adjusted regional totals on the new compositions for some employment indicators have been made by the CSO back to 2012. The two regional compositions are shown in Appendix 1 and Appendix 2.

## Appendices

### Appendix I: NUTS2 and NUTS3 Regions post Q1 2018

Northern and Western	Southern	Eastern and Midland
<b>Border</b>	<b>Mid-West</b>	<b>Dublin</b>
Cavan	Clare	Dublin City
Donegal	Limerick City and County	Dun Laoghaire-Rathdown
Leitrim	Tipperary	Fingal
Monaghan		South Dublin
Sligo		
<b>West</b>	<b>South-East</b>	<b>Mid-East</b>
Galway City	Carlow	Kildare
Galway County	Kilkenny	Meath
Mayo	Waterford City and County	Wicklow
Roscommon	Wexford	Louth
	<b>South-West</b>	<b>Midland</b>
	Cork City	Laois
	Cork County	Longford
	Kerry	Offaly
		Westmeath

# Appendices

## Appendix 2: NUTS2 and NUTS3 Regions pre-Q1 2018

### Border, Midland and Western

#### Border

Cavan  
Donegal  
Leitrim  
Louth  
Monaghan  
Sligo

#### Midland

Laois  
Longford  
Offaly  
Westmeath

#### West

Galway City  
Galway County  
Mayo  
Roscommon

### Southern and Eastern

#### Dublin

Dublin City  
Dun Laoghaire-Rathdown  
Fingal  
South Dublin

#### Mid-East

Kildare  
Meath  
Wicklow

#### Mid-West

Clare  
Limerick City  
Limerick County  
North Tipperary

#### South-East

Carlow  
Kilkenny  
South Tipperary  
Waterford City  
Waterford County  
Wexford

#### South-West

Cork City  
Cork County  
Kerry



IRISH  
HOTELS  
FEDERATION



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Alcohol Beverage Federation of Ireland  
ibec

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