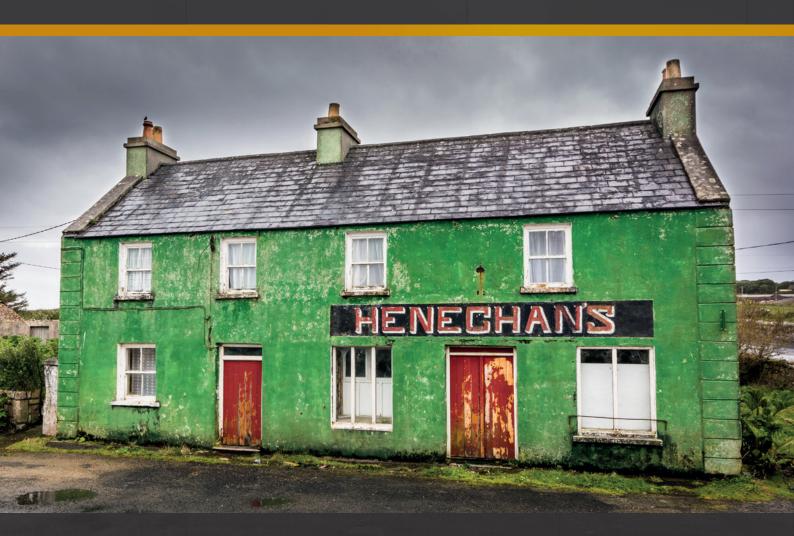


# THE IRISH PUB: STOPPING THE DECLINE

REDUCE EXCISE TAX, PROTECT THE IRISH PUB

- August 2022 -

A Drinks Industry Group of Ireland Report Economic analysis by Anthony Foley, Dublin City University Business School





Connect with us at:

www.supportyourlocal.ie | www.drinksindustry.ie Twitter: @DIGI Ireland, #SYL22

# TABLE OF CONTENTS

- 1. Foreward
- 2. Economic and Social Analysis
- 4. Pub Closures in Ireland
- 5. Pub Closures by County

#### **FOREWARD**

The Irish pub is an important part of the fabric of our country's cultural life. Since 2005, this institution has been in a steady decline, which has been exacerbated by the events of recent years. The importance of the pub to communities around Ireland cannot be overstated. It is a place to come together with friends and family, to enjoy a drink and a chat, to celebrate occasions and host local community events and often serves to reduce social isolation for many inhabitants of rural Ireland.

Some of the country's most beloved pubs are run by families over generations and provide much-needed jobs for people in their communities. Our pub culture is also vital for the wider tourism industry and, as an experience, is the envy of countries the world over. This rich cultural heritage needs to be preserved so that Ireland can enjoy the benefits that a healthy, vibrant, and sustainable industry can provide for generations to come.

The reasons for the decline are many: regulatory changes, underinvestment in public transport, which leaves much of rural Ireland disconnected, population change and distribution, evolving attitudes and lifestyle changes, economic pressures, and an increasingly challenging trading environment. These and other factors have resulted in a 21% decline, which has seen 1,829 pubs close their doors since 2005, with almost 5% of these occurring over the Covid-19 pandemic period.

We must act now to stop the decline. We must reverse this trend and ensure the sustainability of our industry and our pubs – thousands of small businesses throughout the country. The cost-of-living crisis continues to have a dramatic impact on consumers and business owners alike. Keeping the lights on is arguably more expensive now than at any time in recent memory, and severe recruitment challenges are impacting our members' ability to operate. However, some measures can be taken now that will have an immediate and positive effect on publicans and their patrons.

Ireland currently has the second highest overall excise tax on drinks in the EU, behind only Finland. We have the highest excise on wine, the second highest on beer, and the third highest on spirits. This is despite Ireland producing some of the world's most famous drinks products, the importance of drinks and hospitality businesses to Irish tourism, and the excellent performance of Irish drinks manufacturing relative to our other manufacturing industries.

Reducing excise tax is a policy that can be introduced overnight with the immediate, tangible impact of reducing the costs of doing business for tens of thousands of business owners in the drinks and hospitality sector in Ireland. DIGI recommends that Budget 2023 should reduce alcohol excise by 7.5%. This should be the start of a programme of annual excise reductions to gradually bring Irish alcohol excise tax into line with the much lower EU levels.

In this report, you will read an economic and social analysis by Professor Anthony Foley of Dublin City University who notes that there is likely to be a negative social impact arising from the closure of 1,829 public houses between 2005 and 2021, especially in rural and remote areas. Professor Foley also suggests that economic and business sustainability is one of the several determining factors of closures of small public houses and a decrease in excise levels would deliver a positive effect on the commercial sustainability of pubs.

You will also discover in the pages of this report, the decline in pubs in each county in Ireland since 2005, in addition to the decline witnessed over the course of the pandemic from 2019 to 2021.

Kathryn D'Arcy

**Chair**, Drinks Industry Group of Ireland **Communications and Corporate Affairs Director**, Irish Distillers



#### **ECONOMIC AND SOCIAL ANALYSIS**

Between 2005 and 2021, there was a substantial decrease in the number of public houses in Ireland. Dublin and Meath largely retained their numbers, but there were substantial and varied declines in each of the other 24 counties. The rate of decline in the 24 other counties ranged between 30.6% in Laois to 10.1% in Wicklow. Overall, the rate of decline was highest in the first half of the period and decreased thereafter up to 2019. However, closures resumed at a high rate during Covid-19. The large majority of public houses outside Dublin are small businesses and are family-owned enterprises with owner-operators.

Public houses contribute to the culture and vibrancy of villages, small towns and rural areas in many ways. Even after the significant decline in numbers, the remaining thousands of public houses contribute to tourism and provide an extensive network of physical facilities and services needed by tourists and locals. This is particularly so in isolated rural areas. These include, to varying degrees, the provision of hospitality, food, entertainment, traditional music, a venue for local community events, a pleasant ambience, information, and physical facilities.

Public houses are widely spatially dispersed. Even in counties with small populations and low population densities, there are substantial numbers of public houses. The pub is a significant component of the Irish tourism infrastructure and the tourism experience, which is based on hospitality and friendliness. For example, as of 2021 there are 426 pubs in Kerry, 873 in Cork, 334 in Donegal, 103 in Leitrim and 350 in Mayo. Longford has the lowest number in a county but still has 84.

There are many reasons for the decline in the number of public houses including non-replacement of pub operators on retirement or death, low levels of business volume and economic sustainability, regulatory changes such as tighter drink driving laws and enforcement allied with weak or non-existent public transport, population change and distribution, changes in consumer patterns and expectations, alcohol market changes, alternative economic activities and income opportunities (including alternative land use in urban areas) and sale and transfer of pub licences to facilitate the opening of new off-licences in supermarkets, convenience stores, discounters and petrol stations.

The decrease in the number of public houses in areas outside Dublin is not unique to the public house sector. Especially in rural Ireland, there are concerns about decreases in the number of post offices, full bank branches, Garda stations, local retail enterprises and a wide range of other services and facilities. There are also concerns about the commercial capability of small towns and villages with large levels of commercial building vacancy.

There is likely to be a negative social impact arising from the closure of the 1,829 public houses between 2005 and 2021, especially in rural and remote areas. As with the economic impact, the magnitude of the social impact depends on the specific geography of the closure and the proximate availability of substitute pubs.

Independent research has acknowledged the role of rural public houses as "third places".

Third places represent physical spaces and institutions valued by individuals outside of home and workplaces, which are described as first and second places. Third places can function as facilitators for extended relationships and activities and can provide a physical space for community interaction and activity. In rural areas, places like local shops, community centres, churches, and public houses function as third places. Public houses are particularly useful in this regard, due to their extensive network and "local" orientation and because other social and public services may be deficient in rural locations.

In their 2017 research "How third places foster and shape community cohesion, economic development and social capital: The case of pubs in rural Ireland", Cabras and Mount, in cooperation with the VFI, examined this issue in the context of Irish rural pubs.

Their research on the social role of rural public houses was undertaken through focus groups and is summarised as follows:

- Pubs were often indicated as the strongest facilitator of socialisation and engagement compared to other places available locally.
- Other types of activities, such as language classes or exchange sessions, drama/artistic courses, or similar events, were likely to take place in a pub rather than in other venues.
- Comparable insights could be drawn with regards to sport centres and fields: while the actual
  sporting activities may be carried out on sport pitches and premises, other parallel events related to
  such activities e.g., celebrations for victories or commiserations for losses reported by local teams
  were likely to be organised in pubs.
- Respondents also indicated that pubs were preferred places for hosting events mainly due to the
  quality of facilities offered e.g., presence of a kitchen or the size of rooms, given the paucity of valid
  alternatives at a local level.

Based on her 2008 doctoral research "The Irish Pub as a "Third Place": A Sociological Exploration of People, Place and Identity", Scarbrough describes the Irish pub as "a successful third place."

The loss of 1,829 third places or over a fifth of the total stock from this source since 2005 is substantial, with even higher relative losses in some counties and a high rate of loss in rural areas. Ten counties had a decline in the number of public houses of over a quarter between 2005 and 2021.

Ireland's drinks industry is levied with the second highest excise tax on alcohol in the European Union. DIGI is proposing an initial 7.5% reduction in excise over each of the next two years and additional reductions after that to lower Irish alcohol excise levels to the lower average EU levels. A reduction in the rate would have the impact of lowering the cost of doing business at a time when rising costs and inflation are putting additional pressures on businesses. Pubs serve as a vital social outlet for many people, particularly in rural Ireland. With people living there faced by the spectre of rural decline, preserving the cultural heritage of the Irish pub in Ireland is arguably a progressive course of action.

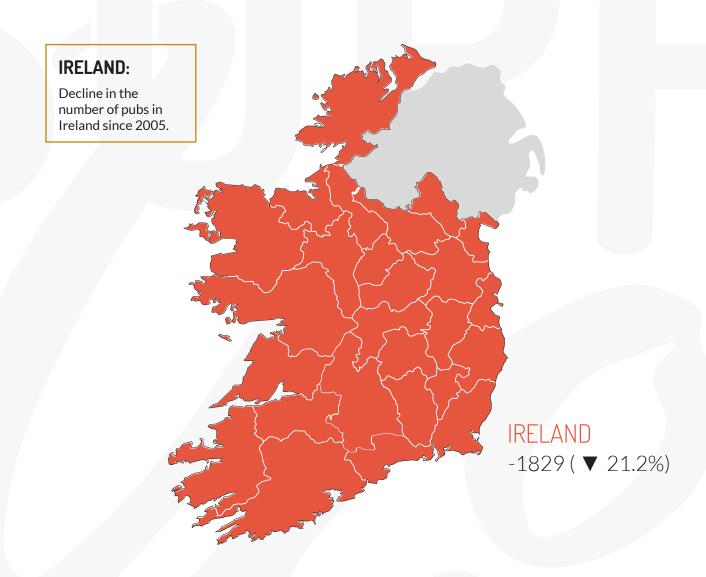
Economic and business sustainability is one of the several determining factors of closures of small public houses. A reduction of 15% over two years in excise levels would have a good positive effect on the commercial sustainability of small public houses and would be a strong element in the wider policy strategy to support rural areas. It is a measure which is completely within the scope of Government.

Anthony Foley Economist and Associate Professor Emeritus, Dublin City University



<sup>\*</sup>The above is a summary taken from a report by Associate Professor Emeritus Foley published on supportyourlocal.ie entitled "Analysis of the Decline in the Number of Public Houses"

# PUB CLOSURES IN IRELAND



## The Numbers:

16-YEAR TOTAL DECLINE	
2005	8,617 pubs in Ireland
2021	6,788 pubs in Ireland

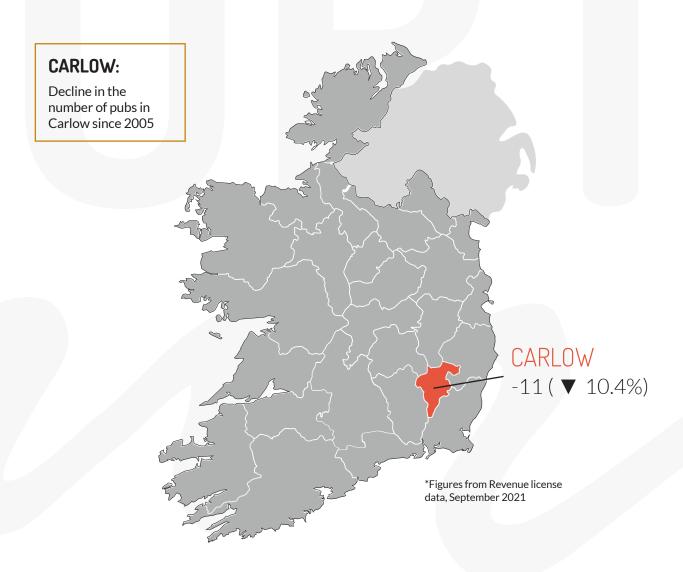
PRE→POST PANDEMIC DECLINE	
2019	7,137 pubs in Ireland
2020	6,890 pubs in Ireland
2021	6,788 pubs in Ireland

**2005-2021** 1,829 less pubs in Ireland (a 21.2% decline) 21.2%

**2019-2021** 349 less pubs in Ireland (a 4.9% decline)



# PUB CLOSURES IN IRELAND: CARLOW



#### The Numbers:

16-YEAR TOTAL DECLINE	
2005	106 pubs in Carlow
2021	95 pubs in Carlow

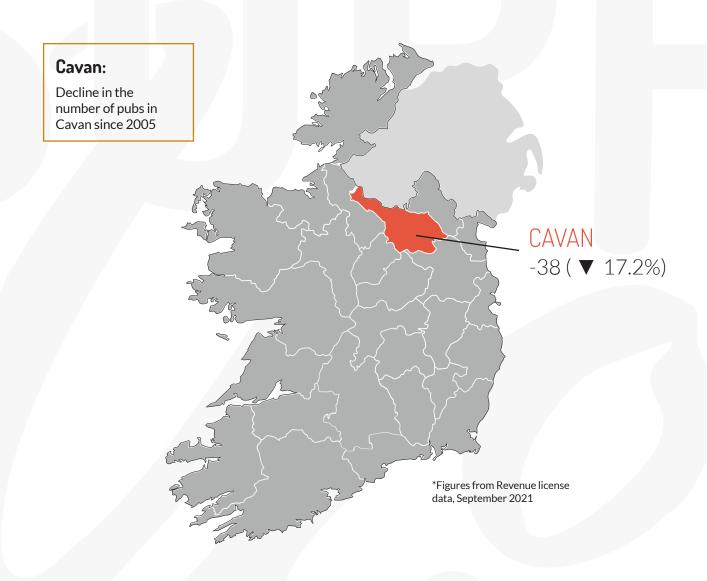
PRE→POST PANDEMIC DECLINE	
2019	97 pubs in Carlow
2020	95 pubs in Carlow
2021	95 pubs in Carlow

**2005-2021** 11 less pubs in Carlow (a 10.4% decline) 10.4%

**2019-2021**2 less pubs in Carlow (a 2.1% decline)



# PUB CLOSURES IN IRELAND: CAVAN



## The Numbers:

16-YEAR TOTAL DECLINE	
2005	221 pubs in Cavan
2021	183 pubs in Cavan

PRE→POST PANDEMIC DECLINE	
2019	194 pubs in Cavan
2020	189 pubs in Cavan
2021	183 pubs in Cavan

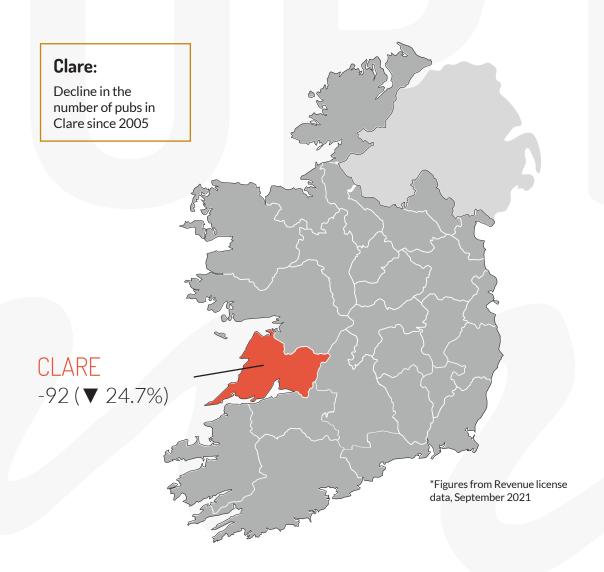
**2005-2021** 38 less pubs in Cavan (a 17.2% decline)



2019-2021 11 less pubs in Cavan (a 5.7% decline)



# PUB CLOSURES IN IRELAND: CLARE



#### The Numbers:

16-YEAR TOTAL DECLINE	
2005	373 pubs in Clare
2021	281 pubs in Clare

PRE→POST PANDEMIC DECLINE	
2019	291 pubs in Clare
2020	284 pubs in Clare
2021	281 pubs in Clare

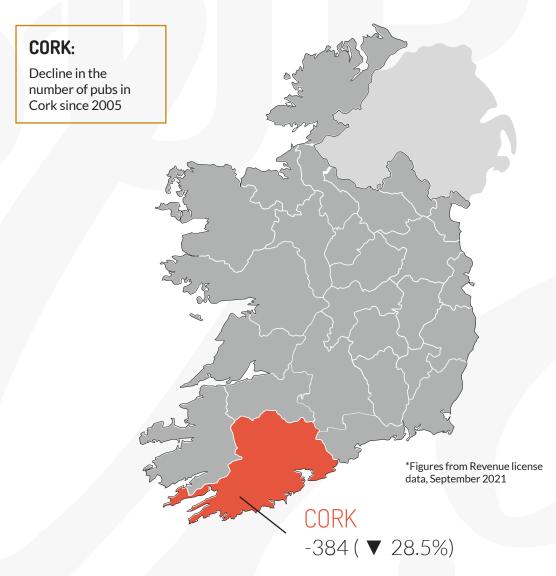
**2005-2021** 92 less pubs in Clare (a 24.7% decline)



**2019-2021** 10 less pubs in Clare (a 3.4% decline)



# PUB CLOSURES IN IRELAND: CORK



## The Numbers:

16-YEAR TOTAL DECLINE	
2005	1,221 pubs in Cork
2021	873 pubs in Cork

PRE→POST PANDEMIC DECLINE	
2019	910 pubs in Cork
2020	892 pubs in Cork
2021	873 pubs in Cork

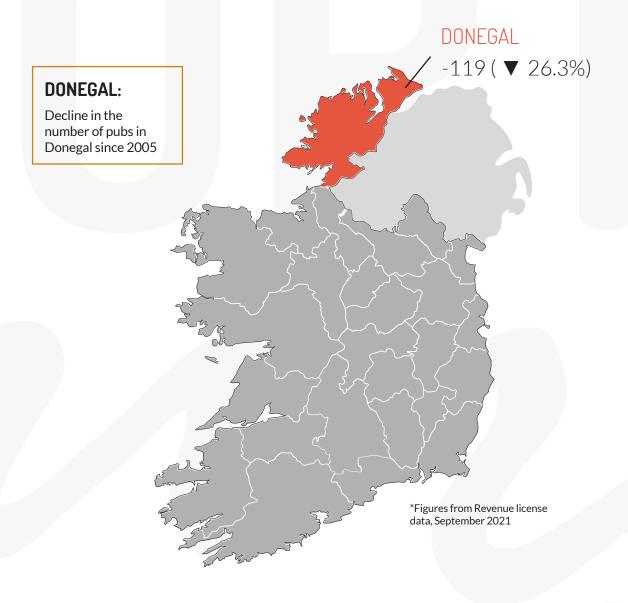
**2005-2021** 384 less pubs in Cork (a 28.5% decline)



**2019-2021** 37 less pubs in Cork (a 4.1% decline)



# PUB CLOSURES IN IRELAND: DONEGAL



#### The Numbers:

16-YEAR TOTAL DECLINE	
2005	453 pubs in Donegal
2021	334 pubs in Donegal

PRE→POST PANDEMIC DECLINE	
2019	367 pubs in Donegal
2020	332 pubs in Donegal
2021	334 pubs in Donegal

**2005-2021** 119 less pubs in Donegal (a 26.3% decline)



**2019-2021**33 less pubs in Donegal (a 9% decline)



# PUB CLOSURES IN IRELAND: DUBLIN



#### The Numbers:

16-YEAR TOTAL DECLINE	
2005	786 pubs in Dublin
2021	752 pubs in Dublin

PRE->POST PANDEMIC DECLINE	
2019	785 pubs in Dublin
2020	754 pubs in Dublin
2021	752 pubs in Dublin

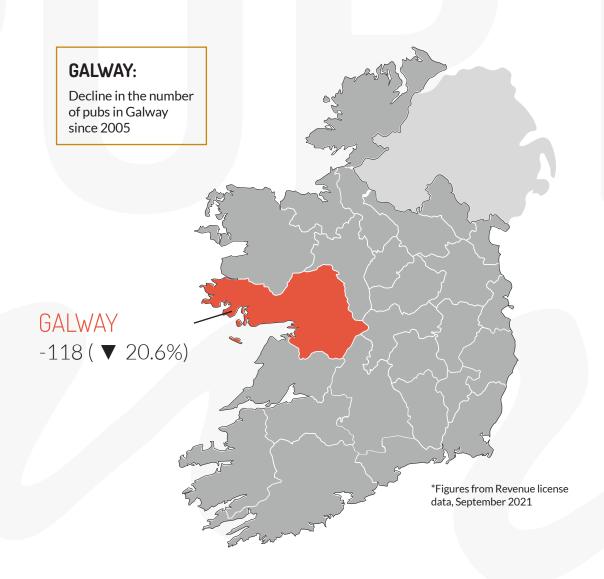
**2005-2021** 34 less pubs in Dublin (a 4.3% decline)



**2019-2021**33 less pubs in Dublin (a 4.2% decline)



# PUB CLOSURES IN IRELAND: GALWAY



#### The Numbers:

16-YEAR TOTAL DECLINE	
2005	574 pubs in Galway
2021	456 pubs in Galway

PRE→POST PANDEMIC DECLINE	
2019	472 pubs in Galway
2020	460 pubs in Galway
2021	456 pubs in Galway

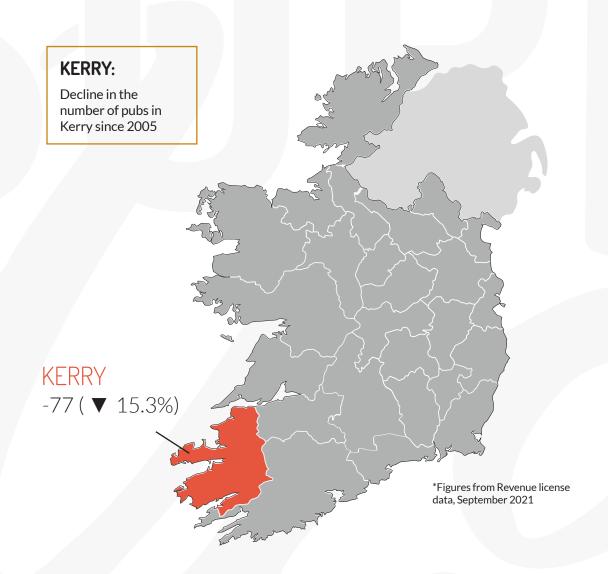
**2005-2021** 118 less pubs in Galway (a 20.6% decline)



**2019-2021**16 less pubs in Galway (a 3.4% decline)



# PUB CLOSURES IN IRELAND: KERRY



## The Numbers:

16-YEAR TOTAL DECLINE	
2005	503 pubs in Kerry
2021	426 pubs in Kerry

PRE→POST PANDEMIC DECLINE	
2019	448 pubs in Kerry
2020	434 pubs in Kerry
2021	426 pubs in Kerry

**2005-2021**77 less pubs in Kerry (a 15.3% decline)



**2019-2021**22 less pubs in Kerry (a 4.9% decline)



# PUB CLOSURES IN IRELAND: KILDARE



#### The Numbers:

16-YEAR TOTAL DECLINE	
2005	191 pubs in Kildare
2021	165 pubs in Kildare

PRE→POST PANDEMIC DECLINE	
2019	171 pubs in Kildare
2020	167 pubs in Kildare
2021	165 pubs in Kildare

**2005-2021** 26 less pubs in Kildare (a 13.6% decline) 13.6%

**2019-2021** 6 less pubs in Kildare (a 3.5% decline) 3.5%

# PUB CLOSURES IN IRELAND: KILKENNY



#### The Numbers:

16-YEAR TOTAL DECLINE	
2005	226 pubs in Kilkenny
2021	185 pubs in Kilkenny

PRE→POST PANDEMIC DECLINE	
2019	195 pubs in Kilkenny
2020	191 pubs in Kilkenny
2021	185 pubs in Kilkenny

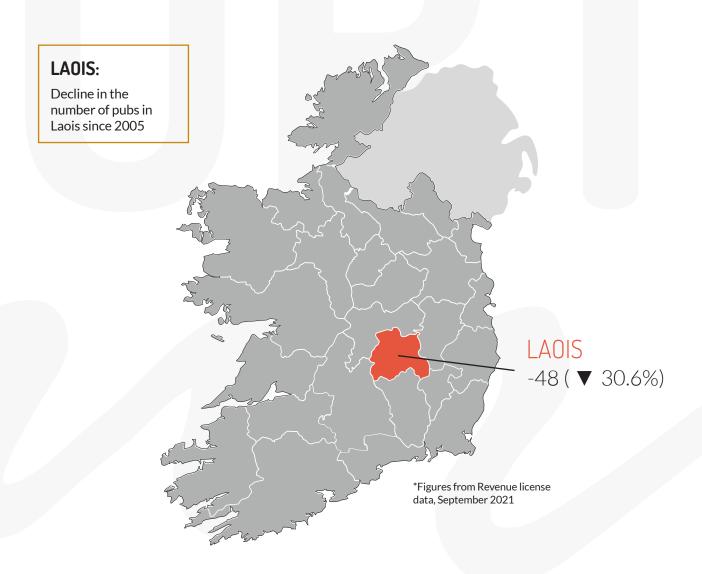
**2005-2021** 41 less pubs in Kilkenny (a 18.1% decline)



**2019-2021**10 less pubs in Kilkenny (a 5.1% decline)



# PUB CLOSURES IN IRELAND: LAOIS



#### The Numbers:

16-YEAR TOTAL DECLINE	
2005	157 pubs in Laois
2021	109 pubs in Laois

PRE→POST PANDEMIC DECLINE	
2019	122 pubs in Laois
2020	118 pubs in Laois
2021	109 pubs in Laois

**2005-2021** 48 less pubs in Laois (a 30.6% decline)



**2019-2021**13 less pubs in Laois (a 10.7% decline)



# PUB CLOSURES IN IRELAND: LEITRIM



#### The Numbers:

16-YEAR TOTAL DECLINE	
2005	140 pubs in Leitrim
2021	103 pubs in Leitrim

PRE→POST PANDEMIC DECLINE	
2019	108 pubs in Leitrim
2020	104 pubs in Leitrim
2021	103 pubs in Leitrim

**2005-2021** 37 less pubs in Leitrim (a 26.4% decline)



**2019-2021**5 less pubs in Leitrim (a 4.6% decline)



# PUB CLOSURES IN IRELAND: LIMERICK



#### The Numbers:

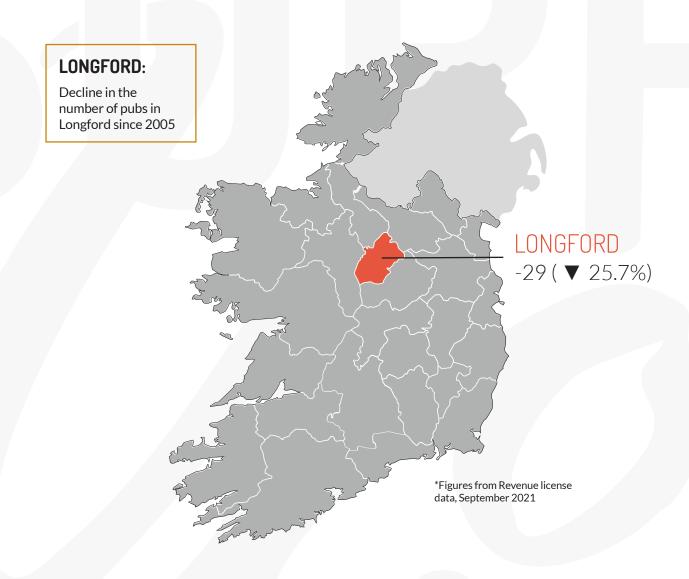
16-YEAR TOTAL DECLINE	
2005	478 pubs in Limerick
2021	339 pubs in Limerick

PRE→POST PANDEMIC DECLINE	
2019	358 pubs in Limerick
2020	344 pubs in Limerick
2021	339 pubs in Limerick

**2005-2021** 139 less pubs in Limerick (a 29.1% decline) 29.1%

**2019-2021** 19 less pubs in Limerick (a 5.3% decline) 5.3%

# PUB CLOSURES IN IRELAND: LONGFORD



#### The Numbers:

16-YEAR TOTAL DECLINE	
2005	113 pubs in Longford
2021	84 pubs in Longford

PRE→POST PANDEMIC DECLINE	
2019	91 pubs in Longford
2020	85 pubs in Longford
2021	84 pubs in Longford

2005-2021

29 less pubs in Longford (a 25.7% decline)



2019-2021

7 less pubs in Longford (a 7.7% decline)



# PUB CLOSURES IN IRELAND: LOUTH



#### The Numbers:

16-YEAR TOTAL DECLINE	
2005	227 pubs in Louth
2021	181 pubs in Louth

PRE→POST PANDEMIC DECLINE	
2019	188 pubs in Louth
2020	179 pubs in Louth
2021	181 pubs in Louth

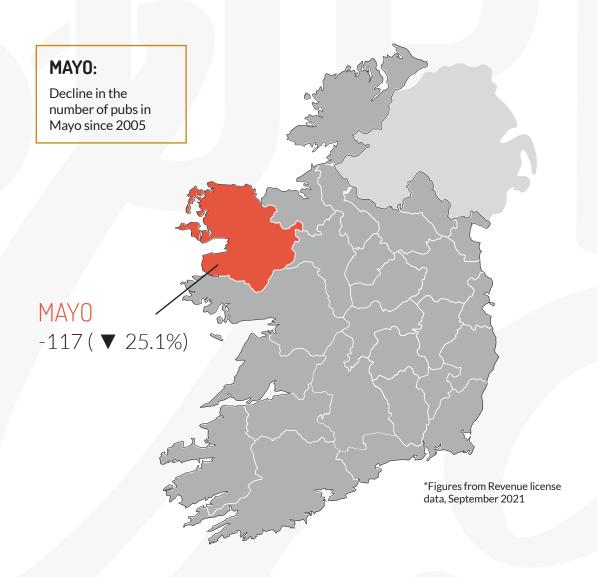
**2005-2021** 46 less pubs in Louth (a 20.3% decline)



**2019-2021**7 less pubs in Louth (a 3.7% decline)



# PUB CLOSURES IN IRELAND: MAYO



#### The Numbers:

16-YEAR TOTAL DECLINE	
2005	467 pubs in Mayo
2021	350 pubs in Mayo

PRE→POST PANDEMIC DECLINE	
2019	372 pubs in Mayo
2020	355 pubs in Mayo
2021	350 pubs in Mayo

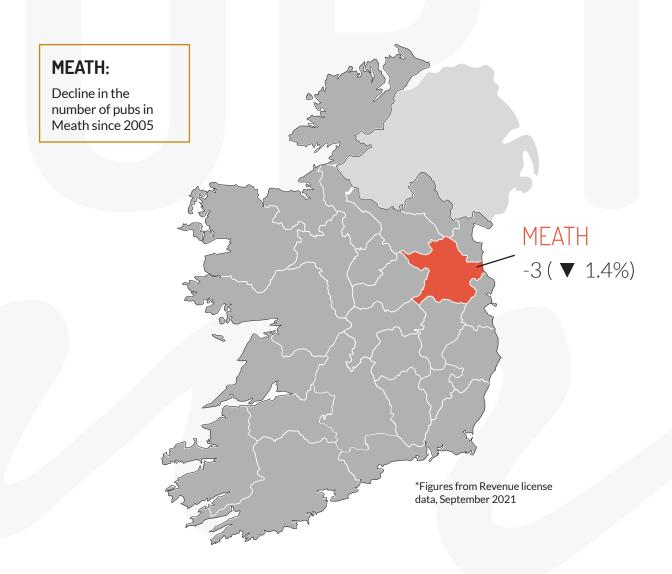
**2005-2021** 117 less pubs in Mayo (a 25.1% decline)



**2019-2021**22 less pubs in Mayo (a 5.9% decline)



# PUB CLOSURES IN IRELAND: MEATH



#### The Numbers:

16-YEAR TOTAL DECLINE	
2005	210 pubs in Meath
2021	207 pubs in Meath

PRE→POST PANDEMIC PERIOD	
2019	204 pubs in Meath
2020	204 pubs in Meath
2021	207 pubs in Meath

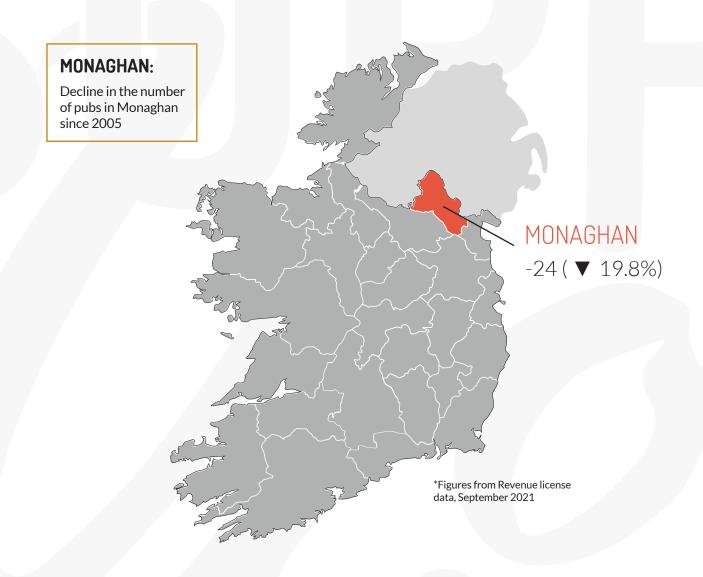
**2005-2021** 3 less pubs in Meath (a 1.4% decline)



**2019-2021** 3 more pubs in Meath (a 1.5% increase)



# PUB CLOSURES IN IRELAND: MONAGHAN



#### The Numbers:

16-YEAR TOTAL DECLINE	
2005	121 pubs in Monaghan
2021	97 pubs in Monaghan

PRE→POST PANDEMIC DECLINE	
2019	99 pubs in Monaghan
2020	96 pubs in Monaghan
2021	97 pubs in Monaghan

**2005-2021**24 less pubs in Mon

24 less pubs in Monaghan (a 19.8% decline) 19.8%

2019-2021

2 less pubs in Monaghan (a 2% decline)



# PUB CLOSURES IN IRELAND: OFFALY



#### The Numbers:

16-YEAR TOTAL DECLINE	
2005	164 pubs in Offaly
2021	115 pubs in Offaly

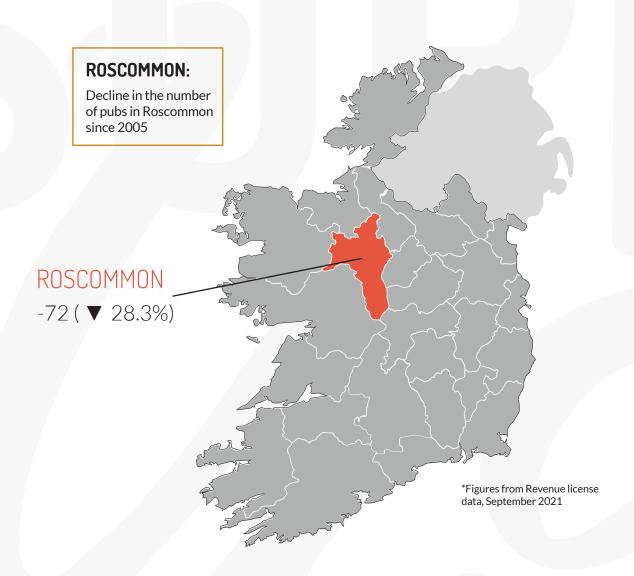
PRE→POST PANDEMIC DECLINE	
2019	128 pubs in Offaly
2020	119 pubs in Offaly
2021	115 pubs in Offaly

**2005-2021** 49 less pubs in Offaly (a 29.9% decline) 29.9%

**2019-2021**13 less pubs in Offaly (a 10.2% decline)

10.2%

# PUB CLOSURES IN IRELAND: ROSCOMMON



#### The Numbers:

16-YEAR TOTAL DECLINE	
2005	254 pubs in Roscommon
2021	182 pubs in Roscommon

PRE→POST PANDEMIC DECLINE	
2019	198 pubs in Roscommon
2020	189 pubs in Roscommon
2021	182 pubs in Roscommon

2005-2021

72 less pubs in Roscommon (a 28.3% decline)

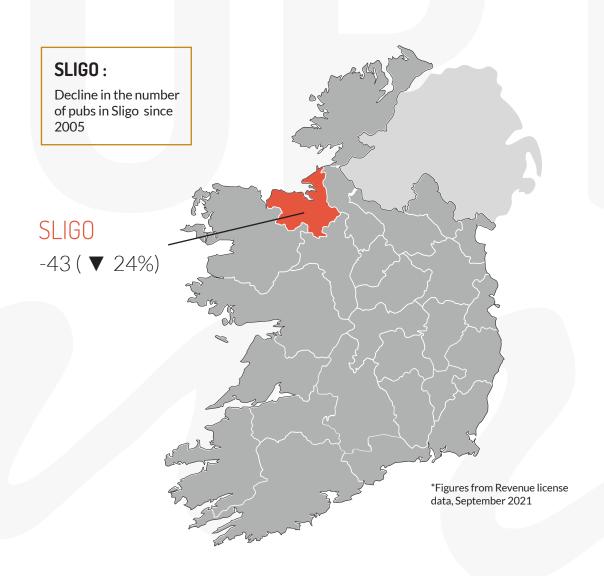
28.3%

2019-2021

16 less pubs in Roscommon (a 8.1% decline)

8.1%

# PUB CLOSURES IN IRELAND: SLIGO



#### The Numbers:

16-YEAR TOTAL DECLINE	
2005	179 pubs in Sligo
2021	136 pubs in Sligo

PRE→POST PANDEMIC DECLINE	
2019	140 pubs in Sligo
2020	137 pubs in Sligo
2021	136 pubs in Sligo

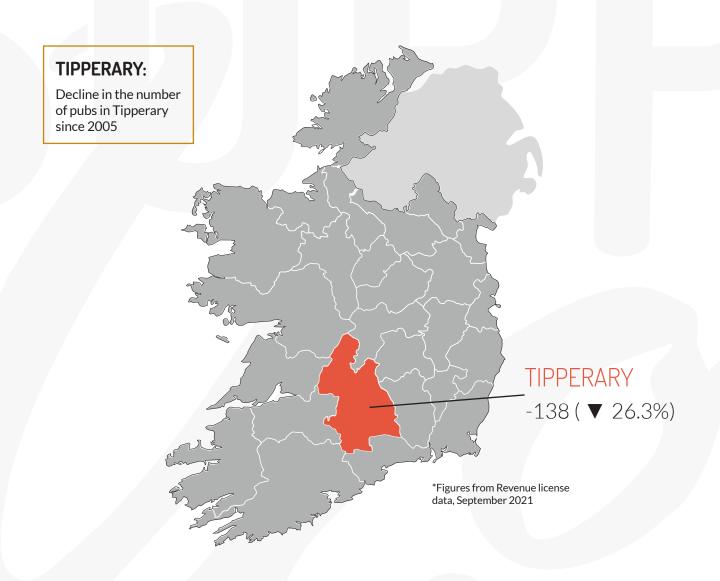
**2005-2021** 43 less pubs in Sligo (a 24% decline)



**2019-2021**4 less pubs in Sligo
(a 2.9% decline)



# PUB CLOSURES IN IRELAND: TIPPERARY



#### The Numbers:

16-YEAR TOTAL DECLINE	
2005	525 pubs in Tipperary
2021	387 pubs in Tipperary

PRE→POST PANDEMIC DECLINE	
2019	401 pubs in Tipperary
2020	397 pubs in Tipperary
2021	387 pubs in Tipperary

2005-2021

138 less pubs in Tipperary (a 26.3% decline)

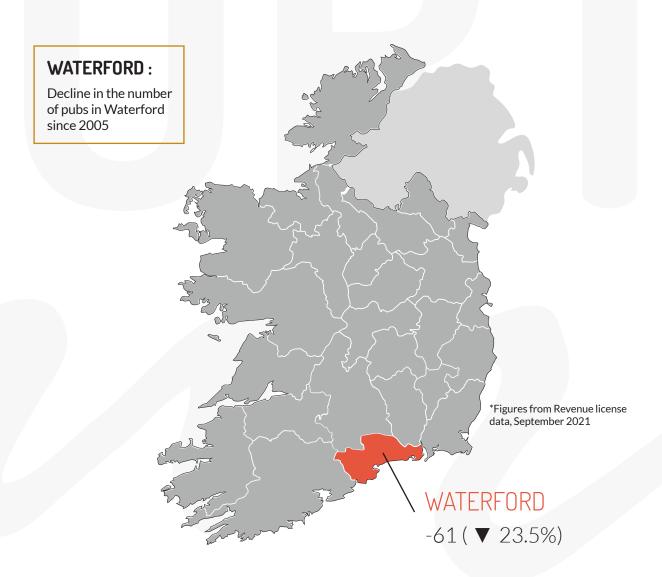
26.3%

2019-2021

14 less pubs in Tipperary (a 3.5% decline)

3.5%

# PUB CLOSURES IN IRELAND: WATERFORD



#### The Numbers:

16-YEAR TOTAL DECLINE	
2005	260 pubs in Waterford
2021	199 pubs in Waterford

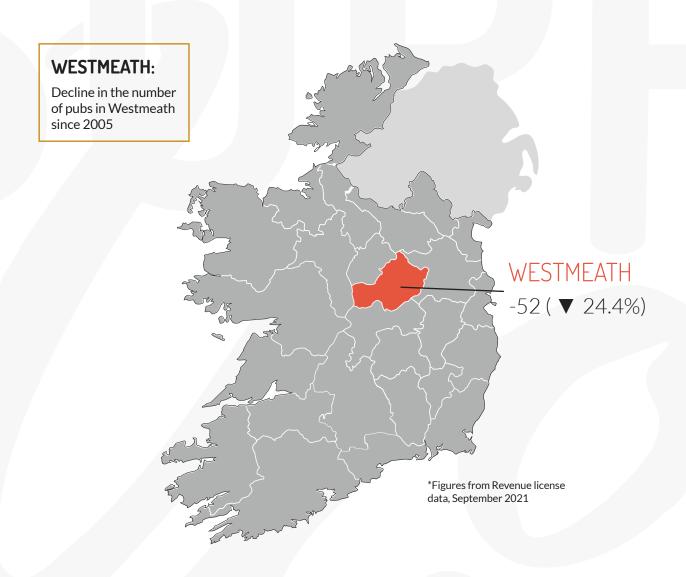
PRE→POST PANDEMIC DECLINE	
2019	216 pubs in Waterford
2020	205 pubs in Waterford
2021	199 pubs in Waterford

**2005-2021** 61 less pubs in Waterford (a 23.5% decline) 23.5%

**2019-2021** 17 less pubs in Waterford (a 7.9% decline)



# PUB CLOSURES IN IRELAND: WESTMEATH



#### The Numbers:

16-YEAR TOTAL DECLINE		
2005	213 pubs in Westmeath	
2021	161 pubs in Westmeath	

PRE→POST PANDEMIC DECLINE		
2019	167 pubs in Westmeath	
2020	159 pubs in Westmeath	
2021	161 pubs in Westmeath	

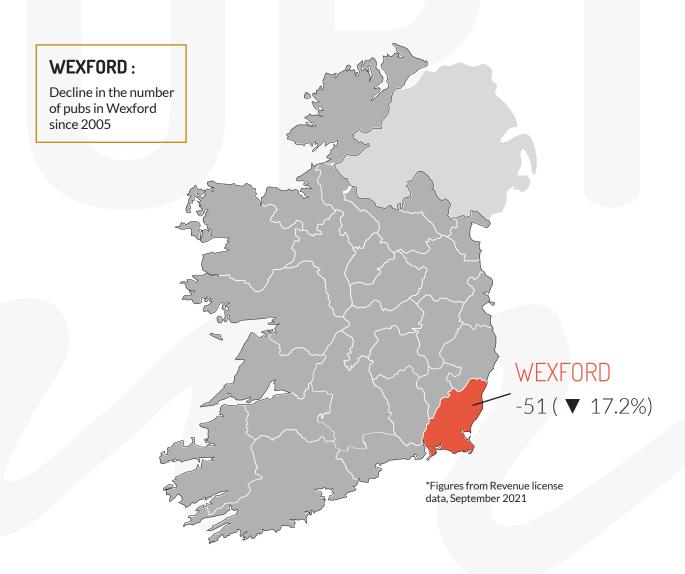
**2005-2021** 52 less pubs in Westmeath (a 24.4% decline)



2019-2021 6 less pubs in Westmeath (a 3.6% decline)



# PUB CLOSURES IN IRELAND: WEXFORD



#### The Numbers:

16-YEAR TOTAL DECLINE		
2005	297 pubs in Wexford	
2021	246 pubs in Wexford	

PRE→POST PANDEMIC DECLINE		
2019	261 pubs in Wexford	
2020	254 pubs in Wexford	
2021	246 pubs in Wexford	

**2005-2021** 51 less pubs in Wexford (a 17.2% decline) 17.2%

**2019-2021**15 less pubs in Wexford (a 5.7% decline)



# PUB CLOSURES IN IRELAND: WICKLOW



#### The Numbers:

16-YEAR TOTAL DECLINE		
2005	158 pubs in Wicklow	
2021	142 pubs in Wicklow	

PRE→POST PANDEMIC DECLINE	
2019	154 pubs in Wicklow
2020	147 pubs in Wicklow
2021	142 pubs in Wicklow

**2005-2021** 16 less pubs in Wicklow (a 10.1% decline)



**2019-2021** 12 less pubs in Wicklow (a 7.8% decline)







Connect with us at:
www.supportyourlocal.ie | www.drinksindustry.ie
Twitter: @DIGI\_Ireland, #SYL22