

India Beer Market- Industry Size, Share, Drivers, Trends, Analysis and Forecasts (2019-24)



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The report titled 'India Beer Market- Industry Size, Share, Drivers, Trends, Analysis and Forecasts (2019-24)' released by Niir Project Consultancy Services, provides a comprehensive analysis on Indian Beer Market. The report begins with a brief insight into the scenario of the global beer industry giving details about global beer consumption patterns and then proceeds to analyze the Indian scenario. India has one of the lowest consumption levels of beer in the world. Currently India consumes ~2% of the total world consumption and has the potential to match, the world leader, China thus opening a vast pool of opportunities for the brewing companies.

The report gives a snapshot of the manufacturing process of the beer starting from malting till the end of process at bottling. The beer segment can be categorized either by fermentation process (Ale & Lager) or by alcohol by volume content (Mild & Strong). Indian industry is majorly dominated by strong beer segment but new flavorful mild beers are finding their feet on the ground. Strong beer has alcohol contents of >5% and mild beer contains less than 5% of alcohol.

The report analyzes the beer market in profundity by covering data points like industry growth drivers, emerging trends coupled with SWOT analysis of the market and the regulatory framework surrounding the sector.

Beer is being increasingly accepted as a social drink and the urban youth in particular favours it as the preferred alcoholic beverage. Indian market although dominated by hard liquor, consumers are now looking for choices away from whisky. It is not just the male populace that is enamored by beer but female population has started equally enjoying beer. One of the drivers for the beer industry would be the rising concept of online alcohol delivery portals. A sudden spurt of alcohol delivery portals not only indicate the rising acceptability of alcohol in the country but also the much evolving consumer base. The consumers who were unable to go to a liquor store earlier and purchase their preferred drink, are now in a sweet spot with home deliveries. The Indian beer market has been experiencing the trend of microbreweries and some exclusive beer outlets. Such emergence has contributed in increased awareness and easy availability of beer in Indian markets. Also, a rage in the industry is the craft beer boom. Indian market is swamped with a number of craft beers with new and innovative flavors. Beer consumers are now adays shifting their preferences from regular mainstream bottled beers to artisanal brews, new fresh flavors and unique local ingredients. A large number of microbreweries are currently selling their bottled craft beer in market and are gaining a firm foot on the

ground. The surge in craft beer sales is intended to drive the beer industry sales to the bubbly top! One of the recent trends to hit the industry is emergence of 0% beer. Since the consumer profile for beer industry in India is evolving so are their preferences and hence the emergence of new varieties. Consumers are now increasingly opting for drinks that are low on sugar, carbs and hence the calories. In the view of increasing demand for such drinks, a lot of brewers have come up with their versions of 0% beer to tap the demand from this segment. With a ban on direct advertising of alcoholic beverages in India, companies nowadays are using innovative concepts to market their products. Indian market players have been forced to be more innovative in their approach to engage the consumers, branching out into concepts such as non-alcohol brand extensions and surrogate advertising and alignment with sport. Also, With the emergence of more health-conscious consumer class, the health benefits of drinking beer, in moderation, has come into the light.

Indian alcohol distribution structure is complex and generally varies from state to state. Liquor is a state subject in India and consequently, the liquor industry is subjected to very strict distribution controls by the state governments. The distribution structure consists three types of market- Government controlled, open market and auction market. States like Assam, West Bengal and Pondicherry are states with open market; States like Tamil Nadu and Kerala fall under the complete regulation of government whereas states like Haryana, Chandigarh and Punjab fall under the auction market structure. The Indian alcohol industry is characterized by high entry barriers due to government regulations.

The report further scrutinizes the Indian beer industry with the help of SWOT Analysis. The report elucidates the strengths of the industry in being recession proof in view of the fact that the Indian alcohol consumption generally remains unfazed by the economic downturn in the nation. Also growing Indian population serves as a ready customer base for the beer industry. According to United Nations India is poised to overtake China as the world's most populous nation around 2027. Such population growth puts the industry in a comfortable spot. Indian demographics are bound to benefit the industry in the long term with large number of people under drinkable age. With alcohol consumption no longer a taboo in India with increasing people in drinkable age, Indian beer industry surely finds itself in the 'bubbly' spot. Also, the rising levels of urbanization, escalating disposable incomes and growing affluent class provides enormous opportunities for the players to tap. It is estimated that the urban population in India will rise to ~38% of the total population by 2025. There has been a shift in the spending pattern of the Indian consumers due to increase in their purchasing power. Rising incomes are resulting in increasing discretionary expenditures. Since expenditure on alcohol consumption is discretionary in nature, beer market is bound to benefit from such paradigm shift. However, the industry faces challenges in the form of ban on direct advertising and derisory state of market infrastructure. The industry is also highly taxed and regulated and struggles with multiplicity of taxes and lack of uniformity in the regulations varying from state to state. Industry is also faced with ban on direct advertising which further elevates the industry's problems. Industry further faces challenges in the wake of rising competition in the sector. Complementary to the changing industry dynamics, beer segment has seen a high spurt in the players operating in the market which has worsened the competition for existing players. With global bigwigs like Carlsberg, Anheuser-Busch and Heineken entering the country, the competitive landscape of the domestic beer market has changed considerably. The industry also faces moral restrictions due to religious influence. It is still considered to be a forbidden, taboo drink in some parts of the society, detrimental for the Indian culture. Drinking alcohol is culturally not accepted in most parts of India.

The report further analyses the demand supply situation and foreign trade of beer in the nation along with industry size forecasts. The outlook for Indian beer industry remains buoyant with stable growth rates and all growth triggers like the rising acceptability of beer as a social drink, popularity of microbreweries & craft beers and evolving consumer preferences in place for a new growth wave. Also, the Indian growth story holds up the expansion of the beer industry. Favorable demographics, rising disposable incomes, urbanization and rising acceptability of drinking have brought the winds of change for the industry. We expect the industry to reach consumption levels of 3584 million litres or 459 million cases by 2024. This estimated market size of 459 million cases is a conservative estimate; the industry has all triggers in place for exceeding the projected growth rate.

Reasons for Buying this Report:

- This research report helps you get a detailed picture of the industry by providing overview of the industry

along with the market structure and classification

- The report provides market analysis covering major growth driving factors for the industry, latest market trends and insights on regulatory framework in the industry
- This report helps to understand the present status of the industry by elucidating a comprehensive SWOT analysis and scrutiny of the demand supply situation
- Report provides analysis and in-depth financial comparison of major competitors
- The report provides forecasts of key parameters which helps to anticipate the industry performance

Our Approach:

- Our research reports broadly cover Indian markets, present analysis, outlook and forecast for a period of five years.
- The market forecasts are developed on the basis of secondary research and are cross-validated through interactions with the industry players
- We use reliable sources of information and databases, information from which is processed by us and included in the report

Contents

TABLE OF CONTENTS

1. OVERVIEW
 - 1.1 BEER MANUFACTURING PROCESS
 - 1.2 STRUCTURE OF THE INDUSTRY
2. MARKET ANALYSIS
 - 2.1 GROWTH DRIVERS
 - 2.1.1 Beer: Rising Acceptability
 - 2.1.2 Online Deliveries
 - 2.1.3 Easy Availability
 - 2.1.4 The Craft Beer Boom
 - 2.2 EMERGING TRENDS
 - 2.2.1 Budding Categories: 0% Beer
 - 2.2.2 Surrogate Advertising
 - 2.2.3 Rising Health Awareness
 - 2.2.4 Technology Advancements
 - 2.3 REGULATORY FRAMEWORK
 - 2.4 SWOT ANALYSIS
 - 2.4.1 STRENGTHS
 - 2.4.1.1 Recession Proof Nature
 - 2.4.1.2 Ever Increasing Market Base
 - 2.4.1.3 Favourable Demographics
 - 2.4.1.4 Adequate Supply of Raw Material
 - 2.4.2 WEAKNESSES
 - 2.4.2.1 Highly Taxed & Regulated
 - 2.4.2.2 Ban on Direct Advertising
 - 2.4.3 OPPORTUNITIES
 - 2.4.3.1 Low Per Capita Consumption
 - 2.4.3.2 Urbanization
 - 2.4.3.3 Rising Disposable Incomes & Discretionary Spends
 - 2.4.3.4 Rising Affluent Class
 - 2.4.4 THREATS
 - 2.4.4.1 Religious Constraints

- 2.4.4.2 Competition
- 3. MARKET FORECASTS
 - 3.1 DEMAND
 - 3.2 SUPPLY
 - 3.3 FOREIGN TRADE
 - 3.3.1 EXPORT
 - 3.3.2 IMPORTS
 - 3.4 INDUSTRY SIZE
- 4. KEY PLAYERS
 - 4.1 UNITED BREWERIES LTD
 - 4.2 ANHEUSER-BUSCH INBEV INDIA LTD
 - 4.3 CARLSBERG INDIA PVT LTD
- 5. KEY FINANCIALS AND ANALYSIS
 - 5.1 CONTACT INFORMATION
 - 5.1.1 Registered Office Address
 - 5.1.2 Directors Name
 - 5.2 KEY FINANCIALS
 - 5.2.1 Plant Location
 - 5.2.2 Raw Material Consumption
 - 5.2.3 Plant Capacity & Sales
 - 5.3 FINANCIAL COMPARISON
 - 5.3.1 Assets (Annual Finance standalone)
 - 5.3.2 Liabilities
 - 5.3.3 Growth in Assets & Liabilities
 - 5.3.4 Income & Expenditure
 - 5.3.5 Growth in Income & Expenditure
 - 5.3.6 Profits
 - 5.3.7 Liquidity Ratios
 - 5.3.8 Profitability Ratios
 - 5.3.9 Return Ratios
 - 5.3.10 Working Capital & Turnover Ratios
 - 5.3.11 Cash Flow
- 6. INDUSTRY OUTLOOK

LIST OF FIGURES & TABLES

- Figure 1 Global Beer Consumption Market Share (2018, By Region)
- Figure 2 World's Largest Beer Markets (2018, % Share)
- Figure 3 Indian Alcohol Industry -Segmentation by Value
- Figure 4 Indian Alcohol Industry- Segmentation by Volume
- Figure 5 Beer Manufacturing Process
- Figure 6 Beer Industry India- Structure
- Figure 7 Beer Industry India- Classification by ABV
- Figure 8 Growth of Microbreweries in India (2009-19)
- Figure 9 Consumption of Craft Beer & Number of Microbreweries in India (2014-2019)
- Figure 10 Per Capita Consumption of Alcohol in India (2005-17, In Litres)
- Figure 11 Indian Population (2017-25E, In Billion Numbers)
- Figure 12 Population Distribution by Age (2019)
- Figure 13 Barley Production in India (2015-20, In Thousand Tonnes)
- Figure 14 Area Under Barley Productivity (2015-18, In Thousand Hectares)
- Figure 15 Per Capita Consumption of Beer Among Various Countries (2018, In Litres)
- Figure 16 Urban Population in India (Percentage, 2015-25E)

Figure 17 Urbanization in Various Countries

Figure 18 Monthly Per Capita Income of India (2017-20, In INR)

Figure 19 Rising Share of Discretionary Spends in India (2014-18)

Figure 20 Household Distribution by Income in India (2018)

Figure 21 Domestic Consumption Distribution India (2018, In Percentage)

Figure 22 Beer Consumption in India (2016-24E, In Million Cases)

Figure 23 Beer Consumption in India (2016-24E, In Million Litres)

Figure 24 Per Capita Consumption of Beer in India (2012-24E, In Litres)

Figure 25 Industrial Production of Beer in India (2006-12, In Kilo Litres)

Figure 26 United Breweries Ltd - Sales Volume (2009-18, In Million Hectolitres)

Figure 27 Indian Exports of Beer (2016-24E, In INR Million)

Figure 28 Indian Imports of Beer (2016-24E, In INR Million)

Table 1 World Consumption of Beer (2018, In Thousand Kilo Litres)

Table 2 States with Highest Per Capita Consumption of Beer

Table 3 Craft Beer Brands Introduced in India in 2020(March)

Table 4 Types of Markets with corresponding states

Table 5 States with Additional Corona Fee

Table 6 Liquor Tax Contribution to States Total Tax Collections

Table 7 Indian States with Alcohol Prohibition

Table 8 Top Countries in India's Beer Exports (2019)

Table 9 Top Countries in India's Beer Imports (2019)

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