



Refreshing the Nation

Our Contribution to

the UK Economy

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Report methodology

This booklet sets out research by Oxford Economics, commissioned by the British Soft Drinks Association to understand the economic impact of the soft drinks sector in the UK both on a national and regional level.

The manufacture of soft drinks and subsequent sale through the on- and off-trade channels provides significant economic benefits to the national economy. The employment and financial data collated by Oxford Economics to formulate this report is sourced from the Annual Business Survey published by the Office for National Statistics (ONS).

It includes estimates on direct, indirect and induced impacts. Direct impacts include all actions directly related to soft drinks manufacture, development and sales. Indirect impacts include the wider supply chain such as agricultural, ingredient suppliers,

logistics and creative agencies. Induced impacts are the further employment and economic creation through the spending of direct and indirect earnings from the soft drinks sector.

These figures go beyond previous models as they take into account the impact of soft drinks on retail and licensed trade, whilst also using ONS figures to better analyse the supply chain associated with soft drink manufacturing.

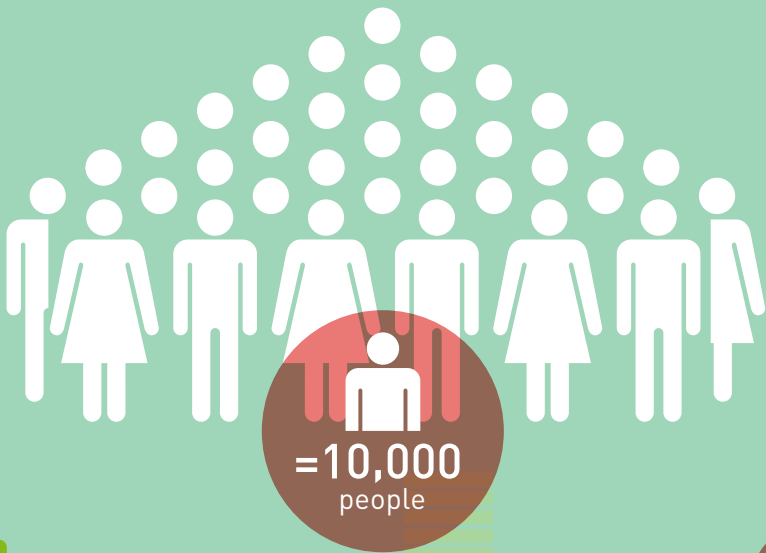
Further breakdown of the figures is available upon request from the BSDA.

Overall, soft drinks sector activity
has been estimated to sustain over

340,000

jobs - greater than the population
of Cardiff - and generates wages of

£5.63 bn



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A welcome refreshment for the British economy

British consumers quench their thirst with some 14.8bn litres of soft drinks each year. The industry is a success story of British manufacturing, retailing and hospitality. This report, using new research from respected consultancy Oxford Economics, highlights the impact of the sector on the UK's economy.

By addressing the impact of soft drinks manufacturing together with head office operations and on- and off-trade sales, this report enables us to see the wider picture of the industry's impact on the UK economy. Whether this is directly through the wages of soft drinks companies' employees, or indirectly via companies whose profits are boosted by delivering these products, the impacts are significant.

The soft drinks industry is committed to British manufacturing and values the UK as a market place, reinvesting profits back into industry development, training and skills. It is also a highly efficient and productive sector – for every employee in soft drinks manufacturing some £126,000 is added to the national economy.

In terms of employment and wages, the soft drinks sector makes a significant economic contribution in every part of the UK but its impact is largest in London, the South East, the North West and Scotland.



BSDA Director General, Gavin Partington

£11 bn+

is added to the UK economy by the soft drinks sector - as much to the UK economy as the aerospace and textiles industries combined.



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The economic impact of soft drinks

This report highlights research by Oxford Economics, commissioned by the British Soft Drinks Association, to understand the economic impact of the soft drinks sector in the UK. This report also breaks this impact down to a regional level.

Total impact

Region	GVA (£M)	Employment	Wages (£m)
South East	1,393	46,375	723
London	2,174	54,865	1,179
East	907	30,249	478
South West	1,002	35,031	514
West Midlands	812	26,501	405
East Midlands	668	22,832	350
Yorkshire & The Humber	804	25,710	379
North West	1,073	36,643	547
North East	329	12,327	160
Wales	422	15,947	215
Scotland	1,126	32,286	511
Northern Ireland	332	10,105	161
UK	11,041	348,873	5,622

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The economic impact of soft drinks

Almost

£1.7 bn

is directly added to the UK economy
by the manufacture of soft drinks

Over

15,000

direct jobs in soft drink
manufacturing

Over

£11bn

added in total by soft drinks
manufacturing, supply chain and retail

Almost

350,000

jobs sustained by soft drinks
manufacturing, supply chain and retail

Direct Manufacturing Impact

Region	GVA (£M)	Employment	Wages (£m)
South East	85	606	21
London	243	2,672	122
East	124	1,264	41
South West	167	2,263	63
West Midlands	89	842	21
East Midlands	131	1,445	54
Yorkshire & The Humber	222	1,551	43
North West	120	1,068	36
North East	47	325	10
Wales	93	649	22
Scotland	289	2,154	75
Northern Ireland	74	514	15
UK	1,683	15,353	521

Direct Retail & Hospitality Impact

Region	GVA (£M)	Employment	Wages (£m)
South East	638	31,550	355
London	966	34,926	548
East	370	19,112	218
South West	396	20,999	215
West Midlands	355	16,176	175
East Midlands	257	14,058	139
Yorkshire & The Humber	276	15,694	160
North West	479	23,151	246
North East	141	8,105	74
Wales	162	10,272	100
Scotland	413	19,616	213
Northern Ireland	129	5,798	55
UK	4,583	219,457	2,497

Supply Chain & Induced Impact

Region	GVA (£M)	Employment	Wages (£m)
South East	670	14,219	347
London	965	17,267	509
East	413	9,873	219
South West	439	11,769	236
West Midlands	368	9,483	209
East Midlands	280	7,329	157
Yorkshire & The Humber	306	8,465	176
North West	474	12,424	265
North East	141	3,897	76
Wales	167	5,026	93
Scotland	424	10,516	223
Northern Ireland	129	3,793	91
UK	4,775	114,063	2,604

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A manufacturing success story

Soft drinks manufacturing and business management

The soft drinks sector is in many ways a British manufacturing success story. The sector is constantly evolving, with companies producing new and different products as they adapt to changing consumer tastes and trends. Their production is a highly efficient process – for every employee in soft drinks manufacturing some £126,000 is added to the national economy.

Soft drinks companies continuously invest in new technology and improved efficiency. Having high productivity rates, is it also a sector that rewards its employees well with an average wage of over £30,000. It also stimulates the wider economy significantly - for every direct job in UK soft drinks manufacturing, a further five are supported in the supply chain.

The supporting functions of soft drinks manufacturers such as finance, marketing, HR, public relations and advertising also have a significant impact on the UK economy.

There is a distinctive focus on this success being located in urban areas especially London. However the South West also sees considerable benefits, and there are knock on effects that are felt from

head offices. Supply chain spending across the UK provides a considerable number of indirect and induced jobs, meaning that even in the five UK regions with no direct head office employment, the benefits are still felt.

Directly, soft drinks manufacturing and business management functions employ 15,353 people and add £1.7 billion to the economy.

Scotland has experienced benefits of £715m Gross Value Added from the manufacturing of soft drinks, higher than any other UK region.

→ Chris Davies MP:

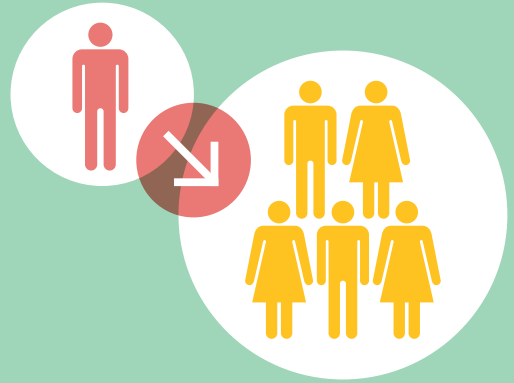
“Soft drink manufacturing benefits constituencies across the UK, making a real difference to local economies and supporting thousands of jobs. In my own constituency more than 150 jobs are directly in soft drink manufacturing – making a vital economic, community and social contribution to Brecon and Radnorshire.”

£1.68 bn

Directly soft drinks manufacturing and head office functions add £1.68 billion to the national economy

15,353

Soft drinks manufacturing and head office functions employ 15,353 people directly



For every one direct job in soft drinks manufacturing, a further 5 are supported in the supply chain.

Soft Drinks Manufacturing & Head Office Functions

Region	GVA (£M)	Employment	Wages (£m)
South East	85	606	21
London	243	2,672	122
East	124	1,264	41
South West	167	2,263	63
West Midlands	89	842	21
East Midlands	131	1,445	54
Yorkshire & The Humber	222	1,551	43
North West	120	1,068	36
North East	47	325	10
Wales	93	649	22
Scotland	289	2,154	75
Northern Ireland	74	514	15
UK	1,683	15,353	521

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Soft drinks in the hospitality industry

Soft drinks sales in hotels, restaurants and bars

Soft drinks are an essential component of the hospitality industry, providing benefits for restaurants, hotels, fast-food outlets and pubs across the nation. These benefits are felt by businesses large and small, from chain hotels to independent pubs.

The sale of soft drinks through pubs, restaurants and hotels directly contributes over £2.3 billion to the UK economy and supports nearly 128,000 jobs.

These jobs, offering much needed part-time employment, pay over £1.2 billion in wages across the UK.

The contribution is spread widely, with London and the South East the main beneficiary thanks to the high number of hospitality businesses located there.

→ Brigid Simmonds OBE,
British Beer & Pub Association:

“Whilst beer is the mainstay of the pub, soft drinks are a vital part of the pub offer, extending choice, providing welcome refreshment, and a great choice for anyone driving.

“Soft drink sales support pubs and their staff, so continued investment by soft drink manufacturers into high quality equipment and solutions makes a major difference ”

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Almost a third of the entire volume of soft drinks sold are in pubs, restaurants and hotels

6.3%

The sale of soft drinks by these businesses represents 6.3% of the entire turnover of the hospitality sector



1 in 20



More than 1 in 20 of every pound spent in these businesses goes on soft drinks

Hospitality

Region	GVA (£M)	Employment	Wages (£m)
South East	309	18,500	181
London	578	22,397	316
East	174	10,139	97
South West	223	12,853	121
West Midlands	198	8,575	84
East Midlands	112	7,998	60
Yorkshire & The Humber	127	8,763	71
North West	226	13,106	116
North East	58	4,645	32
Wales	92	6,060	49
Scotland	206	12,102	113
Northern Ireland	41	2,831	23
UK	2,343	127,968	1,264

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From convenience to supermarkets

Soft drinks sales in supermarkets, corner shops and off-licences

From the corner shop to the supermarket, sports centre vending machine to the service station, the retail sector is a major beneficiary of the soft drinks industry. Retail businesses of all sizes are under increasing pressure and with soft drinks representing 3.1% of the total turnover of the entire retail sector they are a welcome boost to business sustainability.

The economic benefits to the convenience sector are significant, with soft drinks playing an increasingly important role in Britain's smaller shops and businesses.

Total retail sales of soft drinks adds £2.2 billion in value to the British economy.

The benefits are felt in every region of the UK. The same two regions that provide the largest amount to the economy also provide the greatest amounts of direct and total employment – London and the South East. The North West ranks third.

→ James Lowman, Chief Executive of the Association of Convenience Stores:

“Soft drinks are an important category in the convenience sector accounting for 6.6% of sales. Soft drinks are also driving retailers to invest in refrigeration, with £88 million invested in the last six months.”

October 2015

3.1%

3.1% of the total turnover of the entire retail sector comes from soft drinks

91,000

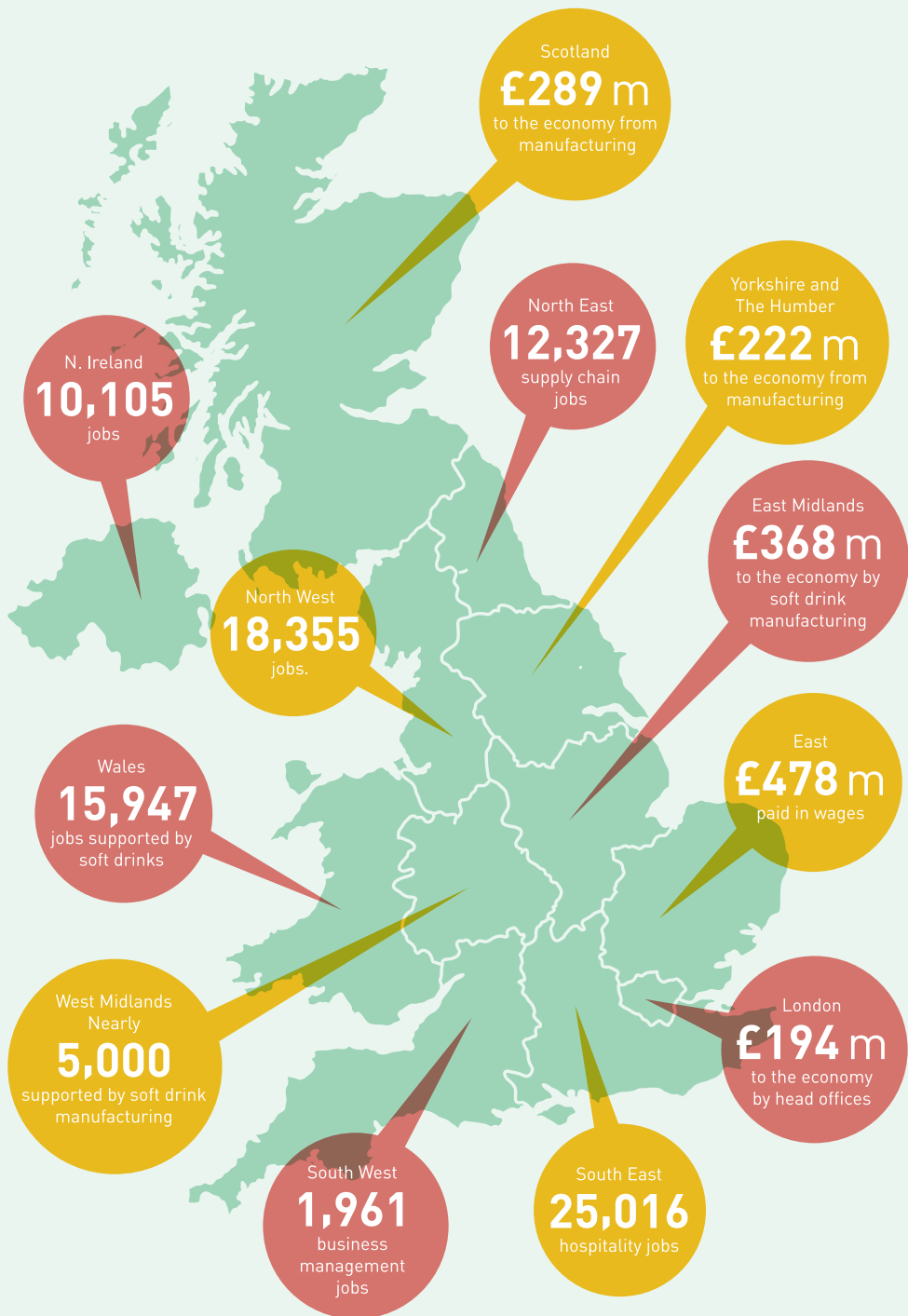
Over 91,000 retail jobs are directly reliant on the sale of soft drinks



5th biggest contributor to Convenience Store sales

Retail and vending

Region	GVA (£M)	Employment	Wages (£m)
South East	330	13,050	175
London	387	12,529	232
East	197	8,973	121
South West	174	8,146	94
West Midlands	156	7,601	91
East Midlands	145	6,061	78
Yorkshire & The Humber	149	6,931	88
North West	253	10,046	129
North East	83	3,460	42
Wales	70	4,212	50
Scotland	208	7,514	100
Northern Ireland	88	2,967	32
UK	2,240	91,489	1,233



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Statistics across the UK

Scotland

Scotland enjoys direct benefits of £289m Gross Value Added from the manufacturing of soft drinks, higher than any other UK region as it is home to several soft drinks manufacturing locations.

Yorkshire and The Humber

Yorkshire and The Humber has £222m added to the local economy from the manufacture of soft drinks, the third highest level in the UK after Scotland and London.

South East

Hospitality soft drink sales support 25,016 jobs in the South East alone.

London

Over half of the UK's soft drinks companies head offices are located in London. They add £194 million to the London economy.

South West

1,961 jobs in the South West are sustained by the head office and business management functions of soft drinks.

East Midlands

Soft drinks manufacturing and business management functions add £368 million to the East Midlands economy.

Northern Ireland

Across Northern Ireland 10,105 jobs are sustained by the soft drinks sector.

East

£478m of wages in the East region are linked to the soft drinks sector.

West Midlands

Almost 5,000 jobs in the West Midlands are supported by soft drinks manufacturing.

North West

The North West is the third largest region in the UK for employment in the soft drinks industry, with soft drinks manufacturing sustaining a total of 18,355 jobs.

North East

Supply chain spending across the UK provides a considerable number of jobs, with the soft drinks sector indirectly supporting a total of 12,327 jobs in the North East.

Wales

In Wales, the soft drinks industry supports 15,947 jobs.

SINCE
1987



BRITISH
Soft Drinks
ASSOCIATION



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About British Soft Drinks Association

The British Soft Drinks Association is the national trade association representing the collective interests of producers and manufacturers of soft drinks including carbonated drinks, still and dilutable drinks, fruit juices and bottled waters.



For more
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