BREWERY HISTORY

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CONSOLIDATING THE GLOBAL BREWERY INDUSTRY, 1992-2012

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Introduction

In an extensive study, it was found that in nearly every industry three or four companies emerge as dominant players, controlling roughly ¾ of the global market.[1] As a result, the majority of the world's companies are in effect niche players, and most disappear when industries undergo consolidation (fortunately, new and innovative firms emerge continuously). Just like the merger movement of the second industrial revolution a century ago,[2] the consolidation process since the 1990s is part of a new and third industrial revolution.[3] Before 1990, many industries consolidated, but mainly on a national level. National mergers preceded and paved the way for international consolidation after 1990.

In this context, I deal with the global consolidation of the brewing industry as it occured between 1992 and 2012. During the 20th century, the beer industry became nationally consolidated in most developed countries,[4] while developing countries followed later on and the former communist world entered the market economy and experienced global consolidation almost simultaneously (see below). A few studies deal with the post-1990 brewing industry. Mehta et al. investigates the financial effects of the global merger process and points to its economic benefits for the 'big four', those driving the consolidation.[5] Another, Lopes, digs into the history of beverage multinationals and uncovers the importance of sales channels and brands as competitive drivers of the global consolidation process.[6] Unlike these studies, I focus on the actual development of the global merger movement within the brewing industry.

This investigation of global beer consolidation is based on two souces of information. One is the merger process or the acquisition of other breweries by the consolidating company. This information is to be found in the annual reports of the limited companies to their shareholders. Another source of information concerns the market shares of the companies and the level of beer consumption in each country. Specialized market research firms provide such data and all leading breweries acquire market intelligence, which is presented in detail in their annual reports. For reasons of copyright, the original sources of market research firms are not available. Other sources include brewery associations, the Unitied Nation's Food and Agriculture Organization, and the World Investment Reports.

Globalization

Theoretically, this article is based upon the work of John H. Dunning and his 'eclectic paradigm' theory of of economics.[7] His stance is a synthesis of four factors. Firstly, the transaction cost theory; secondly, the resource-based theory; thirdly, the theory of multinationals/transnationals and internationalization of business; and finally, the theory of institutions (government). Dunning merged these four into the so-called OLI-factors or advantages, i.e. 'ownership advantages' (O), 'locational advantages' (L), and 'internalization advantages' (I). Historically, his theory arose from U.N. activities in studying the development of foreign direct investments and transnational corporations.[8] The annual World Investment Report since 1991 clearly showed that the international economy had undegone radical change since the 1990s,[9] in all three OLI-factors. Unlike pre-1990 international trade, post-1990 global business

* This article has undergone peer review.

is driven by establishing international production via foreign direct investment, i.e. business has globalized. National consolidation has been replaced by global consolidation.

The globalization of companies can best be seen as a process developing through stages:

1. Picking the winners. This is the first and decisive stage. By way of acquisitions, the leading pack of firms strives to gain as dominant a market position as possible throughout the world. Wherever a consolidating company buys its way into a leading national brewery, the gate is rapidly closed to competitors, as deep rooted customer loyalty to local brands makes organic growth very difficult for foreign breweries. Consequently, large national breweries are the primary target of acquisition. In some cases, an acquisition may take the form of a total and immediate takeover (e.g., Interbrew's takeover of Brazilian AmBev and Anheuscher-Busch to become ABInBev), or 100% ownership could take a few years (e.g., Carlsberg's two stage takeover of the Russian Baltica brewery). In other cases, a state of minority share holding occurs (e.g., Heineken in the Caribbean and Africa), or a strategy of joint ventures is used (e.g., SABMiller and Molson Coors in the U.S.A. to become MillerCoors, or between and SABMiller and CR Snow in China). It seems that all these non-100% acquisitions are only temporary, as all globalizing companies target a final takeover.

2. Gaining market access. Having achieved control of one or more of the large national breweries, globalizers consequently gain access to the sales channels (supermarkets, specialist retailers, convenience stores, on-trade) and brands of their newly acquired companies. The importance to this process has been shown in a recent study.[10] In the first place, the consolidators took over the local supply chain and products, before starting to increase productivity and marketing. This depended on a subsequently qualitative change at corporate headquarters.

3. Creating a global organization. Managing the expanding activities of a series of often large foreign acquisitions requires a reorganization of the consolidating companies. ABInBev, SABMiller, Heineken, and Carlsberg (and, to some degree, Molson Coors) all carried out a fundamental upgrading of their value chain from being a national and international organization to that of a global one. General management, accounting and finance, information technology, marketing and sales, human resources, product development, and communications evolved. Having upgraded their headquarters, the globalizing breweries use their improved organizational capabilities to upgrade national strategies and practices throughout the world, including raised productivity and marketing as well as a general reorganization of each national corporation.

4. Creating international, multi-country, and regional brands. As their portfolio of brands increased with mergers, the 'big four' reorganized their products according to their market potential. In doing so, they segmented brands into three categories: international brands (e.g., Budweiser, Heineken, Urquell, Carlsberg); multi-country brands (e.g., Leffe, Tiger, Baltika, Castle); and regional brands (e.g., Löwenbräu). In all cases, brand policies concentrated on lifting brands either to a global or multi-country level. Worldwide, the four companies were now in a position to brand their corporations and products, and especially to promote their international brands (e.g. Heineken and Carlsberg Beers). To conclude, all organizational dimensions of the globally consolidating breweries were upgraded to match their worldwide leading role. This increased the gap of organizational capabilities between the globalizers and the next level down, the international and national breweries. The positive financial effects of consolidation in matters of improved profits, future success, and access to capital seem to have a self-reinforcing effect.[11] More important is the fact that the 'big four' have created a global platform of organizational capabilities ahead of all those below them. This leads undoubtedly to the final consolidation of the industry.

5. The final battle of consolidation. Throughout the 2010s, the globalizing breweries have determinedly used their power to further global consolidation. Whenever possible, ownership is raised to 100%. Minority shares, joint ventures, and mutual cooperation are just temporary means by which national leaders try to prolong their independence (e.g., UB and Heineken in India). The remaining large independent national breweries feel the growing pressure from within and without (e.g. Tsingtao, Yanjing, Mahou, Stiegl, UB). However, it becomes increasingly difficult to adapt to the overwhelming organizational and competitive capa-

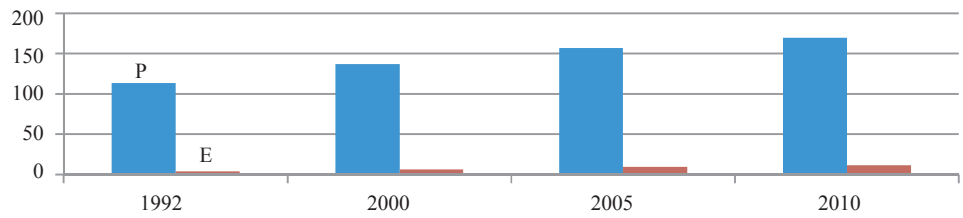
bilities of the leading breweries. The pressure is felt by the international firms of second rank. There is a risk of getting stuck in the middle, both those firms that seek to gain a global position (e.g. Colson Moors and Kirin) or those that just want to stay at the international level (e.g. Efes and Asahi).

In this paper, I will focus on the first stage and the start of the fifth stage. I want to show how intensively the leading breweries of the global consolidation process have been struggling since the 1990s to get their piece of the cake before it is too late. Furthermore, I will explain how far they have come to achieving their goal of global conquest. Since the early 1990s, these firms exploited advantages of ownership, location, and internalization by carrying out a remarkable global merger process. Primarily, I will focus on ownership and location advantages.

As noted above, the organizational strength of the globalizers tends to accelerate the consolidation process. In this respect, the acquisition hunt is also a knock-out process. Rapidly, the access to global beer markets is being closed to other pretenders. What we see is the logic of oligopoly in national industries being lifted to a global level. Chandler demonstrated this, specifically in the case of the U.S.A.,[12] and I have already referred to a recent study of a similar worldwide process.[13] Except for Dunning's eclectic paradigm, a genuine theoretical coverage of this almost logical push to pursue global consolidation within each industry seems lacking. I do not take the duopoly competition models of Cournot (quantity), Bertrand (price), Stackelberg (game), leading to claimed economic equilibrium, as sufficiently useful in understanding modern-day dynamic global business.[14] What remains as a proper theoretical approach of explaining the almost universal process of creating global oligopolies in eventually all industries is the continued upgrading of the level of organizational capabilities in an open economy.

Beer production and export

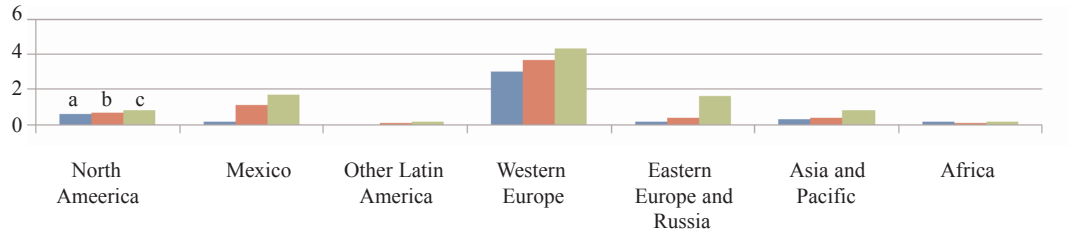
Beer drinking is deeply rooted in both national and local cultures and even today, only a small share of global beer production is traded internationally (Fig. 1). Consequently, companies had to grow by merger and acquisitions.



P = production
E = export

Figure 1. Global Production and Export of Barley Beer in Bio.l, 1992-2010.

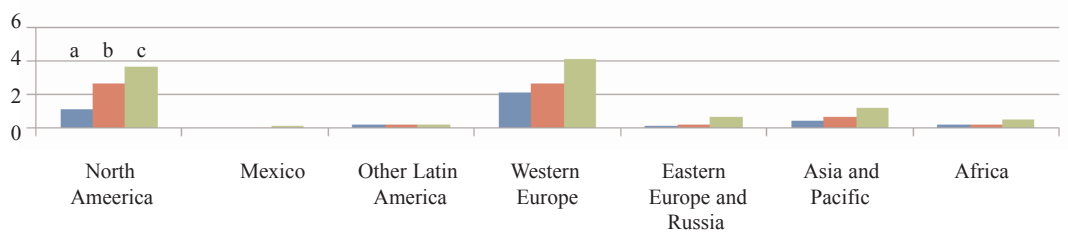
Source: FAOSTAT.



a = 1992; b = 2000; c = 2010

Figure 2. Regional Export of Barley Beer in Bio.l, 1992-2010.

Source: FAOSTAT.



a = 1992; b = 2000; c = 2010

Figure 3. Regional Import of Barley Beer in Bio.l, 1992-2010.

Source: FAOSTAT.

Mexico and the Netherlands are by far the largest exporters, but also Germany exports much beer, followed by Ireland, U.K. and Denmark. Most export took place between developed countries, particularly within Western Europe, and from Mexico to the U.S.A., and increasingly within Eastern Europe and Asia (Fig. 2). Western Europe and North America (U.S.A.) dominated even more world import of barley beer, although Eastern Europe and Russia, Asia Pacific and Africa increased their imports (Fig. 3).

North America

In matters of beer consumption, the U.S. and Canadian markets peaked in the 1990s - when the U.S. was the largest beer market in the world - and since then, declined slowly. The national consolidation of the U.S. beer industry took place during the first few decades after the war. By 1970, Anheuser-Busch had become the leading brewery while Miller and Coors were second and third, combined they controled 90% of the U.S. beer market.[15] Simultaneously, Molson, Labatt, and Sleeman Breweries consolidated the Canadian beer industry and market (in that order), controlling more than 90% of the Canadian beer market.[16]

In 1995, the Belgian company Interbrew acquired Canadian Labatt, followed by Brazilian AmBev in 2004 and Anheuser-Busch in 2008, creating the world's largest brewing corporation, ABInBev (Table 1). In 2002, SAB bought U.S. Miller, changing its name to SABMiller. Canadian Molson and U.S. Coors merged in 2005 to become Molson Coors and in 2007 SABMiller and Molson Coors joined their U.S. operations to form MillerCoors so as to better match Anheuser-Busch. Finally, in 2006, Sapporo Breweries of Japan purchased

	Beer consump., bio.l		Per capita, l		Consolidation by region	Global 2012 market share, %					
	1992	2012	1992	2012	1992-2012	AB InBev	SAB Miller	Molson/ Coors	Heineken	Other Intern.	Local
U.S.A.	24,5	25,5	95	80	Anheuser-Busch / ABInBev; Coors / MillerCoors.	55	15	20	5	5	5
Canada	2	2,1	75	60	Molson / Molson Coors; Labatt / SABMiller.	50	10	40	2	2	6
North America	**26,4**	**27,6**	**90**	**75**		**55**	**15**	**15**	**5**	**5**	**5**

Table 1. Consolidating the North American Brewery Industry, 1992-2012.

Sources: www.faostat.org. Annual Reports, market and investor information: www.abinbev.com; www.sabmiller.com; www.molsoncoors.com; www.heineken.com. Other internationals and locals are estimates. Because of some divergence, numbers are rounded.

the Canadian Sleeman Breweries.[17] Heineken's takeover of the Mexican brewing company Formento Economico Mexicano, S.A.B. de C.V. (FEMSA) in 2010 and ABInBev of Modelo in 2012 - producers of popular beers among Spanish speakers in the U.S. - finished the consolidation of the North American beer markets, leaving only minor shares to other internationals and microbreweries.

Latin America

In the early 1990s, beer consumption per capita in Latin America was much lower than that of North America, but two decades later the two Americas' consumption drew closer (Table 2). Mexico and Brazil, in particular, drove the Latin American beer markets. Prior to global consolidation, the national beer markets of Latin America were consolidated by one or a few leading breweries, just like North America. In Central America, the Mexican beer market expanded rapidly from the 1960s and continued to grow, although more slowly, in the 1990s and beyond. Therefore, by 2012, Mexicans consumed 90% of all Central American beer and more than 20% of total Latin American beer.

By the 1980s, FEMSA and Groupo Modelo breweries had consolidated the Mexican beer industry, covering more than 90% of the market (Table 2). From the 1990s, the two companies stepped up their beer exports to North America, U.K., other Central America countries, and the Caribbean. The increasing strength of ABInBev, SABMiller and Heineken, as well as a general economic slow-down, made the two Mexican brewers ripe for merger. In 2010, Heineken acquired the beer operations of FEMSA paying for it with 20% Heineken shares. Two years later, in 2012, ABInBev finalized its takeover of Modelo's beer activities.

Most of the remaining Central American beer industry were acquired by the leading global breweries (Table 2). SABMiller took the lead in taking over several leading breweries. In 2001 SABMiller acquired Cervecería Hondureña and, in 2003, La Constance in El Salvador, both with a ca. 90% market share. Convecería Nacional of Panama became part of SABMiller in 2001, covering 70% of the national market. ABInBev played a modest role in this consolidation process, gaining only a 15% share of the leading Cerveceria Centro Americana (C.C.A.) in Guatemala. In the early 2000s, Heineken took a 12.5% share in the largest Nicaraguan brewery, Consorcio Cervecero Centroamerica, including Cervecera de Nicaragua, a 75% controlling share in Panama's second largest brewery, Cervecerías Barú-Panama, and a 25% share in the leading Cervecería Costa Rica. By 2012, except for C.C.A. in Guatemala, more or less all Central American's leading breweries had become part of SABMiller or Heineken.

	Beer consump., bio.l		Per capita, l		Consolidation by region	Global 2012 market share, %				
	1992	2012	1992	2012	1992-2012	AB InBev	SAB Miller	Heineken	Other Intern.	Local
Mexico	4	6,6	45	55	Modelo / ABInBev; Femsa / Heineken	55	1	40	2	2
Central America	0,4	0,8	15	15	Cervecería Centro America (Guatemala) / ABInBev; Cervecería La Constance (El Salvador) / SABMiller; Cervecera Hondureña / SABMiller; Compañia Cervecera de Nicaragua / Heineken; Cervecera Costa Rica / Heineken; Convecera National (Panama) / SABMiller; Cervecerías Barú-Panama / Heineken	10	40	20	5	25
Caribbean	0,6	0,9	35	50	Cervecería Bucano (Cuba) / ABInBev; Desnoes & Geddes (Jamaica) / Heineken; Brasserie Nationale d'Haiti / Heineken; Cervecería Nacional Dominicana / ABInBev; Commonwealth Brewery (Bahamas) / Heineken; Brasserie Lorraine (Martinique) / Heineken; Windward & Leeward Brewery (Saint Lucia) / Heineken; Carib Development Corporation (Trinidad) / Heineken	20	10	40	5	25
Brazil	4,4	12	30	60	Brahma, Antartica, AmBev / ABInBev; Cervejarias Kaiser / Heineken; Schincariol/Kirin	70	0	10	10	10
Argentina	1.1	2,3	30	45	Cerveza Quilmes / ABInBev; Isenbeck / SABMiller	75	5	10	10	0
Columbia	1,1	2	35	45	Bavaria / SABMiller	5	95	0	0	0
Venezuela	1,5	2	75	70	Cervecera Nacional / ABInBev	5	5	5	5	80
Peru	0,6	1,2	25	40	Backus & Johnston / SABMiller	10	90	0	0	0
O South America	0,7	1,8	20	35	Companias Cervecerías Unidas (Chile) / Heineken; Cervecería Nacional (Ecuador) / SABMiller; Cervecería Boliviana Nacional / ABInBev; Cervecería Paraguaya / ABInBev; Cervecería Patricia (Uruguay) / ABInBev; Surinaamse Brouwerij / Heineken	50	20	15	5	10
Total Latin America	**14,4**	**29,6**	**35**	**55**		**55**	**15**	**15**	**5**	**10**

Table 2. Consolidating the Latin American Brewery Industry, 1992-2012.

Sources: www.faostat.org. Annual Reports, market and investor information: www.abinbev.com; www.sabmiller.com; www.heineken.com; www.kirinholdings.co.jp; www.ccu.cl; www.empresas-polar.com. Other internationals and locals are estimates. Because of some divergence, numbers are rounded.

Heineken consolidated most of the leading Caribbean breweries in the 2000s (Table 2). In Greater Antilles, the largest and most populated islands of the Caribbean, Heineken acquired a 22.5% share in Brasserie Nationale D'Haiti, a 9.3% share in Cervecería Nacional Dominicana, a 15.5% share in Desnoes & Geddes of Jamaica, and a 100% ownership of Cervecera de Puerto Rico and Cayman Islands Brewery. The small islands of Lesser Antilles often had a dominant brewery of their own. Heineken acquired some of these breweries, including Brasserie Lorraine of Martinique, Windward & Leeward Brewery in St. Lucia and a 20% share in Carib Development Corporation of Trinidad. ABInBev purchased a 20% share in Cuban Cervecería Bucano that covered about half the national market, leaving the other half to a state-owned brewery.

Besides these leading local breweries, international brands, such as Corona (Modelo/ABInBev) and Heineken, Budweiser, Brahma, and Stella Artois (ABInBev), were sold throughout Central America and the Caribbean.

By 2012, ABInBev and Heineken controlled more than 90% of the Mexican beer market. In the rest of Central America, ABInBev had an estimated 10% market share, SABMiller 40% and Heineken 20%. In the Caribbean, Heineken's estimated market share was ca.40%, ABInBev 20% and SABMiller 10%. A small share was left to other international breweries and some 25% to local breweries.

Just like North, Central, and Caribbean America, South American national beer industries were consolidated when global consolidation took off at the turn of the millennium (Table 5). Five breweries had taken over the large Brazilian beer market. That included Brahma and Antarctica, each with some 30% of the market, and Kaiser, Schincariol and Petrópolis all having a 10% market share. These companies were attacked by the global consolidators. In 1999, Brahma and Antarctica merged to form AmBev, which was acquired by the expanding Belgian Interbrew in 2004, forming InBev that became ABInBev in 2008, when Anheuser-Busch was taken over. In 2006, Mexican FEMSA purchased Brazilian Kaiser Brewery becoming part of Heineken in 2010, when Heineken and FEMSA merged. Japanese Kirin Brewery acquired Schincariol in 2011,[18] under the nose of SABMiller, leaving only Petrópolis as an independent brewery. By 2012, led by ABInBev, ca. 90% of the large Brazilian beer market (40% of total Latin America) was consolidated by large international breweries.

Simultaneously, the secondary tier of South American beer markets, including Argentina, Colombia, Venezuela and Peru, was eagerly attacked by the global consolidators (Table 2). In each of these countries, one brewery had taken over the national market, including Quilmes in Argentina, Bavaria in Colombia, Polar in Venezuela, and Backus & Johnston in Peru.

In 2002, Brazilian AmBev took control of the leading Argentine brewery, Quilmes, part of the Quinsa Group, and this was integrated into InBev in 2004 and ABInBev in 2008, giving ABInBev a 75% Argentinean market share (Table 2). Chilean Compañía Cervecerías Unidas (C.C.U.), with a 33% Heineken stake since 2003, had some 20% of the Argentine beer market. The third largest brewery in Argentina, Isenbeck, with a ca.5% market share, became part of SABMiller in 2010. By 2012, led by ABInBev, the global consolidators controlled 90% of the Argentine beer market.

In 2005 SABMiller acquired Bavaria of Colombia, the second largest brewery in South America, with a 90% national market share. There then followed Cervecería Nacional, the leading brewery in Panama, purchased in 2001, the major Peruvian brewery, Backus & Johnston, acquired 2002, and the foremost Portuguese brewery, Central de Cervejas, purchased by Bavaria in 1990, but sold to Heineken in 2008.

The long time leading Venezuelan brewery, Cervecería Polar, remained in control of the national market and to some degree even expanded into neighboring countries such as Brazil. By 2012, Polar controlled ca. 70% of the national market, leaving the remaining share to internationals and other locals. Cervecería Polar is a subsidiary to the Venezuelan food and beverage conglomerate Empresas Polar.[19]

The third tier of national beer markets, according to size of consumption, included Chile, Ecuador, Bolivia, Paraguay and Uruguay (Table 2). By 2012, Chile's C.C.U. was the second national brewery to ward off the merger efforts of the global consolidators,[20] Polar being the other one. Like Polar, C.C.U. is a conglomerate of

food and beverage products. C.C.U. had ca. 80% of the Chilean beer market and some 20% of the neighboring Argentine market. In 2003, Heineken acquired a 33% stake in C.C.U. Through its international and local brands such as Stella Artois, Becker and Brahma, ABInbev had gained 15% of the Chilean beer market.

In Ecuador, SABMiller purchased the countries number one brewery, Cervecería Nacional, in 2005, with a c.90% market share. The leading Bolivian brewery Cervecería Boliviana Nacional (CBN) became part of ABInBev, via AmBev in 2003 and InBev in 2004. C.B.N. controlled c.80% of the Bolivian beer market. Cervecería Paraguay and Cervecería Patricia in Uruguay were acquired by AmBev in 2003 and consequently became part of ABInBev. In former Dutch Suriname, Heineken controlled the leading Suriname Brewery.

By 2012, ABInBev controlled some 55% of the South American beer market, SABMiller c.20%, Heineken c.10% and Kirin c.5%. Similar to North America, globalizing breweries controlled some 90% of the beer market in South America.

In all Latin America ABInBev had some 55% of the beer market and Heineken and SABMiller 15% each, leaving 5% to other internationals and 10% to local breweries.

Western Europe

Until the turn of the millennium Western Europe was, together with North America, the dominant beer drinking region of the world. Since then, however, beer consumption has been declining, while growing elsewhere (Table 3).

In 2012 *Germany* was the least consolidated beer industry in Western Europe (Table 3). The locally rooted German breweries and drinking culture resisted more determinedly than other nations the globalizing influence of ABInBev, SABMiller, Heineken, and Carlsberg. Historically, most of them were small, family-owned companies serving their local town and nearby area. A virtual local monopoly shielded them from outside competition and takeover by large internationals, who regarded the German beer market as too fragmented to penetrate. In 1990, unlike other developed market economies, national consolidation of the beer industry had occurred only to a minor degree, Germany having almost 1200 of the ca. 1400 independent breweries in Western Europe.[21] However, during the 1990s, and increasingly after the turn of the millennium, a simultaneous national and international consolidation of German breweries took place.

'Brau und Brunnen' in Dortmund was one of the few German beer consolidations before 1990 and the largest one until the 1990s. In 2004, the large German food processing corporation, Oetker, acquired Brau und Brunnen as well as the expanding Radeberger Gruppe that included several merged breweries, and by 2012 made up 20% of the German beer market.[22] Other national consolidating groups included Oettinger, Krombacher, Hans Kramer (including Warsteiner), Bitburger, Brau Holding, Karlsberg, TCB, Holsten, Beck, Spaten-Löwenbraü, Gilde, and Veltins, each occupying some 5% of the German beer market.

It was these national groups that ABInBev, Heineken, and Carlsberg, together with Germany's Oetker brewery, targeted for international consolidation. ABInBev managed to acquire the groups of Beck, Gilde, and the Spaten-Löwenbräu during the years 2001 to 2003. Except for imports, Heineken's German activities were mainly based on a 49.9% share of the large Brau Holding Group, acquired in 2002. In 2004, Carlsberg purchased the large north German Holsten brewery.

For some years now the consolidating process of the German beer industry has been moving slowly, based on several international and national groups seeking to increase their market shares. The front runners includes Oetker's Radeberger, with a 20% market share, Carlsberg with 15%, and ABInBev and Heineken each with 10%. A hand full of large national groups control about 30% of the market, leaving 5% to other internationals and 10% to locals.

The *British* were almost as heavy beer drinkers as the Germans, but like their neighbors across the Channel this has declined since the 1990s (Table 3). Until this time 'the big six' national breweries - Scottish & Newcastle, Bass, Courage, Watney Mann, Whitbread, and Allied Lyons - dominated both beer production and ownership of pubs in U.K.[23] These companies were the

	Beer consump., bio.l		Per capita, l		Consolidation by region	Global 2012 market share, %					
	1992	2012	1992	2012	1992-2012	Heine-ken	Carls-berg	AB-InBev	SAB-Miller	O. Inter	Locals
Germany	11.5	8.2	140	100	Beck, Gilde, Spaten-Löwenbrau / ABInBev; Paulaner / Heineken; Holsten / Carlsberg; a.o.	10	15	10	2	3	60
UK	6.1	4.6	105	75	Allied Breweries, Allied Lyons / Carlsberg; Scottish & Newcastle / Heineken, Carlsberg; Bass and Whitebread / ABInBev; Bass / Molson Coors	30	15	20	5	25	5
Spain	2.6	3.2	60	70	Damm / Oetker	30	5	5	0	15	60
France	2.1	2	35	30	Kronenbourg / Carlsberg; Pelforth / Heineken; Artois / ABInBev	35	45	10	2	3	5
Italy	1.3	1.7	25	25	Peroni / SABMiller; Ichnusa, Moretti / Heineken; Poretti, Splügen / Carlsberg	30	10	10	25	10	15
Netherlands	1.4	1.1	90	65	Heineken; Grolsch / ABInBev	45	0	15	30	5	5
Belgium	1	0.9	110	90	Interbrew / ABInBev, Alken-Maes / Heineken	15	5	50	5	5	10
Austria	0.9	0.8	110	90	Brau Union / Heineken	50	10	10	5	5	20
Portugal	0.6	0.6	60	55	Unicer / Carlsberg; Central de Cervejas / Heineken	40	50	1	1	3	5
Switzerland	0.5	0.5	70	60	Feldschlösschen / Carlsberg; Calanda, Eichhof / Heineken	30	45	5	5	5	10
Ireland	0.5	0.5	125	100	Guinness / Diageo	30	5	5	5	50	5
Greece	0.5	0.5	50	50	Athenean / Heineken; Mythos / Carlsberg	60	20	5	5	5	5
Sweden	0.5	0.5	65	60	Pripps / Carlsberg	10	40	5	0	5	40
Finland	0.5	0.5	125	100	Sinebrychoff / Carlsberg; Hartwall / Heineken	30	45	5	0	5	15
Denmark	0.5	0.4	100	70	Carlsberg; Ceres a.o. / Royal	5	60	0	0	25	10
Norway	0.3	0.3	75	60	Ringnes / Carlsberg	5	55	0	0	10	30
O.W. Europe	0.1	0.1	70	60		30	30	10	5	10	15
Total	**30.9**	**26.4**		**65**		**25**	**20**	**10**	**5**	**5**	**35**

Table 3. Consolidating the West European Brewery Industry, 1992-2012.

Sources: Annual Reports, market and investor information: www.heineken.com; www.carlsberg.com; www.abinbev.com; www.sabmiller.com. Sites of other mentioned breweries. Other internationals and locals are estimates. Because of some divergence, numbers are rounded..

result of national consolidation processes, too, that took place during two historical periods - the first around 1900 and later during the post-war decades of the 1950s, 1960s and 1970s. Since the 1990s the old national leaders have been acquired by global breweries leaving a small part of the British beer market to three new national breweries, Greene King, Marston's and Wells and Young, plus some regional and microbreweries.

In 1992, Carlsberg acquired Allied Lyons (previously Allied Breweries, also a result of several mergers, which included Tetley's) forming Carlsberg-Tetley, later becoming Carlsberg UK. Interbrew, which became ABInBev, took over Bass breweries in 2000 and Whitbread in 2001. Due to monopoly preventing measures Interbrew had to dispose part of Bass to Molson Coors who eventually ended up taking over the whole business, excluding the Bass brand. Heineken's breakthrough in Britain occurred in 2008 when, together with Carlsberg. The latter obtained S. & N.'s leading international breweries such as the Russian B.B.H. and the French brewer, Kronenbourg. SABMiller in UK built on its international brands, such as Peroni. Thanks to its takeover over Guinness in 1997 Diageo, the wine spirits and beer conglomerate, had a strong market position, too. By 2012, ABInbev had about 20% market share, Heineken 30%, Molson Coors 20% (mainly based on its long-time ownership of the Carling Brewery), Carlsberg 15%, and Diageo 10%. That left about 5% to SABMiller and other internationals and 10% to national, regional, and microbreweries.

After the Second World War, Grupo Mahou in Madrid and S.A. Damm in Barcelona emerged as the leading *Spanish* breweries (Table 3). They held that position until 1990 when beer consumption peaked at about 70 liters per capita. Mahou in particular continued its national consolidation by acquiring San Miguel in 2000/2005 from the French firm, Danone, becoming the leading Spanish brewery corporation with some 35% of the market. S.A. Damm held c.15%.

Of the global breweries only Heineken established a strong presence in Spain, buying the Cruzcampo group from Diageo in 1999 and having already acquired two Spanish breweries. By 2012 Heineken controlled an estimated 25% of the Spanish beer market. SABMiller with its takeover of two breweries in the Canary Islands in 1990/1994 was the only other international beer producer in Spain. Carlsberg and ABInBev exported beer to Spain. In total, SABMiller, ABInBev and Carlsberg had just about 5% of the Spanish beer market, leaving c.20% to other local producers.

Wine drinking *France* has a much lower beer consumption than the North Western European average (Table 3). After the Second World War several hundred breweries were combined into a few leading companies, led by Kronenbourg. In 1970 Kronenbourg was acquired by the Danone Groupe that sold its breweries to Scottish & Newcastle in 2000, becoming part of Carlsberg Group in 2008. Heineken expanded in France through its premier brand and by mergers, including Pelforth in 1988. ABInBev had owned Brasserie Artois since 1988 and expanded into France also through its premier brands. By 2012, Carlsberg, with c.45 %, and Heineken with c.35%, dominated the French beer market; ABInBev had just 10%.

Like France *Italy*'s beer consumption was traditionally relatively low (Table 3) although it has become more popular. Many smaller local and a few mid-sized breweries made Italy open to international companies. In 2005 SABMiller acquired the Peroni Brewery in Rome with its well-known Nastro Azzurro brand. As early as 1974 Heineken had acquired Birra Dreher in Trieste and, in 1996, Birra Ichnusa and Birra Moretti (that bought Birra Menabrea in 1991). Forst is a large local brewery in Northern Italy. Carlsberg entered Italy in the 1990s, buying the two brewery corporations, Poretti and Splügen, now combined as Carlsberg Italia. By 2012 Heineken had some 30% and SABMiller around 20% of the Italian beer market with a 10% market share for Carlsberg. ABInBev was active in Italy through its international brands, such as Beck's, Löwenbräu and Budweiser, with some 5% of the market. In total, by 2012, the global companies covered c.75% of the Italian beer market.

Like the other North Western Europeans, the *Dutch* are eager beer drinkers, but have recently reduced their consumption (Table 3). For decades Heineken, followed by Grolsch, dominated the Dutch beer market. Since their takeover of Amstel in 1968 Heineken had some 50% of the market and, after acquiring Grolsch in 2008, SABMiller held c.15%. ABInBev also held c.15%, having bought the Jan Hertog and Dommelsch breweries, including its imported Belgian brands such as Stella Artois and Jupiler. Dutch Bavaria also had a 15% market share, expanding internationally by means of export. Carlsberg holds a weak market position in the Netherlands. Like Belgium, Holland exports around half of its beer production.

Belgians are among the world's biggest beer drinkers, although consumption is declining (Table 3). In 1987 the two leading Belgian breweries, Stella Artois and

Piedbouef, merged to form Interbrew, posessing several internationally known brands (e.g. Stella Artois, Leffe and Hoegaarden). In the 1990s Interbrew started its international expansion taking over the likes of Labatt, Bass and Whitbread. The large Brazilian firm, AmBev, was acquired in 2004 and Anheuser-Busch in 2008. By 2012 ABInBev was the leading Belgian brewery with some 60% of the market, followed by Heineken's 15% and an estimated 5% belonging to other internationals. Besides exporting its premier brand Heineken acquired Alken-Maes after the take-over of Scottish & Newcastle in 2008.

Just like Belgium, Holland, and Germany, beer consumption is by tradition high in *Austria*, although slowly declining (Table 3). Two breweries, Brau Union and Stiegl, came to dominate the Austrian beer market that used to be served by many small, local breweries. Increasingly Brau Union took over a large part of the Austrian beer market beginning in the 1960s and increasingly so during the 1990s, coming to control more than half the Austrian beer market. However, the international consolidation of the brewery industry made it look for an international partner and, in 2002, Heineken took over Brau Union. Behind this firm in size were two large regional breweries, Stiegl and Ottakringer, followed by several minor regionals. In 2006 Carlsberg started cooperating with Stiegl. Still only 60% of the Austrian beer market has succumbed to global consolidation. Except for some imports, SABMiller and ABInBev are almost absent from the Austrian market.

The two state-owned beer groups Unicer and Central de Cervejas that consolidated the *Portuguese* beer market in the 1970s had been in a dominant position since the Second World War (Table 3). After privatization in the 1990s Scottish & Newcastle assumed control of Central de Cervejas in 2000/2003 and then in 2008 Heineken, following its takeover of Scottish & Newcastle in a consortium with Carlsberg. By 2012 Heineken, with 50%, and Carlsberg, with 40%, had taken control of the Portuguese beer market.

The largest *Greek* brewery, Athenian, started its industrial operations in 1965 in collaboration with the Dutch firm Amstel (Table 3) and Amstel soon became the most popular beer in the country. Following the merger of Heineken and Amstel in 1968, Athenian became the operating company of Heineken in Greece. Backed by the Dutch company it expanded to become the largest brewery in the country with an estimated 65% market share in 2012. In 2004, Scottish & Newcastle became the majority shareholder of the second largest Greek brewery, Mythos. After S. & N.'s take over by Carlsberg in 2008 the latter held c.15% of Greece's market share.

For a century or more Feldschlösschen had been the largest *Swiss* brewery (Table 3), but in 2000 it was acquired by Carlsberg. Heineken entered Switzerland in 1993 by taking over the Calanda-Haldengut and Eichhof breweries in 2007, second and third largest in the country. By 2012 Carlsberg had a 45% market share and Heineken c.30%.

Since the 19th century Guinness has been the premier brewery in *Ireland* (Table 3). In 1997 Guinness merged with British hospitality and entertainment conglomerate Grand Metropolitan under the name Diageo, to day one of the world's leading producers of alcoholic beverages. In 1983 Heineken bought Ireland's second largest brewery, Muphy's. By 2012 Diageo had a 40% market share and Heineken c.25%. Carlsberg, brewed under license by Guinness, had c.10 % of the market.

In 1964 the two leading *Swedish* breweries, Pripp & Lyckholm in Göteborg and AB Stockholms Bryggerier, merged to form AB Pripps (Table 3). In 2000 it was bought by Carlsberg. By 2012 Carlsberg had a 40% market share and two medium sized Swedish owned breweries, Kopparsbergs and Spendrups, each c.20%, leaving 10% to Heineken, 5% to ABInBev, and 5% to other internationals.

For decades the *Finnish* beer market was dominated by Sinebrychoff, Hartwall and Olvi (Table 3). Carlsberg began cooperating with Sinebrychoff in the 1970s and eventually acquiring the company in 1999. Hartwall was purchased by Scottish & Newcastle in 2002 and thus became part of Heineken in 2008. By 2012 Carlsberg had c.45%, Heineken c.30%, and Olvi c.15% of the Finnish beer market.

For more than a century Carlsberg, in cooperation with Tuborg, has been the leading *Danish* brewery (Table 3) - the two breweries merging formally in 1970. By 2012 Carlsberg had a 60% market share, the rest being made up of a few medium sized regional breweries. To count-

er the overwhelming position of Carlsberg, and growing international consolidation, these regional breweries merged in 1989. The resulting company, becoming known as Royal Breweries in 2005, began expanding internationally. Since 2003 Royal marketed Heineken in Denmark and by 2012 it had a 20% market share, Heineken and other internationals each some 5%.

Both before and after the Second World War, Ringnes was the largest *Norwegian* brewery (Table 3). In 2000 they were purchased by Carlsberg and by 2012 the latter had some 50% of the market. The second largest brewery group in the country, Hansa Borg, was formed from a merger of Hansa and Borg in 1997. Hansa Borg had some 20% of the market in 2012. Other internationals, including ABInBev, Heineken and SABMiller, had a c.10% market share.

The leading *Luxembourg* brewery, Brasserie National, was a result of the merger between Brasserie Bofferding and Brasserie Funck-Bricher in 1975.[24] International beer brands are widely sold in this highly internationalized small country.

Although beer was prohibited in *Iceland* until 1989 the country now has several breweries. The two leading breweries are Egill Skallagrimsson[25] and Vifilfell[26] and they also import and distribute international beer brands. Beer is mainly sold through a state monopoly. Danish beer has a 30% market share, mainly Carlsberg and Tuborg. Since 1991 Carlsberg beer has been produced, distributed and sold by license partner, Vifilfell.

Eastern Europe

Moving from planned to market economies the East European beer market has changed radically as most national and local breweries were acquired by international Western brewery corporations. During the past two decades beer consumption doubled in Eastern Europe, reaching a total similar to Western Europe, while Russia became Europe's largest market (Table 4).

Poland's beer consumption almost trebled between 1992 and 2012 to a total of 3.5 bio. liters, equivalent to 90 liters per capita (Table 4). In 1995 SAB took over the Lech brewery, merging with two other Polish breweries in 1998 to become Piwowarska, the second largest brewery in the country. Heineken followed suit in 1998 and acquired the five breweries owned by the Zywiec Group, Poland's largest brewery company. Carlsberg imported beer to Poland until the late 1990s, when it purchased a shareholding in the Okocim brewery. Okocim began producing Carlsberg under license in 1997. In 2001, Carlsberg also acquired the Bosman, Kasztelan and Piast breweries and restructured the entire Polish operation to become Carlsberg Polska in 2004. In 2008, the Danish Royal brewery group acquired Browar Lomza, the fourth largest brewery in Poland, finalizing the consolidation of the Polish beer market by international breweries. By 2012 SABMiller was the market leader with some 35%, Heineken had c.30%, Carlsberg c.15%, Royal c.5%, and other internationals c.5%, leaving c.10% to locals.

The *Czecks* are among the most prolific beer drinkers in the world consumming some 125 liters per capita, 1.6 bio. liters in total in 2012, although like other mature markets beer consumption is declining (Table 4). In 1999, SAB (later SABMiller) acquired the leading Czeck brewery, Plzensky Prazdroj (producers of Pilsner Urquell), followed by Radegast and Velko Popovice in 2002, so controlling about half the national beer market. Heineken acquired the Krusovice brewery in 2007 and the Starobrno brewery in 2009 resulting in a c.15% market share. Interbrew (later ABInBev) acquired Staropramen in 2002, but in 2009 it sold its Czeck beer activities to CVC Capital Partners, that resold its so-called StarBev operations to Molson Coors in 2012. By 2012 SABMiller had a 45% market share, Molson Coors 25%, Heineken 15%, other internationals 5% and locals 10%.

With a total beer consumption of 0.4 bio. liters and a 70 liters per capita consumption in 2012, *Slovakia* was also a mature and declining beer market (Table 4). In 1995, Heineken acquired Zlaty Bazant and started a process of international consolidation of the Slovakian brewery sector. In 1997, SAB purchased a majority stake in Slovakia's largest brewery Saris. A decade later SABMiller bought Saris as well as Topvar and merged the two breweries into Topvar, the number one Slovakian brewery. By 2012, SABMiller was market leader with a 40 % share, Heineken 30%, Molson Coors 15%, other internationals 5%, and locals 10%.

With a 0.7 bio. liters total beer consumption and 70 liters per capita the *Hungarian* beer market had already

	Beer consump., bio.l		Per capita, l		Consolidation by region	Global 2012 market share, %						
	1992	2012	1992	2012	1992-2012	AB-InBev	SAB-Miller	Hein-eken	Carls-berg	Molson-Coors	Other Intern.	Locals
Russia	3	9.3	20	65	BBH / Carlsberg; Sun / ABInBev; Irkutsk a.o. / Heineken	25	3	15	40	2	5	10
Poland	1.4	3.4	35	90	Zywiec / Heineken; Piwowarska / SABMiller; Okocim a.o. / Carlsberg	3	35	30	15	2	5	10
Ukraine	1.1	2.8	20	60	Sun / ABInBev; Slavotych a.o. / Carlsberg; Sarmat a.o. / SABMiller	35	5	5	25	2	3	25
Romania	1	1.7	45	80	Ursus / SABMiller; Constanta a.o. / Heineken; ABInBev / Molson Coors	5	30	25	5	20	5	10
Czeck	1.7	1.5	165	140	Plensky / SABMiller; Krusovice / Heineken; ABInBev / Molson Coors	2	45	15	1	25	2	10
Hungary	0.8	0.6	70	60	Dreher / SABMiller; Sopron and Martfu / Heineken; ABInBev / Molson Coors	3	40	25	4	15	3	10
Bulgaria	0.4	0.5	40	65	Zagorka / Heineken; Shumensko and Pirinski / Carlsberg; ABInBev / Molson Coors	3	3	40	25	20	4	5
Serbia	0.5	0.5	60	60	ABInBev / Molson Coors; Pivara / Carlsberg; Novi Sad and Efjes / Heineken	2	3	15	25	35	10	10
Croatia	0.3	0.4	65	75	ABInBev / Molson Coors; Karlovacko / Heineken; Panonska / Carlsberg	2	3	30	15	40	5	5
O. Balkans	0.6	0.8	50	65	ABInBev / Molson Coors; Heineken; Carlsberg	2	3	20	10	25	5	35
Slovakia	0.4	0.3	80	70	Saris and Topvar / SABMiller; Zlaty / Heineken; ABInBev / Molson Coors	2	40	30	1	15	2	10
Belarus	0.3	0.5	30	50	Carlsberg; Heineken	1	2	15	25	2	5	50
Baltics	0.4	0.6	60	85	Aldaris, Saku, Svuturys / Carlsberg; Heineken	1	2	20	40	2	10	20
Total	**11.9**	**22.9**	**40**	**80**		**15**	**10**	**20**	**25**	**10**	**5**	**15**

Table 4. Consolidating the East European Brewery Industry, 1992-2012.

Sources: Annual Reports, market and investor information: www.heineken.com; www.carlsberg.com; www.abinbev.com; www.sabmiller.com; www.molsoncoors.com. Sites of other mentioned breweries. Other internationals and locals are estimates. Because of some divergence, numbers are rounded.

peaked and was slowly declining through 2012 (Table 4). Since the 1990s all the leading Hungarian breweries had been acquired by international corporations. Interbrew took over Borsod brewery in 1993. In 2009 ABInBev sold all its Central European holdings, including those in Hungary to CVC Capital Partners, renaming it StarBev, that was resold to the North American firm Molson Coors in 2012. SAB acquired the Kobanya brewery (with its brand Dreher) in 1993 and the Kanizsa brewery the following year, merging the two in 1997 to form Dreher Sorgyarak. Heineken Hungary is based on the former Sopron and Martfu breweries that were acquired in 2003. Since 1993 the Austrian Ottakringer Group was a majority owner of the privatized Pecs brewery.[27] Carlsberg Hungary was established in 2004 to distribute its imported products (Carlsberg, Tuborg and Holsten). By 2012, SABMiller was the market leader with a 40% share of the Hungarian market, followed by Heineken with 25%, Molson Coors 15%, other internationals 10%, and locals 10%.

From 1992 to 2012, *Romania* doubled its annual beer consumption to 1.8 bio. liters and per capita consumption to 85 liters (Table 4). SABMiller, ABInBev and Heineken all helped consolidate the Romanian beer market. As in Hungary in 2009 ABInBev sold all its Romanian holdings to CVC Capital Partners (StarBev) that resold its breweries to Molson Coors in 2012. During the 1990s, SAB took over three Romanian breweries and merged them into Ursus Breweries in 1999. In the new millennium Ursus and SABMiller continued its consolidation process by becoming a majority shareholder in Bere Timisoreana (2001), purchasing Aurora Brasov (2004) and Ciucas (2004), and acquiring a 71% interest in Berre Azuga (2009). Heineken followed suit and purchased a couple of breweries, too. Heineken, Carlsberg, and ABInBev all produce their famous brands in Romania. By 2012 SABMiller had a 30% market share, Heineken 25%, Molson Coors 15%, Carlsberg 5%, other internationals 5%, and locals 10%.

From 1992 to 2012 *Bulgaria* increased its total annual beer consumption by 50% to 1.2 bio. liters corresponding to a 65 liters per capita consumption (Table 4). By acquiring a 49.9% share in Zagorka Brewery, licensed production, and importing its international brands, Heineken had become dominant in the Bulgarian beer market. In 2002 Carlsberg acquired a majority shareholding in the Shumensko and Pirinsko breweries, merging them to become Carlsberg Bulgaria in 2004 so becoming second in the market. ABInBev was third until its holdings were taken over by Molson Coors in 2012. In that year Heineken controlled 40% of the market, Carlsberg 25%, Molson Coors 20%, other internationals 5%, and locals 10%.

Serbian beer consumption was similar to that of Bulgaria (Table 4). In Serbia ABInBev took over the leading Jelen and Apatinska breweries in 2003, resold to CVC in 2009 which was then acquired by Molson Coors in 2012. Carlsberg took over Pivara Celevaro in 2004, renaming it Carlsberg Srbija, and became second in the market. Having purchased Novi Sad in 2003 and Efjes in 2008, Heineken was third. The Turkish Efes Group, which acquired a couple of Serbian breweries followed as number four. In 2012 Molson Coors had a 35% market share, Carlsberg 25%, Heineken 15%, Efes 10%, other internationals 5%, and locals 10%.

Having grown 50% between 1992 and 2012 *Croatia* reached a total annual beer consumption of 0.8 bio. liters, 75 liters per capita (Table 4). In the early 2000s ABInBev acquired the Ozujsko and Zagrebbacka breweries, which since 2012 has become part of Molson Coors. Heineken acquired Karlovackob brewery in 2003. In 2004 Carlsberg purchased the Panonska brewery, now Carlsberg Croatia. By 2012 MolsonCoor was the market leader with an estimated 40% share, Heineken 30%, Carlsberg 15%, other internationals 5%, and locals 10%.

In 2012 the small beer markets of *Slovenia*, *Bosnia and Herzegovina*, *Macedonia*, and *Moldova* had a combined beer consumption of 1 bio. liters equal to per capita consumption of c.60 liters. They were mostly served by local consolidated breweries (such as that formed by the merger of the two largest, Lasko and Union, in Slovenia; and, in Bosnia and Herzegovina, local investors taking over the four leading privatized breweries), except for Macedonia where Heineken claimed a leading market position (Table 4). In total, Molson Coors had an estimated 25% market share, Heineken 20%, Carlsberg 10%, other internationals 5%, and locals 40%.

From 1992 to 2012 beer consumption in *Ukraine* more than trebled to 3.3 bio. liters, 60 liters per capita (Table

4). In 1996 ABInBev acquired its first Ukrainian brewery to be followed by several others that were merged into Sun InBev Ukraine in 2006. Stella Artois has been brewed in Ukraine since 2001, Beck's since 2003 and Brahma since 2005. Carlsberg's 50% joint venture, Baltic Beverages Holding (B.B.H.), began to work in Ukraine in 1996 with Slavutych brewery, followed by the takeover of Lvivske and Arsenal breweries. They have produced Tuborg since 2001 and imports Corona, Guinness and other brands. In 2008 Carlsberg became 100% owner of the B.B.H. Group Ukraine. Since 2011, Carlsberg Ukraine coordinated Carlsberg Group's activities in Moldova. The large Obolon brewery remained in local hands.[28] SABMiller acquired the Sarmat and Amsterdam Mariner breweries in the 2000s. By 2012 the Ukraine beer market was divided between ABInBev with 35%, Carlsberg 25%, Obolon 20%, SABMiller 5%, other internationals 5%, and locals 10%.

In *Belarus* beer consumption grew between 1992 and 2012 to 0.8 bio. liters, 80 liters per capita (Table 4). The state-owned brewery Krinitsa is the market leader, followed by Carlsberg owned breweries, Alicaryia and Brovar, and Heineken's Bobrov and Rechitskoe breweries. Importing about 20% of the beer consummed in Belarus Baltika is a large brand in Belarus, too. The market is divided between Krinitsa 40%, Carlsberg 25%, Heineken 15%, other internationals 10%, and locals 10%

From 1992 to 2012, beer consumption in *Latvia* increased to 0.2 bio. liters, 70 liters per capita (Table 4). In 1992 the Aldaris brewery in Riga became part of B.B.H., then 50% owned by Carlsberg, and since 2008 totally owned by the Danish firm. Today Alderis is the leading Latvian brewery. The Finnish Olvi brewery acquired the Latvian A. la Coq brewery in 1997 and the Cesu Alus and Bauskas Alus breweries in 1999. The state alcohol producer Latvijas Balzams (privatized in 1997) is in second position.[29] In 2012 the Latvian beer market was divided between Carlsberg 35%, Latvijas 25%, Olvi 15%, Heineken 10%, other internationals 5%, and locals 10%.

From 1992 to 2012, beer consumption in *Estonia* increased to 0.2 bio., 75 liters per capita (Table 4). Since its privatization in the post-Sovjet period, Saku Brewery has been the largest brewery and market leader in Estonia. In 1991 Saku became part of B.B.H. The Estonian beer market is divided between Carlsberg 40%, Heineken 20 %, other internationals 20%, and locals 20%.

Between 1992 and 2012 beer consumption increased in *Lithuania* to 0.4 bio. liters, 95 liters per capita (Table 4). The local Svyturys Alus brewery became part of B.B.H. in 1997 and in 2001 it merged with Utenos to become Svyturys-Utenos Alus, 100% owned by Carlsberg since 2008. In 2012 Carlsberg was the market leader with a 40% market share, Heineken 20%, Royal 10%, other internationals 20 %, and locals 10%.

Russian beer consumption trebled between 1992 and 2012 to 9.5 bio. liters, 65 liters per capita (Table 4). Following the privatization of the Russian beer industry the 50/50 Russian-Carlsberg joint venture B.B.H. expanded enormously by acquisitions during the 1990s and the 2000s becoming the leading brewery of the region. Following the Scottish & Newcastle merger, Carlsberg became the full owner of B.B.H. in 2008, covering almost 40% of the market. The core of B.B.H. is Baltika Brewery, Europe's second-largest brewery (after Heineken). It is also the leading Russian beer exporter, exporting beer to Belarus, Ukraine, Uzbekistan, Kazakhstan and some Western Countries, including the UK and Australia. Sun InBev Russia (ABInBev) was founded in 1999 following the merger of two strong players in the Russian and Ukrainian beer markets, Interbrew and Sun Brewing. In 2005, Tinkoff Brewery became part of ABInBev, too. SAB acquired the Kaluga brewery in 1998. In 2012, the Russian beer market was divided between Carlsberg with 40%, ABInBev 25%, Heineken 15%, other internationals 10%, and locals 10%.

Beer consumption in *Kazakhstan* increased from 0.2 to 0.5 bio. between 1992 and 2012, per capita 28 liters (Table 4). Carlsberg has developed a strong position in the market by acquiring the Irbis brewery in 2002 and Ak-Nar in 2003, merged into DERBES in 2005. In 2008 Carlsberg became the owner of B.B.H. assets in Russia, C.I.A. and the Baltic states. Carlsberg has also been investing in *Uzbekistan* since 2006, a country with only 12 liters per capita beer consumption, but with 27 million people. Since 2008, Baltika and Carlsberg have owned a brewery in *Azerbaijan* and become the leading beer producer with a 65% market share. Castel is second.

Asia-Pacific

For years *China* has had the largest and most flourishing beer market, growing from some 10 bio. l in 1992 to c.48 bio. l in 2012 and it continues to increase (Table 5). From a small level of consumption, beer drinking has quadrupled during the past two decades to half the level of the Western world. China's share of the Asian beer market has increased to some 45%, followed by Japan's 25%, the previous market leader.

As China moved from a planned to a market economy, a simultaneous national and international consolidation of its expanding beer industry took place.[30] ABInBev first entered China in 1984 by providing technological help to the Zhujiang brewery in Guangzhou. From 1998 onwards, ABInBev either acquired or established partnerships with a number of leading Chinese breweries including Harbin, Jinling, K.K., Double Deer, Shiiang, Baish, and Jinlongquan. In 2006, ABinBev doubled its business in China by acquiring complete control of the Fujian Sedrin brewery. With the 2008 merger of AB and InBev, their position was enhanced through both companies' activities. By 2012, ABInBev accounted for c.12% of the Chinese beer market.

In 1994 SAB entered the Chinese beer market by forming a joint venture with China Resources Enterprise, owner of the C.R. Snow brewery (49% share). Since then C.R. Snow has acquired several other Chinese breweries, including Dalian, Mianyang, Jilin, Tianjin, Anhui, Sichuan Blue Sword, Beijing, Zhejiang, Hanzhou, Donghai, plus other breweries throughout China. By 2012 SABMiller and C.R. Snow controlled some 21% of the Chinese beer market.

SABMiller, ABInBev and the two expanding Chinese breweries - Tsingtao,[31] with some 13% of the market, and Yanjing,[32] with c.3% - had established strong positions in the populous Eastern parts of China. Locked out of Eastern China by these four, Carlsberg focused on Western Asia for its expansion in China. Since the takeover of Huizhou brewery in Guangdong province, Carlsberg expanded into Western China by acquiring the Kuming and Dali breweries in Yunnan province, Lhasa brewery in Tibet and increasing its shares in the Wusu brewery in Xinjiang and Ningxia Nongken in Ningxia province. It also established a joint venture with the large Chongqing brewery in 2011, operating breweries in five provinces, which Carlsberg would eventually take over completely. This made Carlsberg the market leader in Western China, but controlling only 4% of the total Chinese beer market. Heineken is in an even weaker position with its estimated 1% market share.

Other large international breweries are also active in China. Through its acquisition of the Zhuhai brewery, Kirin has established itself in the country, as has the other large Japanese brewery, Asahi, through its 19.9% holdings in Tsingtao since 2009. Other major breweries include the state-owned Guangzhou Zhujiang 3%, Henan Jinxing 5%, Chongquing 2%. Consolidation is progressing rapidly, the Chinese beer market is moving swiftly from a fragmented to a consolidated structure, the four leading breweries accounting for 50% of the market - SABMiller/C.R. Snow with 21%, Tsingtao 13%, ABInBev 12%, and Carlsberg 4%. The globalizing breweries are pressing increasingly to take control of the leading Chinese national breweries.

Total *Indian* beer consumption is low comparatively to most countries, people drinking on average less than 2 liters annually, so there is more opportunity for market growth (Tabel 5). Furthermore, beer constitutes only 5% of the total alcohol consumed. In matters of beer, India is still a small market, reaching just 2.5 bio., but the market has expanded rapidly since the 1990s and continues to grow at a fast pace. India accounts for just 4% of the Asia-Pacific market.

SABMiller entered the Indian market in 2000 by acquiring Narang Breweries. In 2002 SABMiller purchased Mysore Breweries, in 2005 Shaw Wallace, and in 2006 Foster's Indian subsidiary, becoming the country's second largest brewery. Acquiring the third largest brewery group, Millennium Alcobev, in 2010, Indian United Breweries (U.B.) is the leading brewery in India. In 2011 Molson Coors bought a controlling interest in Cobra Indian Beer. Heineken is third (cooperating with U.B.), Carlsberg fourth, Molson Coors fifth, ABInBev sixth and other internationals seventh. By 2012 the Indian beer market had become almost 90% consolidated - U.B. controlling 50%, SABMiller 20%, Heineken 10%, Carlsberg 5%, Molson Coors 2%, ABInbev 1% and the other internationals 2%, leaving c.5% to Mohan Meakin and 5% to other locals.

	Beer consump., bio.l		Per capita, l		Consolidation by region	Global 2012 market share, %							
	1992	2012	1992	2012	1992-2012	AB-InBev	SAB-Miller	Hein-eken	Carls-berg	Kirin	Asahi	O. Intern.	Locals
China	10.6	48	9	36	Harbin a.o. / ABInBev; CR Snow / SABMiller; Huizhou a.o. / Carlsberg; Zhuhai / Kirin; Tsingtao / Asahi	12	11	1	4	3	3	2	64
Japan	7.1	5.7	57	45	Kirin; Asahi; Suntary; Sapporo	2	1	1	0	35	35	1	25
South Korea	1.7	2	20	20	Hite-Jinro; Oriental; ABInBev	5	1	1	0	2	1	5	85
Taiwan	0.3	0.5	15	25	Taiwan Tobacco; ABInBev; Heineken; Kirin; Tsingtao	5	1	5	1	4	3	6	75
North Korea	0.1	0.1	5	5	-	-	-	-	-	-	-	-	100
Australia	1.8	1.9	100	75	Foster / SABMiller; Lion / Kirin	1	50	1	1	40	1	1	5
O. Pacific	0.4	0.5	65	55	APB / Heineken; Lion / Kirin	1	5	50	1	35	1	2	5
Philippines	0.7	1	10	10	San Miguel / Kirin	2	1	2	1	45	2	2	45
Vietnam	0.2	1	3	10	Sabeco; Habeco a.o. / Carlsberg; Vietnam / APB / Heineken	1	1	25	35	1	1	1	40
Thailand	0.3	2.1	5	30	Thai Bev; Boon / Carlsberg	1	1	5	5	1	1	1	85
O. South East Asia	0.3	0.7	1	2	Angkor, Lao a.o. / Carlsberg; APB, Cambodia a.o. / Heineken	1	1	40	50	1	1	1	10
India	0.3	2.5	1	2	Narang, Mysore, Shaw / SABMiller; United, Ajanta / Heineken	1	20	10	6	1	0	7	55
O. South Asia	0.1	0.2	1	1	Ceylon, Gorkha / Carlsberg	1	1	5	40	1	0	2	50
Turkey	0.5	1	10	15	Efes; SABMiller; Carlsberg	1	1	3	3	0	0	2	90
O. West Asia	0.2	0.8	2	4	-	2	3	5	5	0	0	5	80
Kazakhstan	0.2	0.4	15	30	Irbis a.o. / Carlsberg	5	0	5	40	0	0	10	40
O. Central Asia	0.2	0.3	5	5	-	5	0	5	40	0	0	10	40
Total	**25**	**69.7**	**9**	**17**		**10**	**10**	**5**	**5**	**5**	**5**	**5**	**55**

Table 5. Consolidating the Asia-Pacific Brewery Industry, 1992-2012.

Sources: Annual Reports, market and investor information: www.heineken.com; www.carlsberg.com; www.abinbev.com; www.sabmiller.com; www.kirinholding.jp.; www.asahi.jp. Sites of other mentioned breweries. Other internationals and locals are estimates. Because of some divergence, numbers are rounded.

The mature *Japanese* beer market is shrinking (Table 5), in volume it declined from an estimated 7.1 bio.l in 1992, when consumption peaked, to 5.7 bio.l in 2012. In 1992 Japan had by far the largest Asian beer market, but 20 years later it accounted for just c.10%, being replaced by China as regional market leader. The Japanese beer market is highly concentrated, with the top three players holding c.85% of the total market volume. In 2012 Kirin had a 35% market share, Asahi 35%, Suntory 14%, and Sapporo 10%. Since 2004, Kirin's market share was unchanged, while Asahi had increased its stack considerably from 21 to 35%, based on its popular dry beer. Other breweries include ABInBev and Heineken.

Kirin is a subsidiary of the giant conglomerate, Mitsubishi. From a 15% share in 2002 in the leading Philippine San Miguel Brewery, Kirin increased its stakes to 48% in 2009. In 2011 Kirin became a majority stakeholder in the Brazilian Schincariol brewery, controlling some 10% of the Brazilian beer market. Since the 1990s, and in particularly since the turn of the millennium, Kirin has expanded its operations in China by acquiring the Zhuhai brewery. In 2009 Kirin bought the large Australian food and beverage company Lion, which it merged with Nation foods, owned since 2007. Together with the Fosters Group, Lion controls 95% of the Australian beer market. Through Lion, together with D.B. Breweries, they cover 90 % of the New Zealand beer market, too.

Asahi is the second largest brewery in Japan. In 2009 it purchased the Australian beverages division of Cadbury Schweppes and a 19.9% stake in the largest Chinese brewery, Tsingtao (from ABInBev). Asahi is also active in liquor, soft drinks and bottled water. Suntory and Sapporo are Japan's third and fourth largest breweries. Suntory is particularly strong in liquors. In 2006 Sapporo bought the Canadian Sleeman Breweries (the third largest in Canada) and have a small presence in China.

In 2012 the *South Korean* beer marked reached a volume of 2.0 bio.l, reflecting a rather small per capita consumption (Table 5), and accounts for c.3% of the Asia-Pacific market. The industry is highly concentrated with the top three players holding 90% of the total market volume. Since 2000 the market has been growing slowly from 1.7 to 1.9 bio.l. In 2010 Hite brewery had a 50% market share, Oriental brewery 35% and ABInBev 5%, leaving 10% to others. In 1998 InBev bought Oriental Brewery, but it was sold in 2009 to the American private equity group K.K.R. to reduce its debt. ABInBev retained the right to purchase the brewery five years after its sale and is planning to do so. Oriental produces some popular rice only beers. Beer in North Korea is brewed at the state-owned Taedonggang brewing company.

The *Taiwanese* beer market is stagnating or even declining, reaching a volume of 0.5 bio.l in 2012, based on a rather small per capita consumption (Table 5). Taiwan shared 1% of the total Asia-Pacific beer market value. It is highly concentrated, with the top four players holding c.90% of the total market volume. Taiwan Tobacco & Liquor Company accounted for c.75% (previously a monopoly company) of the beer market in 2012, Tsingtao 6%, Heineken 5%, and Kirin 4%, leaving 10% to others.

The San Miguel Corporation is the leading *Philippine* brewery with the Asia Brewery in second position. Beer consumption has been rising since the 1990s (Table 5), today, each person drinks c.20 l annually, the same level as in South Korea and Taiwan. Established in 1890, the San Miguel Corporation is South East Asia's largest public listed food and beverage company with facilities throughout the region, including breweries in China, Indonesia and Vietnam. In 2002 Kirin bought a 15% stake in San Miguel, increasing its share to 48.3% in 2009. While spreading its activities ever further into food, and in particular infrastructure and energy, San Miguel kept a 90% share of the Philippine beer market.

Vietnam is a fast growing beer market, but this is from a very low level of consumption, accounting for 2% of the Asian population, but 4% of beer volume, 2.5 bio.l (Table 5). The leading breweries of Vietnam are the state-owned Sabeco in Saigon, the partly state-owned and Carlsberg (15%) owned Habeco in Hanoi, and the privately owned Vietnam Brewery (a partnership between A.P.B. and Heineken). In 1993 Carlsberg established the South East Brewery and two years later entered a joint venture with Hue brewery, the leading brewery in Central Vietnam, increasing its shares to 60% in 1997. Subsequently it entered into a joint venture with Ha Long brewery and, more recently formed a

partnership with Habeco, the leading North Vietnam brewery. By 2012 Carlsberg had claimed a 35% market share so occupying second place in the market after Sabeco with 40%. Singaporean A.P.B., now Heineken, is in third position with c.25%, while SABMiller and ABInBev have a small presence in Vietnam, importing its international brands and probably having 1% market share each.

Via mergers and having large stakes in several breweries Heineken is challenging Carlsberg's position in the region (with the exception of Burma). The core of its regional position is based on its Asian Pacific Breweries joint-venture since 1990 with Fraser & Neave. Centered in Singapore, the corporation has breweries in 12 Asian countries. In 2012, Heineken bought Fraser & Neave's share and became owner of this important brewery in the region.

Angkor beer is the most widely consumed beer in *Cambodia* (Table 5) and along with other beers it is brewed at Cambrew, the largest brewery in the country. Kingsom Breweries is another large company, of which Carlsberg acquired a 30% share in 2005. In 2006 the Dutch company acquired a 50% stake of Angkor brewery. Consequently, Carlsberg claims a 60% market share.

Lao Brewing Company is the leading brewery in *Laos*.[33] In 2002, Carlsberg bought a 25% share of the state-owned brewery, increasing it to 50% in 2005. Today the market is almost completely controlled by Carlsberg.

Due to global sanctions against *Myanmar* or *Burma*, most beer sold in the country stems from the state-owned brewery Mandalay Beer.[34] Myanmar Brewery is a foreign invested brewery founded in 1995. Heineken and Tiger (A.P.B.) are served on the black market.

Founded in 1934, Malayan Breweries was taken over by a joint venture of Heineken and Fraser & Neave in 1990, called Asia Pacific Breweries (A.P.B.).[35] Heineken had a 41.9% stake and Fraser & Neave 40%. In 2004 A.P.B. acquired the New Zealand brewery, Dominion Breweries (D.B. -founded in 1930).[36] A.P.B. has expanded throughout the region controlling breweries in 12 countries and selling over 120 brands. As already stated, in 2012 Fraser & Neave accepted an offer from Heineken to acquire its stake in A.P.B. Its main brands include Tiger Beer, Anchor, Baron's Strong Beer, D.B. Bitters and Tui. Carlsberg has been brewing beer in *Malaysia* since 1971. The Malaysia Berhad brewery is 51% owned by Carlsberg and, including joint-ventures with established Asian breweries, it has consolidated its leading position with a 43% market share, while Heineken dominates the other half.

The leading *Indonesian* brewery, Multi Bintang, is a subsidiary of A.P.B., formerly state-owned and later on with a Heineken majority stake (Table 5). Delta Djakarta is a brewery founded in 1932 that produces Anker beer, but also sells Carlsberg. As in Cambodia, Laos and Burma beer drinking is very low in Indonesia.

Beer consumption is growing rapidly in *Thailand*, reaching a level similar to that of China (Table 5). Thai Beverage and the Boon Rawd Brewery are the two leading breweries. Family-owned Boon produces beer under the Singha brand.[37] Thai Beverage, known as ThaiBev, is Thailand's largest brewery and one of the largest in South East Asia, also owning distilleries in Europe and China.[38] In a hard fight with the previously biggest brand, Singha, it conquered 60% of the market, Chang being the leading brand. Between 2000 and 2005 Carlsberg and ThaiBev had a 50/50 joint venture, until Carlsberg pulled out because of non-fulfilment of contractual obligations. However, in 2012 they returned in a strategic alliance with Boon Rawd. Boon Rawd has 55% of the market, ThaiBev some 30%. With shares in small Thai breweries and importation of its Heineken and Tiger brands, Heineken and Carlsberg each has some 5%, leaving small shares to ABInBev, SABMiller and other internationals as well as locals.

The *Singapore* beer market has been growing for several years and in 2012 accounted for 0.5% of the Asia-Pacific beer market. A.P.B. and Heineken controlled 65% of the market, Carlsberg is second with 25% (getting most of its beer from Malaysia, France and Mexico) and ABInBev third with 5%.

In 2012 the *Australian* beer market reached a volume of 1.9 bio.l (Table 5), the market maturing since the turn of the millennium. It is a highly concentrated market, with the top two players holding 85% of the total market volume. Foster's Group accounted for 45%,[39] Kirin (Lyon) 40%, Coopers 5%, and others 36%. Foster's

Group was taken over by SABMiller in 2011 and Lyon by Kirin in 2009, leaving only Coopers (5%) out of multinational control. Foster's and Lyon grew in the previous decades by consolidating large parts of the fragmented Australian beer market. Foster's also included Samoa Breweries.

The *New Zealand* beer market is dominated totally by foreign internationals, A.P.B. taking over D.B. Breweries in 2004 and Kirin acquiring Lion in 2009 (Table 5).

In *Pakistan*, *Iran* and the *Middle East* alcoholic beer is prohibited and consumption almost non-existant, but non-alcoholic beer is growing rapidly (Table 5). In Syria, beer production and bottling is state-controlled.

Israel is the only country in the Middle East with Western beer consumption patterns (Table 5). Beer is manufactured primarily by two major breweries, Tempo Beer Industries,[40] the largest, followed by Israel Beer Breweries (I.B.B.L.).[41] Tempo's two brands, Goldstar and Maccabee, accounted for 60% of the market and it also imports Heineken and Amstel. I.B.B.L. entered the market in 1991-92 as a partnership between the Carlsberg Group and the local Coca-Cola Company. It produces Tuborg and Carlsberg and in 1996 began distributing Guinness. I.B.B.L. is now owned by the Central Bottling Company. Recently numerous micro-breweries have been established and international brands have increased their share of the market considerably.

Beer drinking is low in Islamic *Turkey* and is mainly based on its large tourism industry and exports (Table 5). Efes Beverage Group, a subsidiary of Anadolu Group, is the largest brewery in Turkey with c.80% of the market. Efes Pilsner is exported to the Middle East, Europe and Africa and Central Asia. Carlsberg and Tuborg are also popular in Turkey. Another major Turkish brand is Tekel Birasi which, until 2004, was state-owned. In 2012 SABMiller completed a strategic alliance with Anadolu Group and Anadolu Efes to cover Turkey, Russia and the C.I.S., Central Asia and the Middle East. The group is ranked 12th in the world beer market. With its 16 breweries in Turkey, Russia, Kazakhstan, Moldova, Georgia and Serbia, Efes is market leader in Turkey, Moldova, and Georgia, second in Kazakhstan, third in Serbia and fourth in Russia.

Beer consumption is low in the other central Asian countries - *Kyrgyzstan*, *Tajikistan*, *Turkmenistan*, *Uzbekistan*, *Azerbaijan* and *Afghanistan* - probably just 0.2 bio. liters in total (see above, Eastern Europe).

Africa

The African landscape of beer drinking and production has changed a lot since consolidation began in the 1990s. In 2012 the African beer market represented c.7% of global beer volume (and revenues) with 15% of world's population, compared to c.5% of the global beer volume and 11 % of the world's population in 1992. On average, Africans drank 8 liters beer per capita annually in 1992 and 11 liters in 2012, although if South Africa is excluded per capita consumption was 6 and 9 liters, respectively (Table 6). Compared to a world per capita consumption of 21 liters in 1992 and 26 liters in 2012, it gives Africa long-term growth potential. The low level of beer consumption corresponds to a low G.D.P. level and reservations must be made, however, as home brewing is still common in rural districts thus not included in the statistics. Barley and hops, the basic commodities for beer brewing, are seldom cultivated in Africa and therefore have to be imported, which forms a barrier to African beer production. With its ban on alcohol the spread of Islam across Northern Africa has also reduced beer drinking. On the plus in some countries you find a rapid urbanization process, growth of the middle classes and a corresponding increase in the G.D.P.

Before the international consolidation of the African beer industry started in 1990s it experienced a national consolidation. South African Breweries (SAB) was the first company to consolidate a national market. Operating in a much higher developed country and beer market than the rest of Africa, SAB (founded 1895) expanded throughout the first half of the 20th century by acquisitions and organic growth. Having acquired two other large South African breweries in 1956, SAB controlled 90% of the national beer market and for the next 40 years they held a virtual monopoly. However, SAB was not welcomed elsewhere in Africa until apartheid was repealed and the international trade embargo was lifted in the mid-1990s. The end of colonial rule resulted in many of the newly independent African countries establishing state-owned breweries to serve their nation-

	Beer consump., bio.l		Per capita, l		Consolidation by region	Global 2012 market share, %					
	1992	2012	1992	2012	1992-2012	SAB	Hein-eken	Diageo	Castel	O. Intern.	Locals
South Africa	2.7	3.1	70	60	SAB	80	5	5	-	5	5
O.Southern Africa	0.1	0.9	20	40	Kgalagadi (Botswana) / SAB; Botswana / SAB; Namibian / Heineken-Diageo; Carlsberg Malawi; Zambian / SAB; Delta (Zimbabwe) / SAB; Mozambique / SAB	70	5	5	5	5	10
Nigeria	0.8	2	8	12	Nigerian / Heineken; Consolidated / Heineken; Mopa / Alexus-NextGen	5	60	25	-	5	5
O. Western Africa	0.3	0.6	3	5	Guinness Ghana / Diageo; Sierra Leone / Heineken	5	50	10	20	5	10
Angola	0.2	0.9	10	40	Cuca / Castel	5	5	5	70	5	10
Other Central Africa	0.5	0.9	7	7	Brasseries du Cameroun / Castel; Bralima (DRC) / Heineken	5	40	10	30	5	10
Ethiopia	0.3	0.7	6	8	Harar / Heineken; Bedele / Heineken	5	65	10	5	5	10
Other Eastern Africa	0.9	1.6	6	8	East African / Diageo; Tanzania / SAB; Southern Sudan Beverages / SAB; Nile (Uganda) / SAB; Uganda / Diageo; Brarudi (Burundi) / Heineken; Bralirwa (Rwanda) / Heineken	25	25	25	10	5	10
North Africa	0.3	0.5	2	2	Brasserie du Maroc / Castel; Castel Algérie; Tango (Algeria) / Heineken; Sonobra (Tunesia) / Heineken; Al Ahram (Egypt) / Heineken	5	40	40	5	5	5
Total Africa	**6.1**	**11.8**	**20**	**25**	**-**	**35**	**20**	**10**	**20**	**5**	**10**
Excl. South Africa	3.4	8.7	5	7	-	15	30	15	25	5	10

Table 6. Consolidating the African Brewery Industry, 1992-2012.

Sources: Annual Reports, market and investor information: www.abinbev.com; www.sabmiller; www.heineken.com; www.carlsberg.com; www.diageo.com. www.castel.com. Sites of other mentioned companies. Because of some divergence, numbers are rounded.

al markets from the early 1960s. When liberalized trade and investments took over in the early 1990s, the way was paved for international consolidation of the African beer industry. Four international beer corporations took the lead. On the one hand, you find SAB in cooperation with the French Castel Group. They competed head on with Heineken and Diageo that cooperated in some cases. As a consequence, a concentrated and often a duopoly in the market structure has emerged throughout Africa.

Starting in the north, the Castel Group (a large wine corporation) began its African beer expansion into former French colonies in 1990 when it bought the Societé des Brasseries et Glacières Internationales (Table 6). It became a holding company for Castel's growing operations in Western and Central Africa (including the large Brasseries du Cameroun that produced the popular Castel beer) and, in 2003, it acquired Les Brasseries du Maroc in North Africa. While Castel did not have much success in East Africa, it continued to grow in Central Africa, including its long time strong position in Cameroun. Its recent takeover of the leading Angolan Cuca Brewery made it a market leader in this rapidly expanding sector. By 2012 Castel Group controlled c.20% of the African beer market, c.25% excluding South Africa.

From the south SAB started its international acquisitions in the 1990s (Table 6). Although SAB looked mostly for expansion in the leading beer markets of Europe and America, which in 2002 turned the company into SABMiller, it also had its eye on Africa. During the late 1990s and early 2000s, SAB expanded successfully into neighboring countries of Lesotho, Swaziland, Botswana, Zimbabwe, Zambia and Malawi, taking over formerly state-owned companies or establishing its own facilities. A new phase in its African expansion started in 2001, when SAB and Castel Group formed a pan-African strategic alliance. SAB took a 20% stake in Castel's African beer operations and in return, Castel acquired a 38% stake in SAB's African operations. This offered opportunities for both corporations to invest in promising new African markets and benefit from scale of economies.

During the following decade, SAB established strong market positions in Tanzania (Tanzanian Breweries) and South Sudan and, in cooperation with Castel, moved into several other African markets. Castel Group, on the other hand, continued its expansion in Northern, Western, and Central Africa, including a leading position in the growing Angolan beer market. Outside Southern Africa, Castel was ahead of SAB. In two large and growing markets, SAB took responsibility for operational management of the Nigerian businesses and Castel for Angolan businesses. Furthermore, SAB increased its activities in traditional beers based on sorghum, cassava and other African crops, non-alcohol beer, and promoted barley self-sufficiency by contracting thousands of local farmers. The other internationals did so, too. By 2012, SABMiller controlled ca.35% of the African beer market, but just 15% excluding South Africa.

Although Heineken had a few operations in Africa during the 20th century (e.g. in Nigeria) it was not until the turn of the millennium that its African expansion took off (Table 6) and it did so in all parts of Africa, progressively. First, it increased its investments to a majority position in Nigerian Breweries, the predominant group of Africa's second largest beer market.[42] Nigerian Breweries had already consolidated the national market when Heineken took over, i.e. the non-islamic part of the country. In addition, it bought Nigeria's third largest brewery, Consolidated Breweries. By 2012 Heineken controlled almost two thirds of the growing Nigerian beer market, and had shares and strong positions in other West African breweries, too, such as in Ghana and Sierra Leone. Secondly, it acquired Bralima Brewery, the leading beer producer of the Democratic Republic of Congo, another populous country, as well as the the Brasseries du Congo. Thirdly, Heineken became market leader in Ethiopia by acquiring the Harar and Bedele Breweries and added the Brarudi Brewery of Burundi and the Bralirwa Brewery of Rwanda to its East African portfolio. Fourthly, the Dutch company obtained a strong position in North Africa, including Algeria (Tango Brewery), in Tunisia (Sonobra) and Egypt (Al Ahram), preparing for future non-alcoholic beer markets. Finally, Heineken attacked the largest beer market of them all, South Africa. In a joint-venture with Diageo, Heineken (75%) started managing the large greenfield Sedibeng brewery in Johannesburg in 2009. By 2012 Heineken controlled some 20% of the African beer market (30% of Africa if South Africa is excluded).

By way of its 1997 acquisition of the Guinness brewery, the leading international spirits company Diageo entered into the African beer market[43] and established strong positions in four African countries. In East Africa it acquired East African Breweries that made it market leader in Kenya and second in Tanzania.[44] Through Guinness Nigeria and Cameroon, Diageo also became second in these countries, too. By 2012 Diageo controlled some 10% of the African beer market, 15% excl. South Africa.

In conclusion, by 2012, a duopoly had been established in the African beer market, except for SABMiller's

dominant positions in South Africa and most of southern Africa (excluding Namibia). In North Africa, Castel and Heineken were in charge. West Africa was divided between Heineken (the leader) and Diageo. In Central Africa, Heineken and Castel were leaders. Heineken and Diageo dominated the East African markets with SABMiller in third position.

Conclusion

Global beer volumes and values have nearly doubled between 1992 and 2012. The four big breweries, ABInBev, SABMiller, Heineken, and Carlsberg, have acquired many leading national breweries and thereby increased their global market share considerably. By 2012 they accounted for almost 50% in volume and almost 60% in revenues (Table 7). During the same two decades Asian companies, especially Chinese, have expanded enormously. This reflects the rapid rise of beer drinking outside the Western world, led by the growing economies. While America, Europe, Africa, and the Pacific are now consolidated to a large degree (although some large European countries lag behind), the process is still only partly complete in Asia.

From a historic perspective, the move from national consolidation pre-1992 to global consolidation post-1992 was first and foremost a process involving the merger of national breweries initiated by a few of their

	$Bio.								**Bio. litres**							
	1992	1997	2000	2004	2007	2010	2011	2012	1992	1997	2000	2004	2007	2010	2011	2012
Anheuser-Busch	11	10.9	11.7	14.9	16.7	-	-	-	12.5	12.5	12.5	20	22	-	-	-
InBev	1.5	3.3	7.1	16.6	18.7	-	-	-	1.7	3.9	7.6	17.4	19	-	-	-
Modelo	0.8	1.1	2.1	3.2	5.2	6.1	6.6	-	1.8	3	3.7	4.3	5.2	5.3	5.6	-
Bass, Whitbread	1	1.5	-	-	-	-	-	-	2	3	-	-	-	-	-	-
ABInBev	-	-	-	-	-	36.3	39	39.8	-	-	-	-	-	38.9	39.9	40
SABMiller	3.5	4.9	4.2	14.5	20.5	21.6	22.5	21.8	3	4	5.3	14.8	21.5	22	22.9	22.2
Miller, Coors	5.5	6	6	-	-	-	-	-	4	4	4	-	-	-	-	-
Foster	3	2.4	1.6	2.3	2.9	2.4	-	-	2.2	2	1.8	1.5	1.5	0.9	-	-
Heineken	5	7.6	10.1	12.5	15.6	20.1	22	24.9	6	8	9.8	11.3	12	14.6	16.5	17.7
Femsa	1.4	1.3	1.4	1.8	2.9	-	-	-	2.5	2.5	3	2.6	3.5	-	-	-
APB	0.9	1.1	1.1	1.1	1.5	2	2.4	-	1.5	2	2	2	2.5	3	3.5	-
Carlsberg	2.5	3.3	4.3	6.1	7.5	10.1	10.7	12.2	2.1	3.4	4	9.2	11.5	11.4	11.9	14
Scottish & Newcastle	3	3.5	4	5	5.4	-	-	-	5	5.5	6	8	8	-	-	-
Diageo (Guinness)	2	2	2	2.5	3.2	4.2	4.3	5	1.5	1.5	1.5	2	2.5	3	3.2	3.6
Molson Coors	1.6	2.2	2.4	4.3	6.2	7.6	7.6	7.8	2.2	2.4	2.6	3.8	4.9	5	5.2	6
Castel	0.5	0.7	1	1.5	2	2.2	2.4	2.5	1	1.2	1.5	2	2.5	3	3.3	3.5
CR Snow	0.2	0.2	0.5	1.2	2.1	4	5	6	0.5	0.5	1.5	2.9	5	9.3	11.1	13
Tsingtao	0.2	0.2	0.5	1.2	2.1	3.1	3.3	3.5	0.5	0.5	1.5	3.7	5.1	6.4	6.5	7
Beijing Yanjing	0.2	0.2	0.5	1.1	2	2.9	3	3.1	0.5	0.5	1.5	2.9	4	5	5.4	6
Kirin	1.5	1.7	2	2	2	2	2.5	2.5	2.5	2.9	3.9	4	4	4	4.5	4.5
Asahi	1.3	1.4	1.4	1.4	1.4	1.3	1.3	1.3	2	2.5	2.5	2.6	2.4	2.2	2.3	2.4
Efes	0.5	0.7	1	1.5	2	2.3	2.5	2.4	1	1	1.5	2.5	3	3.5	3.7	4
Other	42.9	48.8	50.1	40.3	40.1	41.6	32.3	33.1	58	58.2	61.3	39.5	41.9	41.5	54.5	56
Total world	**90**	**105**	**115**	**135**	**160**	**161**	**166**	**166**	**114**	**125**	**139**	**157**	**182**	**180**	**190**	**200**

Table 7. Sales of leading Global Breweries in $Bio. and Bio.liters, 1992-2012.

Sources: AAnnual reports and sites of companies mentioned. Revenues include beer only.

own kind who became globalizers. At the expense of leading national breweries, which saw their global market share halved, within a decade the 'big four' trebled their global market share from 20 to 60%. A handful of internationals have sought to expand, but appear to be making little progress. These internationals and the remaining large nationals (mainly in China) are increasingly the target of the globalizers' endeavors to keep on consolidating the global beer market.

	1992	2000	2007	2012
Four globals	20	20	40	60
Internationals & large nationals	70	70	50	35
Locals	10	10	10	5
Total	100	100	100	100

Table 8. Globals', Internationals' and Large Nationals', and Locals' World Market Share in %, 1992-2012.

Source: Tables above. Figures are rough numbers.

The consolidating leaders are not evenly spread around the world (Table 8). ABInBev is the clear leader in the Americas, with SABMiller and Heineken in strong second and third positions, followed by other internationals led by Molson Coors. In Europe, Heineken and Carlsberg are the two market leaders, followed by Molson Coors, ABInBev, and SABMiller. SABMiller and Kirin dominate the Pacific. In Africa, SABMiller, in cooperation with Castel and Heineken and in association with Diageo, dominate the continent. In 2012 Asia was controlled by large national breweries, but global companies are increasing their market shares by acquisitions, with internationals in third position. The 'big four' are almost equal in Asia, although geographically differently positioned. Weak market positions in America and Africa are a challenge to Carlsberg. Global consolidation is most advanced in the Americas and Europe, while internationals and large nationals still keep strong market positions in Asia, Pacific, and Africa. However, in these three continents, the 'big four' are using all their organizational muscle to accelerate consolidation.

	America	Europe	Asia	Pacific	Africa	World
ABInBev	55	10	10	0	0	24
SABMiller	15	5	10	45	35	13
Heineken	10	25	10	0	20	15
Carlsberg	0	25	10	0	0	7
Internationals and other nationals	15	30	55	50	40	36
Locals	5	5	5	5	5	5
Total	100	100	100	100	100	100

Table 9. International and National Breweries' Market Share in %, 2012.

Source: Tables above. Regional figures are rough numbers.

In matters of theory, the empirical study of the global consolidation process of the brewery industry during 1992 - 2012 shows the relevance of Dunning's 'eclectic paradigm'. Wanting to demonstrate the actual process of acquisitions, I have focused mainly on the 'ownership' and 'location' advantages of the paradigm and less on the 'internalization' advantages. What should be studied more thoroughly, in this and all other industries, is the importance of the dynamic dialectics between global mergers and the creation of global organizational capabilities. This seems to be the prime mover of developing oligopoly dominance within all industries. By upgrading their capabilities, the globalizers leave other companies behind and raise the market ladder to levels to which others increasingly cannot adapt.

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