The Takeaway Sector
Delivering Jobs & Economic Benefits to Ireland

An Economic Impact Report
Commissioned by

JUST EAT

Report by

DKM ECONOMIC CONSULTANTS

12th May 2016
# TABLE OF CONTENTS

**FOREWORD** ................................................................. I

**EXECUTIVE SUMMARY** .................................................. II

**INTRODUCTION** ............................................................ 1

1. **THE IRISH Takeaway Sector & ITS ECONOMIC CONTRIBUTION** .... 3
   1.1 The Value of the Irish Takeaway Market .......................... 4
   1.2 Contribution of Takeaway Sector to the Irish Economy & GDP in 2015 ... 8
   1.3 Number of Takeaways & Contribution to Food Services Sector .......... 12
   1.4 Takeaway Sector’s Spend with Irish Suppliers ...................... 13
   1.5 Regional Contributions of the Takeaway Sector ..................... 14

2. **EXCHEQUER CONTRIBUTION OF THE Takeaway Sector** ............ 15
   2.1 Profit Taxes .......................................................... 16
   2.2 Payroll Taxes & Related Social Insurance ......................... 18
   2.3 Other Taxes ......................................................... 19
   2.4 Overall Exchequer Contribution ................................... 20

3. **EMPLOYMENT CONTRIBUTION OF THE Takeaway Sector** .......... 21
   3.1 Direct Employment & Pay Rates in the Takeaway Sector ............ 22
   3.2 Indirect Employment Supported by the Takeaway Sector .......... 23
   3.3 Induced Employment Supported by the Takeaway Sector .......... 24
   3.4 Summary of Employment Supported by the Takeaway Sector .......... 24

4. **FUTURE OF THE Takeaway Sector IN IRELAND** ................. 25
   4.1 Demographics ....................................................... 26
   4.2 Macroeconomic Outlook ............................................ 29
   4.3 Potential Growth in the Takeaway Sector ........................ 29

5. **ROLE OF TECHNOLOGY IN DRIVING GROWTH** .................. 31
   5.1 Fixed Broadband ................................................... 32
   5.2 Future Plans for High-Speed Broadband in Ireland ............... 36
   5.3 Mobile Broadband .................................................. 39
   5.4 Smartphone Usage ................................................ 40
   5.5 Summary ............................................................. 44

6. **THE GROWTH OPPORTUNITY FOR ONLINE TAKEAWAY IN IRELAND** ... 45
   6.1 Technology Factors ................................................ 46
   6.2 Looking Forward ................................................... 48

**APPENDIX AND INDEX** ....................................................... 51

Appendix A: Direct, Indirect & Induced Impacts on GDP, Employment & The Exchequer ................................................... 52
Index of Figures ............................................................... 53
Index of Tables ............................................................... 54
FOREWORD

Amanda Roche-Kelly
Managing Director
JUST EAT
JUST EAT launched in Ireland in 2008. Since that time, we have worked with hundreds of restaurant owners and takeaways from all parts of the country. The partners we work with include those who own one restaurant in a town or village in Ireland to those who manage chains of restaurants in Ireland’s largest cities. Common to them all is the commitment to excellence, to customer service and to the provision of a range of food types to customers when they want it.

JUST EAT has been in the privileged position to not only be allowed to work with these businesses, but more importantly, to add value to them. While these restaurants are expert at what they do – creating and delivering the best possible food, chosen by their customers – our job is to make this food even more accessible by enabling online ordering. Through our app and our website we have brought 1800 restaurants to thousands more customers than they ever would have had access to before. This is driving growth in their businesses and opening up a range of cuisine types to consumers.

The growth of smartphone penetration is really opening up a world of opportunity for individuals and businesses, with technology acting as a disruptor – bringing traditional businesses online is helping people to achieve and do things that they never would have thought possible.

But technology would have no role to play if these were not a solid business, these are all successful, small and medium sized businesses creating jobs and actively contributing to the local economy.

Yet, the contribution of this sector was not known or well understood. As the market leader in the provision of online ordering services for the sector, we undertook to commission an economic impact report so that the size, scale and impact of Ireland’s takeaway restaurants could be quantified for the first time.

The numbers speak for themselves. The Takeaway Sector is a major employer and contributes to the economic lifeblood of towns and cities across the country.

We are proud of our role in enabling these businesses to grow and develop, and look forward to investing further in our brand and our innovation - something that will have a positive knock-on effect for the Takeaway Sector.
EXECUTIVE SUMMARY
THIS STUDY
Takeaways are a common part of the Irish landscape, sitting in towns and villages around the country with a rapidly growing variety of food types emerging, particularly in urban centres.

Despite the important role that the takeaway restaurants play in the food and hospitality sector, there is limited data and understanding of the contribution that the sector makes to the broader economy.

This study has been commissioned by JUST EAT, the leading online takeaway service provider in the Irish market and a world leader in the sector, to address the knowledge gap with respect to the Takeaway Sector, and to demonstrate its economic importance to Ireland. DKM Economic Consultants have undertaken the study on behalf of JUST EAT. The study examines the Takeaway Sector in Ireland, its economic contribution and its potential for future growth.

For the purposes of this study the Takeaway Sector is defined as any restaurant, café, takeaway or eating establishment offering food to consumers, either for home delivery or for collection to consume off the premises. Where establishments sell both eat-in and takeaway services, only the takeaway aspects of the business have been considered. As such, it includes:

a) fast-food, traditional chippers, pizza;
b) ethnic food such as Chinese, Indian, Thai etc.,
c) lunchtime take-out options such as sandwiches, wraps etc.

KEY FINDINGS

• There are currently just under 3,000 takeaway establishments in Ireland. The Takeaway Sector is estimated to account for 57% of the total Restaurant sector in value terms in Ireland.

• The sector is a major part of the Irish economy. Annual total expenditure on takeaway in Ireland is estimated at €1.48 billion net of VAT.

• The total contribution of the Takeaway Sector to Irish GDP in 2015 is estimated at €1 billion.

• The sector is comparable in economic size and importance to such important sectors as:
  – The Motor Sales Trade;
  – Road Freight Transport;
  – Mobile Telephony Services;
  – Advertising & Market Research; and
  – Sports & Recreation.
• The Takeaway Sector sources almost €700 million in goods and services from Irish suppliers annually. The Food & Beverages sector is the largest supplier, accounting for almost two-thirds of purchases. The other one-third is made up mainly of a range of services.

• The economic activity and employment generated by the Takeaway Sector along with its supply chain, and the related subsequent expenditure of wages, delivered almost €450 million in tax revenue to the Exchequer in 2015.

• The Takeaway Sector is estimated to employ directly almost 25,000 people, 53% full-time and 47% part-time. Over 4,000 further jobs are supported in the supply chain and in the wider economy. These numbers exclude self-employed sole traders in the sector.

• Average pay in the sector is estimated at €24,000 per annum for a full-time equivalent position (excluding self-employed).

• Urban dwellers represent slightly over 50% of the adult population, and spend somewhat more on Takeaway than the overall national average, accounting in total for 55% of the market.

• Regionally, residents of Leinster excluding Dublin are the biggest spenders on Takeaway, followed closely by Dubliners. Residents of Munster and Connacht/Ulster spend somewhat less than in Leinster. In rough terms, Dublin represents 30% of the aggregate market value, the rest of Leinster and Munster each represents a quarter, and Connacht/Ulster represents 20%.

• By 2020, based on expected macroeconomic and demographic developments, turnover in the Takeaway Sector could be expected to grow to a value of €1.73 billion (VAT exclusive).

• A further driver of growth in the online Takeaway Sector is technology. The level of fixed broadband penetration and speed in Ireland is relatively low by western European standards, but Government plans would see that remedied by 2020. Mobile broadband penetration is higher by international standards, and is relatively higher in rural areas than in urban areas.

• Smartphone penetration in Ireland is high, particularly among the younger age cohorts. It falls off among the older age groups but this may be a generational effect, and the current smartphone users could be expected to continue using them as they age.

• In terms of the potential growth in the mobile online takeaway market, we have developed preliminary forecasts, based on macroeconomic and demographic trends and smartphone and mobile internet penetration. These indicate potential growth over the coming five years in the market ranging from 40% in a less positive scenario to just over 60% in a more positive scenario.
The Takeaway Sector has been an undervalued part of the restaurant and food services sector, in Ireland and elsewhere. There is a lack of data on the sector and hence a lack of awareness of the important role it plays in the local and national economy.

JUST EAT, Ireland’s leading online and mobile marketplace for takeaway, and a global market leader, has decided to address the knowledge gap by commissioning this study, detailing the **positive economic contribution of the Irish Takeaway Sector in 2015, and forecasting the future contribution of the sector to the Irish economy over the next five years, 2016 – 2020.**

For the purposes of this study, the Takeaway Sector is defined as any restaurant, café, takeaway or eating establishment offering food to consumers, either for home delivery or for collection to consume off the premises. Where establishments sell both eat-in and takeaway food, only the takeaway elements are considered. As such, the sector includes:

a) fast-food, traditional chippers, pizza;

b) ethnic food such as Chinese, Indian, Thai etc.,

c) lunchtime take-out options such as sandwiches, wraps etc.

The report is set out as follows:

- Chapter 1 deals with the **Economic Impact**, i.e. the size, contribution to GDP and to the Irish supply chain, and regional breakdown, of the Irish Takeaway Sector;

- The sector’s contribution to **Exchequer Revenues** is presented in Chapter 2;

- The **Employment & Salaries** generated by the sector and in its supply chain is set out in Chapter 3;

- The **future economic contribution of the Takeaway Sector** in Ireland over the coming five years – 2016-2020 – is assessed in Chapter 4.

- Chapter 5 discusses how **technology is enabling and driving growth** and generating economic opportunities in the sector.

- Chapter 6 assesses the **opportunity for growth in online takeaway in Ireland over the coming 5 years.**

The **Executive Summary** at the start of the report summarises our findings & conclusions.
THE IRISH TAKEAWAY SECTOR & ITS ECONOMIC CONTRIBUTION
This chapter addresses the economic impact of the Takeaway Sector, primarily in terms of its contribution to Ireland’s GDP in 2015. Five key questions are addressed:

1. The value of the Irish Takeaway Market;
2. The contribution of the Takeaway Sector to the Irish economy in terms of GDP;
3. The number of takeaways and their contribution to the Food Services Sector, i.e. the proportion of the overall sector that takeaway represents;
4. The spend by the Takeaway Sector with Irish suppliers; and
5. The regional breakdown of the sector.

As indicated, for the purposes of this study the Takeaway Sector is defined as any restaurant, café, takeaway or eating establishment offering food to consumers, which can be purchased either for home delivery or for collection, to consume off the premises. Where establishments offer both eat-in and takeaway services to customers, only the takeaway element is considered. As such, it includes:

a) fast-food, traditional chippers, pizza;

b) ethnic food such as Chinese, Indian, Thai etc.,

c) lunchtime take-out options such as sandwiches, wraps etc.

1.1 THE VALUE OF THE IRISH TAKEAWAY MARKET

By value of the Irish takeaway market we mean the total level of consumer expenditure on takeaways in a given year. Historically, consumer expenditure data can be ascertained from the regular Household Budget Surveys (HBS), produced by the Central Statistics Office (CSO). The latest available HBS relates to 2009-2010, with earlier surveys at five year intervals.

Expenditure on takeaway food is specifically identified as a detailed sub-category in the 2009/2010 HBS, and is presented in less detail in the 2004-2005 survey. Having identified the average expenditure per household, this can then be converted to the national level expenditure by grossing up for the total number of households in the country.

However, it must be acknowledged that the most recent available HBS, for 2009-2010, is somewhat old; extrapolating from 2009-2010 to the current time is less than ideal, and risks missing the emergence of recent trends.

Moreover, the HBS only separately identifies “Takeaway food brought/delivered to home”, and hence excludes category c) above, the lunchtime take-out options.

---

1 At the time of writing the CSO is working on a new HBS, which covers the period February 2015 to February 2016, but the first results will not be available until late 2016.
For these reasons, it was decided to undertake a survey of the adult population, posing the following question:

‘On average, how much – if anything – do you spend on takeaway food each month? By takeaway food I am including hot food like Chinese, Indian, Italian, pizza, fast-food, traditional chipper, and also lunchtime options such as sandwiches, wraps and salads that are either pre-ordered for delivery/collection or ordered on-site to take away.’

This survey was undertaken by RedC in December 2015, for a random sample of 1,007 persons aged 18 and over, and the topline results are as follows:

- Average spend per adult per month on takeaways is €39.24, equivalent to €471 per annum (on a per capita basis, this is equivalent to expenditure of €348 per annum).

- Males spend considerably more than females - €46.86 per month compared to €31.93 per month. These annualise to €562 and €383 respectively.

- The spread of expenditure is as set out in the following table and chart. There is quite a range – approximately 40% of respondents spend between €16 and €50 per month; a further 20% never buy takeaway food, and another approximately 20% are high spenders (€90 or more per month).
**Table 1.1: TAKEAWAY SPEND SURVEY TOPLINE RESULTS**

<table>
<thead>
<tr>
<th>MONTHLY SPEND</th>
<th>%AGE OF RESPONDENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>ZERO</td>
<td>21</td>
</tr>
<tr>
<td>LESS THAN €5</td>
<td>3</td>
</tr>
<tr>
<td>€6-€10</td>
<td>4</td>
</tr>
<tr>
<td>€11-€15</td>
<td>3</td>
</tr>
<tr>
<td>€16-€20</td>
<td>11</td>
</tr>
<tr>
<td>€21-€30</td>
<td>10</td>
</tr>
<tr>
<td>€31-40</td>
<td>7</td>
</tr>
<tr>
<td>€41-€50</td>
<td>10</td>
</tr>
<tr>
<td>€51-€60</td>
<td>4</td>
</tr>
<tr>
<td>€61-€70</td>
<td>2</td>
</tr>
<tr>
<td>€71-€80</td>
<td>4</td>
</tr>
<tr>
<td>€81-€90</td>
<td>1</td>
</tr>
<tr>
<td>€91-€100</td>
<td>8</td>
</tr>
<tr>
<td>OVER €100</td>
<td>11</td>
</tr>
<tr>
<td>DON'T KNOW</td>
<td>1</td>
</tr>
<tr>
<td>TOTAL</td>
<td>100</td>
</tr>
</tbody>
</table>

Base: All Adults 18+ (1,007); Source: RedC Omnibus Survey, December 2015.

**FIGURE 1.1: TAKEAWAY SPEND SURVEY TOPLINE RESULTS**

![Chart showing percentage of respondents by monthly spend]

Base: All Adults 18+ (1,007); Source: RedC Omnibus Survey, December 2015.
Age has an impact on average monthly spend also, as the following table and chart indicate. Expenditure peaks in the 25-34 age group, and falls steadily thereafter.

**Table 1.2: TAKEAWAY SPEND SURVEY AVERAGE SPEND PER MONTH BY AGE GROUP**

<table>
<thead>
<tr>
<th>AGE GROUP</th>
<th>MONTHLY SPEND €</th>
<th>COMPARED TO AVERAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-24</td>
<td>46.28</td>
<td>118%</td>
</tr>
<tr>
<td>25-34</td>
<td>56.33</td>
<td>144%</td>
</tr>
<tr>
<td>35-44</td>
<td>48.32</td>
<td>123%</td>
</tr>
<tr>
<td>45-54</td>
<td>46.12</td>
<td>118%</td>
</tr>
<tr>
<td>55-64</td>
<td>21.18</td>
<td>54%</td>
</tr>
<tr>
<td>65+</td>
<td>10.57</td>
<td>27%</td>
</tr>
<tr>
<td><strong>Overall Average</strong></td>
<td><strong>39.24</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Base: All Adults 18+ (1,007); Source: RedC Omnibus Survey, December 2015.

**Figure 1.2: TAKEAWAY SPEND SURVEY AVERAGE SPEND PER MONTH BY AGE GROUP**

Base: All Adults 18+ (1,007); Source: RedC Omnibus Survey, December 2015.
Grossing up the annual adult average spend for the entire adult population (3.43 million)\(^2\) gives an annual total spend of \(€1.613\) billion\(^3\). This can be considered the size of the market, keeping in mind that this value is inclusive of VAT at 9%. Net of VAT the annual value of the sector is \(€1.48\) billion. Since most economic data is presented net of VAT, we will mainly use the latter value in our analysis.

### 1.2 CONTRIBUTION OF TAKEAWAY SECTOR TO THE IRISH ECONOMY & GDP IN 2015

A sector’s contribution to national GDP can be measured in terms of the additional payroll and profits generated throughout the economy as a result of its activities. GDP contributions arise at three levels:

- **Direct** - generated in the businesses directly undertaking the economic activity, that is, the takeaway outlets themselves;
- **Indirect** – generated in Irish firms supplying goods and services to those generating the direct contribution, back through the Irish supply chain; and
- **Induced** – generated as a result of the additional incomes from the direct and indirect contributions being spent in the wider economy.

The interrelationships between these impacts are described graphically in Appendix A to this report.

#### 1.2.1 DIRECT GDP CONTRIBUTION

In Section 1.1 we estimated that the total annual expenditure on takeaway in the Irish market is currently \(€1.48\) billion exclusive of VAT.

We can analyse the direct economic contribution of this expenditure using the CSO’s Annual Services Inquiry (ASI)\(^4\), which provides detailed data on NACE\(^5\) Code 561 Restaurants & Mobile Food Service Activities sector\(^6\). The data enables us to break down consumer expenditure into its economic elements – payroll, profits, and imports - by sector. Payroll plus profits constitute a sector’s direct GDP contribution.

---


\(^3\) The EU NACE ("Nomenclature statistique des Activités économiques dans la Communauté Européenne") Revision 2 Classification System is the industry standard classification system used in the European Union. It is equivalent to the UN classification ISIC, revision 4.

\(^4\) NACE Code 561 includes the following: Airport - restaurant, Baked chestnut vendor, Burger bar meals restaurant, Burger bar meals take-away, Burger stand, Burgerland cafe, Cafe, Cafeteria licensed, Cafeteria unlicensed, Chop house licensed, CIE buffet, CIE dining car, Civic restaurant licensed, Coffee bar room saloon or stall, Dining car activities of railway companies, Dining room (unlicensed), Eel pie shop, Fast food outlet (with restaurant), Fish and chip shop, Fish and chip stand, Food preparation in market stalls, Function room licensed, Hamburger stall, Hot dog vendor, Ice cream (take away) retailer, Ice cream parlour, Ice cream van, Jellied eel shop, Luncheon bar licensed, McDonalds restaurant, Meat pie shop, Milk bar, Mobile food carts, Mobile tea bar, Motorway services cafeteria, Oyster bar room (licensed), Pea and pie vendor, Railway dining car or buffet, Refreshment room (unlicensed), Restaurant attached to departmental store, Restaurant attached to retail business, Restaurant licensed, Restaurant unlicensed, Sandwich bar, Self-service restaurant meals with alcoholic drinks, Self-service restaurant meals without alcoholic drinks, Snack bar, Soda fountain, Steak house licensed, Supper bar or room (unlicensed), Tea bar mobile, Tea garden, Tearoom or shop, Temperance buffet, Buffet licensed, Chip van, Coffee shop, Fried fish shop, Local authority catering services restaurants, cafes and snack bars etc., Take away food shop, Kebab house. (http://www.cso.ie/px/u/NACECoder/NACEItems/5610.asp).
The ASI identifies key economic data for this NACE code in 2012\(^7\) as per Table 1.3, at basic prices, i.e. net of VAT. NACE Code 561 includes both takeaways and non-takeaway restaurants, but we can use the proportions as a percentage of turnover for our purposes.

### Table 1.3: ANNUAL SERVICES INQUIRY 2012, NACE CODE 561

**RESTAURANTS & MOBILE FOOD SERVICE ACTIVITIES (BASIC PRICES)**

<table>
<thead>
<tr>
<th>ENTERPRISES (Number)</th>
<th>6,252</th>
</tr>
</thead>
<tbody>
<tr>
<td>TURNOVER (€’000)</td>
<td>2,354,834</td>
</tr>
<tr>
<td>PURCHASES (€’000)</td>
<td>1,425,816</td>
</tr>
<tr>
<td>GROSS MARGIN (€’000)</td>
<td>1,599,271</td>
</tr>
<tr>
<td>PERSONNEL COSTS (€’000)</td>
<td>761,579</td>
</tr>
<tr>
<td>WAGES &amp; SALARIES (€’000)</td>
<td>700,182</td>
</tr>
<tr>
<td>GROSS VALUE ADDED (€’000)</td>
<td>904,037</td>
</tr>
<tr>
<td>IMPLIED PROFIT BEFORE DEPRECIATION (€’000)</td>
<td>203,855</td>
</tr>
<tr>
<td>PERSONS ENGAGED (Number)</td>
<td>52,318</td>
</tr>
<tr>
<td>ALL EMPLOYEES (Number)</td>
<td>46,151</td>
</tr>
<tr>
<td>FULL-TIME EMPLOYEES (Number)</td>
<td>24,237</td>
</tr>
</tbody>
</table>

Source: Annual Service Inquiry, 2012.

As can be seen, some 38.4% of turnover represents direct Gross Value Added (i.e. GDP) in the sector. We use this percentage to estimate the direct contribution of the Takeaway Sector to GDP, i.e.:

\[
€1.48 \text{ billion } \times 38.4\% = \text{ a direct contribution of } €568 \text{ million} \text{ in 2015.}
\]

\(^7\) The latest year for which data are available; we work on the basis that the proportionate economic contribution breakdown for the sector is unlikely to have changed significantly in the meantime.
We can compare this value to the equivalent for other important sectors in the economy, to place it in context. By reference to the 2012 statistics, the Takeaway Sector is comparable in economic size and importance to such important sectors as:

- The Motor Sales Trade;
- Road Freight Transport;
- Mobile Telephony Services;
- Advertising & Market Research; and
- Sports & Recreation.

1.2.2 INDIRECT GDP CONTRIBUTION

The next step is to estimate the indirect contribution to GDP, i.e. the additional profits and payroll generated back through the supply chain (firms supplying takeaways, firms supplying them, and so on). For this purpose we use the CSO’s Input-Output Tables[^9], which presents data for the amalgamated NACE Codes 55 and 56 Accommodation and Food & Beverage Services[^10]. This indicates that, taking the direct and indirect contributions combined, 55.7% of turnover contributes to GDP. Thus the combined direct and indirect contribution in 2015 would equal:

\[ \text{€1.48 billion} \times 55.7\% = \text{€824 billion}. \]

Since the direct contribution has been estimated at €568 million, this implies that the **indirect contribution in 2015 equals €256 million**.

We provide an estimate of the sectoral breakdown of purchases of goods and services by the Takeaway Sector – which generates the above indirect contribution to GDP – in Section 1.4 of this report.

1.2.3 INDUCED GDP CONTRIBUTION

Finally, we estimate the induced contributions to GDP of the sector, i.e. the contribution when the additional payroll above is spent in the wider economy. Again we can use the Input-Output tables for this purpose, since these tables demonstrate how additional household income is spent, and through that the additional GDP generated in the Irish economy.

The tables indicate that 37.4% of total sectoral output goes to payroll (direct and indirect). Taking account of payroll taxes, pension contribution and household savings, we estimate that on average 58.1% of payroll becomes consumption. Thus the related consumption value is:

\[ \text{€1.48 billion} \times 37.4\% \times 58.1\% = \text{€322 million}. \]

[^8]: Respectively NACE codes 451, 494, 612, 73 and 93 (ASI 2012).
[^9]: Specifically the Leontief Inverse table, which enables us to estimate the combined direct and indirect contributions, and since we have an estimate of the direct contribution, the difference is the indirect contribution. http://www.cso.ie/en/releasesandpublications/ep/p-sauio/supplyanduseandinput-outputtablesforireland2011/
[^10]: Where NACE codes are amalgamated in the Input-Output tables, it is generally either for reliability purposes or to protect the confidentiality of firms that are dominant in particular sectors. In the current case the former applies, partly because businesses often provide both accommodation and food services.
Analysis of the Input-Output tables further indicates that, in turn, just under 50% of consumption adds to GDP. We must first however strip out the amount of this consumption that is spent on takeaways, since this has already been counted above. The additional GDP thus generated is €156 million.

This can be seen as a first round induced contribution. Subsequent rounds arise as the first round leads to additional payroll which will generate further economic contributions, and so on. Each subsequent round is much smaller than the previous and the cumulative contribution quickly approaches a stable value. On this basis we estimate that the induced contribution is €179 million in 2015.

1.2.4 SUMMARY OF CONTRIBUTION TO GDP
In summary, we estimate, based on the public survey of expenditure on takeaways and various CSO statistics, that the total contribution to GDP from the Takeaway Sector in 2015 is as follows:

| Table 1.4: CONTRIBUTION TO GDP OF THE TAKEAWAY SECTOR, 2015 (BASIC PRICES) |
|---------------------------------|-----------------|-----------------|
| **€ MILLION**                  | **%AGE SPLIT**  |
| TOTAL EXPENDITURE (VAT excl.)  | 1,480           |
| DIRECT CONTRIBUTION            | 568             | 56.7%           |
| INDIRECT CONTRIBUTION          | 256             | 25.5%           |
| INDUCED CONTRIBUTION           | 179             | 17.8%           |
| DIRECT, INDIRECT, & INDUCED GDP CONTRIBUTION | 1,003 | 100.0% |

Source: DKM Analysis of public survey; CSO Input-Output Tables; various.

Thus, the total contribution of the Takeaway Sector to Irish GDP in 2015 – taking into account the Direct, Indirect and Induced contributions – is estimated to amount to €1.003 billion (VAT exclusive).
1.3 NUMBER OF TAKEAWAYS & CONTRIBUTION TO TOTAL VALUE OF FOOD SERVICES SECTOR

1.3.1 NUMBER OF TAKEAWAY BUSINESSES IN IRELAND
The above analysis confirms that the Takeaway Sector is an important part of the economy, and there are clearly a large number of takeaway businesses in Ireland. A 2005 newspaper report indicates that there were over 2,000 takeaways in Ireland, with over 1,000 in Dublin, at that time\(^\text{11}\), though there have doubtless been significant developments since. JUST EAT alone currently has 1,700 businesses signed up.

Official CSO data do not identify takeaway businesses separately within the overall restaurant sector. The latest available ASI, for 2012, indicates some 6,252 enterprises in the broader Restaurant sector. We are interested in outlets as opposed to enterprises as such; this is complicated by the inclusion of restaurant chains – franchised businesses are recorded as individual enterprises, while a chain of non-franchised restaurants is considered to be a single enterprise.

The HSE’s Environmental Health Officers (under contract with the Food Safety Authority of Ireland) are responsible for inspecting all restaurants and takeaways in Ireland, and they have compiled data which indicates that **there are currently 2,995 establishments selling takeaway food in Ireland**. This includes deli-counters, as well as pubs and hotels that sell food for takeaway.

1.3.2 CONTRIBUTION TO TOTAL VALUE OF FOOD SERVICES SECTOR
Our survey indicates that the total annual value of takeaways sales in Ireland is currently €1.48 billion (VAT exclusive). It is of interest to know what proportion of the entire food services sector this represents.

Table 1.3 indicates that the total turnover for the Restaurants & Mobile Food Service Activities Sector in 2012 was €2.35 billion. The wider Food & Beverage Service Activities Sector (NACE 56)\(^\text{12}\) meanwhile recorded turnover of €5.322 billion.

Growth in household consumption between 2012 and 2015 (uplifting also for inflation) has been 10%, implying that turnover in these two sectors in 2015 would be €2.588 billion and €5.85 billion respectively. On that basis, in turnover terms, the **Takeaway Sector accounts for 57.2% of the total Restaurant Sector and 25.3% of the wider Food Services sector**.

This again confirms the economic importance of the Takeaway Sector, within the overall economy and in the food services sector in particular.

\(^{11}\) Although it is not clear what precise definition was used in this report (for instance likes of McDonald’s were excluded).

\(^{12}\) As well as NACE 561, this includes NACE 562 Event Catering & Other Food Service Activities (mainly catering businesses and the likes of work canteens) and NACE 563 Beverage Serving Activities (mainly the pub trade, including pubs serving food and coffee shops that serve alcohol).
1.4 TAKEAWAY SECTOR’S SPEND WITH IRISH SUPPLIERS

The Takeaway Sector is a major procurer of goods and services in the Irish supply chain. Table 1.3 indicates that purchases represent 60.5% of turnover in the sector. Analysis of the Input-Output tables indicates that approximately 25% of these purchases are direct imports. On this basis we estimate that the value of purchases by takeaway businesses from Irish suppliers in 2015 was €676 million. Based on the Input-Output Tables and ASI for 2012 with respect to the Accommodation & Food Services sector, we estimate that this would split as follows:

Table 1.5: ESTIMATE OF SPEND BY TAKEAWAY BUSINESSES WITH IRISH SUPPLIERS

<table>
<thead>
<tr>
<th>NACE</th>
<th>PRODUCTS</th>
<th>€ MILLION</th>
<th>%AGE SPLIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>10-12</td>
<td>FOOD &amp; BEVERAGES &amp; TOBACCO PRODUCTS</td>
<td>427</td>
<td>63%</td>
</tr>
<tr>
<td>68</td>
<td>REAL ESTATE SERVICES</td>
<td>49</td>
<td>7%</td>
</tr>
<tr>
<td>69-70</td>
<td>LEGAL &amp; ACCOUNTING SERVICES; MGT CONSULTANCY</td>
<td>36</td>
<td>5%</td>
</tr>
<tr>
<td>74-75</td>
<td>OTHER PROFESSIONAL, SCIENTIFIC SERVICES</td>
<td>28</td>
<td>4%</td>
</tr>
<tr>
<td>19, 31, 32</td>
<td>PETROLEUM; FURNITURE; OTHER MANUFACTURING</td>
<td>23</td>
<td>3%</td>
</tr>
<tr>
<td>80-82</td>
<td>SECURITY, OFFICE &amp; BUSINESS SUPPORT SERVICES</td>
<td>16</td>
<td>2%</td>
</tr>
<tr>
<td>64</td>
<td>FINANCIAL INTERMEDIATION SERVICES</td>
<td>12</td>
<td>2%</td>
</tr>
<tr>
<td>65</td>
<td>INSURANCE, REINSURANCE, &amp; PENSION FUNDING</td>
<td>10</td>
<td>1%</td>
</tr>
<tr>
<td>1-3</td>
<td>AGRICULTURE, FORESTRY &amp; FISHING</td>
<td>9</td>
<td>1%</td>
</tr>
<tr>
<td>35</td>
<td>ELECTRICITY &amp; GAS SUPPLY</td>
<td>8</td>
<td>1%</td>
</tr>
<tr>
<td>71</td>
<td>ARCHITECTURAL &amp; ENGINEERING SERVICES</td>
<td>7</td>
<td>1%</td>
</tr>
<tr>
<td>62-63</td>
<td>COMPUTER CONSULTANCY; DATA PROCESSING</td>
<td>7</td>
<td>1%</td>
</tr>
<tr>
<td>58-60</td>
<td>PUBLISHING, FILM, &amp; BROADCASTING SERVICES</td>
<td>6</td>
<td>1%</td>
</tr>
<tr>
<td>OTHER</td>
<td></td>
<td>35</td>
<td>5%</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>676</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: CSO, Input-Output Use Tables, ASI, 2012; DKM estimates.

As one would expect, the Food & Beverages sector is the largest supplier, accounting for almost two-thirds of purchases. The remainder is made up mainly of a range of services that takeaway businesses buy in the Irish market.
1.5 REGIONAL CONTRIBUTIONS OF THE TAKEAWAY SECTOR

The RedC survey provides some very useful data on the regional breakdown on expenditure on takeaway, which is summarised in the table overleaf.

Urban dwellers, i.e. those who live in towns of over 5,000 people, represent slightly over 50% of the adult population in Ireland, and spend somewhat more on takeaway than the overall national average. Overall, they account for 55% of the market.

Regionally, residents of Leinster excluding Dublin are the biggest spenders on takeaway, followed closely by Dubliners. Residents of Munster and Connacht/Ulster spend somewhat less than in Leinster.

By applying these regional averages to the total national expenditure on takeaway, we can estimate that, in rough terms, Dublin represents 30% of the aggregate market value, the Rest Of Leinster and Munster each represent just over a quarter, and Connacht/Ulster represents the remaining almost 20%.

Table 1.6: REGIONAL BREAKDOWN OF TAKEAWAY EXPENDITURE

<table>
<thead>
<tr>
<th>URBAN/RURAL</th>
<th>REGION</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Urban*</td>
</tr>
<tr>
<td>AVERAGE €</td>
<td>41.21</td>
</tr>
<tr>
<td>%AGE SPLIT OF ADULT POPULATION</td>
<td>52.3%</td>
</tr>
<tr>
<td>IMPLIED TOTAL VALUE (€ million VAT incl.)</td>
<td>885</td>
</tr>
<tr>
<td>IMPLIED TOTAL VALUE (€ million VAT excl.)</td>
<td>812</td>
</tr>
<tr>
<td>%AGE OF SPLIT MARKET VALUE</td>
<td>54.8%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Dublin</th>
<th>Rest of Leinster</th>
<th>Munster</th>
<th>Connacht/ Ulster</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>AVERAGE €</td>
<td>40.83</td>
<td>41.26</td>
<td>36.79</td>
<td>37.66</td>
<td>39.24</td>
</tr>
<tr>
<td>%AGE SPLIT OF ADULT POPULATION</td>
<td>28.0%</td>
<td>26.0%</td>
<td>28.0%</td>
<td>18.0%</td>
<td>100.0%</td>
</tr>
<tr>
<td>IMPLIED TOTAL VALUE (€ million VAT incl.)</td>
<td>470</td>
<td>441</td>
<td>424</td>
<td>278</td>
<td>1,613</td>
</tr>
<tr>
<td>IMPLIED TOTAL VALUE (€ million VAT excl.)</td>
<td>431</td>
<td>405</td>
<td>389</td>
<td>255</td>
<td>1,480</td>
</tr>
<tr>
<td>%AGE OF SPLIT MARKET VALUE</td>
<td>29.1%</td>
<td>27.4%</td>
<td>26.3%</td>
<td>17.3%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

*living in or in the suburbs of a town of at least 5,000 people. Base: All Adults 18+ (1007); Source: RedC Omnibus Survey, December 2015.
EXCHEQUER CONTRIBUTION OF THE TAKEAWAY SECTOR
The main Exchequer contributions from the Takeaway Sector are in the form of:

- Profits taxes,
- Payroll taxes and related social insurance, and
- Other taxes, most importantly VAT but also Excise, Commercial Rates, Motor Taxes, etc.

These three categories are each dealt with in this chapter. As with the economic contribution, we can analyse the Exchequer contribution in terms of the –

- Direct Contribution – taxes paid by the takeaway businesses themselves, their customers and employees;
- Indirect Contribution – taxes paid by the Irish suppliers of takeaways and their employees by virtue of their business with takeaway firms; and
- Induced Contribution – additional taxes paid in the wider economy by virtue of the additional expenditure by employees of takeaways and their Irish suppliers.

### 2.1 PROFITS TAXES

#### 2.1.1 DIRECT CONTRIBUTION

Table 1.3 indicates that in 2012 some 8.7% of turnover in the sector represented profits before depreciation\(^\text{13}\). For tax purposes the relevant profit figure is after depreciation, and the CSO Input-Output tables indicate that this represents 4.8% of turnover. Assuming this level of profitability applies in 2015 (possibly conservative), profits in the Takeaway Sector for tax purposes would be:

\[\text{€1.48 billion} \times 4.8% = \text{€71 million}.\]

The level of taxation on these profits is dependent on the status of the business. Limited companies are subject to Corporation Tax, the standard rate of which is 12.5%. Sole traders and other unincorporated businesses are subject to Income Tax at the same rates as individuals are taxed, and are also subject to PRSI and USC. Between them, we estimate that the average tax rate on profits for the self-employed is 42%.

\(^\text{13}\) Strictly speaking, business profits for tax purposes are after capital allowances rather than depreciation, but we make the assumption that they are equivalent for current purposes.
We do not know the split between incorporated and unincorporated businesses in the Takeaway Sector, but it is reasonable to assume most of the larger and more profitable businesses are incorporated. On this basis we assume that 80% of the profits will be subject to Corporation Tax and 20% subject to Income Tax, USC and PRSI. This implies that the average tax rate on profits in the sector is 18.4%, and the resultant estimate of profits tax revenue from the Takeaway Sector is: €71 million x 18.4% = €13 million.

2.1.2 INDIRECT CONTRIBUTION
A similar exercise can be undertaken with respect to the Irish suppliers of the Takeaway Sector. By reference to the Input-Output tables, we estimate that the profits generated in Irish suppliers on foot of their business with the Takeaway Sector in 2015 is €68 million. Again, we assume that 80% of this profit is generated in incorporated firms, implying that the profits tax generated is: €68 million x 18.4% = €13 million.

2.1.3 INDUCED CONTRIBUTION
Profits are generated in businesses in the wider economy as direct and indirect wages are spent. Section 1.2 of this report indicated that the value of total induced GDP is €179 million in 2015, and further analysis indicates that €63 million of this relates to net profits.

Tax revenues on this would thus be: €63 million x 18.4% = €11 million.

2.1.4 SUMMARY OF TAXES ON PROFITS
On this basis, the total profits taxes generated on foot of the Takeaway Sector in 2015 is €37 million, made up as follows:

Table 2.1: SUMMARY OF PROFITS TAXES GENERATED BY THE TAKEAWAY SECTOR, 2015

<table>
<thead>
<tr>
<th></th>
<th>€ MILLION</th>
</tr>
</thead>
<tbody>
<tr>
<td>DIRECT</td>
<td>13</td>
</tr>
<tr>
<td>INDIRECT</td>
<td>13</td>
</tr>
<tr>
<td>INDUCED</td>
<td>11</td>
</tr>
<tr>
<td>TOTAL</td>
<td>37</td>
</tr>
</tbody>
</table>
2.2 PAYROLL TAXES & RELATED SOCIAL INSURANCE

2.2.1 DIRECT CONTRIBUTION
Payroll costs in takeaway businesses are estimated based on Table 1.3 at 32.3% of turnover, i.e.: €1.48 billion x 32.3% = €479 million.

We estimate that 34.8% of this relates to various payroll taxes (PAYE, Employer and Employee PRSI, USC), implying that the direct payroll tax take is: €479 million x 34.8% = €166 million.

2.2.2 INDIRECT CONTRIBUTION
By reference to the CSO Input-Output tables, compensation of employees by suppliers to takeaway businesses is estimated 5% of the Takeaway Sector’s turnover, i.e.: €1.48 billion x 5% = €75 million.

Again, 34.8% of this relates to various payroll taxes, implying that the indirect payroll tax take is: €75 million x 34.8% = €26 million.

2.2.3 INDUCED CONTRIBUTION
Further wages and salaries are generated in businesses throughout the wider economy as the direct and indirect wages are spent. Section 1.2 of this report indicated that the value of total induced GDP is €179 million in 2015, and further analysis indicates that €81 million of this relates to payroll. Related tax revenues on this would thus be: €81 million x 34.8% = €28 million.

2.2.4 SUMMARY OF PAYROLL TAXES
On this basis, the total payroll-related taxes generated on foot of the takeaway business in 2015 sum to:

<table>
<thead>
<tr>
<th>€ MILLION</th>
</tr>
</thead>
<tbody>
<tr>
<td>DIRECT</td>
</tr>
<tr>
<td>INDIRECT</td>
</tr>
<tr>
<td>INDUCED</td>
</tr>
<tr>
<td>TOTAL</td>
</tr>
</tbody>
</table>

Table 2.2: SUMMARY OF PAYROLL-RELATED TAXES GENERATED BY THE TAKEAWAY SECTOR, 2015
2.3 OTHER TAXES

2.3.1 DIRECT CONTRIBUTION
The most important element of other taxes is VAT. Excise would not arise on sales by the sector, as the takeaway business is assumed not to include sale of excisable goods.

Estimation of the direct VAT contribution is straightforward as takeaway food is subject to VAT at 9%. Applying this to our estimate of sectoral turnover, the net amount of VAT collected by the sector in 2015 is €133 million.

Other taxes paid directly by the sector would include various Motor Taxes and Commercial Rates. The CSO Input-Output tables indicate that payments of these taxes represent 0.8% of turnover. Therefore revenues would amount to: €1.48 billion x 0.8% = €12 million.

This implies that the total of VAT and other taxes paid directly by the sector in 2015 is €145 million.

2.3.2 INDIRECT CONTRIBUTION
VAT paid by businesses in the supply chain is taken not to arise (or is effectively subsumed in the direct VAT contribution), as takeaway businesses would generally be registered for VAT and can thus reclaim the VAT their suppliers charge them. Likewise, Excise duty on goods and services sold by suppliers to takeaway businesses do not arise, as such goods and services are not excisable.

Suppliers do however pay Commercial Rates and other taxes in the course of their business, and a proportion would be allocable to their business with the Takeaway Sector. A complication here is that the Input-Output tables also include subsidies with such taxes, and these are significant for the agriculture and food sector. The net position after taking into account these subsidies is that such taxes represent -0.2% of turnover in the Accommodation and Food & Beverage Services sector. Assuming this applies equally to the Takeaway Sector, the Indirect tax position is: €1.48 billion x -0.2% = -€3 million.

That is, taking all taxes and subsidies into account (other than VAT, payroll and profits taxes), the State marginally subsidises the supply of goods and services to the Takeaway Sector. This would arise via the subsidisation of the agricultural and food sectors.

2.3.3 INDUCED CONTRIBUTION
VAT, Excise and other taxes arise on the induced contribution as employees consume goods and services in the wider economy. The CSO Input-Output tables indicate that 12.8% of total household consumption represents taxes of various sorts. By reference to Section 1.2 of this report, the tax revenues on the first round of relevant household consumption would then be: €316 million x 12.8% = €40 million.
Taking into account subsequent rounds of expenditure generated, the total VAT, Excise and similar tax revenues generated on the induced contribution in 2015 is €46 million.

### 2.3.4 SUMMARY OF OTHER TAXES

On this basis, the total VAT, Excise and other taxes generated on foot of the takeaway business in 2015 is as follows:

<table>
<thead>
<tr>
<th></th>
<th>€ MILLION</th>
</tr>
</thead>
<tbody>
<tr>
<td>DIRECT</td>
<td>145</td>
</tr>
<tr>
<td>INDIRECT</td>
<td>-3</td>
</tr>
<tr>
<td>INDUCED</td>
<td>46</td>
</tr>
<tr>
<td>TOTAL</td>
<td>188</td>
</tr>
</tbody>
</table>

### 2.4 OVERALL EXCHEQUER CONTRIBUTION

On the basis of the analysis presented here, we can summarise the Exchequer contribution from the economic activity generated by the Takeaway Sector, as follows:

<table>
<thead>
<tr>
<th></th>
<th>PROFITS TAXES</th>
<th>PAYROLL TAXES</th>
<th>VAT &amp; OTHER TAXES</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>€ MILLION</td>
<td>€ MILLION</td>
<td>€ MILLION</td>
<td>€ MILLION</td>
</tr>
<tr>
<td>DIRECT</td>
<td>13</td>
<td>166</td>
<td>145</td>
<td>325</td>
</tr>
<tr>
<td>INDIRECT</td>
<td>13</td>
<td>26</td>
<td>-3</td>
<td>36</td>
</tr>
<tr>
<td>INDUCED</td>
<td>12</td>
<td>28</td>
<td>46</td>
<td>86</td>
</tr>
<tr>
<td>TOTAL</td>
<td>37</td>
<td>221</td>
<td>188</td>
<td>446</td>
</tr>
</tbody>
</table>

The economic activity and employment generated by the Takeaway Sector and its supply chain, and the related subsequent expenditure of wages, delivered almost €450 million in tax revenue to the Exchequer in 2015.
EMPLOYMENT CONTRIBUTION OF THE TAKEAWAY SECTOR
As with GDP and Exchequer contributions, we are concerned here with:

- The number of people employed by the Takeaway Sector (direct contribution),
- Employment back through the supply chain serving the Takeaway Sector (indirect contribution), and
- The employment generated as the direct and indirect wages are spent throughout the wider economy (induced contribution).

We also seek to estimate the average salary in the Takeaway Sector in Ireland, and the proportion of employees who are full-time and part-time.

3.1 DIRECT EMPLOYMENT & PAY RATES IN THE TAKEAWAY SECTOR

We do not have data on the actual numbers working in the Takeaway Sector; however, we have already estimated annual direct payroll costs in the sector at €479 million (Section 2.2). Stripping out Employers’ PRSI and pension contributions brings this down to €421 million in gross pay terms. This can be converted to numbers of staff by reference to pay rates and hours worked in the sector.

The CSO’s quarterly Earnings and Labour Costs release Q2 2015\(^{14}\) indicates that for the Accommodation & Food Service sector:

- average weekly earnings is €325.55;
- average weekly paid hours is 26.8;
- total employment is 141,900.

We do not have values separately identified for the Takeaway Sector, so we use the above for current purposes. Therefore:

- Grossing up from weekly to annual pay, implies **average annual gross pay in the sector of €16,900 per annum.**
- Dividing total sectoral payroll by the average pay rate implies **total employment in the sector of approximately 25,000.**
- Grossing up to a full-time equivalent of (say) a 38 hour week, implies **average full-time salary in the sector of €24,000 per annum.**

The split of payroll and staff numbers between full-time and part-time can then be estimated, based on the CSO’s Annual Services Inquiry (ASI). The latest Inquiry, for 2012, indicates that for the wider Restaurant Sector the full-time:part-time split was 53%:47%. On this basis the split in the Takeaway Sector would be:

Table 3.1: ESTIMATED SPLIT OF TAKEAWAY EMPLOYMENT BETWEEN FULL-TIME & PART-TIME, 2015

<table>
<thead>
<tr>
<th>EMPLOYEES</th>
<th>%AGE SPLIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>FULL-TIME</td>
<td>13,100</td>
</tr>
<tr>
<td>PART-TIME</td>
<td>11,800</td>
</tr>
<tr>
<td>TOTAL</td>
<td>24,900</td>
</tr>
</tbody>
</table>

Note that the above values exclude the number of self-employed sole traders in the sector, as well as their incomes.

3.2 INDIRECT EMPLOYMENT SUPPORTED BY THE TAKEAWAY SECTOR

Employment in the supply chain can be likewise identified via the CSO Input-Output tables. The value of payroll in the Takeaway Sector’s supply chain (related to supplying the Takeaway Sector) in 2015 is estimated at €75 million (Section 2.2), spread throughout the economy.

Stripping out Employers’ PRSI and pension contributions brings this down to €66 million in gross pay terms. This can be converted to numbers of staff by reference to average pay rates and hours worked in the private sector in general.

The CSO’s quarterly Earnings and Labour Costs release Q2 2015 indicates that for the private sector as a whole average weekly earnings are €632.91. Grossing up from weekly to annual pay implies average annual gross pay in the private sector of €32,900 per annum, and we assume that the Takeaway Sector’s supply chain will be typical of this. Dividing total indirect gross pay by the average pay rate implies total employment supported in the Takeaway Sector’s supply chain of approximately 2,000.
3.3 INDUCED EMPLOYMENT SUPPORTED BY THE TAKEAWAY SECTOR

The induced contribution of the Takeaway Sector will also support employment in the economy. We have estimated that the total induced payroll in 2015 is €81 million (Section 2.2), spread throughout the economy.

Stripping out Employers’ PRSI and pension contributions brings this down to €71 million in gross pay terms. Dividing this by the average annual pay level in the private sector - €32,900 - implies total induced employment supported by the Takeaway Sector of approximately 2,200.

3.4 SUMMARY OF EMPLOYMENT SUPPORTED BY THE TAKEAWAY SECTOR

In summary, the total employment supported by the Takeaway Sector in 2015 is estimated as follows:

Table 3.2: SUMMARY OF EMPLOYMENT SUPPORTED BY THE Takeaway Sector, 2015

<table>
<thead>
<tr>
<th>EMPLOYEE NUMBERS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>DIRECT (in takeaway businesses)</td>
<td>24,900</td>
</tr>
<tr>
<td>INDIRECT (in the supply chain)</td>
<td>2,000</td>
</tr>
<tr>
<td>INDUCED (in the wider economy)</td>
<td>2,200</td>
</tr>
<tr>
<td>TOTAL</td>
<td>29,100</td>
</tr>
</tbody>
</table>

These numbers exclude self-employed sole traders in the sector. We can also indicate that:

- Of the 24,900 employees directly employed by takeaway businesses, some 53% (13,100) are estimated to be full-time, with 47% (11,800) part-time.

- **Average pay in the sector is estimated at €19,600 per annum, but grossing up to a full-time equivalent gives a salary of €24,000 per annum.**
FUTURE OF THE TAKEAWAY SECTOR IN IRELAND
In this chapter, we project the future economic contribution of the takeaway market in Ireland over the coming five years – 2016-2020. Ideally we would like to be in a position to examine the ongoing trend in the Takeaway Sector market size. However, we have only one observation, which relates to 2015, and is based on our RedC survey. Therefore, our forecasts will be dependent on examining trends in other drivers, namely:

- demographics, and
- macroeconomic trends.

Another driver, technology, with specific relevance for online takeaway, is discussed in Chapter 5.

Demographics and macroeconomic trends are discussed below, along with our conclusions on the likely future trend in the size of the takeaway market.

### 4.1 DEMOGRAPHICS

The population of Ireland grew very rapidly over the first decade of this century, reflecting the strong economy and the opening up of the labour market to new Central and Eastern European EU members. Between the censuses of 2002 and 2011 the population grew by a remarkable 17%, or over 650,000. Growth slowed markedly with the downturn, but never turned negative and has started to uptick again recently as the economy has recovered.

Looking forward over the rest of this decade, the CSO foresees continued growth, with the population reaching just under 4.9 million by 2021 (Figure 4.1)\(^5\).
In terms of age profile, Ireland has a notably young population by western standards, with one-third of the population under 25 and only 13% aged 65+ as of 2015. The CSO’s forecasts do foresee some changes in the age profile, however, as demonstrated in the next graph and table (CSO forecasts are by reference to census years).
Figure 4.2: POPULATION OF IRELAND 2011-2021f ('000s)

Source: CSO Census and regional forecasts.

Table 4.1: HISTORIC & FORECAST AGE PROFILE, 2011 TO 2021f

<table>
<thead>
<tr>
<th>AGE GROUP</th>
<th>0-14</th>
<th>15-24</th>
<th>25-44</th>
<th>45-64</th>
<th>65+</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>'000s</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>977</td>
<td>580</td>
<td>1,449</td>
<td>1,038</td>
<td>532</td>
<td>4,575</td>
</tr>
<tr>
<td>2016f</td>
<td>1,047</td>
<td>533</td>
<td>1,353</td>
<td>1,129</td>
<td>624</td>
<td>4,687</td>
</tr>
<tr>
<td>2021f</td>
<td>1,054</td>
<td>605</td>
<td>1,250</td>
<td>1,235</td>
<td>732</td>
<td>4,876</td>
</tr>
</tbody>
</table>

%AGE BREAKDOWN

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2016f</th>
<th>2021f</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>21.3%</td>
<td>22.3%</td>
<td>21.6%</td>
</tr>
<tr>
<td>2016f</td>
<td>12.7%</td>
<td>11.4%</td>
<td>12.4%</td>
</tr>
<tr>
<td>2021f</td>
<td>31.7%</td>
<td>28.9%</td>
<td>25.6%</td>
</tr>
<tr>
<td></td>
<td>22.7%</td>
<td>24.1%</td>
<td>25.3%</td>
</tr>
<tr>
<td></td>
<td>11.6%</td>
<td>13.3%</td>
<td>15.0%</td>
</tr>
<tr>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td></td>
</tr>
</tbody>
</table>

%AGE POINT CHANGE 2011-2021

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2016f</th>
<th>2021f</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-14</td>
<td>0.3%</td>
<td>-0.3%</td>
<td>-6.0%</td>
</tr>
<tr>
<td>15-24</td>
<td>-2.6%</td>
<td>2.6%</td>
<td>3.4%</td>
</tr>
</tbody>
</table>

Source: CSO Census and regional forecasts.
While the proportion of the population under 25 is expected to remain unchanged, there is expected to be a significant reduction – both in absolute and relative terms – in the 25-44 age group. Meanwhile both the 45-64 and the 65+ age groups are expected to grow steadily, and will make up 40% of the population by 2021, compared to 34% in 2011.

4.2 MACROECONOMIC OUTLOOK

The macroeconomic outlook for Ireland is strong over the coming years. The latest forecasts\(^{16}\) project that Total Household Consumption will grow by 13% in real terms (net of inflation) between 2015 and 2020 (averaging 2.5% per annum over the period):

<table>
<thead>
<tr>
<th>Year</th>
<th>Expected Annual Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>3.8%</td>
</tr>
<tr>
<td>2017</td>
<td>3.5%</td>
</tr>
<tr>
<td>2018</td>
<td>1.8%</td>
</tr>
<tr>
<td>2019</td>
<td>1.7%</td>
</tr>
<tr>
<td>2020</td>
<td>1.6%</td>
</tr>
</tbody>
</table>

On a per capita basis, the cumulative growth would be 7% over the period (reflecting the fact that the population is also growing). The Department of Finance forecast, which we use for 2018 to 2020, would generally be considered conservative, so one might expect that there would be some upside potential in these forecasts.

4.3 POTENTIAL GROWTH IN THE TAKEAWAY SECTOR

The potential impact of economic growth on the sector is reasonably straightforward to consider. All else equal, one would expect expenditure on takeaways to at least keep pace with overall household consumption growth. On this basis, total expenditure on takeaway in Ireland would grow by 13% from €1.48 billion in 2015 to €1.67 billion in 2020 (2015 prices, VAT exclusive).

The impact of demographics is less straightforward. As Table 1.2 indicates, the level of expenditure on takeaway is highly age dependent, with the older age groups significantly less likely to buy takeaways. At the same time, population forecasts point to some shifting in the split of age groups. Whether this age-related expenditure pattern is consistent or generational (i.e. individuals will retain their behaviour patterns as they age), is not apparent, but one might expect some consistency over time if for no other reason than disposable incomes and family circumstances vary as consumers age.

If we assume age consistency on expenditure, and combine this with the expected changes in population and overall consumer expenditure, then we estimate that total expenditure on takeaway would grow by 2.8% on average per annum or **17% cumulatively to reach €1.73 billion in 2020 (2015 prices, VAT exclusive)**, as demonstrated in the following graph:

**Figure 4.3: FORECAST VALUE OF TAKEAWAY SECTOR IN IRELAND (€ MILLION, 2015 PRICES, EX VAT)**

Assuming a similar level of growth across all the various economic estimates we have generated, the following would be the position in 2020:

**Table 4.2: SUMMARY OF Takeaway Sector FORECASTS, 2015-2020**

<table>
<thead>
<tr>
<th></th>
<th>2015 ESTIMATE</th>
<th>2020 FORECAST</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TURNOVER EX VAT € MILLION</strong>*</td>
<td>1,480</td>
<td>1,730</td>
</tr>
<tr>
<td><strong>GDP € MILLION</strong>* (direct, indirect, &amp; induced)</td>
<td>1,003</td>
<td>1,150</td>
</tr>
<tr>
<td><strong>EXCHEQUER REVENUE € MILLION</strong>* (direct, indirect, &amp; induced)</td>
<td>446</td>
<td>520</td>
</tr>
<tr>
<td><strong>EMPLOYMENT (direct only)</strong></td>
<td>24,900</td>
<td>29,100</td>
</tr>
<tr>
<td><strong>EMPLOYMENT (direct, indirect, &amp; induced)</strong></td>
<td>29,100</td>
<td>33,900</td>
</tr>
</tbody>
</table>

*2015 price levels.
ROLE OF TECHNOLOGY IN DRIVING GROWTH
In addition to the economic and demographic influences on the market explored in Chapter 4 technology is a clear driver of innovation in the Takeaway Sector, as embodied in the business model of JUST EAT and similar firms. Broadband connections and speed in general, and mobile broadband and smartphone penetration in particular, are key factors. The current position and trends are explored in this chapter.

5.1 FIXED BROADBAND

5.1.1 CONNECTIONS
Internet connection in Ireland has been growing rapidly in recent years, albeit from a low base\(^{17}\). The CSO's Information Society Statistics – *Households 2015*\(^{18}\) report indicates that 85% of Irish households were connected to broadband in 2015, 77% to fixed broadband and 38% to mobile broadband (implying a high degree of overlap).

As Table 5.1 and Figure 5.1 indicate, however, there is a good deal of variability on a regional level. The proportion of households with connection to broadband is at its highest in Dublin (90%), but is considerably lower in some of the other regions – below 80% in the West, for instance. That said, the gap between the best performing and worst performing regions has narrowed in the past five years, from 19 percentage points in 2009 to 11 percentage points in 2015.

\(^{17}\) Almost all access to the internet is now in the form of broadband. The CSO reports that 2% of households report having access to narrowband only, as of 2015.

Table 5.1: PERCENTAGE OF HOUSEHOLDS WITH INTERNET CONNECTION, 2009-2015 (NATIONAL & REGIONAL*)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>REGIONAL BREAKDOWN</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BORDER</td>
<td>56%</td>
<td>60%</td>
<td>66%</td>
<td>75%</td>
<td>75%</td>
<td>75%</td>
<td>83%</td>
</tr>
<tr>
<td>MIDLANDS</td>
<td>63%</td>
<td>66%</td>
<td>79%</td>
<td>74%</td>
<td>82%</td>
<td>80%</td>
<td>84%</td>
</tr>
<tr>
<td>WEST</td>
<td>63%</td>
<td>70%</td>
<td>79%</td>
<td>82%</td>
<td>81%</td>
<td>78%</td>
<td>79%</td>
</tr>
<tr>
<td>DUBLIN</td>
<td>75%</td>
<td>78%</td>
<td>84%</td>
<td>86%</td>
<td>87%</td>
<td>88%</td>
<td>90%</td>
</tr>
<tr>
<td>MID-EAST</td>
<td>71%</td>
<td>81%</td>
<td>87%</td>
<td>87%</td>
<td>86%</td>
<td>86%</td>
<td>87%</td>
</tr>
<tr>
<td>MID-WEST</td>
<td>62%</td>
<td>73%</td>
<td>77%</td>
<td>79%</td>
<td>80%</td>
<td>80%</td>
<td>86%</td>
</tr>
<tr>
<td>SOUTH-EAST</td>
<td>64%</td>
<td>65%</td>
<td>71%</td>
<td>79%</td>
<td>81%</td>
<td>81%</td>
<td>80%</td>
</tr>
<tr>
<td>SOUTH-WEST</td>
<td>65%</td>
<td>70%</td>
<td>76%</td>
<td>78%</td>
<td>81%</td>
<td>81%</td>
<td>82%</td>
</tr>
</tbody>
</table>

*NUTS III regions (see Figure 5.3), Source: CSO
Ireland’s performance compared to other jurisdictions can also be assessed. Figure 5.2 compares data on connection to fixed broadband in Ireland, the UK and the EU as a whole, and the trend in recent years. Ireland scores lower than both the UK and the EU average, although it has caught up considerably since 2011.

Figure 5.2: PERCENTAGE OF HOUSEHOLDS WITH INTERNET CONNECTED TO FIXED BROADBAND, 2011 TO 2015

Source: Eurostat.
Figure 5.3: IRELAND NUTS III REGIONS
5.1.2 FIXED SPEED BROADBAND

Speed of broadband is also relevant. Akamai’s State of the Internet quarterly report\(^9\) indicates that for Q3 2015:

- average household connection speed in Ireland is 12.4 mbps,
- some 76% of Irish households have access to broadband in excess of 4 mbps,
- 41% of the population have speeds above 10 Mbps,
- 23% have speeds above 15 Mbps.

In terms of average broadband speed, Ireland ranks 11th among 23 European countries (including Russia, Israel and Turkey), but ranks second last in terms of households with broadband speed greater than 4 mbps, ahead only of Italy (71%). By comparison, 87% of connections in the UK are above 4 mbps.

5.2 FUTURE PLANS FOR HIGH SPEED BROADBAND IN IRELAND

The Department of Communications, Energy & Natural Resources (DCENR) in its 2012 National Broadband Plan (NBP)\(^{20}\) recognised reliable, high speed broadband as an essential 21st century utility, and under the Plan it committed to provide high speed broadband to all parts of Ireland by 2020. The specific goals under the NBP are as follows:

- 70Mbps - 100Mbps available to at least 50% of the population with a majority having access to 100Mbps;
- At least 40Mbps, and in many cases much faster speeds, to at least a further 20% of the population and potentially as much as 35% around smaller towns and villages;
- A minimum of 30Mbps available to all.

It was envisaged that 70% of Ireland’s 2.3 million homes and businesses would be served with high-speed broadband access by the end of 2016, rising to 85% by 2018. However the Broadband Intervention Strategy\(^{21}\), published as part of the NBP in December 2015, confirms that commercial investment since 2012 has considerably exceeded expectations, as speeds of up to 240Mbps have been delivered to over 700,000 addresses and eFibre services of up to 100Mbps are available to approximately 1.2 million addresses.
The High Speed Broadband Map 2016 (published by the Department in November 2014), shows the extent of private sector investment commitments to end 2016 and indicates that in the region of 70% of addresses in Ireland will have access to “high-speed” broadband within that timescale.

However the Government recognises that private industry alone will not provide quality broadband services throughout Ireland. The balance of 30%, approximately 757,000 addresses, represents the target for the State intervention.

Taking this into account, in December 2015 the Department published the updated High Speed Broadband Map 2020 (see overleaf), which displays the areas that the commercial operators will cover by the end of 2016 and areas that will be targeted by the NBP. The red areas on the map represent those areas that will be covered by commercial operators while the grey areas represent the areas to be targeted by Government under the NBP.

We note that further commitments on fixed and mobile broadband services were made in the various party manifestos for the recent General Election, reflecting the policy importance attached thereto by the political parties.

---


23 http://www.dcenr.gov.ie/communications/en-ie/Broadband/Pages/National-Broadband-Plan-Map-.aspx

24 See http://www.dubchamber.ie/policy/general-election-2016/manifesto-comparison-investment
Figure 5.4: HIGH-SPEED BROADBAND MAP 2020

Note: Red represents those areas that commercial operators will cover by the end of 2016 while grey represents areas that will be targeted by the State, under the National Broadband Plan.
Source: Department of Communications, Energy & Natural Resources (2015).
5.3 MOBILE BROADBAND

Of particular relevance in the current context is connection to mobile broadband. The EU’s statistics body, Eurostat, reports the proportion of individuals across the EU who access the internet via mobile phones over the last number of years. In the chart below we present the results for Ireland, the UK and the EU28.

**Figure 5.5: PERCENTAGE OF INDIVIDUALS WHO USED A MOBILE PHONE (OR SMARTPHONE) TO ACCESS THE INTERNET**

In 2012, Ireland was slightly above the EU average with 20% of mobile phone users using their device to access the internet, but was well behind the UK at 40%. Since then, usage in all three territories has grown, but Ireland is clearly catching up on the UK; as of 2015 the Irish and UK usage proportions are 54% and 63% respectively.

Another source of data on this topic is Dublin-based research firm Statcounter\(^{25}\), which indicates that Irish usage of mobile internet is high by international standards. As reported in the Irish Independent\(^{26}\), in 2015 Ireland has the highest penetration of phone internet users anywhere in Europe or the Americas, and the proportion of web traffic on phones as opposed to other devices here is almost a third higher than the European average.

Usage of mobile phones as the means to access the internet has more than doubled in Ireland in the last two years, from 15% of all accesses in 2013 to one-third in 2015; this growth has been at the expense of access via PC.

---

\(^{25}\) www.statcounter.com

Statcounter further notes that the figures quoted may understate how dominant phones are becoming, as they do not track app activity, focusing only on use of internet web sites. These findings are somewhat at variance with the Eurostat data quoted above, with respect to the UK at least, but both confirm a relatively high usage of mobile broadband to access the internet in Ireland.

### 5.4 Smartphone Usage

It is an oft-quoted fact that there are more mobile phone subscriptions in Ireland than people. ComReg’s *Irish Communications Market - Quarterly Key Data Report Q3 2015* indicates that the mobile penetration rate is 125.8%, and that 82.3% of all mobile subscriptions are for smartphones, implying that there are also more smartphone subscriptions than people.

Smartphone usage in Ireland is growing rapidly. ComReg’s 2015 *ICT Consumer Survey* indicated that 97% of adults in Ireland own a mobile phone, and the Eir *Connected Living Survey 2015* indicates that, of those, 70% use a smartphone as their main mobile phone, up from 39% in 2012. This equates to average growth of 22% per annum, though the rate of growth is slowing more recently.

**Figure 5.6: Proportion of Mobile Phone Owners with a Smartphone, 2012-2015**

![Figure 5.6: Proportion of Mobile Phone Owners with a Smartphone, 2012-2015](http://banda.ie/wp-content/uploads/FINAL-E00054329-EIRCUS-eir-Connected-Living-Survey.pdf)

*Source: Behaviour & Attitudes on behalf of Eir Connected Living Survey 2015.*

---

28 Defined as the number of active SIM cards per 100 of the population.

Additional information from the Eir survey provides analysis by gender, age and region (Figure 5.7). Among the 16-34 age group, 90% of mobile phone users use a smartphone. It falls off rapidly thereafter, with only 20% of mobile phone owners aged 65+ using a smartphone. Considerable regional variation can also be seen, perhaps reflecting the quality of mobile broadband, but perhaps also age distribution in urban versus more rural areas.

### Figure 5.7: PERCENTAGE SMARTPHONE OWNERSHIP BY GENDER, AGE & REGION (AMONG MOBILE PHONE OWNERS)

![Figure 5.7: PERCENTAGE SMARTPHONE OWNERSHIP BY GENDER, AGE & REGION (AMONG MOBILE PHONE OWNERS)](image)

Source: Behaviour & Attitudes on behalf of Eir *Connected Living Survey 2015*.

The Eir survey also provides some interesting information on online activity with respect to food and eating, as summarised in the graph overleaf:

Some 30% of adults (aged 16+) have ordered food online, while 47% have Googled their local takeaway to get their phone number. This can be compared to the proportions buying other items online, as per the graph overleaf:
The age and regional pattern broadly matches that of smartphone ownership. Of those who buy online, particularly high rates are reported as having bought the following in the last 12 months:

- flights (70% of the 35+s, and of Dubliners);
- clothes & shoes (69% of females, and of 16-34s);
- hotel bookings (66% of 35+s).

Rates for other categories of purchases are much lower. Buying takeaway food online appears to perform relatively strongly on this basis. For instance, purchases of flights have been undertaken by 40% of 35+s, and of Dubliners (i.e. 57% x 70%), but these are the cohorts most likely to make such purchases, while the 30% buying takeaway online is an average across the adult population.

Source: Behaviour & Attitudes on behalf of Eir Connected Living Survey 2015.
5.5 SUMMARY

Technology is a clear driver of innovation in the Takeaway Sector, as embodied in the business model of JUST EAT and similar firms. Broadband connections and speed in general, and mobile broadband and smartphone penetration in particular, are key factors. This chapter has explored the current position and trends, and our main findings are:

- While Ireland’s fixed broadband position is, in many respects, poor by international comparison, rapid progress is being made, and ambitious Government targets are in place to be achieved by end 2016.

- More relevant is the usage of mobile broadband and smartphones, where Ireland performs more strongly. Smartphone ownership rates have been growing rapidly, and are comparable with the US and slightly below the UK.

- Access to the internet via smartphones in Ireland appears particularly popular, and some indicators put Ireland at the top of the developed world in this regard.

- Both smartphone ownership and buying online are highly age-dependent, and regional variation is also apparent.

The growth of broadband/smartphone infrastructure and usage in Ireland has been rapid in recent years, but there is scope for further growth, notably outside the main urban areas. This will translate into easier access to online and mobile apps and therefore greater potential in the online takeaway market, and more scope for restaurants around the country to growth their businesses. The growth opportunity for online takeaway services in Ireland is explored in Chapter 6, taking into account economic, demographic and technological drivers.
THE GROWTH OPPORTUNITY FOR ONLINE TAKEAWAY IN IRELAND
Chapter 4 discussed the factors likely to generate growth in the overall Takeaway Sector in Ireland over the coming years. In this chapter we assess the scope for growth in takeaway bought online. The key differentiating factor is technology, and specifically smartphone/mobile internet penetration and usage as a facilitator of consumption, which has been discussed in Chapter 5.

6.1 TECHNOLOGY FACTORS

The starting point for assessing the prospects for a firm in the Takeaway Sector in Ireland is the underlying growth in the market. Both population and household consumption levels are expected to grow in the coming years, as discussed in Chapter 5. Taking account also of changing age profiles in the population, we estimate that the overall market will grow by 17% in real terms over the next five years.

The other aspect of the opportunity for online takeaway is in terms of technological developments enabling it to grow its market share, specifically in terms of the level of smartphone penetration and mobile broadband usage.

Currently some 70% of Irish mobile phone users have smartphones, a significant increase on recent years, and comparable with the position in the US, although slightly lower than the UK at 76%. Usage of mobile phones to access the internet in Ireland is also high by EU standards at 54%, though again somewhat lower than the UK (63%).

Growth in smartphone penetration in Ireland is slowing down, however, growing by 9% between 2014 and 2015, perhaps indicative of the onset of saturation.

It is interesting to compare this with the forecast growth in the 2015 per Euromonitor International on the 100% Takeaway Sector, which forecast 3% net of inflation growth annually between 2014 and 2019 (16% cumulatively). At this growth rate, the sector would grow to €1.72 billion by 2020 (2015 prices, VAT exclusive).

While there is also the possibility of some new disruptive technology significantly altering market prospects, these are outside the scope of this study, which only considers currently identifiable trends.
Likewise the pace of growth in mobile broadband accessibility has been rapid in recent years, but the scope for further growth may be somewhat more modest.

Finally, our RedC survey indicates that expenditure on takeaways is higher in the more urbanised areas, which are also the areas with highest smartphone penetration and online purchasing currently:

Table 6.1: URBAN VS RURAL BEHAVIOUR PATTERNS, 2015

<table>
<thead>
<tr>
<th></th>
<th>URBAN</th>
<th>RURAL</th>
<th>DIFFERENCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>TAKEAWAY EXPENDITURE</td>
<td>41.21</td>
<td>37.26</td>
<td>3.95</td>
</tr>
<tr>
<td>PER ADULT PER MONTH (€)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMARTPHONE OWNERSHIP %*‡</td>
<td>76</td>
<td>63</td>
<td>13</td>
</tr>
<tr>
<td>“EVER BUY ITEMS ONLINE NOWADAYS”**</td>
<td>64</td>
<td>49</td>
<td>15</td>
</tr>
</tbody>
</table>

*Dublin compared to Connacht/Ulster. ‡ of those who own mobile phones.
Source: RedC survey, Eir Connected Living Survey 2015.

Therefore future growth in access to these technologies may be more concentrated in the less urban areas. This begs the question: will this growth lead to rural dwellers changing their behaviour with regard to takeaway purchases, in terms either of aggregate purchases or of online purchases? If yes, the scope for future growth in JUST EAT’s market growth is greater. More generally, will online takeaway purchases grow in line with overall online purchases?
6.2 LOOKING FORWARD

There are a number of unknowns in terms of the market opportunity over the next five years. The background macroeconomic and demographic prospects are positive, as are the technological trends that can be overlaid upon them. However, we can present two scenarios – more and less positive – and indicate an outcome of each.

In our more positive scenario, we assume that by 2020:

- national smartphone ownership grows from 70% to 85%;
- propensity to buy online rises from 57% to 65% among all users;
- online takeaway market grows in line with overall online market.

In the less positive scenario, we assume that by 2020:

- national smartphone ownership grows from 70% to 80%;
- propensity to buy online rises from 57% to 60% among all users;
- online takeaway market grows at half the rate of the overall online market.

The results of these two scenarios are presented in the following graphs:

Figure 6.2: ONLINE TAKEAWAY MARKET OPPORTUNITY – MORE POSITIVE (2005 = 100)
The forecasts indicate potential growth over the coming five years in the online takeaway market ranging from 40% in the less positive scenario to just over 60% in the more positive scenario. We would re-emphasise that these are only two of a large number of scenarios encompassing the drivers of potential growth we have been able to identify. Actual growth for these drivers may be outside the range we have proposed, and other drivers may be influencing the market or emerge over time.
APPENDIX
AND INDEX
INDEX OF FIGURES

FIGURE 1.1: Takeaway Spend Survey Topline Results .......................................... 6
FIGURE 1.2: Takeaway Spend Survey Average Spend Per Month by Age Group .... 7
FIGURE 4.1: Population of Ireland 2002-2021F (‘000s) ................................. 27
FIGURE 4.2: Historic & Forecast Age Profile, 2011 to 2021F ........................... 28
FIGURE 4.3: Forecast Value of Takeaway Sector in Ireland (€ Million, 2015 Prices, Ex VAT) .............................................................. 30
FIGURE 5.1: Percentage of Households with Internet Connection, 2009-2015 (National & Regional*) .................................................... 33
FIGURE 5.2: Percentage of Households with Internet Connected to Fixed Broadband, 2011-2015 ................................................................. 34
FIGURE 5.3: Ireland Nuts III Regions ................................................................. 35
FIGURE 5.4: High-Speed Broadband Map 2020 .................................................. 38
FIGURE 5.5: Percentage of Individuals Who Used a Mobile Phone (or Smartphone) to Access the Internet ...................................................... 39
FIGURE 5.6: Proportion of Mobile Phone Owners with a Smartphone, 2012-2015 .. 40
FIGURE 5.7: Percentage Smartphone Ownership by Gender, Age & Region (Among Mobile Phone Owners) ...................................................... 41
FIGURE 5.8: Proportion of Population 16+ Who Have Ever Undertaken Food-Related Activity Online ............................................................... 42
FIGURE 5.9: Proportion of Population 16+ who “Ever Buy Items Online Nowadays” ............................ 43
FIGURE 6.1: Population of Ireland 2002-2021F (‘000s) ................................. 31
FIGURE 6.1: Future Smartphone Ownership? .................................................... 47
FIGURE 6.2: Online Takeaway Market Opportunity – More Positive (2005=100) .... 48
FIGURE 6.3: Online Takeaway Market Opportunity – Less Positive (2005=100) .... 49
INDEX OF TABLES

TABLE 1.1: Takeaway Spend Survey Topline Results ................................. 6
TABLE 1.2: Takeaway Spend Survey Average Spend Per Month By Age Group ...... 7
TABLE 1.3: Annual Services Inquiry 2012, NACE Code 561 Restaurants & Mobile Food Service Activities (Basic Prices) ........................................ 9
TABLE 1.4: Contribution to GDP of the Takeaway Sector, 2015 (Basic Prices) ..... 11
TABLE 1.5: Estimate of Spend by Takeaway Sector with Irish Suppliers ............. 13
TABLE 1.6: Regional Breakdown of Takeaway Expenditure ............................ 14
TABLE 2.1: Summary of Profits Taxes Generated by the Takeaway Sector, 2015 .... 17
TABLE 2.2: Summary of Payroll-Related Taxes Generated by the Takeaway Sector, 2015 ................................................................. 18
TABLE 2.3: Summary of Other Taxes Generated by the Takeaway Sector, 2015 ..... 20
TABLE 2.4: Summary of All Taxes Generated via the Takeaway Sector, 2015 ..... 20
TABLE 3.1: Estimated Split of Takeaway Employment Between Full-Time & Part-Time, 2015 ................................................................. 23
TABLE 3.2: Summary of Employment Supported by the Takeaway Sector, 2015 ... 24
TABLE 4.1: Historic & Forecast Age Profile, 2011 to 2021 ............................ 28
TABLE 4.2: Summary of Takeaway Sector Forecasts, 2015-2020 .................... 30
TABLE 5.1: Percentage of Households with Internet with Internet Connection, 2009-2015 (National & Regional*) ........................................ 33
TABLE 6.1: Urban vs Rural Behaviour Patterns, 2015 .................................... 47
The JUST EAT Takeaway Economy Report

PLEASE DIRECT ANY REPORT QUERIES TO:

Q4PR
88 St. Stephen’s Green
Dublin 2
www.q4pr.ie

Contact: Colin Taylor
colin@q4pr.ie / 01 475 1444