



Global Beer

Industry Profile

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EXECUTIVE SUMMARY

Market Value

The global beer market grew by 1.7% in 2006 to reach a value of \$294.5 billion.

Market Value Forecast

In 2011, the market is forecast to have a value of \$321.7 billion, an increase of 9.2% since 2006.

Market Volume

The market grew by 2.7% in 2006 to reach a volume of 123.8 billion liters.

Market Volume Forecast

In 2011, the market is forecast to have a volume of 139.6 billion liters, an increase of 12.8% since 2006.

Market Segmentation I

Standard lager forms the leading sector of the market, with a 46.1% share of the market by value.

Market Segmentation II

Europe is the leading region in the market, with a 40% share of the market's value.

Market Share

Anheuser-Busch is the leading company in the market, with an 11.3% share of the market by volume.

Distribution

On-trade sales form the most lucrative distribution channel, with a 38.7% share of the global market by volume.

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CHAPTER 1 MARKET OVERVIEW

1.1 Market Definition

The beer market consists of ales, stouts & bitters, low/mo alcohol beers, premium lager, specialty beers and standard lager. The market is valued according to retail selling price (RSP) and includes any applicable taxes. Any currency conversions used in the creation of this report have been calculated using constant 2005 annual average exchange rates.

For the purpose of this report, the European market is deemed to consist of Belgium, the Czech Republic, Denmark, France, Germany, Hungary, Italy, the Netherlands, Norway, Poland, Russia, Spain, Sweden and the UK.

Asia-Pacific consists of Australia, China, India, Japan, Singapore and South Korea and Taiwan.

The Americas consists of the US, Canada, Brazil and Mexico.

The global market consists of Europe, Asia-Pacific and the Americas.

1.2 Research Highlights

The global beer market generated total revenues of \$294.5 billion in 2006, this representing a compound annual growth rate (CAGR) of 1.3% for the five-year period spanning 2002-2006.

Standard lager sales proved the most lucrative for the global beer market in 2004, generating total sales of \$135.6 billion, equivalent to 46.1% of the market's overall value.

The performance of the market is forecast to follow a similar pattern, with an anticipated CAGR of 1.8% for the five-year period 2006-2011 expected to drive the market to a value of \$321.7 billion by the end of 2011.

1.3 Market Analysis

The global market for beer exhibited stable growth over the last five years, and is expected to grow at a similar rate through to 2011.

The global beer market generated total revenues of \$294.5 billion in 2006, this representing a compound annual growth rate (CAGR) of 1.3% for the five-year period spanning 2002-2006. The Americas and European markets grew with CAGRs of 1.5% and 1.4% over the same period, to reach respective values of \$109.1 billion and \$117.9 billion in 2006.

Market consumption volumes increased with a CAGR of 2.4% between 2002-2006, to reach a total of 123.8 billion litres in 2006. The market's volume is expected to rise to 139.6 billion liters by the end of 2011, this representing a CAGR of 2.5% for the 2006-2011 period.

Standard lager sales proved the most lucrative for the global beer market in 2004, generating total sales of \$135.6 billion, equivalent to 46.1% of the market's overall value. In comparison, sales of premium lager generated sales of \$101.4 billion in 2004, equating 34.4% the market's aggregate sales.

The performance of the market is forecast to follow a similar pattern, with an anticipated CAGR of 1.8% for the five-year period 2006-2011 expected to drive the market to a value of \$321.7 billion by the end of 2011. The Americas and European markets will change with CAGRs of 1.1% and 1.9% respectively over the same period, to reach respective values of \$111.5 billion and \$129.5 billion in 2011.

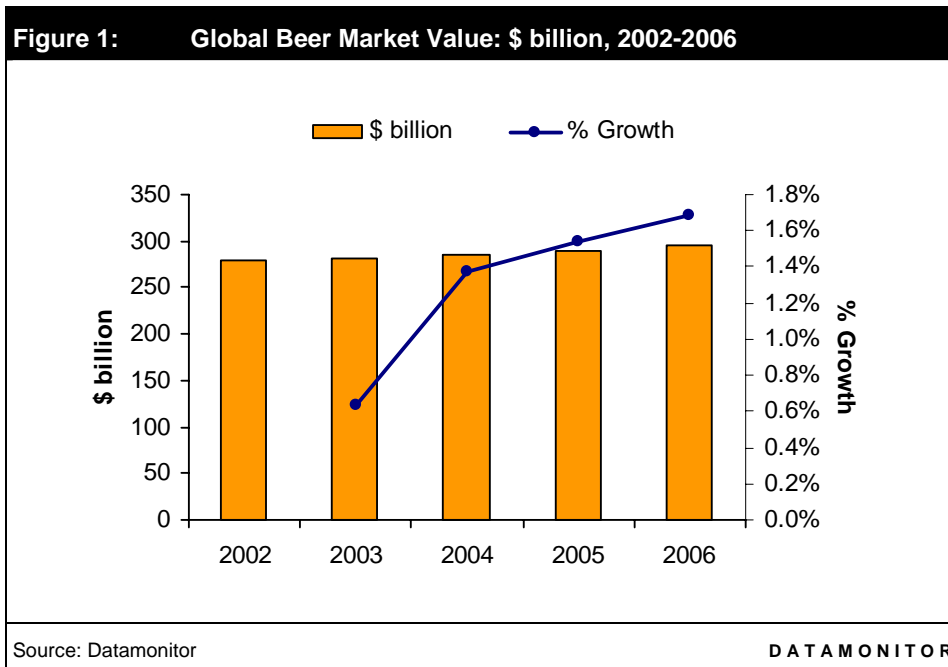
CHAPTER 2 MARKET VALUE

The global beer market grew by 1.7% in 2006 to reach a value of \$294.5 billion.

The compound annual growth rate of the market in the period 2002-2006 was 1.3%.

Table 1: Global Beer Market Value: \$ billion, 2002-2006		
Year	\$ billion	% Growth
2002	279.6	
2003	281.4	0.60%
2004	285.2	1.40%
2005	289.6	1.50%
2006	294.5	1.70%
CAGR, 2002-2006:		1.3%

Source: Datamonitor DATAMONITOR



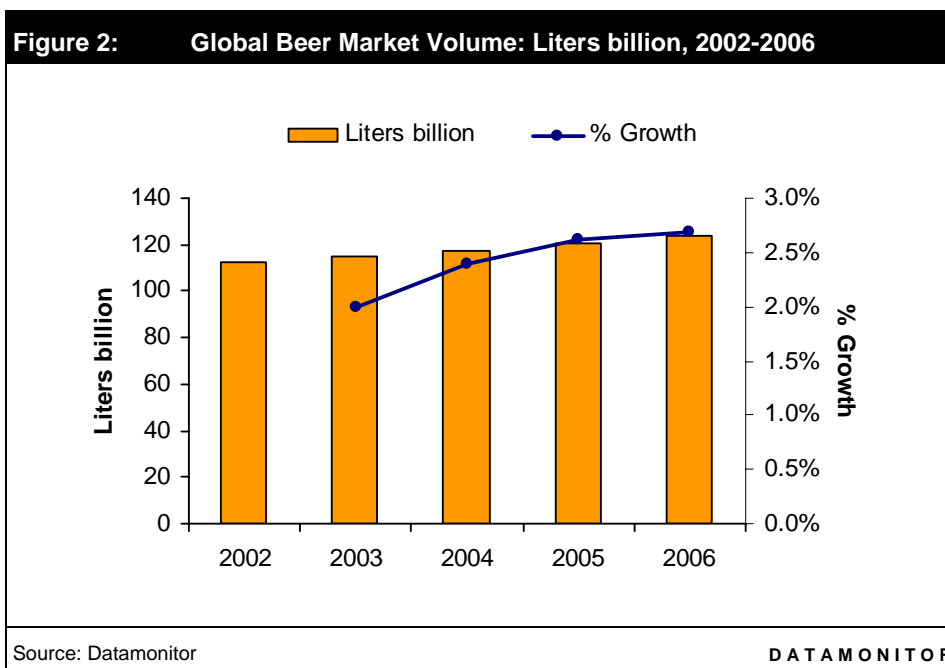
CHAPTER 3 MARKET VOLUME

The global beer market grew by 2.7% in 2006 to reach a volume of 123.8 billion liters.

The compound annual growth rate of the market volume in the period 2002-2006 was 2.4%.

Table 2: Global Beer Market Volume: Liters billion, 2002-2006		
Year	Liters billion	% Growth
2002	112.5	
2003	114.7	2.00%
2004	117.5	2.40%
2005	120.5	2.60%
2006	123.8	2.70%
CAGR, 2002-2006:		2.4%

Source: Datamonitor DATAMONITOR



CHAPTER 4 MARKET SEGMENTATION I

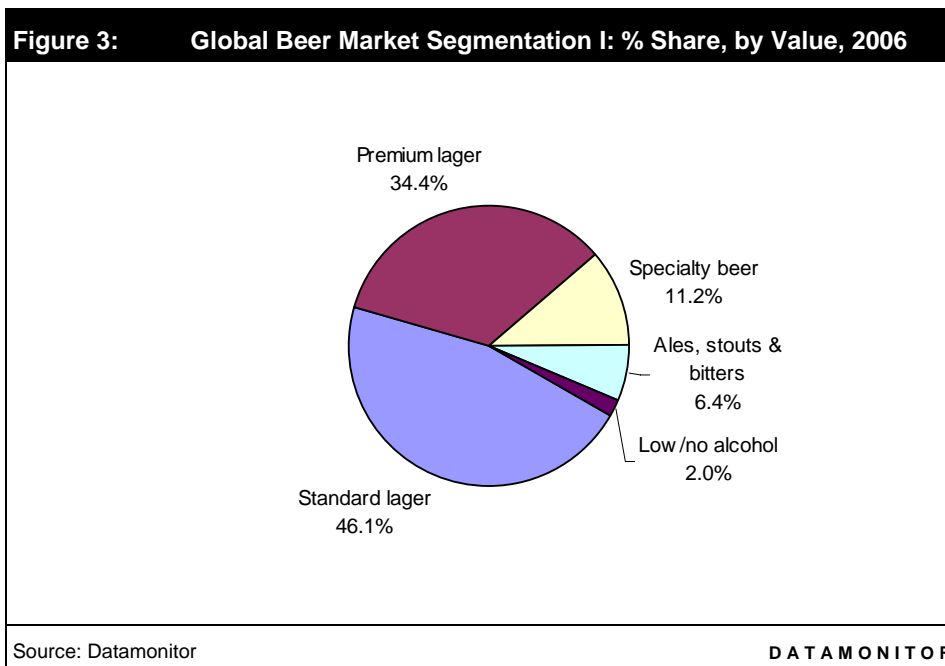
Standard lager forms the leading sector of the global beer market, with a 46.1% share of the market by value.

In addition, premium lager generates a further 34.4% of the market's revenues.

Table 3: Global Beer Market Segmentation I: % Share, by Value, 2006

Category	% Share
Standard lager	46.10%
Premium lager	34.40%
Specialty beer	11.20%
Ales, stouts & bitters	6.40%
Low/no alcohol	2.00%
Total	100.0%

Source: Datamonitor DATAMONITOR



CHAPTER 5 MARKET SEGMENTATION II

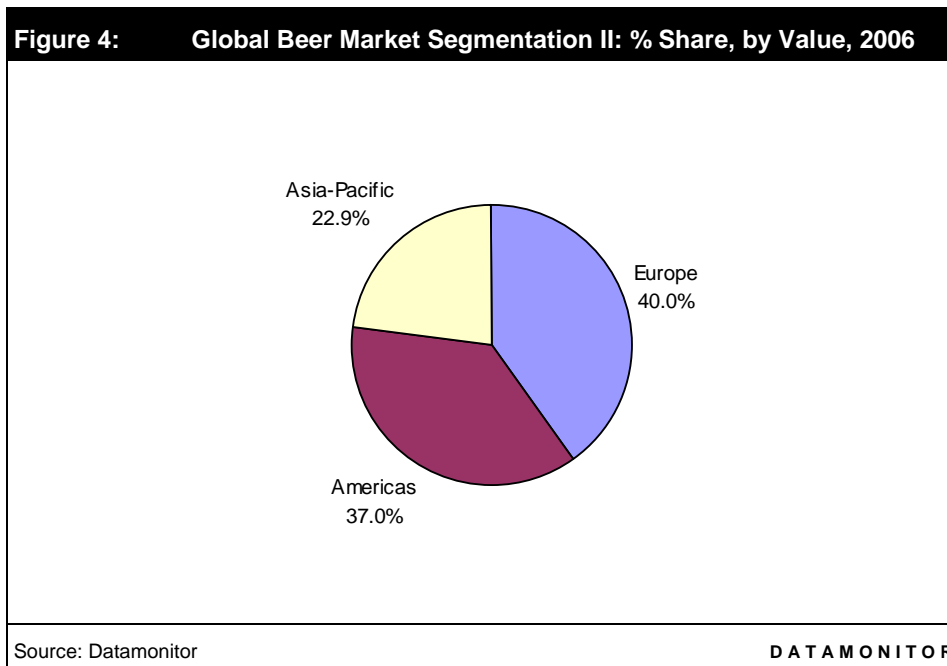
Europe is the leading region in the global beer market, with a 40% share of the market's value.

In comparison, the Americas generate 37% of the market's revenues.

Table 4: Global Beer Market Segmentation II: % Share, by Value, 2006

Geography	% Share
Europe	40.00%
Americas	37.00%
Asia-Pacific	22.90%
Total	100.0%

Source: Datamonitor DATAMONITOR



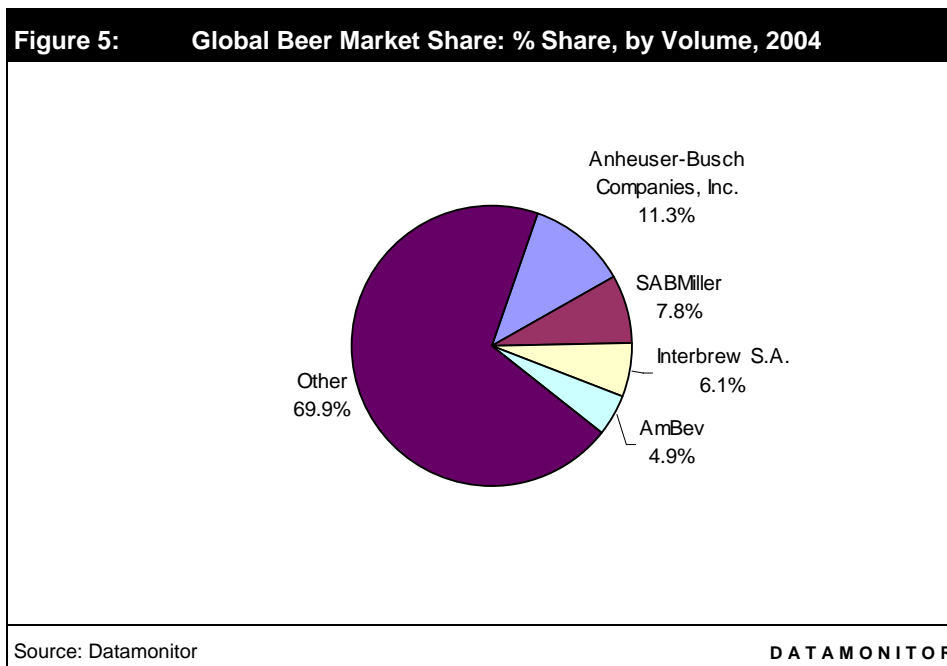
CHAPTER 6 MARKET SHARE

Anheuser-Busch is the leading company in the global beer market, with an 11.3% share of the market by volume.

In comparison, SABMiller accounts for 7.8% of the market's volume.

Table 5: Global Beer Market Share: % Share, by Volume, 2004	
Company	% Share
Anheuser-Busch Companies, Inc.	11.30%
SABMiller	7.80%
Interbrew S.A.	6.10%
AmBev	4.90%
Other	69.90%
Total	100.0%

Source: Datamonitor DATAMONITOR



CHAPTER 7 COMPETITIVE LANDSCAPE

Anheuser-Busch Companies, Inc. leads the global beer market, with sales in 2004 amounting to 13.3 billion litres, this accounting for 11.3% of the market's volume. Other significant players in the beer market include SABMiller, whose market share by volume was 7.8% in 2004, comprising of 9.1 billion litres; and Interbrew SA with a market share equating to 6.1%.

On-trade sales form the most significant distribution channel for global beer sales, accounting for 38.7% of the market's volume. Sales by supermarket and hypermarkets account for additional 20.3% of the market.

CHAPTER 8 LEADING COMPANIES

8.1 Anheuser-Busch Companies, Inc.

Anheuser-Busch Companies (Anheuser-Busch) is a leading brewer of beer in the US. The group is also engaged in the packaging and entertainment businesses. The group operates primarily in the US. It also owns a 50% stake in Grupo Modelo, Mexico's leading brewer, and a 27% stake in Tsingtao, the top brewer in China. It is headquartered in St Louis, Missouri.

The group recorded revenues of \$15,035.7 million during the fiscal year ended December 2005, an increase of 0.7% over 2004. The company's net profit was \$1,839.2 million in fiscal year 2005, a decrease of 17.9% over 2004.

8.2 SABMiller

SABMiller is engaged in the production and retailing of beer, malts and carbonated soft drinks. Its brands include international premium beers such as Peroni Nastro Azzurro, Pilsner Urquell, Miller Genuine Draft and Castle Lager, as well as local brands, such as Miller Lite, Aguila, Tyskie and Snow. The company primarily operates in the Americas, South Africa and Europe. It is headquartered in London, the UK.

The company recorded revenues of \$15,307 million during the fiscal year ended March 2006, an increase of 18.6% over 2005. The net profit was \$1,440 million in fiscal year 2006, a decrease of 5.3% from 2005.

8.3 Inbev

InBev is the leading global brewer by volume, formed due to merger between Interbrew and AmBev in 2004. InBev has a portfolio of over 200 brands, including Stella Artois, Brahma, Beck's, Leffe and Skol. The company primarily operates in the Americas, Europe and Asia Pacific. It is headquartered in Leuven, Belgium.

The company recorded revenues of \$14,488 million during the fiscal year ended December 2005, an increase of 36% over 2004. The operating profit of the company was \$2,732 million during fiscal year 2005, an increase of 67.3% over 2004. The net profit was \$1,129 million in fiscal year 2005, an increase of 25.7% over 2004.

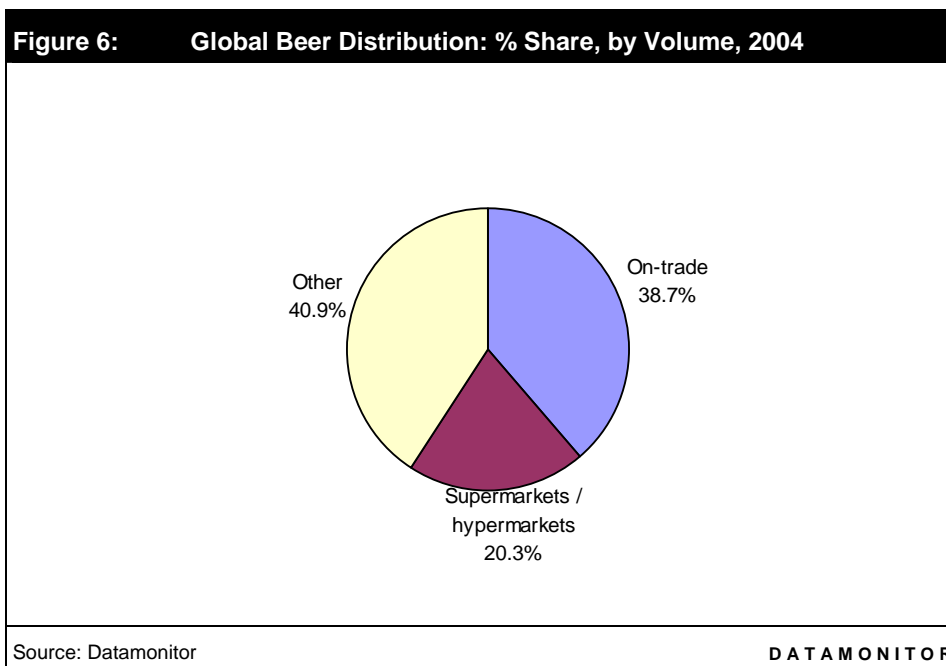
CHAPTER 9 DISTRIBUTION

On-trade sales form the most lucrative distribution channel, with a 38.7% share of the global market by volume.

In addition, supermarkets and hypermarkets distribute a further 20.3% of the total market volume.

Table 6: Global Beer Distribution: % Share, by Volume, 2004	
Channel	% Share
On-trade	38.70%
Supermarkets / hypermarkets	20.30%
Other	40.90%
Total	100.0%

Source: Datamonitor DATAMONITOR



CHAPTER 10 MARKET FORECASTS

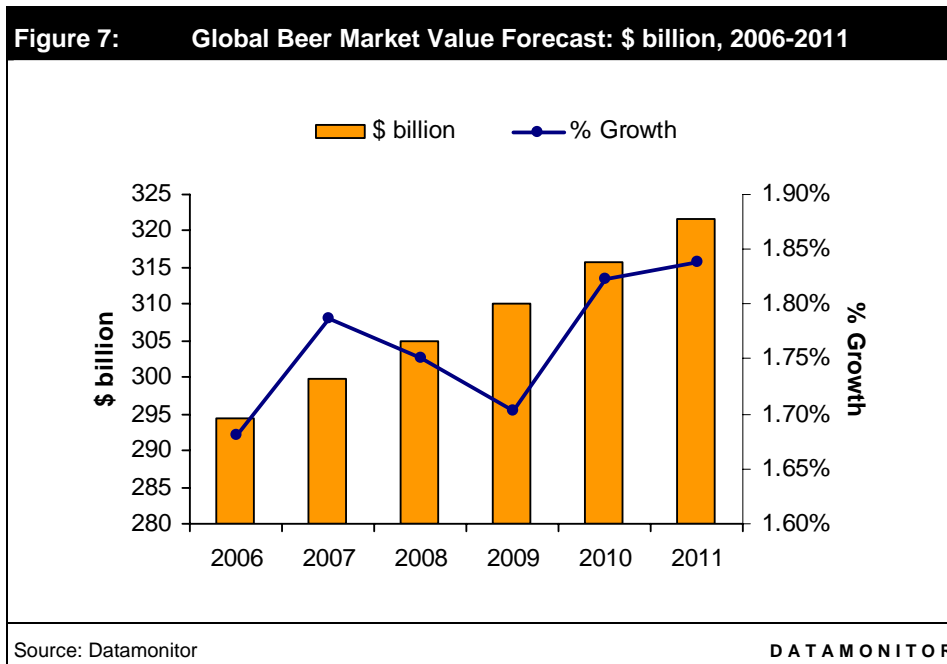
10.1 Market Value Forecast

In 2011, the global beer market is forecast to have a value of \$321.7 billion, an increase of 9.2% since 2006.

The compound annual growth rate of the market in the period 2006-2011 is predicted to be 1.8%.

Table 7: Global Beer Market Value Forecast: \$ billion, 2006-2011		
Year	\$ billion	% Growth
2006	294.5	1.70%
2007	299.8	1.80%
2008	305.0	1.80%
2009	310.2	1.70%
2010	315.9	1.80%
2011	321.7	1.80%
CAGR, 2006-2011:		1.8%

Source: Datamonitor DATAMONITOR



10.2 Market Volume Forecast

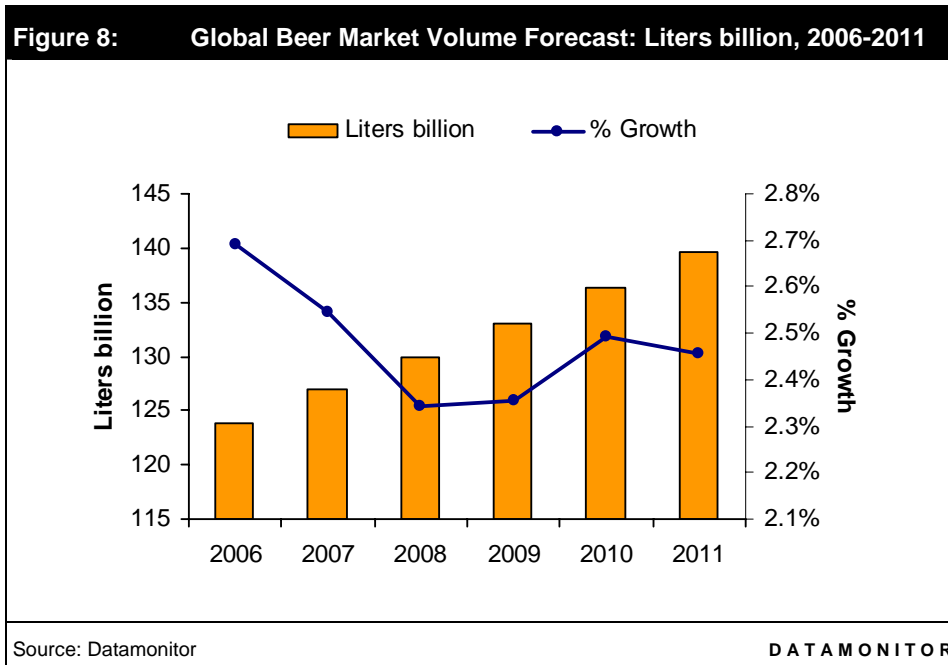
In 2011, the global beer market is forecast to have a volume of 139.6 billion liters, an increase of 12.8% since 2006.

The compound annual growth rate of the market volume in the period 2006-2011 is predicted to be 2.4%.

Table 8: Global Beer Market Volume Forecast: Liters billion, 2006-2011

Year	Liters billion	% Growth
2006	123.8	2.70%
2007	126.9	2.50%
2008	129.9	2.30%
2009	133.0	2.40%
2010	136.3	2.50%
2011	139.6	2.50%
CAGR, 2006-2011:		2.4%

Source: Datamonitor DATAMONITOR



CHAPTER 11 FURTHER READING

11.1 Sources

This report is based on a combination of primary Datamonitor research, including online, face-to-face and telephone interviews with consumer and industry players, and secondary research using various sources (including trade associations, news providers and others).

Industry Associations

International Federation of Wines and Spirits

18, rue d'Aguesseau,
F-75008 - Paris, France
Tel: 33 1 4268 8248
Fax: 33 1 4006 0698
<http://www.fivs.org>

Brewers of Europe

23 - 25 Rue Caroly,
B - 1050 Brussels, Belgium
Tel: 32 2 672 2392
Fax: 32 2 660 9402
<http://www.brewersofeurope.org>

11.2 Related Datamonitor Research

Datamonitor Industry Profiles

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