

# Pivara Skopje's 2023 impact in North Macedonia

Final report



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# **This study reports on the 2023 impact of Pivara Skopje in North Macedonia**

## **Introduction**

Pivara Skopje's impact spans beyond its factories and offices, across its local value chain

Pivara Skopje commissioned this assessment to gain insights into the magnitude of its direct, indirect & induced impact on incomes and employment in North Macedonia

The scope of this study covers the 2023 economic and sustainability impact of Pivara Skopje in North Macedonia

- This is the first study we execute for Pivara Skopje in North Macedonia
- The study covers the activities of both the Pivara Skopje, including the spending of The Coca-Cola Company in the country
- This study's scope is not exhaustive; it does not quantify on social indicators

The assessment is based on the 'input-output' methodology which was developed by the Nobel Prize winning economist Wassily Leontief and is commonly used by economists worldwide for this type of analysis

# Executive summary: '23 Economic Impact of Pivara Skopje in North Macedonia

## Introduction

### What is the purpose of this study?

Pivara Skopje, a joint venture between Coca-Cola Hellenic Bottling Company (Coca-Cola HBC) and HEINEKEN, supports the North Macedonian economy by producing, distributing, and selling beverages. Its activities generate significant direct and indirect impacts in the local economy in the form of employment and contributions to Gross Domestic Product. Additionally, Pivara Skopje spends thousands of euros to improve its environmental performance and support local community programs each year.

However, in the recent years, the full scope of positive economic impacts of Pivara Skopje has not been measured. This Economic Impact Study provides the data to help Pivara Skopje show its annual economic impact in North Macedonia. It quantifies impact in terms of value added – the sum of salaries, taxes and profits – and employment supported by Pivara Skopje directly or indirectly throughout its value chain.

## Methodology

### What data and methodology are used?

The study was conducted by Steward Redqueen, an independent consultancy, between January 2024 and July 2024. Data was collected directly from Pivara Skopje on the company's Profit & Loss statement (including

sectoral vendor spending), headcount, salaries, taxes, and sales volumes and retail values, among other things. Macroeconomic data from Eurostat, national statistical office, Global Trade Analysis Project of Purdue University are used in the assessment.

Results are calculated using an input-output model, a commonly applied method developed by Nobel Prize winning economist Wassily Leontief that is used by academics and government officials around the globe to measure economic impacts. The model reflects all gross economic activity in the country related to operations, production, and sales of Pivara Skopje's beverages.

## Results

### What are the main findings?

In 2023, Pivara Skopje supported approx. **EUR 139 million in value added**, including EUR 28 m in direct value added from its own operations, EUR 35 m upstream at its suppliers and suppliers' suppliers, and EUR 76 m downstream at its trade partners and their suppliers.

Included in this value added support are **EUR 37 m in wages** for workers across its value chain and **EUR 71 m in taxes** that it supports, too. In total, Pivara Skopje contributed **1.0% of North Macedonia's GDP** in 2023. The most value added is supported the trade and manufacturing sectors, including in F&B.

Pivara Skopje supported estimated **8,700 jobs** in 2023,

including 399 jobs in its own operations; 2,600 jobs upstream at its suppliers and suppliers' suppliers, and 5,700 jobs downstream at its trade partners and their suppliers. Some **1,100 manufacturing and 4,800 trade sector jobs** (direct, indirect) are supported by Pivara Skopje across the country.

Pivara Skopje supports **1.3% of national employment**. Every **1 person employed directly by Pivara Skopje supports 21 jobs elsewhere in North Macedonia**.

In 2023, Pivara Skopje's total capital expenses amounted to **EUR 6.3 million** with 32% of this or **EUR 2 million** related to energy, water, packaging and emissions management. The company provided **EUR 204,000 community investments** across the country for education, youth development, women's empowerment, and community improvement, among other issues.

## Conclusion

### What can we take away from this?

These results show the depth and breadth of Pivara Skopje's positive economic contributions.

The study lays out - using robust quantitative figures - the extent to which **Pivara Skopje is an essential player in North Macedonia's services, trade, and manufacturing sectors**, driving economic growth and supporting employment around the country.

# Key findings on Pivara Skopje's impact in 2023

Pivara Skopje adds value to the economy of North Macedonia, and supports quality employment opportunities



**€124 million**

in net sales revenues (NSR) reported by Pivara Skopje. This consists of €104 m local NSR, €3 m in exports and €17 m in intercompany sales



**200 million litres**

sold by Pivara Skopje. This consists of 151 m litres of local sales, 6 m litres of exports, and 43 m litres of intercompany sales



**€46 million**

worth of goods and services purchased from domestic suppliers



**€139 million**

value added supported in the economy across the value chain



**1.0%**

contribution to North Macedonian gross domestic product



**€71 million**

supported in tax payments across the value chain



**399**

people employed directly by Pivara Skopje in North Macedonia



**8,310**

employment opportunities indirectly supported in the value chain



**1:21**

For each direct job at Pivara Skopje, there are 21 others supported elsewhere in North Macedonia





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**2. Scope and methodology**

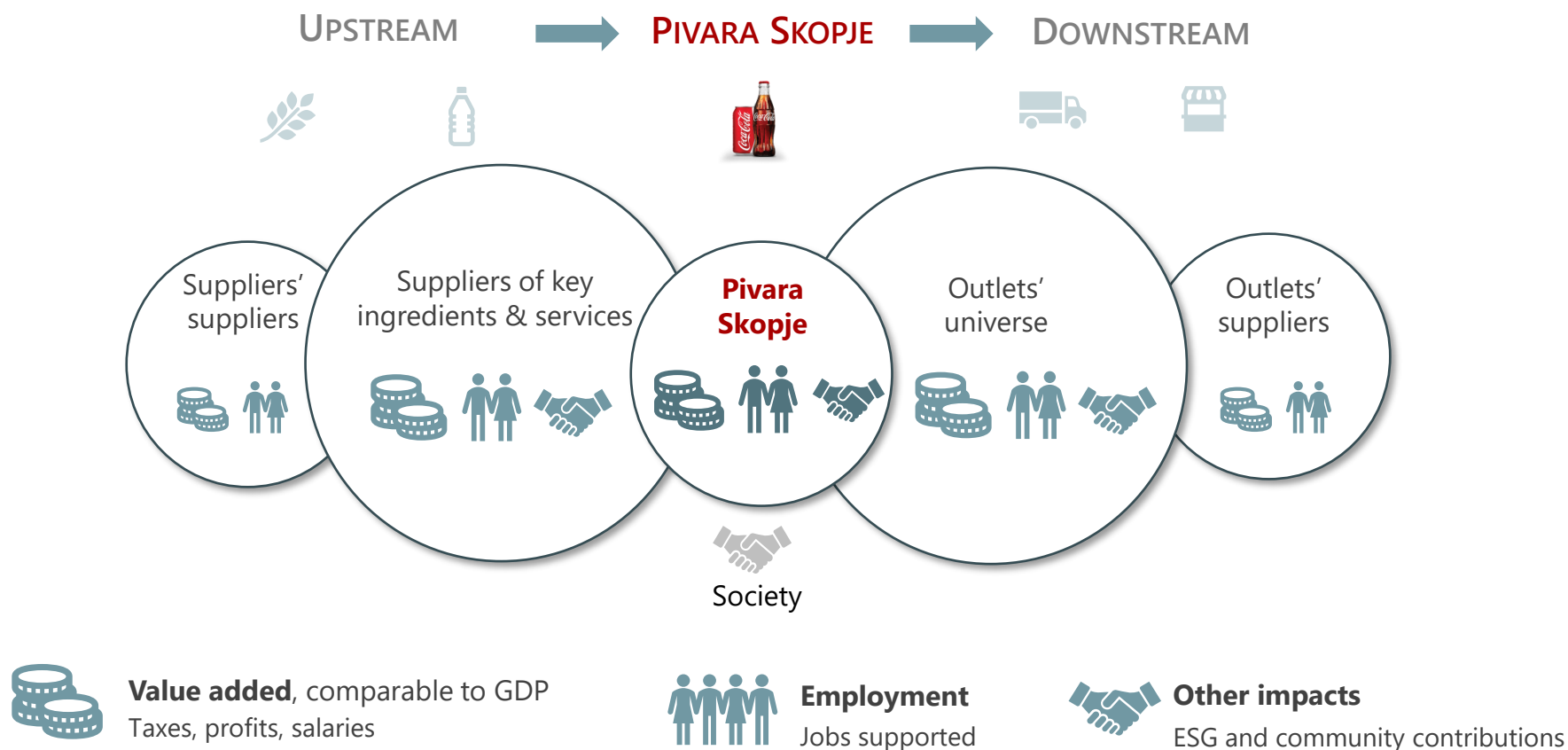
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# The study quantifies Pivara Skopje's impact along its value chain, deriving three levels of results



## Scope

The three result levels include

- **Direct results:** those related to the direct operations of Pivara Skopje, including own employees, salaries paid to these employees, and any taxes paid
- **Upstream results:** those driven by the extent to which Pivara Skopje and its suppliers work source products and services from domestic vendors; it leverages procurement data by Pivara Skopje (and TCCC) to follow spending on goods and services purchased from North Macedonian suppliers across the country
- **Downstream results:** those driven by the distribution and sales of Pivara Skopje's beverages; it leverage margins generated on the sales of Pivara Skopje's beverages in in the country (sparkling, beer, spirits, distributed both directly and indirectly)





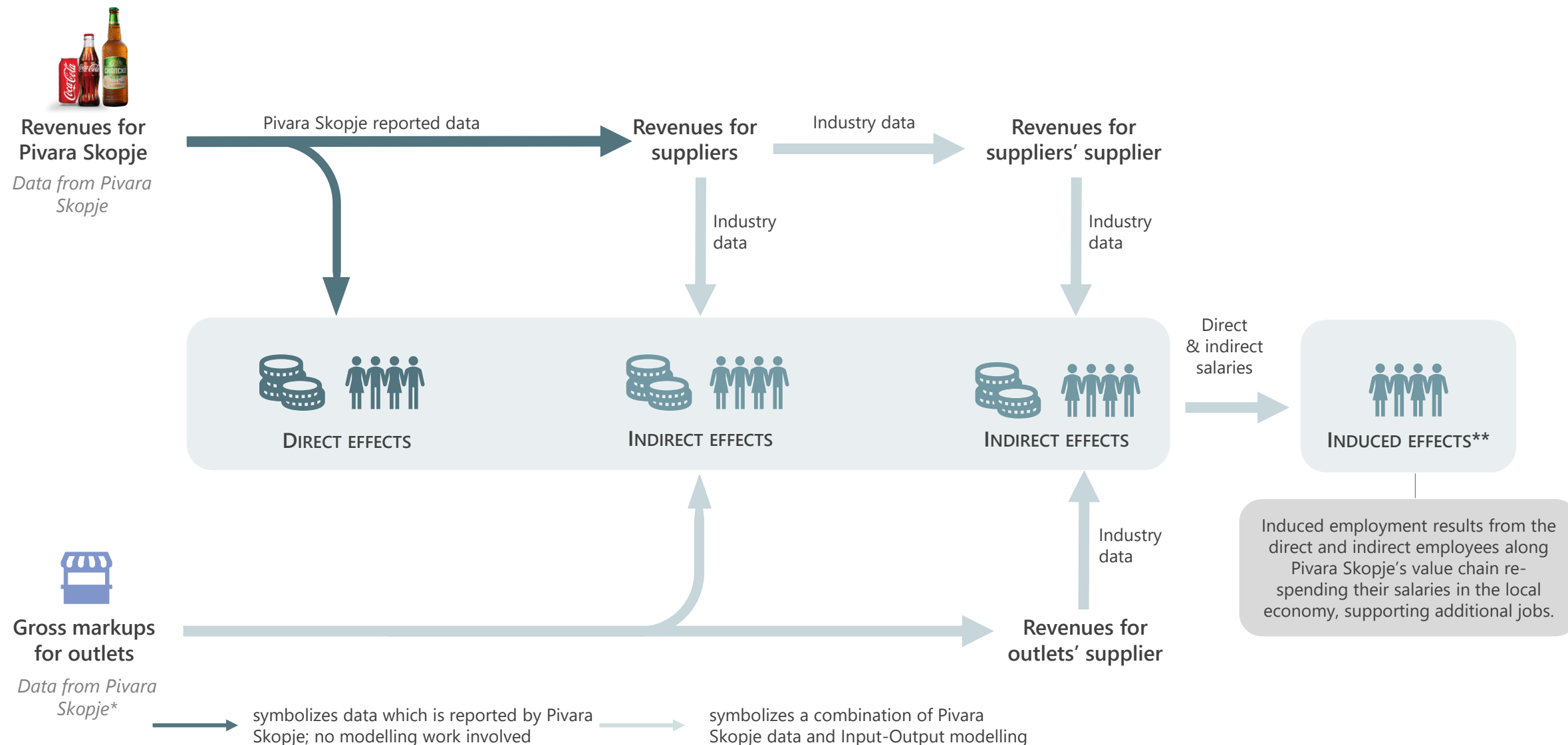
# We estimate Pivara Skopje's impact by tracing money flows

## Methodology

To measure the economic effects of the company, we trace how consumer spending on its beverages circulate in the economy

- When consumers buy a bottle of Coca-Cola or a beer in a café or in a supermarket, part of the money they spend is margins for the outlet, which likely generate taxes, salaries, profits and employment for this establishment
- Another part of the spending reaches Pivara Skopje in the form of revenues
- Pivara Skopje, in turn, spends part of this money to buy goods and services needed for its production activities
- The procurement related to domestic suppliers also supports taxes, salaries, profits and jobs
- By tracing how the money that consumers spend on beverages circulate in the economy, we can estimate the economic impact of Pivara Skopje
- We trace these financial flows by using the Input-Output methodology, an approach developed by Nobel Prize winning economist Wassily Leontief that is widely used by economists for impact assessments
- This method recognises that the output of one sector in a country serves as input for another; for instance, the outputs of the sugar sector are bought by beverages manufacturers to produce drinks
- A statistical representation – much like a blueprint - of the North Macedonian economy (called a Social Accounting Matrix) describes these inter-sectoral transactions and is the foundation of our methodology
- It should be noted that the method allows estimation of impacts in gross terms, which means that they do not account for the counterfactual of what effects would have taken place in the absence of Pivara Skopje's operations in the country
- Therefore throughout the report we refer to indirect impacts '*supported*', and not '*created*'
- Data from across various sources were collected to conduct this study
  - Pivara Skopje teams from different functions, including Finance, Tax, Procurement, Commercial, HR, Sustainability/Community
  - Macro-economic statistical sources include Eurostat, national statistical office, Global Trade Analysis Project of Purdue University

# The methodology follows the revenues stream of Pivara Skopje and the outlets in the economy to trace direct and indirect effects



\*Data limited to recommended prices and publicly available information on average prices

\*\* Induced effects are calculated only for employment (and not for value added), as that would be double counting of salaries

# The magnitude of impact is driven by the company's structure, its domestic procurement, and the margins it activates for outlets

## UPSTREAM



The indirect upstream impact is driven by domestic procurement

- Buying from domestic suppliers means money stays in the local economy
- Suppliers pay salaries, earn profits, generate taxes, and employ workers
- Suppliers also purchase materials and services in order to produce the products they supply to Pivara Skopje, in turn activating more salaries, taxes, profits and employment at the level of their own suppliers

## PIVARA SKOPJE



Pivara Skopje's direct impact depends on its size and characteristics

- Pivara Skopje's size (production and office facilities) affects its direct impact
- Other defining factors include its decisions on workforce (payroll employees versus outsourced services); profitability; national taxation levels

## DOWNSTREAM



The indirect downstream impact is driven by sales volumes and margins for outlets

- Retailers and distributors earn margins for bringing beverages to the market
- Margins vary by type of retailer; on-trade has higher margins than off-trade outlets; on-trade is also more labour-intensive
- The more they sell, and the more margins they make, the larger retailers' incomes and employment results
- With the generated margins, retailers also purchase materials and services, in turn activating more salaries, taxes, profits and employment at the level of their own suppliers



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## About Pivara Skopje

- Founded in 1922, Pivara Skopje is the leading beverage company in North Macedonia. It continuously develops its portfolio to offer beverages for every occasion throughout the day and to be a 24/7 beverage partner for buyers and consumers, which is also one of the company's most important strategic commitments. Its portfolio includes non-alcoholic beverages, beer and premium spirits.
- It is a joint venture between Coca-Cola HBC and Heineken, combining international expertise with local heritage.
- The company's local sales are 151 million liters of beverages annually (2023), of which 105 million liters non-alcoholic beverages, 46 million liters beer and 0.1 million liters of spirits. Additionally, 6 million liters of beer were exported, and 43 million liters represent intercompany sales.
- Pivara Skopje produces, markets, and distributes recognized Coca-Cola & HEINEKEN branded beverages most produced locally in Macedonia, using, to the extent possible, locally sourced materials and services.
- Pivara Skopje celebrated its 100th anniversary in 2022, marking a century of tradition, development, and partnership with the community. This year, the company celebrates the 100<sup>th</sup> anniversary of its iconic beer brand SKOPSKO.
- The company is dedicated to sustainable development, focusing on education, environmental protection, and community support.



# Pivara Skopje at a glance

Pivara Skopje has been operating for 102 years since its establishment in 1922



**€40 million**

of capital investments have been made by Pivara Skopje in the last 5 years



**200 million litres**

of beverages sold by Pivara Skopje\*, starting from 35 thousand hl of beer, 0.7 thousand tons of beer malt and 1.5 thousand tons of ice produced in 1924



**30**

core brands are part of Pivara Skopje's portfolio. This includes 11 non-alcoholic beverage brands, 6 beer brands, and 13 premium spirits brands



**2 plants**

produce Pivara Skopje beverages with a total capacity of 4.4 million hl. Out of these 3.3 million hl refer to non-alcoholic beverages and 1.1 million hl to beer



**4 wholesale distributors**

distribute Pivara Skopje's beverages across the country outside the capital



**13,000**

customers Pivara Skopje partners

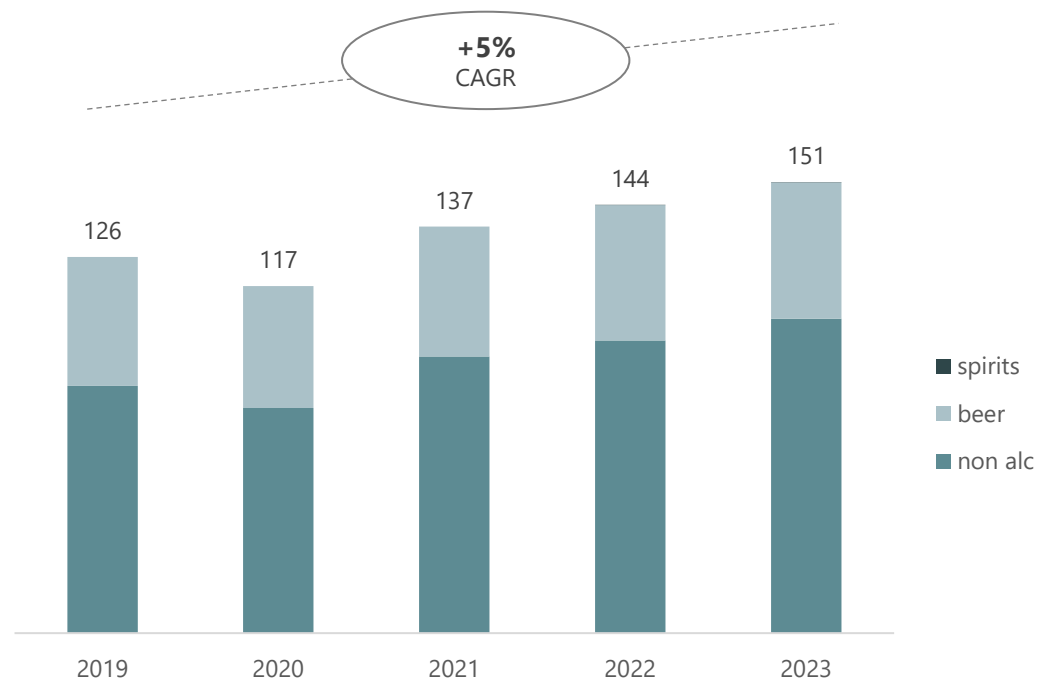
\*This consists of 151m litres of local sales, 6m litres of exports and 43m litres of intercompany sales.



# Since 2019, Pivara Skopje has grown in terms of volumes and revenues

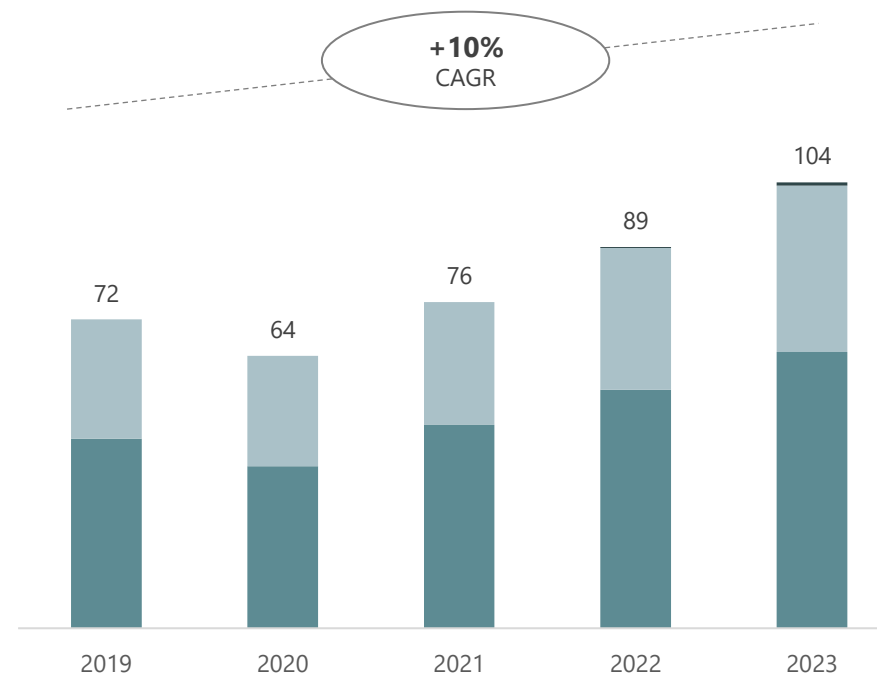
## Volumes

Million liters



## Net sales revenues

EUR million



While 2020 was marked by Covid-related regulations affecting HORECA outlets, from 2021 to 2023 we can see a strong rebound of the sector that is reflected both in sales and revenues

# In 2023, consumers in NMK spent EUR 206 million on Pivara Skopje's products

In 2023, consumers spent  
**EUR 206 million\***  
on  
**151 million litres\*\***  
of Pivara Skopje' beverages

- This includes
- EUR 118 m on 105 m litres of non-alcoholic beverages
  - EUR 71 m on 46 m litres of beer
  - EUR 2 m on 0.1 m litres of spirits



**EUR 29 m**

Value added tax on final product price



**EUR 59 m**

Markups for outlets and distributors\*\*\*



**EUR 14 m**

Excise duties



**EUR 104 m**

Pivara Skopje local net sales revenues

+EUR 3 m in export sale, EUR 19 m in intercompany sale and EUR 1.8 m in TCCC expenditures

## DRIVERS OF DOWNSTREAM IMPACT

- VAT on the final consumer price is collected by the government
- The money trade partners make allow them to hire people, pay taxes and salaries, and accumulate savings, and further purchase the goods and services required for their own operations

## DRIVERS OF UPSTREAM IMPACT

- Pivara Skopje pays taxes and salaries, and hires people in North Macedonia
- The money it spends on domestic vendors allow them to hire people, pay taxes and salaries, accumulate savings, and further purchase the goods and services required for their own production

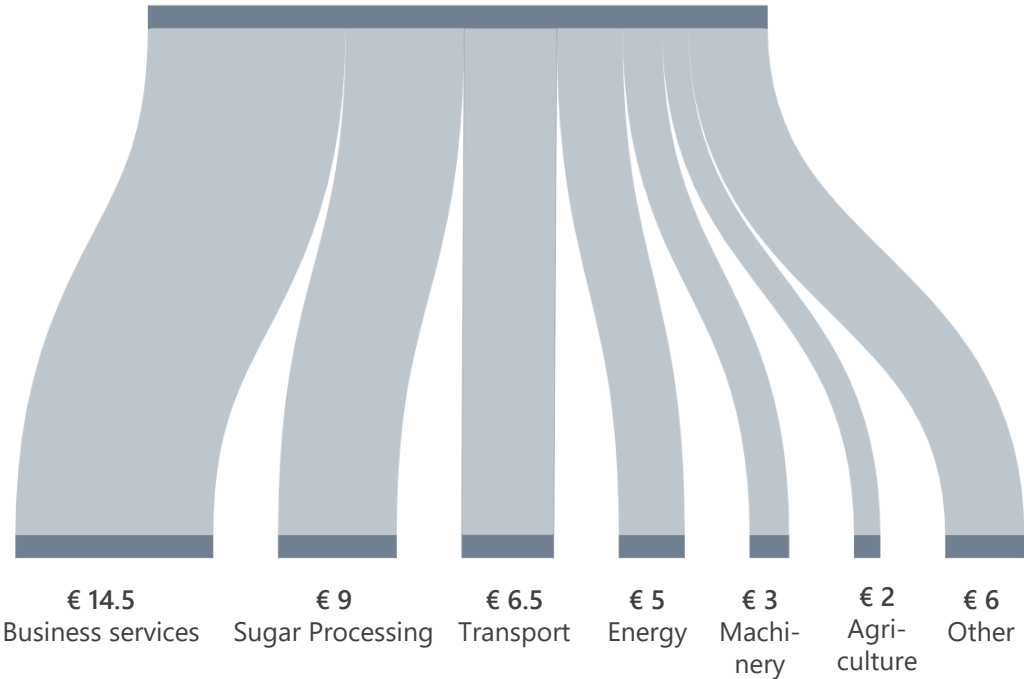
\* The amount includes excise taxes levied on Pivara's beverages

\*\*Refers to volumes sold in North Macedonia, excluding exports and intercompany sales. While the production of volumes for exports and intercompany sale is included in the upstream impacts, their sale is out of scope as it takes place outside of NMK

\*\*\*Data limited to recommended prices and publicly available information on average prices

# In 2023, Pivara Skopje spent €46 million to purchase goods and services from domestic suppliers and sold 151 million liters of beverages in the country

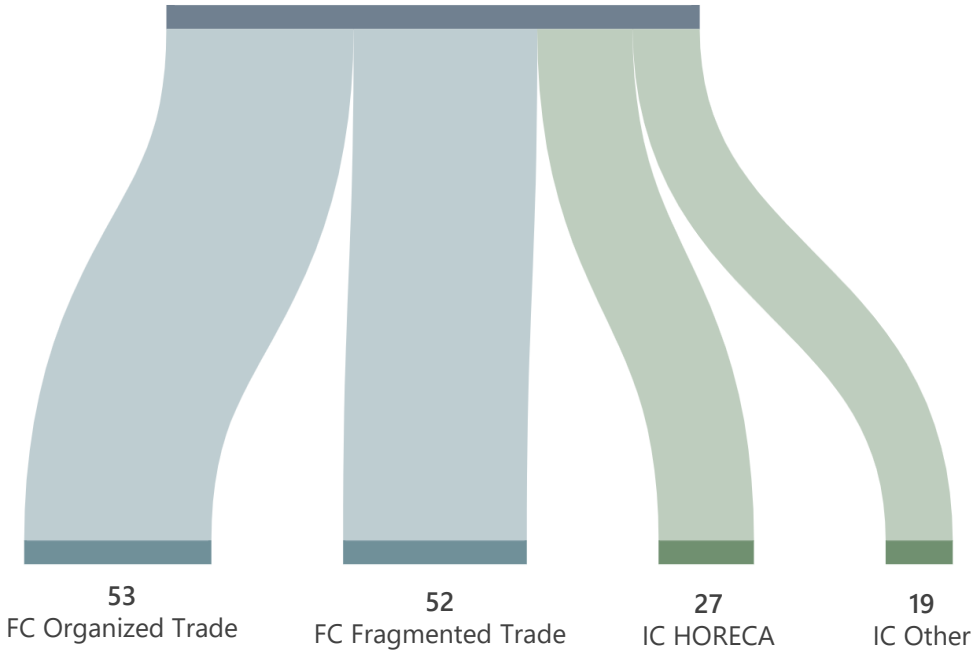
Breakdown of local procurement\*  
EUR million



By sourcing goods and services locally, Pivara Skopje supports impact upstream in its value chain

52% of the €46 million Pivara Skopje spent on local procurement was invested in sugar processing and business services

Breakdown of volume  
Million litres



Sales of beverages support impacts downstream in the value chain

In 2023, Pivara Skopje sold 151 million litres of beverages in North Macedonia, of which 70% via off-trade channels and 30% via the on-trade channels

\*Procurement includes procurement budget from TCCC to be spent in North Macedonia. A mapping to the displayed sectors can be found in the Appendix



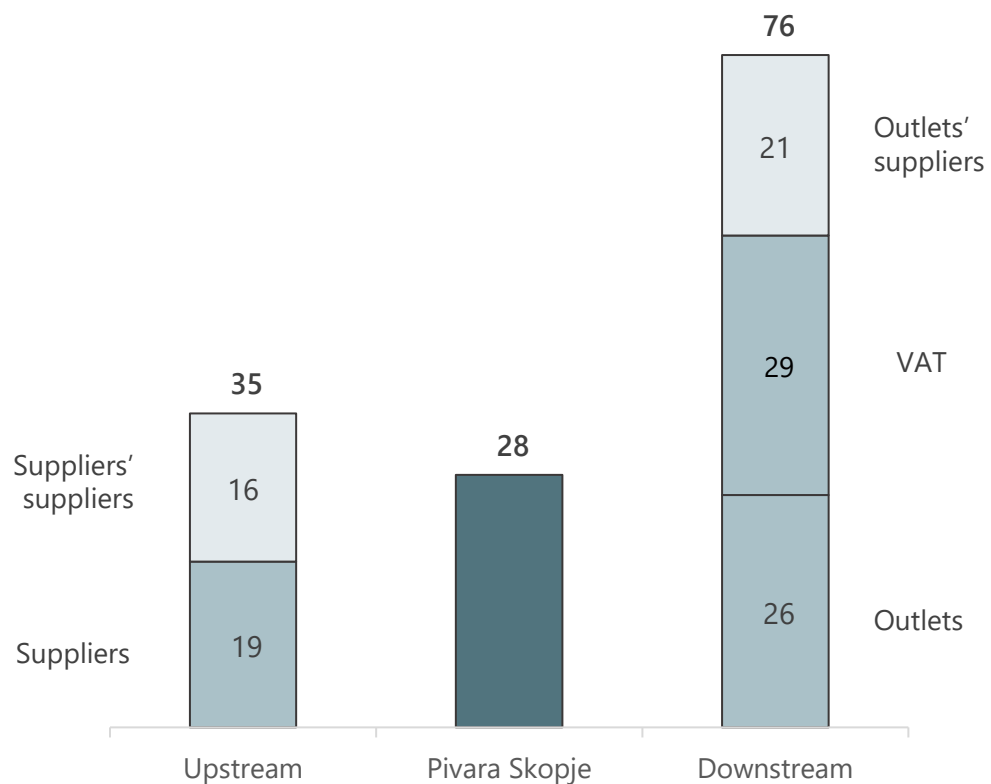
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# Pivara Skopje supports €139 million in value added across its value chain

## Value added supported

EUR million



## Highlights

Pivara Skopje directly generated €28 million in incomes

- These include the salaries paid, profits earned and the taxes born by Pivara Skopje

Indirectly, Pivara Skopje supported €111 million

- The predominant impact is downstream (€76 million), where Pivara Skopje's sales enable VAT of €29 million, outlet partners benefit €26 million, and outlets' suppliers benefit another €21 million
- Another €35 million in value is supported upstream, at the level of its first-tier suppliers and at the level of their suppliers
- These figures only capture the incomes attributable to Pivara Skopje (and not all the incomes at their suppliers and partnering outlets)

The total value added is equivalent to 1% of the country's GDP\*

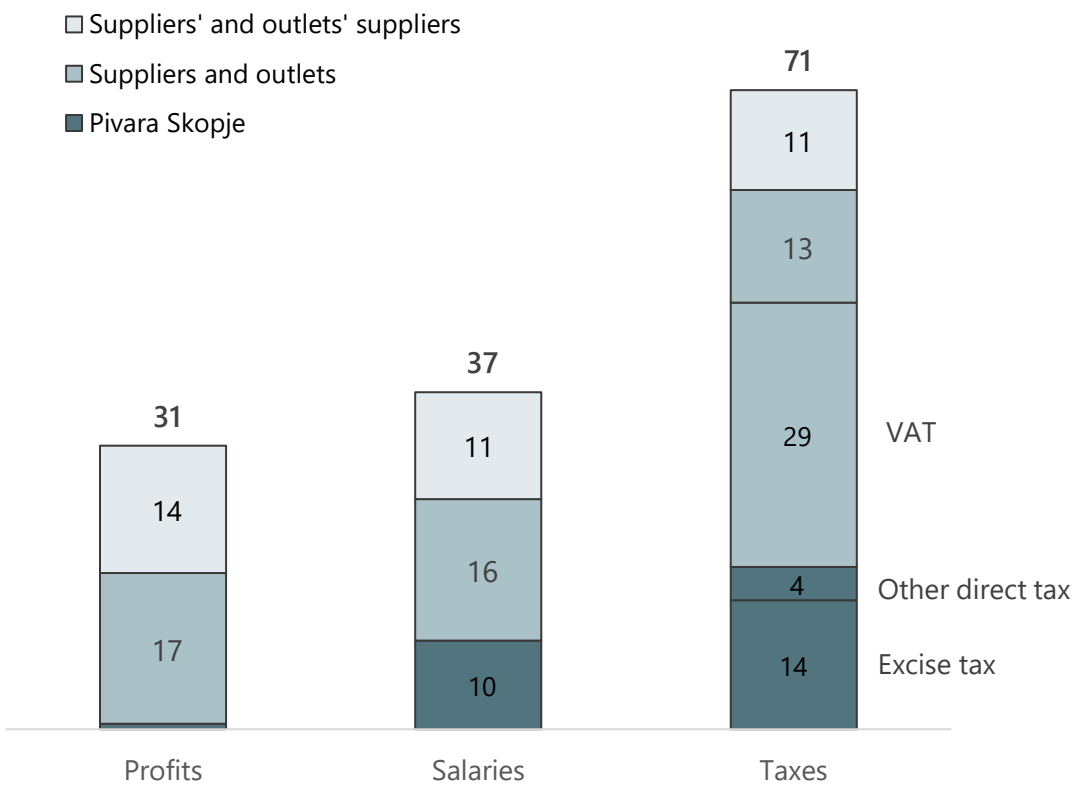
Each €1 spent by consumers on Pivara Skopje's beverages in North Macedonia adds 68 cents in value to the economy



# The biggest share of the value added is taxes for the state

## Value added supported

EUR million



## Highlights

The total value added of €139 million can also be broken down by beneficiary

Tax payments supported by Pivara Skopje throughout the value chains equal €71 million, making the North Macedonia state the biggest beneficiary from Pivara Skopje's activities in the country

- Taxes paid by the Pivara Skopje are made up of excise tax (79%), corporate income tax (13%), payroll tax (3%), import duties (2%), non-refundable VAT (1%), personal income tax (1%) and property tax (0.4%)\*
- From the €42 million first round taxes, €29 million is VAT related to the sales of Pivara Skopje's beverages; the other €11 million is taxes paid by Pivara Skopje's vendors and partner outlets
- The €18 million taxes paid by the System make up 1.0% of total North Macedonian tax revenue; while the total value chain tax of €71 million equals 3.8% of North Macedonia's tax revenue\*\*

Households across the value chain benefited €37 million, of which €10 million was earned by the Pivara Skopje's own employees

- The reported direct salaries include net salaries, social security contributions and any other employee benefits

Pivara Skopje and the companies across its value chain made an estimated €31 million in profits, €1 million of these were earned by Pivara Skopje directly

\*This only includes property tax paid as of 31.12.2023

\*\*Total tax revenue of €1.9 billion for 2023 in North Macedonia is given as MKD 114 billion (Public Revenue Office of the Republic of North Macedonia) with an exchange rate from Bloomberg

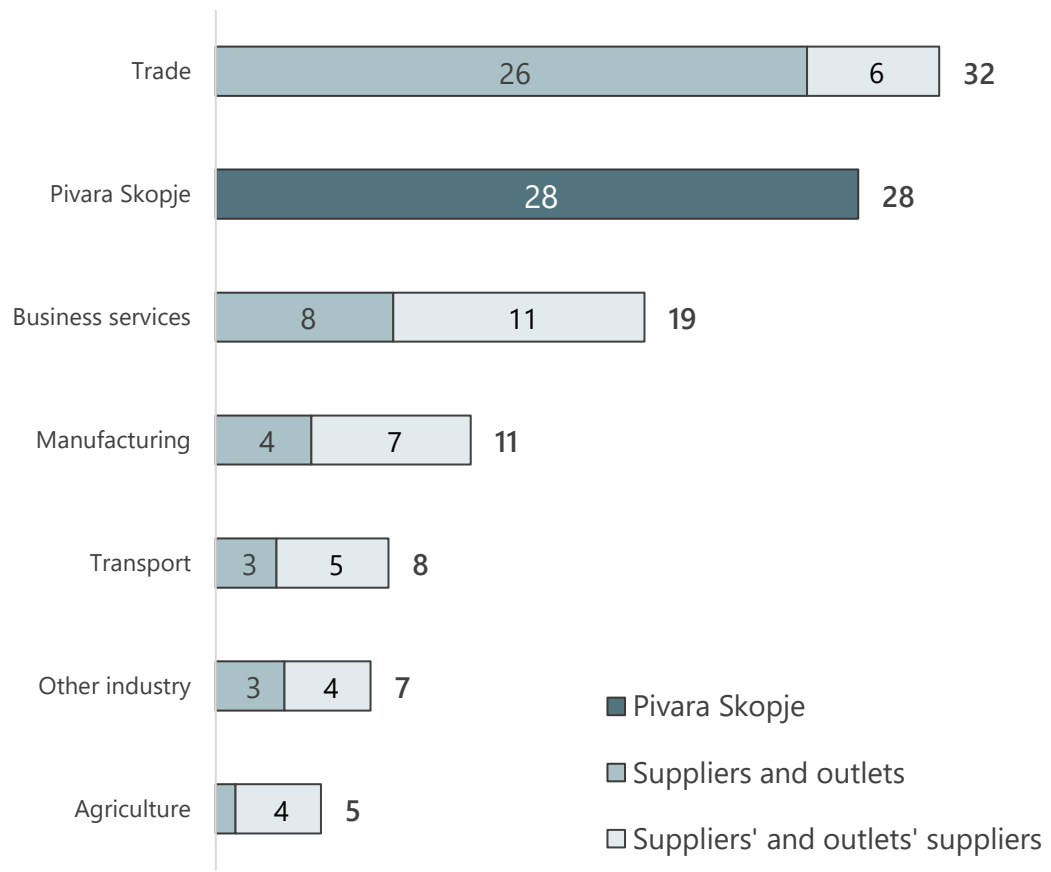




# The impact of the Pivara Skopje is spread throughout many sectors

## Value added supported\*

EUR million



## Highlights

The trade sector is one of the biggest beneficiaries of Pivara Skopje's activities, with €32 million in value added

The business services sector benefited €19 million; of this €8 million was at the level of the Pivara Skopje's domestic vendors in the areas of marketing, advertising, and other professional services

The manufacturing sector benefited €11 million, of which €4 million for Pivara Skopje's first round suppliers of goods such as sugar, packaging materials, machinery parts

The transport sector benefited €8 million; these can be split up in € 3 million value-added through Pivara Skopje's suppliers such as trucking or logistic companies, and €5 million through their respective suppliers

The agriculture sector benefited €5 million, mostly indirectly, due to the sourcing of agriculture products from Pivara Skopje's supply chain partners; these are, for example, farmers supported by the procurement of agri-goods by outlets or other value chain partners

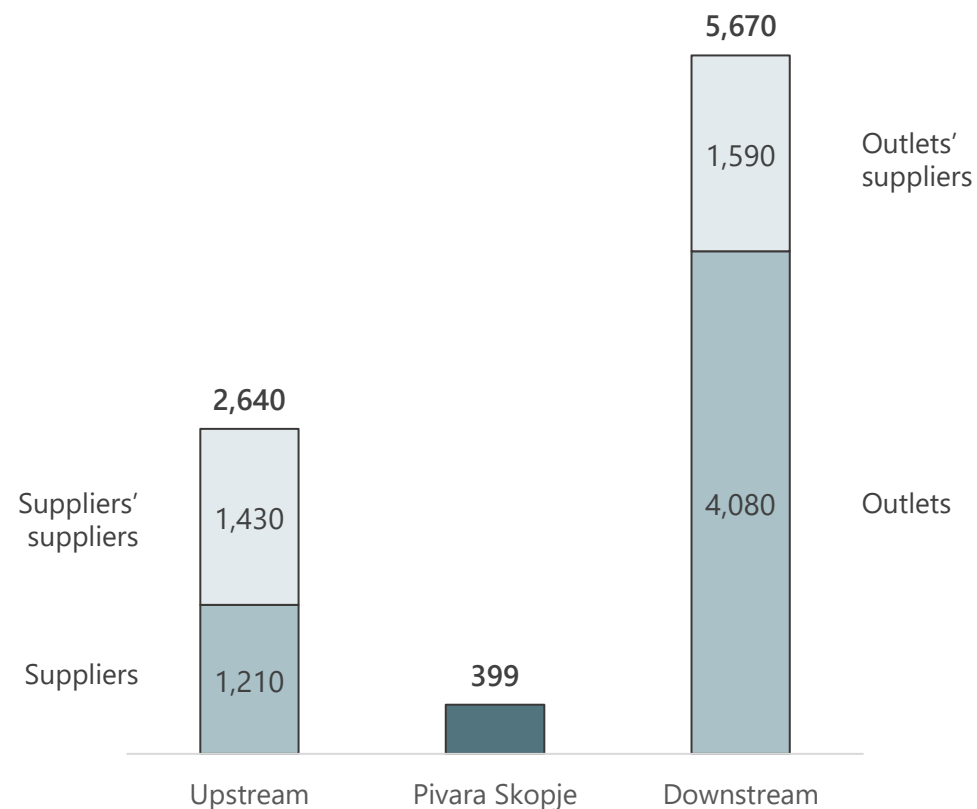
\*This graph visualises the €142 million of total value added excluding VAT split by economic sector; all impacts regarding suppliers & outlets and suppliers' & outlets' suppliers include upstream and downstream impact



# Pivara Skopje supported more than 8,700 employment opportunities throughout its value chain

## Employment

# of people



## Highlights

The value chain employment of Pivara Skopje is estimated at close to 8,700, representing 1.3% of total employment in North Macedonia\*

Pivara Skopje directly generated 399 jobs. Indirectly, it supported an estimated 8,310 employment opportunities, of which

- 2,640 upstream (1,210 across its own domestic suppliers, and 1,430 at the level of the suppliers of its suppliers)
- 5,670 downstream (4,080 across the outlets selling its beverages, and 1,590 across outlets' suppliers)
- These figures only capture the value chain jobs attributable to Pivara Skopje (and not all the jobs at Pivara Skopje's suppliers and partnering outlets)

For each direct job at Pivara Skopje, there were 21 jobs supported elsewhere across the North Macedonia economy, of which 6 upstream via local procurement, and 14 downstream via sales

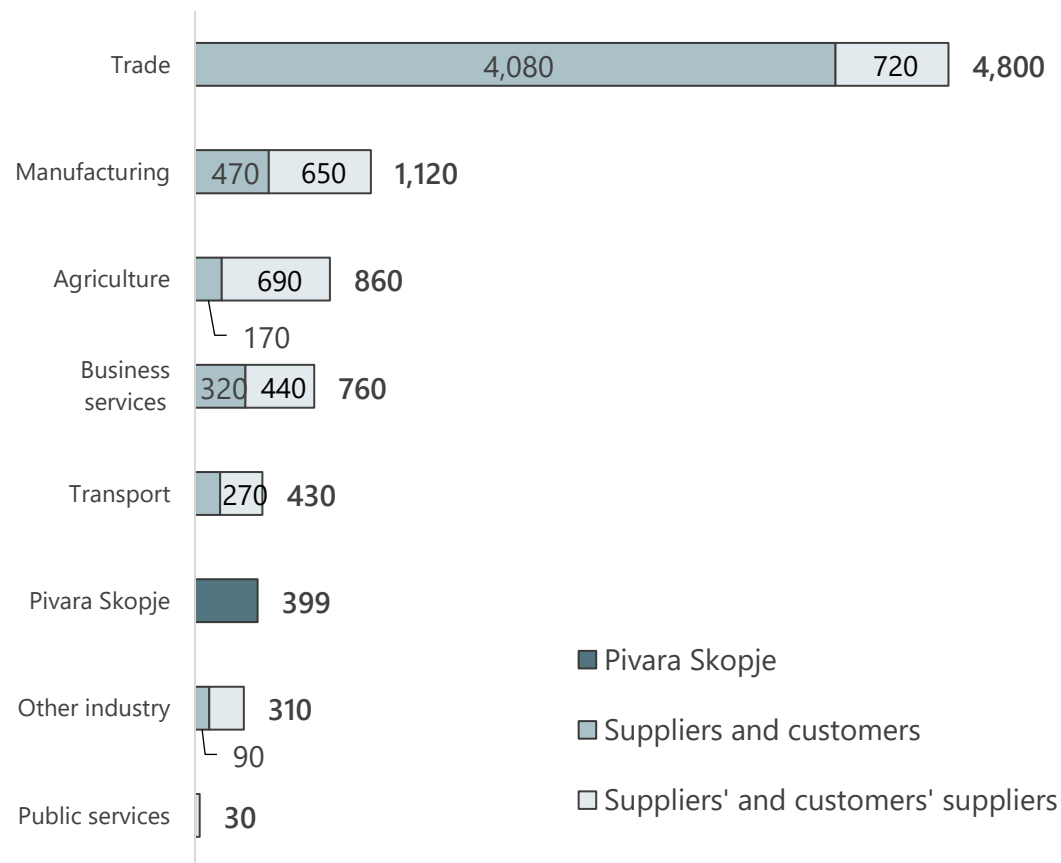
Due to the additional spending of Pivara Skopje's and their suppliers' employees another 2,000 jobs can be attributed to induced impact



# Most jobs are supported in the trade sector

## Employment

# of people



## Highlights

Unsurprisingly, the largest impact in terms of employees is in the trade sector

- In total, some 4,800 jobs were supported in the sector, or 3.6% of the total people employed in the trade sector in the country\*
- 4,080 jobs were spread across the outlets selling Pivara Skopje beverages; 350 of these jobs are at distributors, 880 at off-trade channels (e.g. mom & pop stores, supermarkets), and 2,850 at on-trade channels (e.g. bars, hotels, restaurants)

At the manufacturing sector some 1,120 employment opportunities were supported, with 470 of them at the level of suppliers

Pivara Skopje supported 860 jobs in the agriculture sector; of these, 170 are directly related to Pivara Skopje's procurement (raw materials for the production of beer), and 690 are at the level of the suppliers of Pivara Skopje's domestic vendors

In the business services and transport sector 760 and 430 jobs were supported. Among these are the people working on marketing and advertising materials for the company



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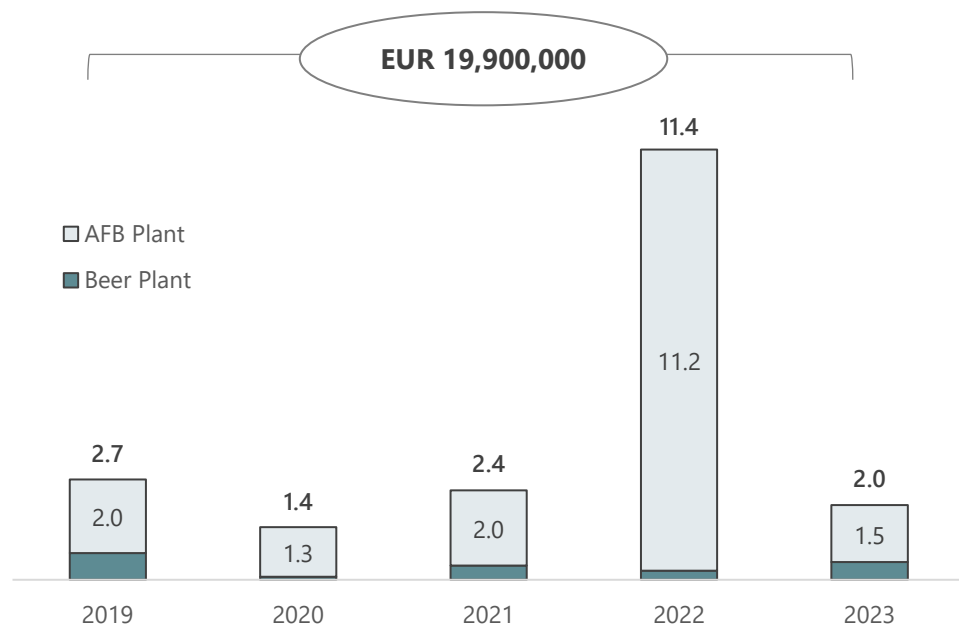
**6. Appendix**



# The company is not only committed to growing its business, but also to contributing to sustainable local development, as indicated by its investments

## Capex investments

EUR million

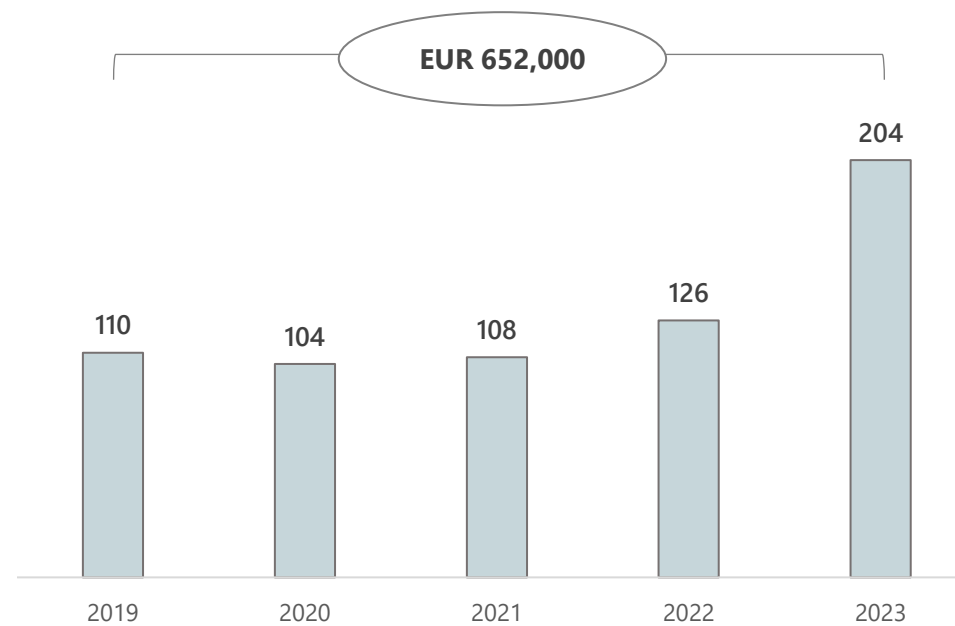


Pivara Skopje is dedicated to its operations in North Macedonia, which shows by its CAPEX investments into energy, water, packaging and emissions management, in the amount of EUR 20 million in the last 5 years (more than 50% of the total capital investments in the same period)

Investments in 2023 include highly efficient coolers and solar equipment for the Beer Plant

## Community investments

EUR thousand



After a slight decrease during the start of the corona pandemic, Pivara Skopje's community investments have been steadily increasing and nearly doubled compared to 2020

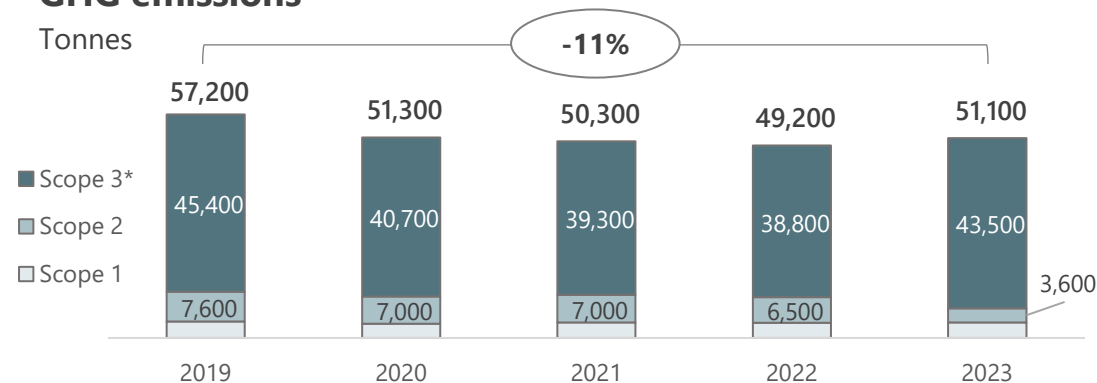
Community projects range from educational trainings and environmental initiatives to humanitarian and cultural events



# Pivara Skopje is reducing its relative emissions, while continuing the phase out its HFC cooling equipment, reducing its climate impact

## GHG emissions

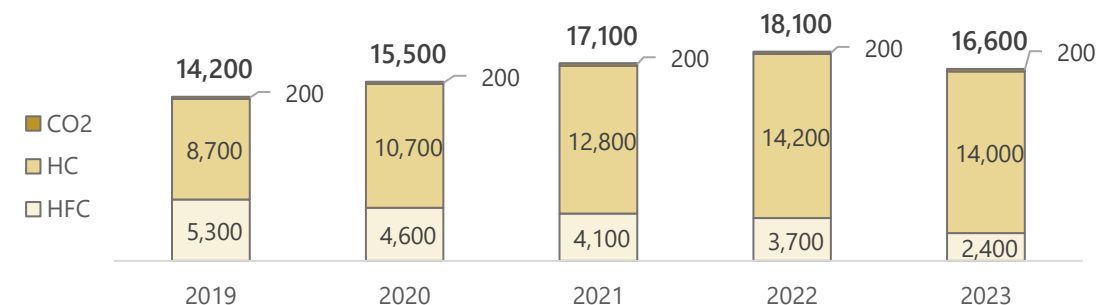
Tonnes



Emissions declined since 2019, though with a slight increase between 2022-2023. In 2023 the Beer Plant made up 52% of Pivara Skopje's scope 1 and 89% of its scope 2 emissions, while historically it made up 49% of scope 1 and 58% of scope 2 emissions on average.

## Cooling devices

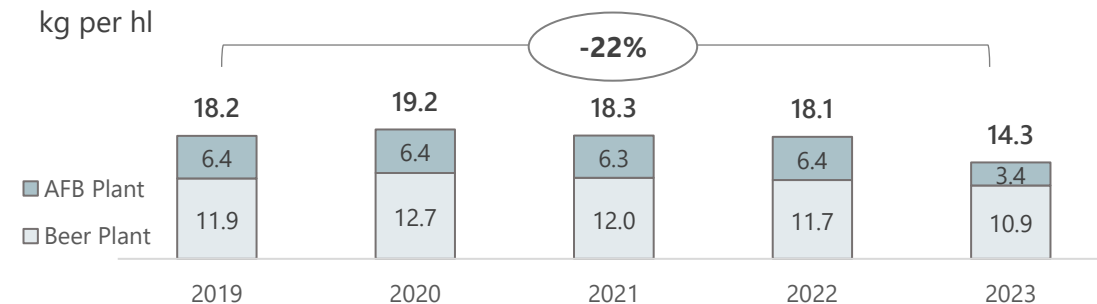
Number of devices



Pivara Skopje phased out 2,900 HFC coolers and replaced them with 5,300 new HC coolers from 2019 to 2023

## Scope 1 & 2 emissions

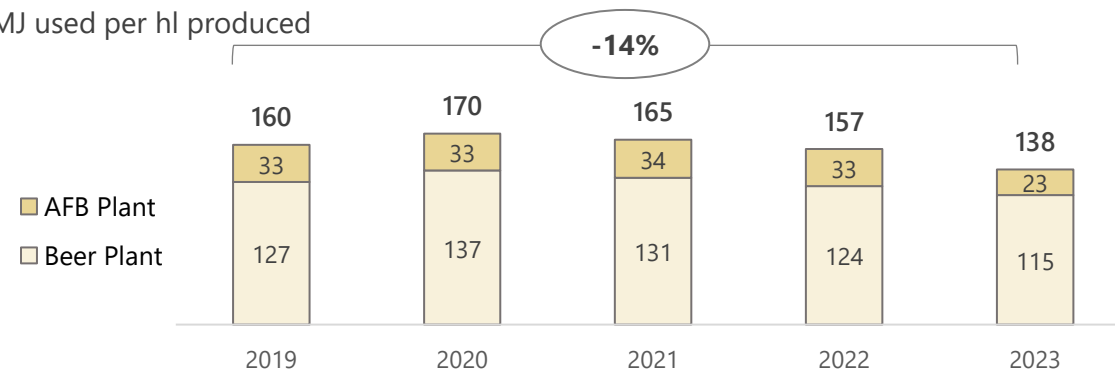
kg per hl



Relative emissions reduced over time with a 9% reduction for the Beer Plant and a 46% reduction for the AFB Plant from 2019 to 2023. Carbon neutrality is aimed for 2040

## Energy use

MJ used per hl produced



The Beer Plant reduced its energy use by 9% and the AFB Plant by 30% in 2023 compared to 2019. The Beer Plant aims to achieve an energy use of 84 MJ/hl by 2030

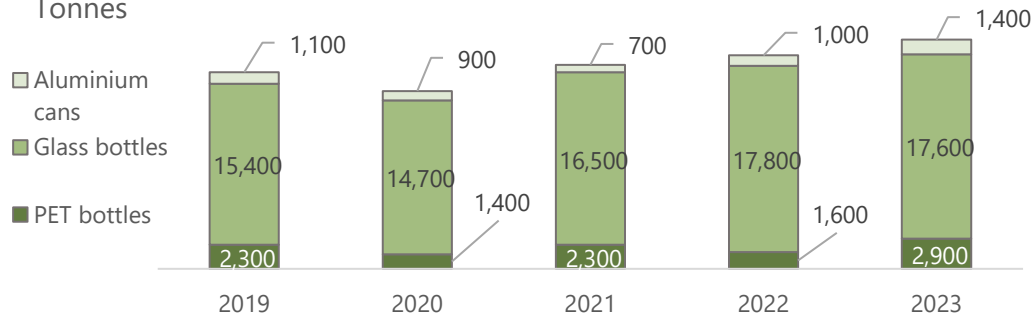




# Pivara Skopje is reducing its water use, while keeping its recycling rates constant and working on its waste to landfill ratio

## Packaging

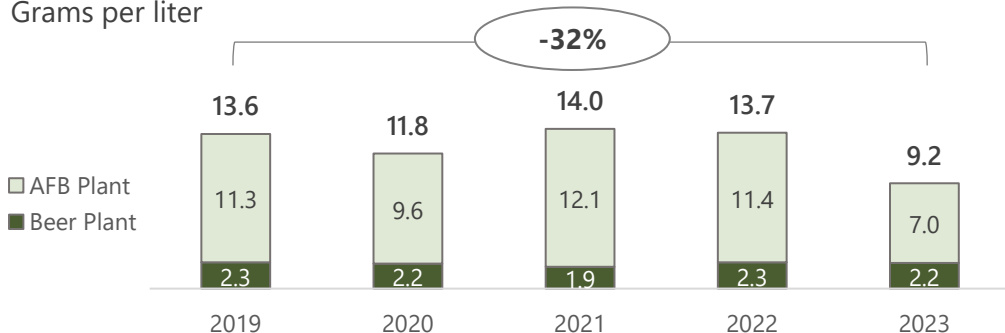
Tonnes



Use of PET bottles in 2023 increased by 26%, glass bottles by 14% and aluminium cans by 27% compared to 2019. In 2023 90% of the glass bottles in the Beer Plant and 87% of glass bottles in the AFB Plant were reused.

## Waste to landfill ratio

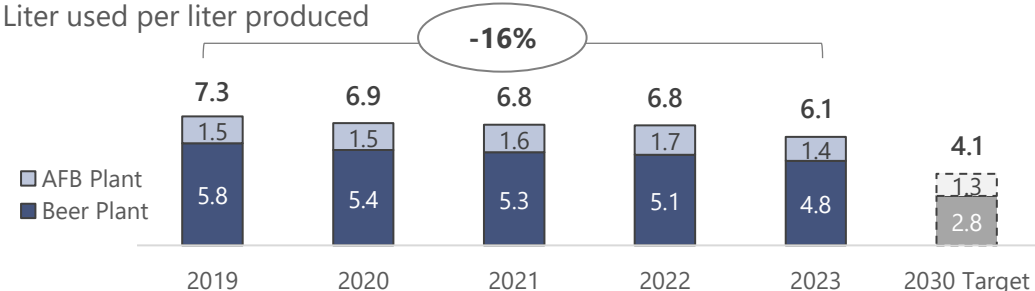
Grams per liter



Waste to landfill ratio was reduced by 3% for the Beer Plant and 38% for the AFB Plant from 2019 to 2023. General recycling amounted to an average of 96% in 2023 and a steady 97% in 2019 to 2022\*

## Water use

Liter used per liter produced



The Beer Plant reduced its water use by 17% and the AFB Plant by 12%, from 2019 to 2023.

In 2023 the Beer Plant used 18,700 m<sup>3</sup> less water than the previous year. On average this plant reduced 10,200 m<sup>3</sup> of water year by year from 2019 to 2022

The AFB Plant reused around 8,300 m<sup>3</sup> of water in 2023, or on average 12,000 m<sup>3</sup> in the span from 2019 to 2022

Note that while the results of our socio-economic impact study cover the whole value chain, data on energy, water, packaging and waste only refer to direct Pivara Skopje impacts

# Pivara Skopje is investing in environment, waste reduction, culture, families and youth through several projects



## Youth Empowered

Pivara Skopje invested **152,500 EUR** from 2019 to 2023 in "Skills for Success" trainings, benefiting over **8,488** individuals since 2016. These trainings cover life and business skills, aiding youth and vulnerable groups in employment and entrepreneurship. **53%** of participants found a job in the following year.



## Coke Summership

This program has been going on for 5 years with **62 participants** passing the program. The Summership offers a chance to work independently and in teams on projects that develop strategic thinking, research, creativity, and sales & negotiation skills. Lasting four weeks, the training provides valuable experience and mentorship to help interns grow professionally.



## Environmental initiatives

Besides its internal environmental efforts, Pivara Skopje has organized volunteering actions for cleaning and planting trees, through the platform **Generalka weekend & Soncheva Gora**, investing **17,900 EUR** in 2023. These initiatives consisted of planting **90,000 trees**, collecting **600 tonnes of waste** together with over **25,000 volunteers** since 2021.



## Waste reduction

Pivara Skopje supports the project of RO Pakomak for the collection of packaging waste through installing **56 vending machines**. This initiative is, aiming to fulfill the "World Without Waste" commitment and promote recycling of plastic bottles & cans among citizens. Pivara Skopje also introduced tethered cups and started the Trash for Art project to increase awareness.



# Pivara Skopje is investing in environment, waste reduction, culture, families and youth through several projects



## Skopsko CSR Platform

In 2023 Pivara Skopje invested **15,400 EUR** in the "Our pride. Our responsibility." platform that focuses on preserving environment and national landmarks. For each Skopsko glass bottle sold, 1 denar goes towards actions and equipment procurement for cleaning interventions.



## ROSA Breastfeeding & parenting school

Pivara Skopje has invested **20,000 EUR in 2023** in the ROSA breastfeeding and parenting schools, which provide crucial education to parents. The company has opened **9 parenting schools and 6 breastfeeding schools** across the country in partnership with the Ministry of Health, supporting new parents with expert guidance and advice



## SOS Children's Village

Pivara Skopje's partnership with SOS Children's Village entailed investments of **5,000 EUR** in 2023. The company's employees and the children from the village participated in various activities, including for example making holiday decorations. Additionally, the youth from SOS Children's Village were involved in Pivara Skopje's 'Skills for Success' training and eco-actions.



## Long term partnerships

Pivara Skopje annually supports **25** educational events, **15** sporting events, **35** humanitarian events and **10** cultural events. This includes partnerships with, for example, the Galicka Wedding since 50 years, the Ohrid Summer Festival since 35 years and the Handball Federations since 43 years.





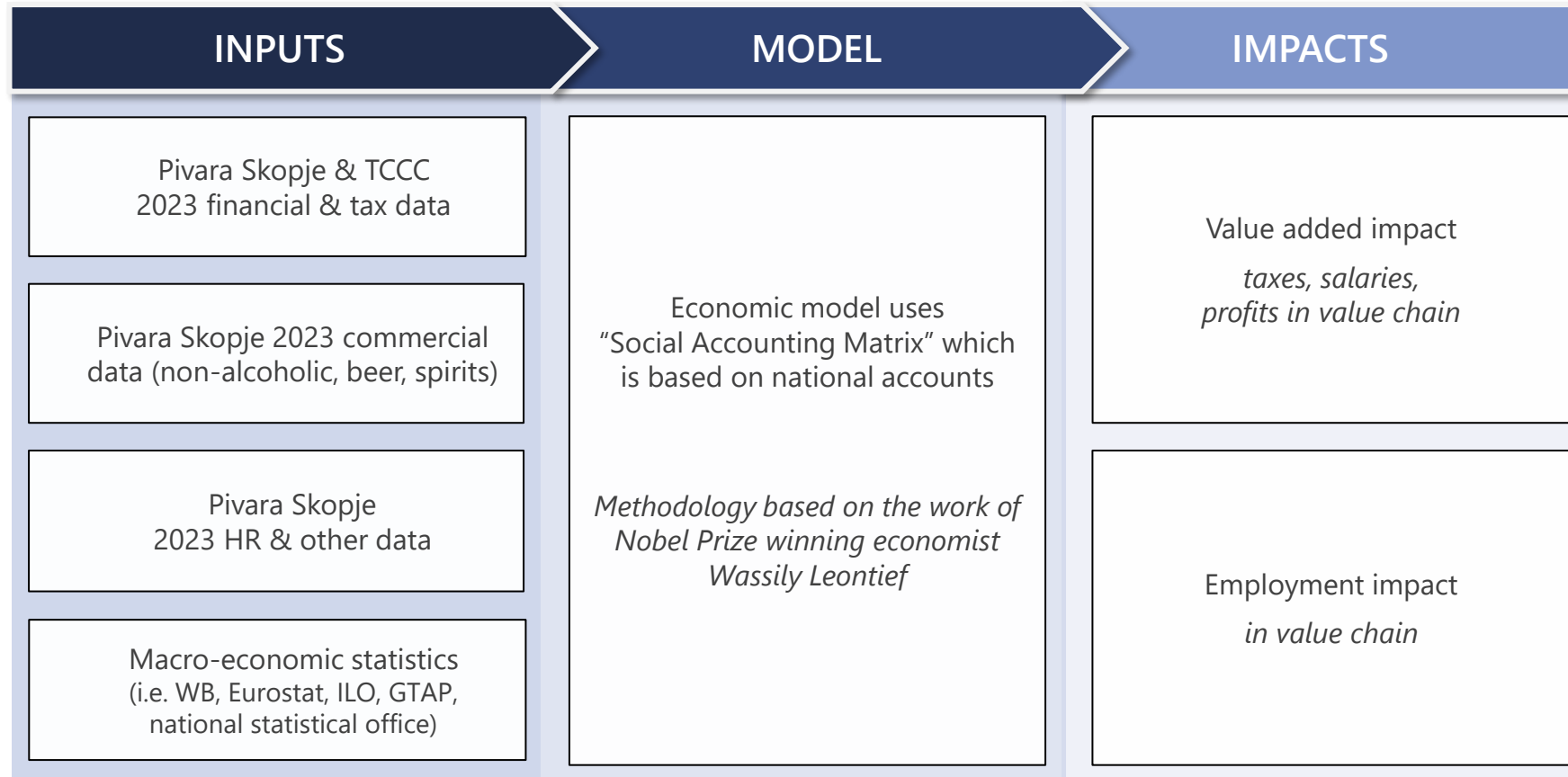
1. Introduction and key findings
2. Scope and methodology
3. About Pivara Skopje
4. Economic impact
5. Sustainability impact

## **6. Appendix**

# Key definitions

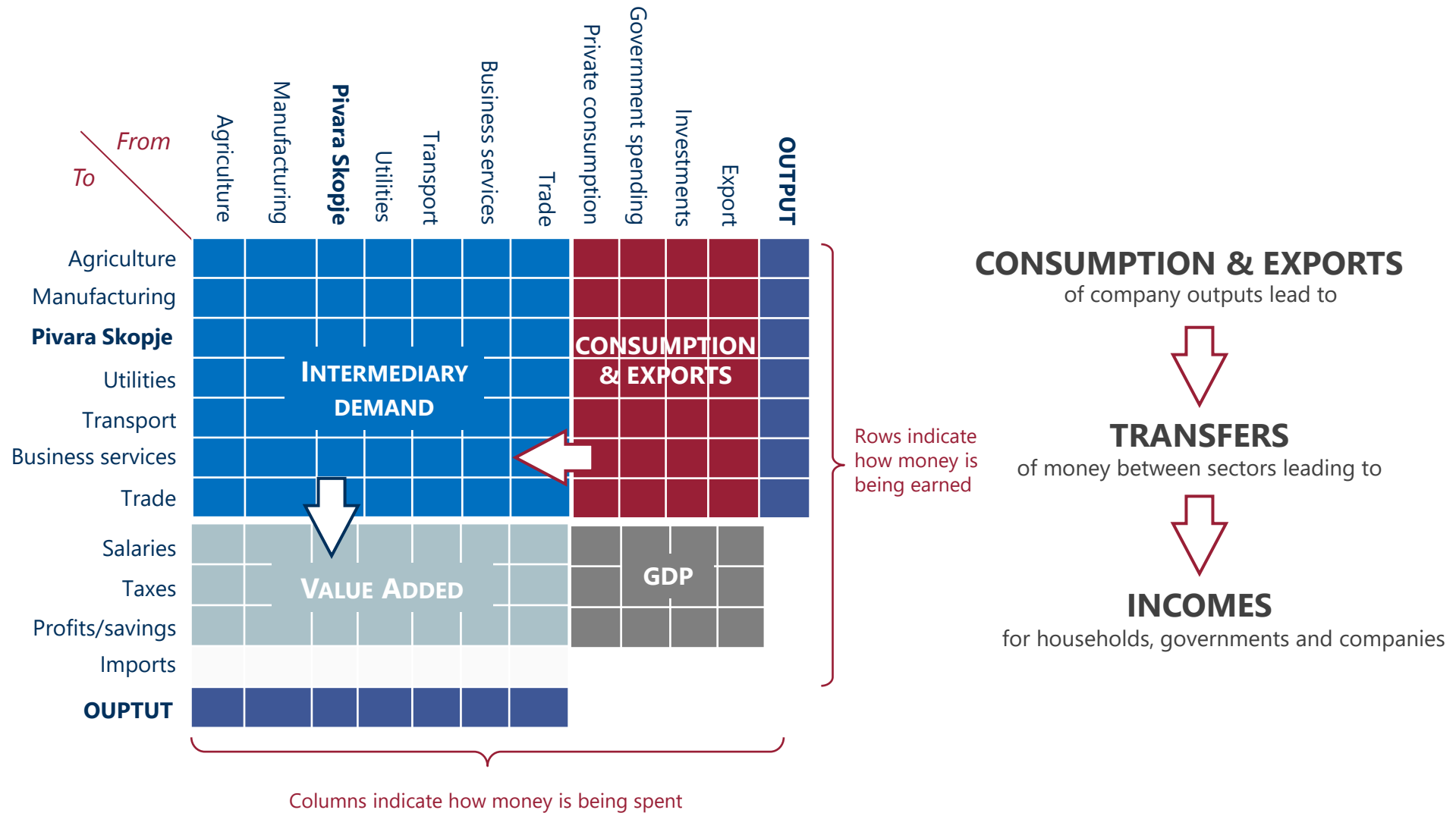
<b>Employment</b>	Covers all persons engaged in formal productive activity; employed persons are either employees (working by agreement for another resident unit and receiving remuneration) or self employed (owners of unincorporated enterprises)
<b>Value added</b>	The sum of all incomes in the economy, i.e. salaries for households, taxes for the state, net profits for business entities
<b>Direct impact</b>	The impact generated by Pivara Skopje in one financial year
<b>Indirect impact</b>	The impact supported by Pivara Skopje across its value chain, attributable to Pivara Skopje's activity
<b>Direct salaries</b>	The net salaries paid to employees of Pivara Skopje; including net wages, incentives and cash benefits, social contributions; excluding payroll taxes paid by employer
<b>Direct taxes</b>	All taxes paid by the Pivara Skopje, including corporate income tax, sugar/soft drinks levies, employer payroll taxes, customs duties, environmental levies, property and motor vehicle taxes, and other smaller local taxes; VAT paid by Pivara Skopje only included to the extent it is non-refundable
<b>VAT at trade partner's level</b>	The value added tax included in the final beverages price paid by consumer; the tax is included in the indirect downstream effect, as it occurs at that level
<b>FC</b>	Future consumption, defined as sales in supermarkets, hypermarkets, grocery stores
<b>IC</b>	Immediate consumption, defined as sales in cafes, restaurants, hotels, and other on-trade channels
<b>Markups</b>	Markups are the revenues generated by distributors and sales outlets over the purchasing price of the goods distributed/sold

# The model combines Pivara Skopje financials and official statistical data to quantify impacts





# The Social Accounting Matrix is the heart of the methodology



## There are big differences between the 2023 results presented in this deck, and the previously published 2016 results

	SEIS 2016	SEIS 2023	% change
Volume sold (in litres)	98,500,000	157,300,000	60%
Local procurement	€ 33,600,000	€ 45,700,000	36%
<b>Value added</b>	<b>€ 44,600,000</b>	<b>€ 139,000,000</b>	<b>213%</b>
Direct	€ 24,500,000	€ 28,000,000	16%
Indirect	€ 12,400,000	€ 111,000,000	797%
Induced	€ 7,700,000	-	
<b>Jobs supported</b>	<b>1,747</b>	<b>10,700</b>	<b>512%</b>
Direct	377	399	6%
Indirect	875	8,300	850%
Induced	495	2,000	300%

The difference in results is driven not only by the growth in the operations of Pivara Skopje, but also by the different scopes of the two studies. To our best understanding, the previous study did not incorporate any downstream results, which are included in our study

# Pivara Skopjes procurement is mapped to different sectors

## Agriculture:

- Raw material beer (Malt, Maize, Hop, Broken Rice)

## Sugar processing:

- Dry Sugar

## Machinery:

- Depreciation Computer Equipment
- Depreciation Machinery
- Maintenance Machinery

## Energy:

- Electricity
- Gas

## Transport:

- Depreciation Vehicles
- Transportation services
- Warehousing (including Warehousing Depreciation, Warehousing OPEX)

## Business services:

- TCCC expenses (support in global advertising & brand)
- Direct marketing expenses
- Advertising & brand development
- Promotional expenses - manufactured goods
- Sales & Marketing other OPEX
- Delivery – Opex
- Rent OPEX
- Repair and maintenance
- Travel agencies
- Other professional services
- Other Admin OPEX
- Sales and marketing depreciation
- Administration depreciation

# Pivara Skopjes procurement is mapped to different sectors

## Other:

- Concentrate
- Sugar- sweeteners
- Water
- Cans
- Metal crown corks
- PET bottles
- Plastic labels
- Glass bottles
- Packaging beer (Cans, Preforms, Labels, Crown, Glass Bottles, Foil, Carton, Plastic Closure, Other, Stickers, Glue)
- Packaging other
- Depreciation Buildings & Improvement
- Depreciation Containers
- Depreciation Furniture & Fixtures
- Fuel
- Insurance
- Maintenance Building
- Purchased FG
- Other expenses
- Delivery – Fuel
- Communication

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