

## O'zapft is! The gold/Oktobertfest beer ratio 2021



Photo courtesy of: [Exithamster](#)

**It's a sad anniversary: for the 25th time since 1810, the Oktoberfest was canceled in 2021 – for the second year in a row – because of Covid-19 restrictions.** Covid-19 has now caught up with cholera as the disease that has caused the most Oktoberfest cancellations. Cholera led to the cancellation of two festivals: the first in 1854 and the second in 1873. Wars, such as the Napoleonic Wars of 1813, the Prussian-Austrian War of 1866, World War I and World War II also led to notable cancellations. One festival was cancelled for economic reasons. In 1923, hyperinflation in the Weimar Republic led to the gates of the *Theresienwiese* remaining closed.

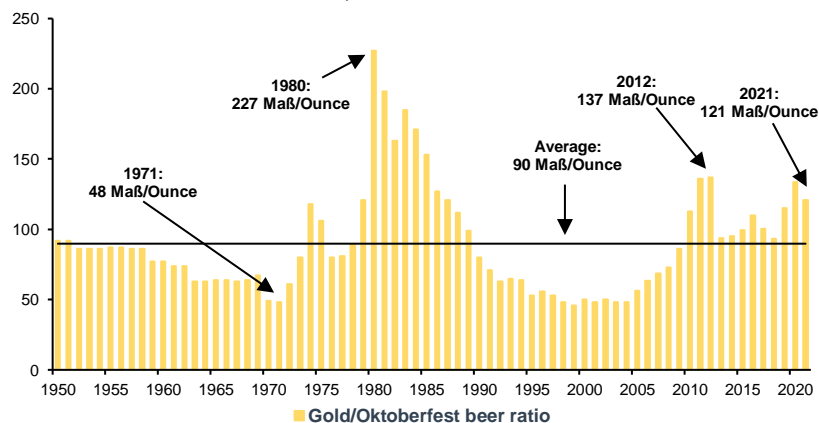
**So this year, in this *In Gold We Trust* special, we are forced to limit ourselves to a theoretical derivation of the Gold/Oktobertfest beer ratio, without being able to enjoy an Oktoberfest beer on site.** But because patience, as we all know, is a virtue and anticipation is the best joy, we will nevertheless enjoy the dry run. After all, traditions are there to be cherished. While it's hard to imagine Munich without Oktoberfest, it's unthinkable to imagine an autumn without the *In Gold We Trust* gold/Oktobertfest beer ratio!

*For a quart of ale is a dish for a king.*

**William Shakespeare**

**So what does the gold/Oktobertfest beer ratio actually measure?** This ratio, which features every year in our annual *In Gold We Trust report*, expresses how many *Maß* – the traditional Bavarian one-liter mug – of beer can be bought with one ounce of gold. **This ratio thus reflects the development of the purchasing power of gold in comparison to the purchasing power of the euro at the *Münchner Wiesen*, and is therefore of particular interest when comparing the purchasing power of gold with that of paper money.**

Gold/Oktobertfest beer ratio, 1950-2021



Source: Reuters Eikon, Statista, Incrementum AG

**This year 1 ounce of gold buys 121 *Maß* of beer and thus 13 *Maß* less than last year.**

At the last regular Oktoberfest 2019, one *Maß* already cost up to 11.80 EUR. In 1950 a visitor to the Oktoberfest had to pay only 0.82 EUR. Since 1950 the annual *Oktobertfest beer inflation rate* has equaled, on average, 3.8%. **And how many *Maß* does an ounce of gold currently buy? It will buy you 121 *Maß*!** We made the assumption that the price of beer has risen at the same rate in the past two years as it did in 2019, i.e. by 2.6% per year. A *Maß* would therefore cost

EUR 12.40 this year. **Measured against the historical average of 90 Maß, the beer purchasing power of gold is now well above the average.**



Photo courtesy of: [Exithamster](https://www.exithamster.com)

Friends of gold and the hearty enjoyment of beer will be pleased to know that this year's Oktoberfest can still take place within their own four walls. After all, the lower price of gold means that 16 fewer measures could have been drunk this year than last. Yet compared to 2019, when “Ein Prosit der Gemütlichkeit” (“A toast to Gemütlichkeit” – a song, regularly played at the Oktoberfest) could actually be sung at the Wiesn, one can now acquire 6 additional Maß for the table despite the rise in the price of beer. From the historic high of 227 Maß per ounce of gold in 1980, we are still a long way away.

**As a small compensation for the cancellation of this year's Oktoberfest we also want to look beyond the traditional gold/Oktoberfest beer ratio, to examine it from three perspectives: time, geography and taste.**

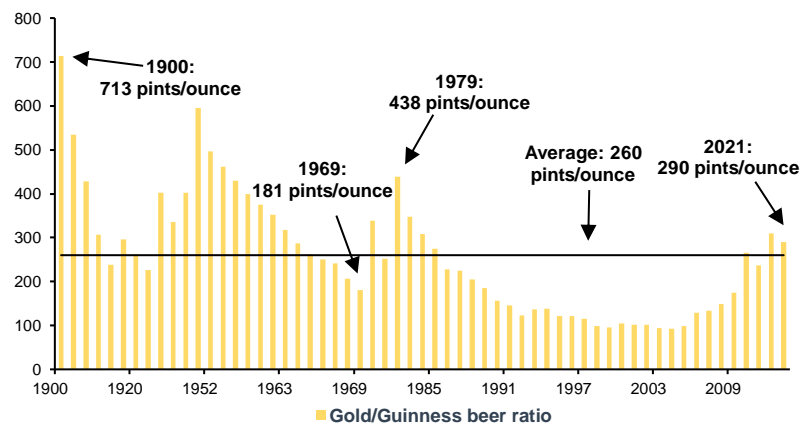
*I think this would be a good time for a beer.*

**Franklin D. Roosevelt**

In terms of time, we significantly extend the period of observation back to 1900. In terms of geography, we extend our analysis from central Europe to Ireland. In terms of taste, we switch from bottom-fermented golden/amber-colored *Märzenbier* of the Oktoberfest, to the top-fermented dark stout beer Guinness.

**So how has the gold/Guinness beer ratio changed since 1900?**

**Gold/Guinness beer ratio, 1900-2021**



Source: Fergal O' Connor, Incrementum AG

**Like last year, this year's gold/Guinness beer ratio is above the 120-year average of 260 pints.** However, at 290 pints per troy ounce of gold, Guinness lovers will have to settle for less beer per troy ounce, as the Guinness buying power of the troy ounce of gold has dropped 19 pints from 309 to 290 compared with last year.

**Despite this year's double setback, we are confident that the Oktoberfest will open its doors again next year and that the Oktoberfest beer buying power of gold will then be higher than in this once again exceptional year.**

**Appendix: Price for 1 Maß in euros and gold**

Year	Beer price in EUR	Maß/ounce
1950	0.87	86.7
1955	0.87	86.7
1960	0.97	76.8
1965	1.12	63.5
1970	1.35	49.5
1975	1.79	113.3
1980	2.51	227.1
1985	3.22	148.2
1990	3.86	82.1
1995	5.32	52.9
1996	5.37	55.5
1997	5.57	52.7
1998	5.78	45.8
1999	6.03	47.1
2000	6.44	48.1
2001	6.54	47.4
2002	6.80	47.4
2003	6.80	48.4
2004	7.10	47.2
2005	7.25	56.1
2006	7.50	63.3
2007	7.90	68.6
2008	8.30	72.7
2009	8.60	86.3
2010	8.90	112.9
2011	9.20	135.8
2012	9.50	136.8
2013	9.98	93.9
2014	10.10	95.0
2015	10.35	99.5
2016	10.70	109.8
2017	10.95	100.5
2018	11.50	93.0
2019	11.80	115.0
2020	12,10*	133,8
2021	12,40*	120,8

\* Hypothetical price, Oktoberfest cancelled

Source: statista.de, <http://www.wbrnet.info/vbhtm/9999-Entwicklung-Bierpreise.html>, Incrementum AG

**Appendix: Gold/Guinness beer ratio**

<b>Jahr</b>	<b>Guinness/ounce</b>
<b>1900</b>	713
<b>1914</b>	535
<b>1920</b>	262
<b>1928</b>	226
<b>1939</b>	403
<b>1951</b>	595
<b>1960</b>	375
<b>1969</b>	181
<b>1979</b>	438
<b>1990</b>	156
<b>1991</b>	145
<b>1992</b>	123
<b>1993</b>	137
<b>1994</b>	138
<b>1995</b>	121
<b>1996</b>	122
<b>1997</b>	116
<b>1998</b>	99
<b>1999</b>	95
<b>2000</b>	105
<b>2001</b>	101
<b>2002</b>	101
<b>2003</b>	94
<b>2004</b>	93
<b>2005</b>	98
<b>2006</b>	129
<b>2007</b>	134
<b>2008</b>	149
<b>2009</b>	174
<b>2013</b>	266
<b>2019</b>	236
<b>2020</b>	309
<b>2021</b>	290

Source: Fergal O'Connor, Incrementum AG

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