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THE TRENDS OF UKRAINIAN AND WORLD BEER MARKET DEVELOPMENT

The beer market is growing around the world. According to Reuter's, growth in the world beer market picked up to reach 2,7 % in 2011. Industry Research group, Plato Logic said that the continuing growth was driven by strengthening of the emerging markets. Reuters reports that this market is predicted to grow at 2,5% this year [1].

And who remains at the top in chasing for global beer dominance? Plato reports that for 2011, there was no change in the ranking of the world's four biggest brewers with Anheuser-Busch InBev at the top position followed by SABMiller, Heineken and then Carlsberg. The four have a combined global market share of around 50 %.

«The Drinks Business» profiled the world's most popular beers for 2011 in its annual Brands Report this summer. The publication analyzed 2011 case sales of top-ranked beer brands and whittled their amount down to a list of 10 (ch.1). The list includes plenty of familiar brands – Budweiser, Bud Light, Corona Extra, but Ukrainian drinkers have likely never heard of the world's most popular brew – «Snow Beer» – Chinese pale ale [3].

Top 10 Biggest Beer Brands of 2011

	Beer Brands	Volume 2011, million barrels	Volume 2010, million barrels	Change 2010-2011, %
	Snow Beer	50,8	52,0	-2,36
	Bud Light	45,4	47,4	-4,4
	Budweiser	38,7	37,0	4,5
	Corona Extra	30,4	27,9	9,0
	Skol	29,5	30,2	-2,3
	Heineken	26,0	24,8	4,8
	Coors Light	18,2	14,5	25,0
	Miller Lite	18,0	18,2	-1,1
	Brahma	17,4	18,0	-3,4
	Asahi Super Dry	12,3	12,0	2,5

After China has enjoyed beer, Ukrainian manufactures decided to take their time and began the deliveries to the republic. Today the most attractive countries for brewers are first of all China and South-East Asia and Brazil — fast growing markets with low consumption of beer per capita, that means a vast growth potential.

Beer in Ukraine saw healthy value growth of 9% in 2011 thanks to a rise in unit prices, which compensated for the declining volume sales.

The domestic branch of Anheuser-Busch InBev, Sun InBev Ukraine, retained the lead in beer sales in 2011 occupying 38% of the market. The company benefits from its first mover advantage as it was one of the first international investors in the Ukranian beer category, as well as the success of its established brands including Chernigivske (mainstream), Rogan (lower mainstream), Staropramen (standard), Stella Artois (premium), and Yantar (economy). Slavutych, Lvivske, Carlsberg and Baltika Arsenal are the strongest brands in the portfolio of the second largest player, Slavutych PBK, the Ukranian subsidiary of Carlsberg Group. The third-ranked player, Obolon owes its position to the Obolon brand, a brand with a domestic heritage.

Due to the current tough economic climate, there is a savings trend among consumers but simultaneously increasing demand for super-premium imported offers. This on-going polarisation in beer in terms of price will continue in the short term, while over time there may be increased demand for the standard category. Premium domestic lager is expected to be the fastest growth area in the forecast period, due to very strong marketing and new product launches with a total volume CAGR of 2% during the forecast period. Sales of premium lager will be supported by improvements in consumer living standards, an increasing number of tourists, the introduction of new brands and products, and strong marketing campaigns. This category was the most affected by the economic crisis which is why recovery rates are likely to be higher than in other categories. Growth in this area will also be supported by an increasingly responsible attitude to drinking and the growing fashion for socialising at home, for which premium lager fits the bill. While domestic standard and economy lager have their loyal followers, these categories are more developed than domestic premium lager, and are not expected to demonstrate such intensive development.

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