



Alcoholic Drinks

September 2011

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ALCOHOLIC DRINKS IN VENEZUELA - INDUSTRY OVERVIEW

EXECUTIVE SUMMARY

Weak Purchasing Power Continues Affecting Alcoholic Drinks in 2011

In 2011, overall alcoholic drinks recorded a negative performance, mostly influenced by the behaviour of beer which was significantly affected by weakened consumer purchasing power. High price increases recorded in 2011 negatively affected the quantity and frequency of beer consumption, especially in lower-income segments, where beer registers high penetration. Although the country's macroeconomic variables began to show signs of recovery in 2011, the purchasing power of Venezuelans continued falling in constant terms; a fact that had an impact on a large number of alcoholic drinks.

Domestic Spirits Strengthen Presence As A Result of the Economic Downturn

Only a small number of alcoholic drinks in Venezuela recorded positive volume growth in 2011. Within domestic options, rum, vodka and other whiskies continued gaining importance among consumers' preferences as average Venezuelans are migrating to less expensive categories as their purchasing power contracts. Despite domestic whisky being considered a low-quality drink, consumers of 3YO whisky, mostly from social stratus C+, are downtrading to local options as they believe that whisky is a non-replaceable drink when it comes to commemorating special events.

Empresas Polar Maintains Its Competitive Position Due To the Performance of Pilsen-type Beer

In 2011, Pilsen was the only type of beer that exhibited positive performance in terms of total volume sales. The 70th anniversary of Polar Pilsen in the country was heavily supported by Empresas Polar, a fact that contributed to increased brand awareness and boosted consumption of Pilsen-type beer. On the other hand, volume share of Cervecería Regional continued falling in 2011, in spite of the alliance made with Cervecería Nacional in mid-2010.

On-trade Sales Affected by the Prohibition of Smoking in Public Places

One of the most significant factors affecting consumption of alcoholic drinks, and especially spirits, in on-trade establishments is the implementation and enforcement of a new regulation that prohibits smoking in public places. The measure imposed by the Health Ministry became effective from March 2011 and obliges proprietors and administrators of all public indoor spaces, including nightclubs and restaurants, as well as offices and other workplaces to provide informative publicity in which it is stated that smoking is prohibited. According to the Pan American Health Association, this is one of the most significant policies to reduce the smoking habit in the world. Since a large number of smokers are in the habit of smoking when consuming alcoholic drinks, this measure is likely to have a significant impact on consumption in the on-trade as people would prefer to stay at home rather than go outside to smoke.

Slow Recovery of Alcoholic Drinks Industry Is Projected Over Forecast Period

From 2012, the overall alcoholic drinks industry will begin to reverse the negative growth trend that started in 2009 but at a very slow rate, which will be in line with the improvement in personal disposable income and the recovery of the country's macroeconomic variables. By 2015, acceleration in the rate of total volume growth is anticipated; however, it is unlikely that sales will recover the record levels achieved in 2008 when oil prices registered record rises.

KEY TRENDS AND DEVELOPMENTS

Domestic Spirits Strengthen As A Result of Falling Consumer Purchasing Power

Current impact

Outlook

Future impact

New Legislation Prohibiting Smoking in Public Threatens Performance of Spirits in On-trade

Current impact

Outlook

Future impact

Unit Prices Rebound Following Devaluation of Local Currency

Current impact

Outlook

Future impact

Key New Product Launches

Current impact

Outlook

Future impact

Summary 1
Brand (NBO)

Key New Product Developments 2010-2011
Product USP

Launch year

Source: Euromonitor International

Specialist Retailer

Current impact

Outlook

Future impact

Summary 2

Leading Specialist Retailers 2011

Retailer	Fascia(s)	Outlets	Sales (BsF million)
Prolicor	Removed	Removed	Removed
Celicor	Removed	Removed	Removed
Licores Mundiales	Removed	Removed	Removed

Source: Company websites (www.proucor.com.ve, www.cencor.net, <http://llicoresmundiales.com>)

Market Mergers and Acquisitions Activity

Current impact

Outlook

Future impact

MARKET BACKGROUND

Legislation

Legal purchasing age and legal drinking age

Drink driving



Advertising



Smoking ban



Opening hours



On-trade establishments



TAXATION AND DUTY LEVIES



Table 1 Taxation and Duty Levies on Alcoholic Drinks 2011

	Beer	Rum	Bitter and other spirits	Fortified wines <= 14°G.L.	Wine > 14°G.L.
Import tax					
Excise tax:					
Tax units/L (1)					
Tax units/L Alcohol 100° G.L.					
Distribution tax:					
Tax units/L (1)					
Sales tax:					
%					
% (<50°G.L.)					
Value-added tax (%):					
		Brandy, , cognac whiskies	Fortified wines	Artisanal fortified wines	Artisanal alcoholic drinks
Import tax					
Excise tax:					
Tax units/L (1)					
Tax units/L Alcohol 100° G.L.					
Distribution tax:					
Tax units/L (1)					
Sales tax:					
%					
% (<50°G.L.)					
Value-added tax (%):					

Source: Decreto N° 5.618 Con Rango, Valor y Fuerza de Ley de Reforma de la Ley de Impuesto Sobre Alcohol y Especies Alcohólicas (www.seniat.gob.ve)
 Note: (1) Tax Unit 2011 = BsF76.00

Table 2 Typical Wholesaler and Retailer Mark-Ups by Sector 2011

	Beer	C/p	RTDs	Wine	Wh	BC
Wholesaler						



Source: Trade interviews, store checks

Note: C/p=Cider/perry; Wh=Whiskies; BC=Brandy and cognac; RTDs = RTD + High-strength premixes; WS=White spirits; T=Tequila (and mezcal); L=Liqueurs; OS=Other spirits

Table 3 Selling Margin of a Typical Beer Brand 2011

% retail value rsp



Source: Trade interviews, store checks

Table 4 Selling Margin of a Typical Wine Brand 2011

% retail value rsp



Source: Trade interviews, store checks

Table 5 Selling Margin of a Typical Spirits Brand 2011

% retail value rsp



Source: Trade interviews, store checks

OPERATING ENVIRONMENT

Contraband/parallel trade



Duty free



Cross-border/private imports



MARKET INDICATORS

Table 6 Retail Consumer Expenditure on Alcoholic Drinks 2006-2011

BsF million	2006	2007	2008	2009	2010	2011
Total						

Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources

Note: 2011 data is forecast

MARKET DATA

Table 7 Sales of Alcoholic Drinks by Category: Total Volume 2006-2011

Million litres	2006	2007	2008	2009	2010	2011
Beer						
Cider/Perry						
RTDs/High-Strength						
Premixes						
Spirits						
Wine						
Alcoholic Drinks						

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 8 Sales of Alcoholic Drinks by Category: Total Value 2006-2011

BsF million	2006	2007	2008	2009	2010	2011
Beer						
Cider/Perry						
RTDs/High-Strength						
Premixes						
Spirits						
Wine						
Alcoholic Drinks						

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 9 Sales of Alcoholic Drinks by Category: % Total Volume Growth 2006-2011

% total volume growth	2010/11	2006-11 CAGR	2006/11 Total
Beer			
Cider/Perry			
RTDs/High-Strength			
Premixes			
Spirits			
Wine			
Alcoholic Drinks			

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 10 Sales of Alcoholic Drinks by Category: % Total Value Growth 2006-2011

% local currency, current value growth	2010/11	2006-11 CAGR	2006/11 Total
Beer			
Cider/Perry			
RTDs/High-Strength			
Premixes			
Spirits			
Wine			
Alcoholic Drinks			

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 11 Sales of Alcoholic Drinks by Category by On-trade vs Off-trade Split: Volume 2011

	Off-trade	On-trade	TOTAL
Beer (million litres)			
Cider/Perry ('000 litres)			
RTDs/High-Strength Premixes ('000 litres)			
Spirits ('000 litres)			
Wine (million litres)			
Alcoholic Drinks (million litres)			

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 12 Sales of Alcoholic Drinks by Category by On-trade vs Off-trade Split: Value 2011

BsF million	Off-trade	On-trade	TOTAL
Beer			
Cider/Perry			
RTDs/High-Strength Premixes			
Spirits			
Wine			
Alcoholic Drinks			

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 13 Sales of Alcoholic Drinks by Category by On-trade vs Off-trade Split: % Volume 2011

% volume analysis	Off-trade	On-trade	Total
Beer			
Cider/Perry			
RTDs/High-Strength Premixes			
Spirits			
Wine			
Alcoholic Drinks			

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 14 Sales of Alcoholic Drinks by Category by On-trade vs Off-trade Split: % Value 2011

% value analysis	Off-trade	On-trade	Total

Beer
Cider/Perry
RTDs/High-Strength Premixes
Spirits
Wine
Alcoholic Drinks

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 15 Company Shares of Alcoholic Drinks by Global Brand Owner 2007-2011

% total volume Company	2007	2008	2009	2010	2011
Empresas Polar CA					
Cisneros, Grupo					
Anheuser-Busch InBev NV					
Diageo Plc					
Pernod Ricard Groupe					
Grupo Osborne SA					
Industrias Monterrey CA					
Ron Santa Teresa CA					
Consorcio Licorero Nacional CA					
Complejo Licorero Ponche Crema					
Others					
Total	100.0	100.0	100.0	100.0	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 16 Off-trade Sales of Alcoholic Drinks by Distribution Format: % Value Analysis 2006-2011

% off-trade	2006	2007	2008	2009	2010	2011
Store-Based Retailing						
- Grocery Retailers						
- - Discounters						
- - Food/drink/tobacco specialists						
- - Hypermarkets						
- - Small Grocery Retailers						
- - - Convenience Stores						
- - - Forecourt Retailers						
- - - Independent Small Grocers						
- - Supermarkets						
- - Other Grocery Retailers						
- Non-Grocery Retailers						
Non-Store Retailing						
- Direct Selling						
- Homeshopping						
- Internet Retailing						

- Vending						
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 17 Off-trade Sales of Alcoholic Drinks by Category and Distribution Format: % Volume Analysis 2011

% off-trade						
	B	C/P	RTDs/HSPs	S	W	
Store-Based Retailing						
Grocery Retailers						
Discounters						
Food/drink/tobacco specialists						
Hypermarkets						
Small Grocery Retailers						
Convenience Stores						
Forecourt Retailers						
Independent Small Grocers						
Supermarkets						
Other Grocery Retailers						
Non-Grocery Retailers						
Non-Store Retailing						
Direct Selling						
Homeshopping						
Internet Retailing						
Vending						
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Key: B = beer; C/P = cider/perry; RTDs/HSPs = flavoured alcoholic beverages; S = spirits; W = wine

Table 18 Forecast Sales of Alcoholic Drinks by Category: Total Volume 2011-2016

Million litres						
	2011	2012	2013	2014	2015	2016
Beer						
Cider/Perry						
RTDs/High-Strength Premixes						
Spirits						
Wine						
Alcoholic Drinks						

Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources

Table 19 Forecast Sales of Alcoholic Drinks by Category: Total Value 2011-2016

BsF million						
	2011	2012	2013	2014	2015	2016
Beer						

Cider/Perry
RTDs/High-Strength
Premixes
Spirits
Wine
Alcoholic Drinks



Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources

Table 20 Forecast Sales of Alcoholic Drinks by Category: % Total Volume Growth 2011-2016

% total volume growth

2015/16 2011-16 CAGR 2011/16 Total

Beer
Cider/Perry
RTDs/High-Strength Premixes
Spirits
Wine
Alcoholic Drinks



Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources

Table 21 Forecast Sales of Alcoholic Drinks by Category: % Total Value Growth 2011-2016

% local currency, constant value growth

2011-16 CAGR

2011/16 TOTAL

Beer
Cider/Perry
RTDs/High-Strength Premixes
Spirits
Wine
Alcoholic Drinks



Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources

DEFINITIONS

Explanations of words and/or terminology used in this report are as follows:

- GBO refers to Global Brand Owner, which is the ultimate owner of a brand.
- NBO refers to National Brand Owner, which is the company licensed to distribute a brand on behalf of a GBO. The NBO may be a subsidiary of a GBO or it may be a completely separate company. Share tables at both GBO and at NBO level are provided in the report. Reference to shares in the report analysis is at NBO level.

Published Data Comparisons

National consumer expenditure

~ Size data reported in this alcoholic drinks report for Venezuela are not consistent with consumer expenditure data reported by Venezuela's National Institute of Statistics (INE). Euromonitor International's data include distributor and retailer mark-ups as well as all taxes, which are not captured in the official consumer expenditure data.

Sources

Sources used during research include the following:

Summary 3 Research Sources

Official Sources

Agenda Bolivariana de Noticias

Instituto Nacional de Estadística (INE)

Trade Associations

Asociación de Importadores de Licores

Asociación Latinoamericana de Fabricantes de Cerveza (ALAFACE)

Bureau National Interprofessionnel du Cognac (BNIC)

Camara de la Industria Venezolana de Especies Alcohólicas (CIVEA)

Camara Nacional de la Industria Tequilera

Camara Venezolana de Fabricantes de Cerveza (CAVEFACE)

Cornite Interprofessionnel du Vin de Champagne (CIVC)

Gin & Vodka Association

Office International de la Vigne et du Vin

Scotch Whisky Association

SENIAT

Trade Press

Beverage World

Drinks International

El Nacional

El Universal

Gerente 500

Globovision

Nacional

Producto

Publicidad & Mercadeo

Punto de Venta

Revista Producto

Supermercado

The Press & Journal

Todo en Domingo

Wine & Spirits International

World Drink Trends

www.bizreport.ir

ALCOHOLIC DRINKS IN VENEZUELA COMPANY PROFILES

CASA OLIVEIRA CA IN ALCOHOLIC DRINKS (VENEZUELA)

strategic Direction

~ Casa Oliveira will maintain its strategic direction towards wine commercialisation, especially the varieties imported from Europe (Portugal, Spain and France) and from South America (Argentina). The core philosophy of the company is to focus on premium products and offer a large variety of wine types to be considered as a wine specialist.

Key Facts

Summary 4 Casa Oliveira CA: Key Facts

Full name of company:	Casa Oliveira CA
Address:	Calle Vargas con calle Santa Clara. Edificio Oliveira, Urb. Boleita Norte, Caracas 1070, Venezuela
Tel:	+58 (212) 239 8242
Fax:	+58 (212) 235 6460
www:	www.casaoliveira.com
Activities:	Distribution of still light grape wine, other sparkling wine, champagne, oporto and sherry
Source:	Company research (www.casaoliveira.com)

Company Background

- ~ Casa Oliveira was founded in 1962 by Americo Oliveira and still remains a family business.
- ~ Casa Oliveira's core business is still light grape wine and sparkling wine, besides some oporto and sherry products. In addition, this company also commercialises rum from domestic producer Destileria Carupano.
- ~ Although the company's headquarters is located in Caracas, it has distribution capabilities all over the country, with a combination of its own distribution network as well as some distributors attending to other regions.
- ~ Casa Oliveira issues a newsletter, where consumers can get information about wine courses from both the New and Old Worlds, besides events, product promotions and various themes of interest. In 2010, the company renewed its web page, making it more user friendly for its customers. In addition, since 2011 this company is connected to its clients via the BlackBerry platform offering wine tastings and information about company events and news.

Production

- ~ Casa Oliveira is exclusively dedicated to the commercialisation and distribution of imported products such as different wine varieties from Portugal, Spain, France, Italy and Germany, Chile and Argentina. The company also markets distilled spirits such as domestic aged rum from local producer Oestileria Carupano.
- ~ Thus far, Casa Oliveira does not manufacture brands for third parties or export to neighbouring markets or further afield.

Competitive Positioning

- ~ In 2011, Casa Oliveira's share of total volume sales in wine was 5%. This figure positioned the company in fourth place in the wine category. The company's overall share in the alcoholic drinks industry was less than 1%, since beer accounts for the vast bulk of alcoholic drinks volumes. In sherry and port/oporto, Casa Oliveira ranks first, with total volume shares of 31% and 39%, respectively. In sparkling wine, the company has a 5% share, some way behind the leaders Tamayo & Cia and Bodegas Pomar.
- ~ Casa Oliveira's share remained stable in 2011 since its major product offerings are concentrated in imported wines from Portugal. This type of wine has an older target audience, mainly Europeans, who are loyal to their preferences so they will not easily switch to other available options. In categories such as sherry and port/oporto, the company has also maintained its leadership during 2011. The fact that the company's founders and partners are Portuguese descendants has underpinned its position in products from this country.
- ~ The company's portfolio is mainly composed of products associated with wine, such as sherry, port, other sparkling wine, champagne and still light grape wine.
- ~ Casa Oliveira is consolidated in the middle and upper end of the market, since it is dedicated to the commercialisation and distribution of imported products and just a few domestic ones. Its competition is provided by other distributors such as Tamayo & Cia, which has a very strong position not only in still light grape wine, but also in champagne and other sparkling wine.
- ~ The company is not considered a leader responsible for innovation. Instead, it typically follows the leaders in terms of wine-tasting activities and service offerings to its clients through its web page.

Summary 5 Casa Oliveira CA: Competitive Position 2011

Product type	% total volume share	Rank
Alcoholic drinks	0.03	20
Wine	5.0	4

Source: Euromonitor International estimates, trade interviews

CERVECERIA REGIONAL CA IN ALCOHOLIC DRINKS (VENEZUELA)

Strategic Direction

Key Facts

Summary 6 Cerveceria Regional CA: Key Facts

Full name of company::	Cerveceria Regional CA
Address:	Avenida 17, Los Haticos No 112-113, Maracaibo, Venezuela
Tel:	+58 (251) 760 2427
Fax:	+58 (251) 760 2440
WWIN:	WWIN.regionallight.com
Activities:	Production of beer and carbonates
Source:	Company research (http://paginasamarillas-infoguia.net)

Company Background

~ Cerveceria Regional was founded as an independent company in 1929 in the Zulia state, located in western Venezuela. In 1992, it was acquired by the Cisneros Group, a large holding that includes mainly companies in the media, entertainment and technology industries.

Production

Summary 7 Cerveceria Regional CA: Production Statistics 2011

Location	Brand	Annual production (million litres)
Maracaibo	Removed	Removed
Cagua	Removed	Removed

Source: Trade interviews

Competitive Positioning

Summary 8 Cerveceria Regional CA: Competitive Position 2011

Product type	% total volume share	Rank
Alcoholic drinks	Removed	Removed
Beer	Removed	Removed

Source: Euromonitor International estimates, trade interviews

EMPRESAS POLAR CA IN ALCOHOLIC DRINKS (VENEZUELA)

strategic Direction

Key Facts

Summary 9 Empresas Polar CA: Key Facts

Full name of company:	Empresas Polar CA
Address:	2da Avenida de los Cortijos de Lourdes, Edificio Centro Empresarial Polar, Caracas, Venezuela
Tel:	+58 0800 765 2700
Fax:	+58 (2'12) 202 7960
WWW:	www.empresas-polar.com
Activities:	Beer, wine, RTDs, soft drinks, packaged food, home care products
Source:	Company research (www.empresas-polar.com)

Company Background

~ Empresas Polar is a conglomerate that now includes approximately 40 companies from different sectors of the economy. The company was founded by Lorenzo Mendoza Fleury in 1939 in Caracas, and is now run by his grandson, Lorenzo Mendoza. Empresas Polar is the largest company in the food and beverage industry in Venezuela.

Production

Competitive Positioning

Summary10 EmpresasPolarCA: CompetitivePosition2011

Producttype	% total volumeshare	Rank
Alcoholicdrinks	Removed	Removed
Beer	Removed	Removed
Wine	Removed	Removed
RTDs/high-strengthpremixes	Removed	Removed

Source: Euromonitor International estimates, trade interviews

LICORES MUNDIALES IN ALCOHOLIC DRINKS (VENEZUELA)

Strategic Direction

Key Facts

Summary 11 Licores Mundiales: Key Facts

Full name of company:	Licores Mundiales
Address:	Avenida Rio de Janeiro con calle Trinidad, Las Mercedes, Caracas, Venezuela
Tel:	+58 (2'12) 99110101 +58 (212) 7812390
Fax:	+58 (2'12) 782 798
	www.licoresmundiales.com
Channels of operation:	Food/drink/tobacco specialists
Retailing brands:	All domestic and imported brands of alcoholic drinks
Source:	Company research (WWW.licoresmundiales.com)

Summary 12 Licores Mundiales: Operational Indicators

	2010	2011
Outlets	Removed	Removed
Source:	Company research (www.licoresmundiales.com)	

Internet Strategy

Company Background

- Licores Mundiales is an independent company that has been present in Venezuela since the 1970s. The company began with an outlet in the centre of Caracas, which functioned only as an alcoholic drinks distributor. In 2006, a store was opened in Las Mercedes, one of the most important commercial zones in the capital. Rather than a simple retail liquor store, it is a specialist shop, particularly in wine.



Private Label



Competitive Positioning



Summary 13 Licores Mundiales: Competitive Position 2011

Channel	% retail value share	Rank
Food/drink/tobacco specialists	Removed	Removed

Source: Trade interviews

RON SANTA TERESA CA IN ALCOHOLIC DRINKS (VENEZUELA)

Strategic Direction

Key Facts

Summary 14 Ron Santa Teresa CA: Key Facts

Full name of company::	Ron Santa Teresa CA
Address:	Hacienda Santa Teresa, El Consejo. Municipio Revenga. Aragua, Venezuela
Tel:	+58 (212) 442 0511
Fax:	+58 (212) 442 3024
www:	www.ronsantateresa.com
Activities:	Rum, wine and tourism
Source:	Company research (www.ronsantateresa.Cllm)

Company Background

~ Ron Santa Teresa is a company with a primary location on the sugar cane plantation Hacienda Santa Teresa, which was founded in 1796 by the Vollmer family. The company began formal activities in the alcoholic drinks industry in 1995, still as a family business.

Production

Summary 15 Ron Santa Teresa CA: Production Statistics 2011

Location	Brand	Annual production (million litres)
El Consejo, Aragua	Removed	Removed
El Consejo, Aragua	Removed	Removed
El Consejo, Aragua	Removed	Removed

Source: Tradeinterviews

Competitive Positioning

Summary 16	Ron Santa Teresa CA: Competitive Position 2011	
Product type	% total volume share	Rank
Alcoholic drinks	Removed	Removed
Rum	Removed	Removed
Wine	Removed	Removed
Source: Euromonitor International estimates, trade interviews		

TAMAYO & Cia SA IN ALCOHOLIC DRINKS (VENEZUELA)

strategic Direction

Key Facts

Summary 17 Tamayo & Cia SA: Key Facts

Full name of company:	Tamayo & Cia SA
Address:	Avenida Nueva Granada, Edificio Tamayo, Caracas,

Venezuela

+58 (212) 603 4666

+58 (212) 603 4777

www-tamayo.com.ve

Importing, distributing and marketing of alcoholic

Source: Company researchn (www.tamayo.com.ve)

Tel:

Fax:

www:

Activities:

drinks

Company Background

~ Tamayo & Cia was founded in 1903 in Caracas by Porfirio Burgos Tamayo, and is a company that has always been managed by the founding family. Tamayo & Cia began as a distributor of a wide variety of products, including hardware, cash registers and raw materials for agriculture. Later this company became a major importer of French champagne, Swedish vodka, Scotch whisky, French and Spanish wines, Portuguese port and Venezuelan spirits distillates.

Production

Competitive Positioning

Summary 18 Tamayo & Cia SA Competitive Position 2011

Product type	% total volume share	Rank
Alcoholic drinks	Removed	Removed
Wine	Removed	Removed
Spirits	Removed	Removed
Cider/peny	Removed	Removed

Source: Euromonitor International estimates, trade interviews

BEER IN VENEZUELA - CATEGORY ANALYSIS

HEADLINES

- In 2011, beer sales fall 8% in total volume terms and grow by 34% in total current value terms
- Polar Pilsen commemorates its 70th anniversary in 2011, boosting sales of Empresas Polar above the rest of its competitors
- Beer unit price increases 46% in current terms to reach BsF 20 per litre in 2011
- Empresas Polar CA leads beer in Venezuela with a 79% total volume share
- During the forecast period, beer is predicted to post a total volume CAGR of 3% while total value in constant terms is expected to post a CAGR of 6%

TRENDS

- In 2011, beer continued to show contraction that began in 2009 as a result of the economic downturn which led to the deterioration in consumers' purchasing power. In addition, high price increases recorded in 2010 and 2011 adversely affected the amount and frequency of beer consumption, especially in lower-income segments, where beer enjoys high penetration. Although the country's GDP began to show signs of recovery in 2011, this wellbeing is yet to be felt by the lower-income segments, resulting in a large number of alcoholic drinks, including beer, having not reversed the downward trend started in 2009.
- Beer recorded an 8% decline in total volume terms in 2011 while total value sales increased 34% in current terms in the same year, boosted by price increments surpassing the country's inflation rate. This performance easily exceeded the review period volume CAGR, which was negative, and heavily influenced by 2007, a record year for beer sales. This slowing trend in consumption is attributed to the fact that in times when Venezuelans face restricted budgets, they sacrifice spending on non-essential goods in order to meet basic housing needs and services.
- According to one industry source, Pilsen is the only type of beer that exhibited positive performance during a year of contraction. This behaviour is attributed to the fact that on the one hand, Empresas Polar developed significant marketing activities to commemorate the 70th anniversary of Polar Pilsen in the country, contributing to increased brand awareness and boosting consumption of Pilsen-type beer. On the other hand, given the current economic crisis, Venezuelan consumers appear to be looking for a beer offering higher alcohol content, allowing them to drink less and save money at the same time. Nevertheless, the net effect on the change of consumer preferences has not affected sales of domestic standard lager as consumers are switching from light to Pilsen-type beer within the same category.

In 2011, overall unit price for beer increased 46% in current terms, moving from BsF13.80 per litre to BsF20.10. In January 2011, the Venezuelan government announced the devaluation of the local currency from BsF2.6 per US\$ to BsF4.3 per US\$, causing the price of malted barley, a key imported raw material, to increase more than 60% in current terms, a fact that considerably affected beer production costs. In addition, electricity rationing as a consequence of an energy crisis that started in 2010 has also impacted manufacturing costs as companies

have invested in installing their own power generators. This added production cost has been compensated through upward price adjustments.

- In Venezuela, standard lager is the leading category, accounting for 97% of total volume sales against the remaining 3% held by premium lager. Thus far, beer consumers do not seem to be switching between segments given their weakened purchasing power and the main reason for this is that Venezuelans are particularly loyal to their favourite brand of beer.
- According to one industry source, in Venezuela beer is consumed by both men and women of all social classes. More popular in the lower socioeconomic strata (D and E groups), amount and frequency of consumption are much higher compared with upper socioeconomic segments, in which alcoholic beverages such as whiskies, vodka and wine also enjoy significant penetration.
- In Venezuela, the off-trade is the largest channel, accounting for 87% of total volume sales in 2011. This proportion has been slightly increasing over the review period as weaker consumer purchasing power is changing consumers' preferences towards home consumption. A trend that has been observed is that alcoholic drinks purchases are becoming more planned as on the one hand, the current economic crisis drives consumers to compare prices and look for deals, and on the other, laws that restrict when stores are permitted to sell alcoholic beverages force consumers to make purchases in advance. In this context, supermarkets/hypermarkets are benefiting from this situation since Venezuelans are including alcoholic drinks in their regular purchases of groceries.
- According to one industry source, returnable glass bottles are the most common presentation in the Venezuelan beer industry, representing 88% of total offerings. In times of economic downturn, sales of returnable products tend to be more favoured since consumers perceive savings in product cost. The pricing difference between glass bottles (returnable) and cans (non-returnable) is on average between 5% and 15%, depending on the brand. Since Venezuelan economic prospects do not seem to show significant recovery over 2011-2016, the trend towards returnable presentations is not likely to change even after the forecast period.
- In Venezuela, non-alcoholic beer continues to be an underdeveloped category with only one brand, Polar Zero, available. The reality is that Venezuela does not have any necessity for non-alcoholic products since there is no strict enforcement of the law related to driving under the influence of alcohol. As a consequence, consumers see no clear reason for consumption of this type of beer. In countries where rigorous laws are applied (including jail sentences and suspension of driving licences), consumers appreciate non-alcoholic beer, especially if they are expected to drive.
- Preferences among Venezuelans are clearly directed towards the light beer segment, which accounts for 90% of volume sales. Consumers' inclination towards light beer does not seem to come from the issue of health care. More than the global trend towards healthier products, the predilection for these products is attributed to the fact that because they have lower alcohol content and are less filling, consumers can drink a bigger quantity without feeling full. Venezuelans are typically beer drinkers and can consume up to 10 beers on any one occasion for which they prefer a light beer.
- According to one industry source, in Venezuela beer is not considered a competitor of soft drinks as it does not have the same target audience. A working person perceives that a beer is something of a reward after a day of effort, while a sports drink, for example, is used after a physical activity. On the other hand, soft drinks enjoy greater penetration among children and teenagers. In addition, when a Venezuelan man drinks beer, he can typically drink eight or more on the same occasion, whereas soft drinks are not consumed in such large quantities all at once.

- In Venezuela, craft beers are not very popular because of their high price point. The price of a craft beer is double or even triple that of a domestic premium lager beer, as small companies manufacturing handicraft products are unable to benefit from the economies of scale generated by higher production levels. Craft beers are mostly sold at bars and upscale restaurants as well as in high-profile supermarket chains.

Production, Imports and Exports

- In Venezuela, domestic beer production is highly consolidated. Empresas Polar has more than 70 years of tradition operating in the country. Consumer preferences for domestic products are apparent and it is very unlikely that there will be a shift towards imported beer.
- In 2010, domestic beer production surpassed 2,120 million litres, while imports failed to reach 1 million litres. Venezuelan consumers are particularly loyal towards domestic brands, more so given the pricing difference existing between domestic and imported premium lager beer, which exceeds 200%.
- In the same way that it occurs in Venezuela, regionalism in other countries also plays an important role, so it is difficult for domestic producers to compete in other countries and regions. For Empresas Polar, its main export destinations are Curaçao and Aruba. In addition, Venezuelan non-traditional exporting is narrowing and port operation is becoming more complex. Also, the number of ships calling at Venezuelan ports is declining. By 2010, beer exports barely reached 8 million litres.
- Another key reason that no major efforts are channelled towards beer exporting is the fact that Brahma is a very strong competitor in other Latin American countries such as Brazil and Peru.

COMPETITIVE LANDSCAPE

- Empresas Polar CA continues leading beer, with a 79% share of total volume sales in 2011. Although beer has been suffering a contraction since 2009, Polar has maintained and even increased its participation in 2011 due to the performance of its Polar Pilsen brand, which commemorated its 70th anniversary, underpinned by strong marketing support and advertising activity. Within the flagship brands of this company, Polar Light and Polar Ice lead the standard lager segment with 44% and 27% shares of total volume sales, respectively. Empresas Polar has kept focusing on a strategy of category segmentation for which it has developed innovative communication campaigns which are renewed every year.
- In 2011, Cervecería Nacional CA witnessed the biggest decrease in total volume sales, declining by 17%. According to one industry source, the principal issue in positioning the brand Brahma in Venezuela is that the company has primarily focused on competing through price wars (a global strategy from Anheuser-Busch InBev NV), a strategy that is not always welcomed by Venezuelan consumers who perceive that a low-cost product may be of poor quality.
- In the second half of 2010, Cervecería Regional (Cisneros Group), the second most important player in the domestic beer industry, and Cervecería Nacional CA (from the multinational Anheuser-Busch InBev NV) announced the formation of a company with 85% of the capital from Cervecería Regional and the remaining 15% from Cervecería Nacional. However, this alliance has not yet had a positive impact on the share of the brands owned by each of these companies, as according to one industry source, such merger processes are usually long term as typically involve structural changes.

- The high cost of the import process and lack of access to foreign currency have made imported beer uncompetitive in Venezuela. The price differential in relation to domestic premium beer in off-trade channels exceeds 200%, making imported beer a luxury product. Imported premium lager holds less than 0.1% of beer volume sales and this situation is not expected to change over the forecast period. In addition, the strong competition from Empresas Polar is one of the largest barriers to entry competing within the beer industry; therefore it is unlikely that there will be significant change in the competitive landscape of international versus domestic brands.
- In April 2011, Empresas Polar launched an innovative marketing campaign called “Uncover your stories”, which is based on the amusing anecdotes from consumers when they drink beer. The campaign was run on the Facebook platform, as the company had noticed that Venezuelans were very active in using social networks; promotional activities are likely to increasingly involve the use of such resources. People can participate by accessing Facebook and telling amusing stories which may have occurred when drinking beer. These stories are collected and printed on the metal closures of glass bottles of Polar Ice so consumers can read them when they open the bottle. According to company representatives, this campaign has yielded remarkable results.
- In Venezuela, beer packaging innovation is complex due to the importance that recyclable glass bottles have in beer packaging. Design improvements of product packaging such as changes in bottle colour or shape are not viable since glass bottles, which are already circulating in Venezuela, would have to be destroyed and they represent more than 80% of the total volume of beer sold in the country. According to one industry source, the colour of the bottle plays a major role in product differentiation; hence, blue represents Solera Light beer, green Solera, amber Pilsen-type beer and transparent light beer.
- In 2011, the only packaging innovation seen within beer was made by Empresas Polar which released a less stylised oval bottle for its Polar Pilsen beer. The launch of a special edition of this type of beer was to commemorate the 70th anniversary of one of the oldest brands of beer in the country. The release of the Polar Pilsen special edition was also supported by a promotional campaign transmitted in cinemas which featured Oscar De León, a popular Venezuelan singer who is very closely associated with Venezuelan culture.
- In Venezuela, most of the brands competing within beer are positioned as standard and so far there are no products considered economy or value for money, nor are there private label beer products. Competition is primarily through investments in marketing and promotional activities mostly directed at young audiences between 18 and 25 years old. In this context, Empresas Polar stands out above Cervecería Regional for implementing strategies that allow its brands to develop an emotional connection with its target audience by employing social networks for example. Thus far, price wars have proven to be a relatively unsuccessful strategy in capturing beer drinkers.
- Empresas Polar and Cervecería Regional both operate two breweries in Venezuela.

PROSPECTS

- Although the beer industry has the capacity to repeat the record volume achieved in 2007 as the companies competing in the industry have the ability to respond to an increase in demand, the macroeconomic variables for Venezuela are more likely to constrain any recovery. The expectation is that from 2012, beer will begin to reverse the negative growth trend that started in 2009 but at a slow rate of around 2%. According to one industry source, it

will take some years to reach the record volumes of 2007 and forecasts suggest that this is unlikely to occur before 2016.

- Industry representatives have argued that a further devaluation of the local currency is likely by 2013, so the rate of recovery which is predicted to start in 2012 will suffer a slowdown as a result of price increases that come from currency devaluation measures. Over the period 2014-2016 it is expected that beer will exhibit a significant rate of growth boosted by the natural growth of the Venezuelan population together with a slight recovery in the country's GDP which will lead to improvement in consumers' purchasing power. Based on these assumptions, beer is predicted to post a total volume CAGR of 3% over 2011-2016.
- Potential threats to the beer industry could include new and more stringent restrictions with regards to the timing of distribution and transportation, which could put at risk product distribution as was observed in 2010. In addition, more rigorous limitations on the selling hours for alcoholic beverages may compromise the performance of the beer industry, as these measures affect consumer purchasing behaviour, encouraging preference for those drinks that do not require refrigeration such as rum and vodka which can be bought some time in advance. It is important to note that a key factor in consumers' purchasing decision is that beer is cold.
- Over the forecast period, domestic standard lager is likely to continue outperforming domestic and imported premium larger as consumers' preferences are unlikely to change even over the long term, particularly given that 80% of the Venezuelan population is considered of low-income status. By tradition, standard lager is the only segment in which companies competing in beer industry have focused their marketing efforts; as a result, this is a well-established segment in contrast to the premium one.
- In terms of beer unit prices, a growth rate of 2% per year in constant terms is expected over the forecast period, with the exception of 2013, when a devaluation of the local currency is expected to occur resulting in a higher price increment of around 4%. By tradition, unit prices within beer tend to increase above annual rates of inflation as a significant amount of imported raw material (including malted barley) is used in local beer manufacture, which raises the cost of domestic production. In addition, the crisis in the electricity sector is not expected to improve, at least in the medium term, as according to official sources, Venezuela requires significant investment in the power generation industry. In this context, rationing and power cuts will continue to be a factor that also increases manufacturing costs and thus industry prices.
- Over the forecast period, domestic beer manufacturers are likely to focus their efforts on promoting their core brands within the standard lager segment rather than product innovation in the premium segment as Venezuelans have proven very traditional in their beer preferences. A strategy that seems to have been successful for Empresas Polar was to support its Pilsen-type beer in times when competitors such as Cervecería Regional failed to address this segment to prioritise efforts within light beer. In this context, a greater degree of promotional activity for Pilsen-type beer is expected over the forecast period, not only from Empresas Polar but also from Cervecería Regional.
- Although recovery in the on-trade channel is expected over the forecast period as a result of improvement in consumers' purchasing power, lack of safety and security in Venezuelan society will continue to be a critical factor boosting consumer preference for home consumption. Against this background, off-trade channels are expected to continue outperforming the on-trade; a situation that is not expected to change during the forecast period due to the lack of public policies designed to tackle personal crime.

CATEGORY BACKGROUND

Lager Price Band Methodology

~ Standard lager accounts for 97% of beer sales in terms of volume. The most representative brands in the segment are Polar Light with a 44% total volume share and Polar Ice with a 27% share in 2011. Polar Pilsen from Empresas Polar used to be the most popular brand, but its leadership fell in 2004 when light beers gained consumer preference. Polar Pilsen is also considered part of the standard lager segment. In domestic premium lager, Solera and Solera Light hold 90% of total volume sales; the remaining 10% is taken by Zulia from Cervecería Nacional.

Summary 19 Lager by Price Band 2011

Category	Price range per litre (BsF)
Premium	17-29
Standard	12-17

Source: Euromonitor International estimates, store checks, trade interview

Note: Price bands for lager are based primarily on price, but positioning and packaging are other factors that are considered in classification

CATEGORY DATA

Table 22 Sales of Beer by Category: Total Volume 2006-2011

million litres	2006	2007	2008	2009	2010	2011
Dark Beer						
Lager	2,352.7	2,568.1	2,429.6	2,234.9	2,116.7	1,947.4
- Premium Lager	72.5	78.4	74.1	71.9	70.2	64.7
- Domestic Premium Lager	69.9	75.3	71.0	69.1	67.6	62.2
- Imported Premium Lager	2.6	3.1	3.1	2.8	2.6	2.5
- Standard Lager	2,280.1	2,489.7	2,355.5	2,162.9	2,046.4	1,882.7
- Domestic Standard Lager	2,280.1	2,489.7	2,355.5	2,162.9	2,046.4	1,882.7
- Imported Standard Lager						
- Economy Lager						
- Domestic Economy Lager						
- Imported Economy Lager						
Low/Non- Alcohol Beer			7.3	7.1	7.1	6.5
- Low Alcohol Beer						
- Non-Alcoholic Beer			7.3	7.1	7.1	6.5
Stout						
Beer	2,352.7	2,568.1	2,436.9	2,242.0	2,123.8	1,953.9

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 23 Sales of Beer by Category: Total Value 2006-2011

BsF million	2006	2007	2008	2009	2010	2011
Dark Beer	-	-	-	-	-	-
Lager	9,165.1	12,265.6	16,167.9	22,094.1	29,191.0	39,186.2
- Premium Lager	327.0	410.6	573.9	768.0	957.0	1,317.5
-- Domestic Premium Lager	276.0	341.2	463.4	615.7	803.7	1,128.4
-- Imported Premium Lager	51.1	69.5	110.5	152.3	153.3	189.1
- Standard Lager	8,838.1	11,855.0	15,594.0	21,326.1	28,234.0	37,868.6
-- Domestic Standard Lager	8,838.1	11,855.0	15,594.0	21,326.1	28,234.0	37,868.6
-- Imported Standard Lager	-	-	-	-	-	-
- Economy Lager	-	-	-	-	-	-
-- Domestic Economy Lager	-	-	-	-	-	-
-- Imported Economy Lager	-	-	-	-	-	-
Low/Non- Alcohol Beer	-	-	49.2	67.9	93.8	126.4
- Low Alcohol Beer	-	-	-	-	-	-
- Non-Alcoholic Beer	-	-	49.2	67.9	93.8	126.4
Stout	-	-	-	-	-	-
Beer	9,165.1	12,265.6	16,217.0	22,162.0	29,284.8	39,312.5

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 24 Sales of Beer by Category: % Total Volume Growth 2006-2011

% total volume growth	2010/11	2006-11 CAGR	2006/11 Total
Dark Beer	-	-	-
Lager	-8.0	-3.7	-17.2
- Premium Lager	-7.9	-2.3	-10.8
-- Domestic Premium Lager	-8.0	-2.3	-11.0
-- Imported Premium Lager	-5.2	-1.3	-6.1
- Standard Lager	-8.0	-3.8	-17.4
-- Domestic Standard Lager	-8.0	-3.8	-17.4
-- Imported Standard Lager	-	-	-
- Economy Lager	-	-	-
-- Domestic Economy Lager	-	-	-
-- Imported Economy Lager	-	-	-
Low/Non- Alcohol Beer	-8.0	-	-
- Low Alcohol Beer	-	-	-
- Non-Alcoholic Beer	-8.0	-	-
Stout	-	-	-
Beer	-8.0	-3.6	-16.9

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 25 Sales of Beer by Category: % Total Value Growth 2006-2011

% local currency, current value growth	2010/11	2006-11 CAGR	2006/11 Total
Dark Beer	-	-	-
Lager	34.2	33.7	327.6
- Premium Lager	37.7	32.1	302.9
-- Domestic Premium Lager	40.4	32.5	308.9

-- Imported Premium Lager	23.4	29.9	270.5
- Standard Lager	34.1	33.8	328.5
-- Domestic Standard Lager	34.1	33.8	328.5
-- Imported Standard Lager	-	-	-
- Economy Lager	-	-	-
-- Domestic Economy Lager	-	-	-
-- Imported Economy Lager	-	-	-
Low/Non- Alcohol Beer	34.7	-	-
- Low Alcohol Beer	-	-	-
- Non-Alcoholic Beer	34.7	-	-
Stout	-	-	-
Beer	34.2	33.8	328.9

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 26 Sales of Beer by On-trade vs Off-trade Split: Volume 2006-2011

million litres	2006	2007	2008	2009	2010	2011
Off-trade	2,096.9	2,261.7	2,124.4	1,952.0	1,853.2	1,705.6
On-trade	255.8	306.4	312.6	290.0	270.6	248.3
Total	2,352.7	2,568.1	2,436.9	2,242.0	2,123.8	1,953.9

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 27 Sales of Beer by On-trade vs Off-trade Split: Value 2006-2011

BsF million	2006	2007	2008	2009	2010	2011
Off-trade	5,703.5	7,308.9	9,095.0	12,107.1	17,198.0	25,037.0
On-trade	3,461.6	4,956.7	7,122.0	10,054.8	12,086.8	14,275.5
Total	9,165.1	12,265.6	16,217.0	22,162.0	29,284.8	39,312.5

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 28 Sales of Beer by On-trade vs Off-trade Split: % Volume Growth 2006-2011

% volume growth	2010/11	2006-11 CAGR	2006/11 TOTAL
Off-trade	-8.0	-4.0	-18.7
On-trade	-8.2	-0.6	-2.9
Total	-8.0	-3.6	-16.9

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 29 Sales of Beer by On-trade vs Off-trade Split: % Value Growth 2006-2011

% current value growth	2010/11	2006-11 CAGR	2006/11 TOTAL
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Off-trade	45.6	34.4	339.0
On-trade	18.1	32.8	312.4
Total	34.2	33.8	328.9

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 30 Beer: Production, Imports and Exports: Total Volume 2005-2010

million litres	2005	2006	2007	2008	2009	2010
Beer – Exports	13.2	16.9	12.2	13.1	7.5	8.0
Beer – Imports	0.6	0.9	0.8	0.7	0.7	0.5
Beer – Production	3,483.5	1,930.6	2,491.3	2,445.7	2,314.1	-
Beer – Apparent consumption	3,470.9	1,914.6	2,479.8	2,433.3	2,307.3	-

Source: GTIS, Euromonitor International

Note: '-' indicates data not available

Table 31 Beer Imports by Country of Origin: Total Volume 2005-2010

million litres	2005	2006	2007	2008	2009	2010
Beer – Netherlands	0.3	0.5	0.6	0.5	0.6	0.5
Beer – Germany	0.1	0.1	0.0	0.0	0.0	0.0
Beer – Argentina	0.0	-	0.0	0.1	-	0.0
Beer – France	0.0	0.0	0.0	0.0	0.0	0.0
Beer – United Kingdom	0.1	0.0	0.1	0.1	-	0.0
Beer – Turkey	-	-	-	0.0	0.0	-
Beer – Hong Kong	-	-	-	-	0.0	-
Beer – Vietnam	-	-	-	-	0.0	-
Beer – US	-	0.0	0.0	-	0.0	-
Beer – Peru	-	-	-	0.0	-	-
Beer – Panama	0.0	0.0	0.0	0.0	-	-
Beer – China	-	-	-	0.0	-	-
Beer – Brazil	-	-	-	0.0	-	-
Beer – Belgium	0.0	-	-	0.0	-	-
Beer – Barbados	-	-	-	0.0	-	-
Beer – Mexico	0.1	0.4	-	-	-	-
Beer – Lebanon	-	0.0	-	-	-	-
Beer – Total	0.6	0.9	0.8	0.7	0.7	0.5

Source: GTIS, Euromonitor International

Note: '-' indicates data not available

Table 32 Beer Imports by Country of Origin: Total Value 2005-2010

BsF million	2005	2006	2007	2008	2009	2010
Beer – Netherlands	0.3	0.5	0.9	0.8	1.2	1.0
Beer – Germany	0.2	0.1	0.1	0.1	0.0	0.1
Beer – Argentina	0.0	-	0.0	0.2	-	0.1
Beer – France	0.0	0.0	0.0	0.0	0.0	0.0
Beer – United Kingdom	0.1	0.0	0.2	0.2	-	0.0

Beer – Turkey	-	-	-	0.0	0.0	-
Beer – Hong Kong	-	-	-	-	0.0	-
Beer – US	-	0.0	0.0	-	0.0	-
Beer – Vietnam	-	-	-	-	0.0	-
Beer – Belgium	0.0	-	-	0.0	-	-
Beer – Barbados	-	-	-	0.0	-	-
Beer – Mexico	0.1	0.3	-	-	-	-
Beer – Lebanon	-	0.0	-	-	-	-
Beer – Peru	-	-	-	0.0	-	-
Beer – Panama	0.0	0.0	0.0	0.0	-	-
Beer – China	-	-	-	0.0	-	-
Beer – Brazil	-	-	-	0.0	-	-
Beer – Total	0.7	1.0	1.2	1.3	1.3	1.1

Source: GTIS, Euromonitor International

Note: '-' indicates data not available

Table 33 Beer Exports by Country of Destination: Total Volume 2005-2010

million litres

	2005	2006	2007	2008	2009	2010
Beer – NL Antilles (Curacao)	7.0	10.9	6.6	9.1	4.9	6.3
Beer – Aruba	2.0	2.2	1.9	1.4	0.9	0.8
Beer – Colombia	2.5	1.9	0.7	0.4	0.8	0.7
Beer – Guyana	0.5	1.0	1.6	0.5	0.1	0.2
Beer – US	0.5	0.5	0.8	1.4	0.6	-
Beer – Seychelles	-	-	-	-	0.1	-
Beer – Panama	-	-	-	0.1	0.1	-
Beer – French Guiana	-	-	0.1	-	-	-
Beer – NL Antilles (Bonaire)	0.1	0.0	-	-	-	-
Beer – Puerto Rico (U.S.)	0.5	0.1	0.1	0.2	-	-
Beer – Portugal	0.1	0.1	0.0	0.0	-	-
Beer – Netherlands Antilles	0.1	0.1	0.1	0.0	-	-
Beer – Netherlands	0.1	0.0	0.0	-	-	-
Beer – Martinique	-	0.0	-	-	-	-
Beer – Malta	-	-	0.0	-	-	-
Beer – Honduras	0.0	0.1	0.2	-	-	-
Beer – Haiti	-	0.0	-	-	-	-
Beer – Costa Rica	-	0.1	-	-	-	-
Beer – Dominica	-	0.0	-	-	-	-
Beer – Brazil	-	0.0	-	-	-	-
Beer – Canada	-	-	0.0	-	-	-
Beer – Argentina	-	0.0	0.0	-	-	-
Beer – Venezuela	-	-	0.0	-	-	-
Beer – Total	13.2	16.9	12.2	13.1	7.5	8.0

Source: GTIS, Euromonitor International

Note: '-' indicates data not available

Table 34 Beer Exports by Country of Destination: Total Value 2005-2010

BsF million

	2005	2006	2007	2008	2009	2010
Beer – NL Antilles	6.6	10.6	6.6	9.0	6.4	9.2

(Curacao)						
Beer – Colombia	2.5	2.1	1.2	1.1	2.3	6.0
Beer – Guyana	0.7	1.5	1.8	1.7	1.1	2.0
Beer – Aruba	2.0	2.2	2.0	1.6	1.2	1.1
Beer – US	0.5	0.5	0.8	1.5	0.7	-
Beer – Seychelles	-	-	-	-	0.1	-
Beer – Panama	-	-	-	0.1	0.1	-
Beer – NL Antilles (Bonaire)	0.1	0.1	-	-	-	-
Beer – Netherlands Antilles	0.1	0.1	0.2	0.0	-	-
Beer – Netherlands	0.1	0.0	0.0	-	-	-
Beer – Martinique	-	0.0	-	-	-	-
Beer – Malta	-	-	0.0	-	-	-
Beer – Honduras	0.0	0.0	0.3	-	-	-
Beer – Haiti	-	0.0	-	-	-	-
Beer – Argentina	-	0.0	0.0	-	-	-
Beer – Dominica	-	0.0	-	-	-	-
Beer – Costa Rica	-	0.1	-	-	-	-
Beer – Canada	-	-	0.0	-	-	-
Beer – Brazil	-	0.0	-	-	-	-
Beer – Venezuela	-	-	0.0	-	-	-
Beer – Portugal	0.1	0.1	0.0	0.0	-	-
Beer – French Guiana	-	-	0.2	-	-	-
Beer – Puerto Rico (U.S.)	0.4	0.1	0.2	0.1	-	-
Beer – Total	13.1	17.4	13.3	15.2	11.8	18.2

Source: GTIS, Euromonitor International

Note: '-' indicates data not available

Table 35 Company Shares of Beer by National Brand Owner 2007-2011

% total volume Company	2007	2008	2009	2010	2011
Empresas Polar CA	69.6	71.6	72.9	77.4	78.9
Cervecería Regional CA	23.5	22.3	21.3	17.1	16.0
Cervecera Nacional CA	6.8	6.0	5.2	5.1	4.6
Others	0.1	0.2	0.6	0.5	0.5
Total	100.0	100.0	100.0	100.0	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 36 Company Shares of Beer by Global Brand Owner 2007-2011

% total volume Company	2007	2008	2009	2010	2011
Empresas Polar CA	69.6	71.6	72.9	77.4	78.9
Cisneros, Grupo	23.5	22.3	21.3	17.1	16.0
Anheuser-Busch InBev NV	-	6.0	5.2	5.1	4.6
InBev NV SA	6.8	-	-	-	-
AmBev	-	-	-	-	-
Others	0.1	0.2	0.6	0.5	0.5
Total	100.0	100.0	100.0	100.0	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 37 Brand Shares of Beer 2008-2011

% total volume Brand (Global Brand Owner)	Company	2008	2009	2010	2011
Polar Light	Empresas Polar CA	12.0	35.4	42.3	42.4
Polar Ice	Empresas Polar CA	52.1	30.4	25.6	25.6
Regional Light (Cisneros, Grupo)	Cervecería Regional CA	21.6	21.2	17.0	15.9
Polar	Empresas Polar CA	4.3	4.1	6.3	7.7
Brahma (Anheuser- Busch InBev NV)	Cervecería Nacional CA	6.0	5.2	5.1	4.6
Solera	Empresas Polar CA	1.6	1.3	1.5	1.4
Solera Light	Empresas Polar CA	1.2	1.3	1.4	1.4
Polar Zero	Empresas Polar CA	0.3	0.3	0.3	0.3
Regional (Cisneros, Grupo)	Cervecería Regional CA	0.7	0.2	0.1	0.1
Brahma (InBev NV SA)	Cervecería Nacional CA	-	-	-	-
Others	Others	0.2	0.6	0.5	0.5
Total	Total	100.0	100.0	100.0	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 38 Forecast Sales of Beer by Category: Total Volume 2011-2016

million litres	2011	2012	2013	2014	2015	2016
Dark Beer	-	-	-	-	-	-
Lager	1,947.4	1,986.5	2,016.4	2,065.0	2,164.2	2,298.6
- Premium Lager	64.7	65.8	66.6	68.0	71.1	75.2
-- Domestic Premium Lager	62.2	63.3	64.2	65.6	68.6	72.7
-- Imported Premium Lager	2.5	2.4	2.4	2.4	2.5	2.5
- Standard Lager	1,882.7	1,920.7	1,949.8	1,997.0	2,093.1	2,223.4
-- Domestic Standard Lager	1,882.7	1,920.7	1,949.8	1,997.0	2,093.1	2,223.4
-- Imported Standard Lager	-	-	-	-	-	-
- Economy Lager	-	-	-	-	-	-
-- Domestic Economy Lager	-	-	-	-	-	-
-- Imported Economy Lager	-	-	-	-	-	-
Low/Non- Alcohol Beer	6.5	6.4	6.3	6.3	6.4	6.5
- Low Alcohol Beer	-	-	-	-	-	-
- Non-Alcoholic Beer	6.5	6.4	6.3	6.3	6.4	6.5
Stout	-	-	-	-	-	-
Beer	1,953.9	1,992.9	2,022.8	2,071.3	2,170.6	2,305.1

Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources

Table 39 Forecast Sales of Beer by Category: Total Value 2011-2016

BsF million	2011	2012	2013	2014	2015	2016
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Dark Beer	-	-	-	-	-	-
Lager	39,186.2	40,513.1	42,953.6	44,690.7	47,741.5	51,791.9
- Premium Lager	1,317.5	1,359.1	1,441.7	1,500.1	1,602.8	1,733.5
-- Domestic Premium Lager	1,128.4	1,166.8	1,237.9	1,287.8	1,376.4	1,494.1
-- Imported Premium Lager	189.1	192.4	203.9	212.3	226.4	239.5
- Standard Lager	37,868.6	39,154.0	41,511.8	43,190.6	46,138.7	50,058.4
-- Domestic Standard Lager	37,868.6	39,154.0	41,511.8	43,190.6	46,138.7	50,058.4
-- Imported Standard Lager	-	-	-	-	-	-
- Economy Lager	-	-	-	-	-	-
-- Domestic Economy Lager	-	-	-	-	-	-
-- Imported Economy Lager	-	-	-	-	-	-
Low/Non- Alcohol Beer	126.4	126.7	130.4	131.7	136.5	140.6
- Low Alcohol Beer	-	-	-	-	-	-
- Non-Alcoholic Beer	126.4	126.7	130.4	131.7	136.5	140.6
Stout	-	-	-	-	-	-
Beer	39,312.5	40,639.8	43,084.0	44,822.3	47,878.0	51,932.5

Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources

Table 40 Forecast Sales of Beer by Category: % Total Volume Growth 2011-2016

% total volume growth	2015/16	2011-16 CAGR	2011/16 Total
Dark Beer	-	-	-
Lager	6.2	3.4	18.0
- Premium Lager	5.9	3.1	16.3
-- Domestic Premium Lager	6.0	3.2	16.8
-- Imported Premium Lager	2.3	0.4	2.3
- Standard Lager	6.2	3.4	18.1
-- Domestic Standard Lager	6.2	3.4	18.1
-- Imported Standard Lager	-	-	-
- Economy Lager	-	-	-
-- Domestic Economy Lager	-	-	-
-- Imported Economy Lager	-	-	-
Low/Non- Alcohol Beer	0.9	-0.2	-0.8
- Low Alcohol Beer	-	-	-
- Non-Alcoholic Beer	0.9	-0.2	-0.8
Stout	-	-	-
Beer	6.2	3.4	18.0

Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources

Table 41 Forecast Sales of Beer by Category: % Total Value Growth 2011-2016

% local currency, constant value growth	2011-16 CAGR	2011/16 TOTAL
Dark Beer	-	-
Lager	5.7	32.2
- Premium Lager	5.6	31.6
-- Domestic Premium Lager	5.8	32.4
-- Imported Premium Lager	4.8	26.6
- Standard Lager	5.7	32.2

-- Domestic Standard Lager	5.7	32.2
-- Imported Standard Lager	-	-
- Economy Lager	-	-
-- Domestic Economy Lager	-	-
-- Imported Economy Lager	-	-
Low/Non- Alcohol Beer	2.2	11.2
- Low Alcohol Beer	-	-
- Non-Alcoholic Beer	2.2	11.2
Stout	-	-
Beer	5.7	32.1

Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources

CIDER/PERRY IN VENEZUELA - CATEGORY ANALYSIS

HEADLINES

- Cider/perry sales grow 5% in total volume terms in 2011 and total value sales grow 35% in current terms
- Falling consumer purchasing power sees average Venezuelans switch from sparkling wine to cider
- Cider/perry average unit price increases by 28% in current terms to reach BsF57 per litre in 2011
- Tamayo & Cía SA continues to lead cider/perry with a 19% share of total volume sales in 2011
- During the forecast period, cider/perry is predicted to post a total volume CAGR of 3% while total value sales are expected to post a CAGR of 6% in constant terms

TRENDS

- In 2011, cider/perry continued exhibiting positive performance in terms of total volume sales as weakened consumer purchasing power boosted consumption of less expensive alcoholic drinks. Average Venezuelans are replacing sparkling wine with cider when commemorating special occasions, as it represents an affordable option in terms of price and availability.
- Total volume growth for cider/perry amounted to 5% in 2011. This performance is particularly strong given that other sparkling wine decreased by 10% over the same period. However, cider/perry still remains an underdeveloped segment in Venezuela, accounting for just 418,000 litres in 2011, while sales of other sparkling wine are more than double this figure. This is attributed to the fact that cider is a product with seasonal demand, realising the majority of its sales in the last quarter of the year around the Christmas season.
- In 2011, cider/perry unit price increased 28% in current terms to reach BsF57 per litre. Given that it is not common for prices of alcoholic drinks to grow below the country's inflation rates, manufacturers and importers of cider have clearly delayed severe price increases in order to maintain category growth at a time when Venezuelans are limiting their purchases of non-essential goods.
- In Venezuela, cider/perry consumers are mostly from European cultures. Another group of consumers simply buy the product as a substitute for sparkling wine for festive occasions since they consider cider/perry an affordable option. Most cider/perry drinkers are older consumers who continue the tradition of drinking cider at Christmas time. Thus far, cider products have not been marketed towards younger audiences.
- Within cider/perry, the off-trade channel accounted for 96% of total volume sales in 2011. This is attributed to the fact that cider has a very specific consumption occasion, typically taking place at home during Christmas festivities. Food/drink/tobacco specialists remain the most important commercialisation channels for cider; however supermarkets have increased in importance over the review period as purchases are becoming more planned due to the restrictions on selling alcoholic drinks. In Venezuela, it is not very common to see people

drinking cider at on-trade establishments, except for Europeans who frequent Spanish restaurants, where the tradition of drinking cider is still present.

Production, Imports and Exports

- Most of the cider/perry imported into Venezuela comes from the Asturias region in Spain. Also, there are a few domestic brands manufactured in the country. Thus far, none of the local products are exported.
- Over 70% of the total volume of cider sold in the country comes from imported brands, notably Escanciador, El Mayu and La Española.

COMPETITIVE LANDSCAPE

- Tamayo & Cía SA leads sales of cider/perry in Venezuela, with a 19% total volume share in 2011. This leading position is attributed to the performance of Escanciador, which is the most popular brand of cider marketed in Venezuela. The wide distribution network of Tamayo & Cía coupled with pricing strategies adapted to average Venezuelans have been key factors underpinning this successful competitive position.
- In terms of cider/perry share movements, no relevant changes were seen in 2011. However, Distribuidora Homann Dürr CA suffered the biggest decrease in volume sales as its brand El Asturr was no longer marketed in the country. In Venezuela, most importers of alcoholic drinks face restricted access to foreign currency and as a result they are rationalising their portfolios, giving greater allocation of resources to high-rotation products.
- In Venezuela, cider/perry is led by foreign brands that are commercialised mostly by distributors. Despite the recognition and awareness of the domestic brand La Valenciana, its share is very small compared to imported products which account for over 70% of cider sales in terms of volume. Even though La Valenciana represents a less expensive option, cider/perry itself is an economy product and most people prefer imported brands which are perceived as offering higher quality.
- By tradition, cider/perry is a category in which it is not common to see new launches or advertising campaigns beyond marketing activities that take place during the Christmas holiday season. In 2011, Distribuidora Nube Azul CA carried out promotional activity for its brand La Valenciana in order to promote cider as an ingredient for preparing cocktails. The activity was sponsored through the website tutrigo.com as well as drinks specialists.
- In 2011, packaging innovation was largely unseen in cider/perry.
- In Venezuela, most of the brands competing within cider/perry are positioned as economy and thus far there have been no private label products. In 2011, competition was mainly provided by pricing strategies in the off-trade channel as the economic downturn has led price to become the most important factor in consumer purchasing decisions.

PROSPECTS

- Over 2011-2016, cider/perry is expected to continue growing but at a slower rate than that recorded over the review period. From 2014, an improvement in consumer purchasing power is expected to occur which is likely to result in the recovery of some categories that were replaced by cider/perry.

- Cider/perry is expected to post a total volume CAGR of 3% over the forecast period, boosted by the natural growth of the Venezuelan population. Cider will continue being an affordable option for consumption occasions associated with celebrations, such as Christmas time. On the other hand, total value sales are projected to post a CAGR of 6% in constant terms over the same period. A devaluation of the local currency is expected to occur in 2013, a factor that will have a significant effect on retail prices as most of the products available in the country are imported.
- The major threat to future growth for cider/perry is restricted access to foreign currency. This scenario is unlikely to change at least until 2012 when the presidential election is due to take place. Domestic producer Distribuidora Nube Azul will benefit most from this situation as its brand La Valenciana will benefit from more reliable availability and price competitiveness compared to imported brands.
- In terms of unit price movements, cider/perry is expected to record a CAGR of 3% in constant terms over 2011-2016. Given that the category is strongly reliant on imported products, it is not surprising that difficulties in the import process will force prices to continue increasing.
- Over the forecast period, no major releases are expected to occur in terms of product launches. Distributors of cider/perry are likely to focus on guaranteeing product availability given the uncertain scenario concerning the acquisition of foreign currency. Meanwhile, domestic manufacturers are likely to focus on capturing consumers from imported products, requiring higher investment in marketing activities to strengthen local brands.
- Potential activities expected over the forecast period include more continuous support through the year instead of just before Christmas time, as this strategy appears to be producing positive results for local brand La Valenciana. In addition, distributors and local producers are likely to promote cider as an ingredient in mixing cocktails, a strategy designed to increase consumption occasions.
- Over 2011-2016, the off-trade channel will continue outperforming the on-trade channel as cider is mostly consumed at celebrations that take place in the home. Thus far, no major efforts have been made to promote consumption at on-trade establishments and this situation is not expected to change over the forecast period.

CATEGORY DATA

Table 42 Sales of Cider/Perry: Total Volume 2006-2011

'000 litres	2006	2007	2008	2009	2010	2011
Cider/Perry	291.5	315.9	331.4	376.5	397.8	418.3

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 43 Sales of Cider/Perry: Total Value 2006-2011

BsF million	2006	2007	2008	2009	2010	2011
Cider/Perry	4.7	6.0	7.8	11.7	17.7	23.8

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 44 Sales of Cider/Perry: % Total Volume Growth 2006-2011

% total volume growth	2010/11	2006-11 CAGR	2006/11 Total
Cider/Perry	5.2	7.5	43.5

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 45 Sales of Cider/Perry: % Total Value Growth 2006-2011

% local currency, current value growth	2010/11	2006-11 CAGR	2006/11 Total
Cider/Perry	34.5	38.1	402.3

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 46 On-trade vs Off-trade Sales of Cider/Perry: Volume 2006-2011

'000 litres	2006	2007	2008	2009	2010	2011
Off-trade	277.2	300.7	315.7	360.6	381.8	402.1
On-trade	14.3	15.2	15.7	15.9	16.0	16.2
Total	291.5	315.9	331.4	376.5	397.8	418.3

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 47 On-trade vs Off-trade Sales of Cider/Perry: Value 2006-2011

BsF million	2006	2007	2008	2009	2010	2011
Off-trade	4.3	5.5	7.1	10.8	16.5	22.2
On-trade	0.4	0.5	0.7	0.9	1.2	1.6
Total	4.7	6.0	7.8	11.7	17.7	23.8

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 48 On-trade vs Off-trade Sales of Cider/Perry: % Volume Growth 2006-2011

% volume growth	2010/11	2006-11 CAGR	2006/11 TOTAL
Off-trade	5.3	7.7	45.0
On-trade	1.5	2.6	13.7
Total	5.2	7.5	43.5

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 49 On-trade vs Off-trade Sales of Cider/Perry: % Value Growth 2006-2011

% current value growth	2010/11	2006-11 CAGR	2006/11 TOTAL
Off-trade	34.5	38.7	414.0
On-trade	33.9	30.7	281.9
Total	34.5	38.1	402.3

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 50 Company Shares of Cider/Perry by National Brand Owner 2007-2011

% total volume Company	2007	2008	2009	2010	2011
Tamayo & Cia SA	14.4	14.9	15.1	16.2	18.8
Distribuidora Glasgow CA	10.2	12.1	13.8	15.2	15.0
Complejo Licorero Ponche Crema	8.9	8.8	11.1	12.2	13.9
Central de Licores Unidos de Venezuela CA	5.6	5.5	6.8	8.0	9.3
Distribuidora Nube Azul CA	6.1	6.0	7.2	7.5	8.8
Distribuidora Homann Dürr CA (HDCA)	15.9	13.1	12.4	8.0	2.2
Casa Oliveira CA	6.5	6.1	1.4	0.0	-
Others	32.4	33.5	32.1	32.9	32.0
Total	100.0	100.0	100.0	100.0	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 51 Company Shares of Cider/Perry by Global Brand Owner 2007-2011

% total volume Company	2007	2008	2009	2010	2011
Sidra Escanciador SA	30.3	28.0	27.5	24.2	21.0
MBA SA 'Mayador'	10.2	12.1	13.8	15.2	15.0
Complejo Licorero Ponche Crema	8.9	8.8	11.1	12.2	13.9
Central de Licores Unidos de Venezuela CA	5.6	5.5	6.8	8.0	9.3
IPECA	6.1	6.0	7.2	7.5	8.8
Galicia Manzanera SA	6.5	6.1	1.4	0.0	-
Others	32.4	33.5	32.1	32.9	32.0
Total	100.0	100.0	100.0	100.0	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 52 Brand Shares of Cider/Perry 2008-2011

% total volume Brand (Global Brand Owner)	Company	2008	2009	2010	2011
Escanciador (Sidra Escanciador SA)	Tamayo & Cía SA	14.9	15.1	16.2	18.8
El Mayu (MBA SA 'Mayador')	Distribuidora Glasgow CA	12.1	13.8	15.2	15.0
La Española	Complejo Licorero Ponche Crema	8.8	11.1	12.2	13.9
Viva Asturias	Central de Licores Unidos de Venezuela CA	5.5	6.8	8.0	9.3
La Valenciana (IPECA)	Distribuidora Nube Azul CA	6.0	7.2	7.5	8.8
El Asturr (Sidra Escanciador SA)	Distribuidora Homann Dürr CA (HDCA)	13.1	12.4	8.0	2.2
Ziber (Galicia Manzanera SA)	Casa Oliveira CA	6.1	1.4	0.0	-
Others	Others	33.5	32.1	32.9	32.0
Total	Total	100.0	100.0	100.0	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 53 Forecast Sales of Cider/Perry: Total Volume 2011-2016

'000 litres	2011	2012	2013	2014	2015	2016
Cider/Perry	418.3	437.5	455.1	471.1	485.0	493.5

Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources

Table 54 Forecast Sales of Cider/Perry: Total Value 2011-2016

BsF million	2011	2012	2013	2014	2015	2016
Cider/Perry	23.8	25.6	27.8	29.3	30.9	32.0

Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources

Table 55 Forecast Sales of Cider/Perry: % Total Volume Growth 2011-2016

% total volume growth	2015/16	2011-16 CAGR	2011/16 Total
Cider/Perry	1.8	3.4	18.0

Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources

Table 56 Forecast Sales of Cider/Perry: % Total Value Growth 2011-2016

% local currency, constant value growth	2011-16 CAGR	2011/16 TOTAL
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Cider/Perry

6.1

34.3

Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources

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RTDS/HIGH-STRENGTH PREMIXES IN VENEZUELA - CATEGORY ANALYSIS

HEADLINES

- RTDs/high-strength premixes fall 5% in total volume terms and grow 22% in current total value terms in 2011
- The emergence of economy brands of flavoured vodka also affects performance of RTDs mainly in the off-trade
- All RTDs/high-strength premixes record negative total volume growth in 2011
- RTDs/high-strength premixes unit price increases by 29% in current terms to reach BsF39 per litre in 2011
- Diageo Venezuela CA continues leading RTDs/high-strength premixes with a 29% total volume share in 2011
- During the forecast period, RTDs/high-strength premixes are predicted to post a total volume CAGR of 2% while total value sales are expected to post a CAGR of 5% in constant terms

TRENDS

- In 2011, RTDs/high-strength premixes continued exhibiting a negative growth rate as a result of weakened consumer purchasing power. Consumers of RTDs also reduced the frequency and quantity of consumption as they faced tighter budgets which forced them to reduce spending on non-essential consumption goods. In addition, the emergence of economy brands of flavoured vodka has also had a significant effect on the performance of RTDs as they are consumed alone in the same way as ready-to-drink products.
- RTDs/high-strength premixes recorded a decline of 5% in total volume terms while total value sales increased by 22% in current terms in 2011. Although this performance might be considered meagre given that the category grew 11% in 2007 and 6% in 2008, it is in line with the overall behaviour of alcoholic drinks which have been severely hit since 2009. Moreover, given that beer total volume sales decreased 8% in 2011, the fall in RTDs' volumes was not as pronounced as it might have been.
- In 2011, all RTDs/high-strength premixes recorded declines in total volume terms; however, spirit-based RTDs was the least affected. According to one industry source, this category shows greater acceptance among women, a fact that has had a significant effect on its performance, unlike other alcoholic drinks such as rum and beer, where men, the primary consumers, show less loyalty and tend to switch easily between the categories.
- Overall unit price for RTDs/high-strength premixes increased 29% in current terms to reach BsF39 per litre in 2011. While a great number of alcoholic drinks recorded price increments in line with the country's inflation rate, companies competing within RTDs delayed severe increases in order to avoid losing consumers at a time when economy brands are emerging and average Venezuelans are making purchasing decisions based primarily on price.
- In Venezuela, RTDs/high-strength premixes are mostly purchased via off-trade channels which account for 77% of total volume sales. Trends towards home consumption are more

closely associated with issues of personal safety/security and falling consumer purchasing power than the desire for home entertaining per se.

- Spirit-based RTDs are mainly consumed by women in Venezuela. Although Smirnoff Black has enjoyed better acceptance among a male audience, since it is slightly stronger than regular Smirnoff Ice or Breeze Ice Vodka, RTDs remain perceived as targeted at women. In terms of wine-based RTDs, they are equally consumed by young women and men, looking for convenience and fun at a low price.

COMPETITIVE LANDSCAPE

- Diageo Venezuela CA continues leading RTDs/high-strength premixes with a 29% total volume share in 2011. This company has reached this position of strength as a result of innovative and continuous marketing support for its flagship brand Smirnoff Ice, targeting young audiences. Bodegas Pomar, which manufactures Sangría Caroreña and competes within wine-based RTDs, ranks in second place with a 19% total volume share. The strong position of this brand relies on the fact that Bodegas Pomar has a recognised position in the domestic wine industry. In addition, the distribution network of this company also represents a competitive advantage in terms of product availability.
- In 2011, no major changes were observed in terms of company share movements; however, Diageo Venezuela recorded a slight increase in terms of total volume sales as spirit-based RTDs outperformed the other categories. Smirnoff Ice has been promoted by developing evening events with recognised Venezuelan DJs as a way to connect with its target audience. However, from 2010, promotions via social networks highlight the activities carried out by Diageo Venezuela.
- In Venezuela, a large number of products in RTDs/high-strength premixes are locally manufactured, including some recognised foreign brands of spirit-based RTDs. Wine-based RTDs are produced entirely by domestic producers. In terms of high-strength premixes, they are not that common in Venezuela and the few brands available are imported. The performance of domestic brands of wine-based RTDs is related to price as they are an affordable product, and penetration is higher among low-income groups in comparison to spirit-based RTDs.
- The latest release within RTDs/high-strength premixes was made by Bodegas Pomar which launched a reduced-calorie version of Sangría Caroreña in 2010. Since then, there have been no significant new launches or packaging innovations.
- In terms of advertising campaigns, Diageo Venezuela takes the lead with campaigns for responsible consumption of alcoholic drinks directed at young audiences, who are the key consumers of RTDs. In 2011, this company released a campaign called "You have an angel" featuring recognised music figures, Chino y Nacho. The campaign was released through the social network Facebook and was designed to transmit appropriate education in terms of alcohol consumption and generate a change in perception and attitude among young audiences.
- Wine-based and spirit-based RTDs strongly compete in off-trade channels, especially during high-demand seasons such as Carnival, Holy Week and Christmas. Consumption occasions are mainly among groups of friends, getting together at home or going to the beach, where preferences are motivated by desire for a refreshing drink. Spirit-based RTDs producers are even more aggressive in terms of marketing, advertising and on-trade activities than those in wine-based RTDs, in which purchasing decisions are mainly driven by price. Thus far, there are no private label products within RTDs/high-strength premixes in Venezuela.

PROSPECTS

- Over 2011-2016, it is expected that RTDs/high-strength premixes will begin to recover with the improvement in consumers' purchasing power. However, this recovery will not be particularly rapid as industry sources suggest that personal income is likely to increase only slightly by 1% in constant terms. Against this backdrop, it will not be possible for the category to achieve the same high volume sales that were recorded in 2007 and 2008. Economy vodka will continue to be a strong competitor for RTDs as it is expected to see a significant increase in penetration levels, especially among low-income groups.
- From 2012, RTDs/high-strength premixes are projected to reverse the negative growth trend that began as a result of the economic downturn. In this context, the category is expected to record a total volume CAGR of 2% over 2011-2016 while total value sales in constant terms are projected to post a 5% CAGR, boosted by the expected devaluation of the local currency in 2013. Forecasts from last year have been adjusted as industry sources confirmed the recovery will not be as optimistic as previously forecast, dropping the expected total volume CAGR from 4% to 2% over 2011-2016.
- The performance of spirit-based RTDs could be threatened by issues regarding access to foreign currency as the category is strongly reliant on imported products. In addition, wine-based RTDs domestic production could be susceptible to the availability of imported raw materials, especially wine must, which is used in product manufacturing. However, the most important action that could threaten domestic production is related to expropriation measures involving Bodegas Pomar that could be enforced over the forecast period.
- During 2011-2016, spirit-based RTDs are expected to continue outperforming wine-based RTDs as they have been highly promoted through social networks in order to capture younger audiences. By tradition, wine-based RTDs do not receive strong support in terms of marketing activities, a fact that could have a significant impact on any further development. In addition, industry sources stated that it will take some years to recover historic volume sales of wine-based RTDs.
- In terms of unit price movements, RTDs/high-strength premixes are expected to record a CAGR of 2% in constant terms. On the one hand, spirit-based RTDs are strongly reliant on imported products and on the other hand, domestic production of wine-based RTDs also depends on imported raw materials. Difficulties accessing foreign currency will see prices continue increasing above annual rates of inflation.
- According to one industry source, Sangria Caroreña light has shown positive performance since it was launched in 2010. The product has been well accepted by a public looking for a drink with fewer calories, and benefits from the recognition enjoyed by the Sangria Caroreña brand, marketed by Bodegas Pomar. Indeed, in some regions of the country this light presentation accounts for 10% of the total volume of Sangria Caroreña; a percentage that is considered significant for a light product. In response, other domestic manufacturers may find it attractive to compete in the light segment.
- Over the forecast period, both off- and on-trade channels are expected to grow at a similar rate as RTDs will continue to be an affordable option for on-trade consumption. In terms of off-trade channels, supermarkets are projected to increase in importance as alcoholic drinks purchases are becoming more planned due to the restrictions on hours of sale for alcoholic beverages.

CATEGORY DATA

Table 57 Sales of RTDS/High-strength Premixes by Category: Total Volume 2006-2011

'000 litres	2006	2007	2008	2009	2010	2011
High-Strength Premixes	-	-	-	-	-	-
RTDs	3,743.2	4,152.3	4,416.8	4,246.6	3,815.9	3,624.9
- Malt-Based RTDs	-	-	-	-	-	-
- Spirit-Based RTDs	1,316.0	1,472.8	1,570.5	1,599.5	1,592.3	1,575.8
- Wine-Based RTDs	2,427.2	2,679.5	2,846.3	2,647.1	2,223.6	2,049.1
- Other RTDs	-	-	-	-	-	-
RTDs/High-Strength Premixes	3,743.2	4,152.3	4,416.8	4,246.6	3,815.9	3,624.9

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 58 Sales of RTDS/High-strength Premixes by Category: Total Value 2006-2011

BsF million	2006	2007	2008	2009	2010	2011
High-Strength Premixes	-	-	-	-	-	-
RTDs	43.9	57.1	78.0	105.2	114.9	140.3
- Malt-Based RTDs	-	-	-	-	-	-
- Spirit-Based RTDs	16.3	19.4	25.3	35.0	43.5	55.5
- Wine-Based RTDs	27.6	37.7	52.7	70.2	71.4	84.8
- Other RTDs	-	-	-	-	-	-
RTDs/High-Strength Premixes	43.9	57.1	78.0	105.2	114.9	140.3

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 59 Sales of RTDS/High-strength Premixes by Category: % Total Volume Growth 2006-2011

% total volume growth	2010/11	2006-11 CAGR	2006/11 Total
High-Strength Premixes	-	-	-
RTDs	-5.0	-0.6	-3.2
- Malt-Based RTDs	-	-	-
- Spirit-Based RTDs	-1.0	3.7	19.7
- Wine-Based RTDs	-7.8	-3.3	-15.6
- Other RTDs	-	-	-
RTDs/High-Strength Premixes	-5.0	-0.6	-3.2

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 60 Sales of RTDS/High-strength Premixes by Category: % Total Value Growth 2006-2011

% local currency, current value growth

	2010/11	2006-11 CAGR	2006/11 Total
High-Strength Premixes	-	-	-
RTDs	22.2	26.2	220.1
- Malt-Based RTDs	-	-	-
- Spirit-Based RTDs	27.6	27.9	241.6
- Wine-Based RTDs	18.8	25.2	207.4
- Other RTDs	-	-	-
RTDs/High-Strength Premixes	22.2	26.2	220.1

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 61 On-trade vs Off-trade Sales of RTDS/High-strength Premixes: Volume 2006-2011

'000 litres	2006	2007	2008	2009	2010	2011
Off-trade	3,067.6	3,404.0	3,616.8	3,475.7	3,116.2	2,952.7
On-trade	675.6	748.3	800.0	770.9	699.6	672.2
Total	3,743.2	4,152.3	4,416.8	4,246.6	3,815.9	3,624.9

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 62 On-trade vs Off-trade Sales of RTDS/High-strength Premixes: Value 2006-2011

BsF million	2006	2007	2008	2009	2010	2011
Off-trade	28.9	38.0	52.2	71.5	81.3	98.5
On-trade	15.0	19.1	25.8	33.7	33.6	41.9
Total	43.9	57.1	78.0	105.2	114.9	140.3

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 63 On-trade vs Off-trade Sales of RTDS/High-strength Premixes: % Volume Growth 2006-2011

% volume growth	2010/11	2006-11 CAGR	2006/11 TOTAL
Off-trade	-5.2	-0.8	-3.7
On-trade	-3.9	-0.1	-0.5
Total	-5.0	-0.6	-3.2

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 64 On-trade vs Off-trade Sales of RTDS/High-strength Premixes: % Value Growth 2006-2011

% current value growth	2010/11	2006-11 CAGR	2006/11 TOTAL
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Off-trade	21.2	27.8	241.0
On-trade	24.5	22.8	179.7
Total	22.2	26.2	220.1

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 65 Company Shares of RTDS/High-strength Premixes by Global Brand Owner 2007-2011

% total volume Company	2007	2008	2009	2010	2011
Diageo Plc	20.4	22.3	25.0	27.9	29.1
Empresas Polar CA	16.1	18.1	19.6	19.6	19.2
Industrias El Carmen CA	10.4	10.5	9.7	9.1	9.2
Complejo Licorero Ponche Crema	12.6	10.4	8.5	7.6	7.5
Villa Manquehue	12.7	11.1	9.3	8.1	7.3
Productora Enotria CA	6.1	5.7	5.6	6.4	6.7
Celiveca CA	6.0	6.2	6.9	6.1	6.2
Campari Milano SpA, Davide	2.9	2.8	2.0	2.7	3.0
Industrias Bravo CA	2.3	2.2	2.2	2.4	2.2
Cantine Cooperative Riunite scarl	0.4	0.2	0.1	0.0	-
Ponche Crema CA	-	-	-	-	-
Others	10.0	10.6	11.2	10.0	9.6
Total	100.0	100.0	100.0	100.0	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 66 Company Shares of RTDS/High-strength Premixes by National Brand Owner 2007-2011

% total volume Company	2007	2008	2009	2010	2011
Diageo Venezuela CA	20.4	22.3	25.0	27.9	29.1
Bodegas Pomar CA	16.1	18.1	19.6	19.6	19.2
Industrias El Carmen CA	10.4	10.5	9.7	9.1	9.2
Complejo Licorero Ponche Crema	12.6	10.4	8.5	7.6	7.5
Importadora Italvini CA	12.7	11.1	9.3	8.1	7.3
Celiveca CA	6.0	6.2	6.9	6.1	6.2
Distribuidora Glasgow CA	5.0	4.5	4.4	5.4	5.7
Alnova CA	2.9	2.8	2.0	2.7	3.0
Industrias Bravo CA	2.3	2.2	2.2	2.4	2.2
Productora Enotria CA	1.1	1.2	1.2	1.1	1.1
IPECA	0.4	0.2	0.1	0.0	-
Ponche Crema CA	-	-	-	-	-
Others	10.0	10.6	11.2	10.0	9.6
Total	100.0	100.0	100.0	100.0	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 67 Brand Shares of RTDS/High-strength Premixes 2008-2011

% total volume Brand (Global Brand Owner)	Company	2008	2009	2010	2011
Smirnoff Ice (Diageo Plc)	Diageo Venezuela CA	22.3	25.0	27.9	29.1
Sangría Caroreña (Empresas Polar CA)	Bodegas Pomar CA	18.1	19.6	19.6	19.2
Sangría Sevillana	Industrias El Carmen CA	10.5	9.7	9.1	9.2
Sangría La Española	Complejo Licorero Ponche Crema	10.4	8.5	7.6	7.5
Fresita (Villa Manquehue)	Importadora Italvini CA	10.4	8.8	7.7	7.1
Sangría Don Julián	Celiveca CA	4.5	6.1	6.1	6.2
Breeze Ice Vodka (Productora Enotria CA)	Distribuidora Glasgow CA	4.5	4.4	5.4	5.7
Skyy Blue (Campari Milano SpA, Davide)	Alnova CA	2.8	2.0	2.7	3.0
Fisher Ice	Industrias Bravo CA	2.2	2.2	2.4	2.2
Sangría Pasodoble	Productora Enotria CA	1.2	1.2	1.1	1.1
Exeed	Celiveca CA	1.7	0.8	0.0	-
Others	Others	11.5	11.7	10.4	9.9
Total	Total	100.0	100.0	100.0	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 68 Forecast Sales of RTDS/High-strength Premixes by Category: Total Volume 2011-2016

'000 litres	2011	2012	2013	2014	2015	2016
High-Strength Premixes	-	-	-	-	-	-
RTDs	3,624.9	3,646.1	3,684.9	3,759.0	3,899.5	4,065.5
- Malt-Based RTDs	-	-	-	-	-	-
- Spirit-Based RTDs	1,575.8	1,588.5	1,610.0	1,653.3	1,728.1	1,813.6
- Wine-Based RTDs	2,049.1	2,057.7	2,074.9	2,105.7	2,171.4	2,251.8
- Other RTDs	-	-	-	-	-	-
RTDs/High-Strength Premixes	3,624.9	3,646.1	3,684.9	3,759.0	3,899.5	4,065.5

Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources

Table 69 Forecast Sales of RTDS/High-strength Premixes by Category: Total Value 2011-2016

BsF million	2011	2012	2013	2014	2015	2016
High-Strength Premixes	-	-	-	-	-	-
RTDs	140.3	143.7	150.2	155.6	164.5	174.7
- Malt-Based RTDs	-	-	-	-	-	-

- Spirit-Based RTDs	55.5	56.7	59.4	61.7	65.7	70.3
- Wine-Based RTDs	84.8	86.9	90.8	93.8	98.8	104.4
- Other RTDs	-	-	-	-	-	-
RTDs/High-Strength Premixes	140.3	143.7	150.2	155.6	164.5	174.7

Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources

Table 70 Forecast Sales of RTDs/High-strength Premixes by Category: % Total Volume Growth 2011-2016

% total volume growth

	2015/16	2011-16 CAGR	2011/16 Total
High-Strength Premixes	-	-	-
RTDs	4.3	2.3	12.2
- Malt-Based RTDs	-	-	-
- Spirit-Based RTDs	4.9	2.9	15.1
- Wine-Based RTDs	3.7	1.9	9.9
- Other RTDs	-	-	-
RTDs/High-Strength Premixes	4.3	2.3	12.2

Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources

Table 71 Forecast Sales of RTDs/High-strength Premixes by Category: % Total Value Growth 2011-2016

% local currency, constant value growth

	2011-16 CAGR	2011/16 TOTAL
High-Strength Premixes	-	-
RTDs	4.5	24.5
- Malt-Based RTDs	-	-
- Spirit-Based RTDs	4.8	26.6
- Wine-Based RTDs	4.2	23.1
- Other RTDs	-	-
RTDs/High-Strength Premixes	4.5	24.5

Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources

SPIRITS IN VENEZUELA - CATEGORY ANALYSIS

HEADLINES

- In 2011, spirits grow 3% in total volume terms and total value sales grow 36% in current terms
- The emergence of economy brands of vodka boosts category volume sales in 2011
- For the third consecutive year dark rum achieves the highest total volume growth with an increment of 15%
- Average overall unit price for spirits increases 31% in current terms to reach BsF155 per litre in 2011
- Diageo Venezuela CA leads spirits in Venezuela with a 22% total volume share
- Over the forecast period, spirits are predicted to post a total volume CAGR of 3% while total value sales are expected to post a CAGR of 5% in constant terms

TRENDS

- Despite the fact that 2011 can be considered a turning point when the country's macroeconomic variables stopped experiencing negative growth and stabilised, Venezuelan consumers continued to downtrade not only between different categories of spirits but also within the same category. In this context, drinkers of standard and premium whiskies are switching to rum and vodka and even consumers of economy whiskies are migrating towards domestic whiskies. Venezuelans are not particularly loyal to one specific alcoholic drinks category; instead they are shifting their preferences to more than one type of drink and brand, depending on their economic and financial situation.
- In 2011, spirits sales grew 3% in total volume terms, while total value sales increased by 36% in current terms. In volume terms, growth in 2011 mirrored that of the review period CAGR (3%), primarily because Venezuelans have switched between categories without reducing the total volume consumed. Indeed, per capita consumption of spirits increased 2% from 2010 to 2011. One industry source suggested that the higher price increment recorded within beer has prompted a small number of these consumers to switch to domestic rum and vodka. Given that the consumer base for beer is so large, a small migration of beer drinkers can generate significant results in other categories.
- In 2011, average overall unit price for spirits increased by 31% in current terms, rising from BsF119 per litre to BsF 155. According to one industry source, the fall in demand that whiskies has been experiencing since 2009 as the result of severe price increments driven by the restrictive access to foreign currency has led retailers to delay price increases in 2011. In this context, average unit price of other blended Scotch whisky recorded an increment of 34% in current terms whereas in previous years, price increases surpassed 50%.
- Other whiskies, rum and vodka continued being the fastest-growing categories in 2011, exhibiting outstanding performance compared to their counterparts. In the case of rum, which achieved an exceptional total volume growth rate of 14% for the third consecutive year, the weakening of consumer purchasing power has created the necessity to migrate to less expensive alcoholic drinks. According to one industry source, rum is not only being consumed

by young audiences but also by adults from upper-income segments who are looking for a good-quality drink that substitutes for whisky during certain consumption occasions.

- In terms of other whiskies, the popularity of domestic whisky has been increasing in the lowest population stratus as people are also downtrading from the 3YO category to cheaper options. In this context, a 750ml bottle of 3YO whisky sells on average for BsF98 at liquor stores while a 700ml bottle of domestic whisky can be purchased for BsF45, a significant saving when people want to maintain the status conveyed by drinking whisky or simply buy it for special occasions (weddings, celebrations).
- In Venezuela, other blended Scotch whisky is the most popular type, accounting for 84% of total volume sales of whiskies in 2011. However, this participation has decreased by almost four percentage points from 2008 to 2011, since domestic whiskies are gaining some of this share primarily due to lower price. Sales of single malt Scotch whisky are almost negligible in the country, representing a niche market made up of sophisticated consumers that have a highly-developed taste for whisky and seek the best-quality product.
- Even though Venezuelans were more willing to buy non-flavoured vodka over the review period, flavoured versions have been gaining importance in consumer preference due to the introduction of economy brands offering a wide variety of flavours. Some of the most common are lemon, pineapple, tropical fruit, strawberry and cherry. The trend of marketing a broad variety of products is mostly seen within domestic manufacturers of vodka, as multinational companies such as Diageo and Pernod Ricard are implementing a contrasting strategy of rationalising their portfolios due to the lack of access to foreign currency which leads them to allocate resources to high-rotation presentations.
- According to one industry source, the success of the launch of flavoured vodka in the value segment is attributed to the fact that younger audiences consume these varieties without the addition of juice or soft drinks, something that is only possible when the product tastes good and when it is cheap enough to be consumed alone. In addition, these audiences perceive that they get drunk faster when consuming pure vodka which ultimately results in them saving money. Indeed, domestic vodka is driving overall growth of vodka, which in 2011 recorded an increment of 9% in terms of total volume.
- Even though Venezuela began to make progress after the economic downturn that severely impacted the country in 2009 and 2010, average consumers have not yet perceived a recovery in their purchasing power as GDP grew slightly below 1% in 2011. Against this backdrop, consumers continued trading down from premium and standard whisky, benefiting the economy segment which capitalised sales and increased its volume share in 2011. In terms of gin, the standard segment was strengthened as most of the economy brands ceased to be marketed in the country. In terms of vodka, the emergence of domestic brands boosted the value segment to grow at the expense of a loss in volume share within standard brands.
- In spirits, the off-trade channel represents 90% of total volume sales. The increasing preference for the off-trade channel is attributed to weakened consumer purchasing power and the lack of safety/security in Venezuelan society, which has seen consumers shift towards home consumption. Although the on-trade accounts for only 10% of total volume sales, it is very strategic to building brand awareness. According to one industry source, companies marketing whisky used to invest a significant amount of resources at on-trade establishments to develop brand image; however, the incentives granted to these channels have been reduced as companies are cutting spending due to the reduction in demand levels.
- The consumer type for spirits in Venezuela depends largely on the category. Rum consumers in standard and premium segments are mostly aged between 18 and 35 years old and in the super premium segment exceed 35 years. Vodka and gin consumers are mostly between 25 and 40 years old and whisky drinkers include a broader range of consumers up to the age of

60. Consumption occasions also vary according to the category, with whiskies preferred for special occasions (celebrations), lunch and evening work meetings, while vodka and rum are consumed when going out to bars and nightclubs, getting together at home and also when going to the beach.

- The low price of domestic vodka and the restrictions on selling hours for alcoholic drinks have been key factors in the performance of vodka in 2011. According to one industry source, during holiday seasons the sale of alcoholic beverages at off-trade channels is not permitted prior to 11.00hrs, an hour by which most people are already on the beach. Against this background, consumers make planned purchases in previous days, with preferred drinks including vodka which does not need to be refrigerated unlike beer. Vodka has become an important competitor for beer, especially during holiday seasons when a large number of Venezuelans move to coastal areas with beaches.

Production, Imports and Exports

- The leading export product in alcoholic drinks is rum. The origin and length of ageing are the main attributes that have positioned domestic rum in international countries. Indeed, Ron Santa Teresa, the oldest rum producer in Venezuela, won five new awards, including one gold medal, in the 2011 edition of the World Spirits Competition, which is held annually in San Francisco in the US.
- The top domestic products marketed internationally are Gran Reserva and Cacique in the standard segment, Selecto and Cacique 500 in the premium segment and Santa Teresa 1796 in the super premium segment. Competing brands in European countries are Habana, Bacardi, Captain Morgan, Brugal, Appleton, Tommy Bahama 10 Cane, Pyrat Rum and Matusalem (Cuban).
- Domestic rum is exported to more than 20 countries with Italy being the principal international destination. New expansion plans include Asian and Nordic countries. In addition to rum, most alcoholic drinks within spirits are imported and there are a few domestic products that appeal to local consumer preferences. Pernod Ricard Venezuela is the only domestic whisky producer currently present.
- According to one industry source, domestic producers have focused on vodka and wine-based RTDs which are drinks that depend on a good distribution and pricing strategy, attracting average Venezuelan consumers. On the other hand, entering to compete in whiskies is more complex; the issue for domestic whisky is that it is sold at the same price as domestic vodka, a fact that drives young audiences towards vodka. Pernod Ricard has achieved a position in this segment due to its economies of scale. An unsuccessful example of national companies trying to penetrate domestic whisky is the case of the hypermarket chain Makro with its Inver House whisky-based liqueur, introduced in 2006. The brand was not successful as consumers felt the price was too high for a domestic whisky-based product that was perceived to be of lower quality than established imported brands.

COMPETITIVE LANDSCAPE

- Diageo Venezuela continues leading spirits with a 22% total volume share in 2011. This position is driven by its major shares of rum, whiskies and white spirits. In whiskies, Diageo's share of total volume sales is 46% followed by its closest competitor, Pernod Ricard Venezuela, which held a 42% share. Chequers and Buchanan's are the leading brands of Diageo Venezuela, competing within standard and premium other blended Scotch whisky. In

2011, Diageo increased its marketing support for the Chequers 8YO brand. In addition, the company has been very aggressive in offering sales incentives to distributors as a strategy to maintain its competitive position at a time when Venezuelans are experiencing a contraction in their purchasing power.

- Ron Santa Teresa CA exhbited the biggest increase in volume sales in 2011, gaining one percentage point in share, to reach a total volume share of 6%. This performance is attributed to the fact that rum was the best-performing category in 2011 and this company took advantage of changing consumer preferences to carry out innovative marketing campaigns for its flagship brand Gran Reserva.
- Although spirits is led by international brands, local manufacturers have been gaining importance in the current economic crisis as Venezuelan consumers are switching to domestic brands. In terms of vodka, which is a category with a strong reliance on imported products, the emergence of economy products has seen imported brands lose share due to lower price competitiveness. In the case of whiskies, there has also been a migration from 3YO imported brands to domestic ones, benefiting Pernod Ricard which has the monopoly of domestic whisky production. In addition, domestic rum producers have also been strengthened as consumers from all segments are seeing in rum a good value-for-money option.
- In 2011, there were few key launches within spirits other than the economy brands of vodka (Vodka Fria and Vodka Bajo Cero) that were released due to the success that Vodka Glacial had in the country as a consumption alternative for young lower-income groups. According to one industry source, a great number of importers of alcoholic drinks have been rationalising their portfolios because of the limitations on access to foreign currency for imports, leaving only high-rotation presentations in their portfolios. The currency granted by the Venezuelan government to companies importing alcoholic drinks is not enough to maintain broad portfolios; companies are not currently focusing on brand expansion, but rather on maintaining already positioned brands.
- However, in June 2011, Diageo Venezuela launched the brand Haig Supreme targeted at the standard segment. This whisky is a blend of more than 20 malts and its quality was recognised at the 2011 San Francisco World Spirits Competition, by receiving a gold medal in its category. This is an international competition that recognises excellence of alcoholic beverages around the world, held every year in the US.
- In terms of advertising campaigns, the 8YO whisky brand Something Special from Pernod Ricard Venezuela launched its new campaign called Trophy under the slogan "Illusion or reality? Passion" with the aim of supporting the national soccer team, "La Vinotinto", in the America Cup 2011 to be held in Argentina. With this initiative, Something Special continues to demonstrate its support for sports, having sponsored soccer-related activities for over two years. This strategy appears to produce positive results as Diageo has also associated its promotional campaigns with the Venezuelan soccer team. It should be noted that one of the main consumption occasions for alcoholic drinks is during televised sports.
- In addition, the leading brand of rum, Cacique, marketed by Diageo Venezuela, released a special edition bottle in July 2011 with two designs associated with soccer. The great advances made by the national team have placed soccer as a key element in Venezuelan culture; indeed, a great number of companies competing in soft drinks are also using images of national team players to promote their brands. The Cacique bottle has a shrink-wrap coating with the logo and typography that features the brand and the phrase "Just Us" printed on it. There are two different designs, one is burgundy, which is the colour of the national soccer team and the other is tricolour, representing the Venezuelan flag.

- Another significant advertising campaign was released by Ron Santa Teresa via internet and social networking to promote its brand Gran Reserva. Under the slogan "Who's afraid?" the brand invited its consumers to participate in a competition to gain entry to a party called "The Invisible Reserve". The campaign was developed in several phases; the first stage was designed to increase expectancy and anticipation as the date, time and place where the party would take place were not revealed. In the second stage, there were set challenges with clues provided via Facebook and Twitter, and finally a raffle for all registered users was held. The winners, with three friends, attended a party; for a total of 200 people, which was held on Margarita Island, and featured a concert by Amigos Invisibles, a music group very popular among young Venezuelans.
- In terms of packaging innovation in Venezuela, bottle design does not seem to play an important role in consumers' purchasing decisions and most of the changes are seen in premium segments of whisky. In fact, in December 2010, Chivas Regal refreshed the packaging of its 12YO presentation as part of a global strategy by Pernod Ricard Groupe; however, this improvement was not heavily advertised. Changes in primary packaging include a more contemporary curvilinear shape with a textured tag embedded in the bottle whereas at secondary packaging level, the silver box was enhanced with a metallic and engraving effect coupled with a deep red colour inside.
- Within spirits, premium brands compete through brand building in both off- and on-trade channels as consumers tend to show more loyalty towards segment and brand. In the standard segment, competition is provided by value-added promotional activities, mostly at off-trade channels. In recent years, price has become a factor which also influences purchasing decisions. Economy brands compete directly on price and promotional activities are not the key to attracting consumers. Thus far, there are no private label spirits in Venezuela.

PROSPECTS

- Over the forecast period, a great number of spirits are expected to begin recovering, especially those categories composed of imported products which were severely hit as weakened consumer purchasing power led to changes in consumption patterns. However, industry sources state that per capita consumption of whisky has been decreasing over the review period and it will not be easy to change this downward trend since Venezuelans have migrated to other categories such as rum which is even being adopted by upper-income groups looking for high-quality brands.
- Spirits are expected to post a total volume CAGR of 3% over 2011-2016, boosted by the natural growth of Venezuelan population and the expected recovery of the country's macroeconomic variables which will lead to an improvement in consumers' purchasing power. Meanwhile, total value sales in constant terms are projected to post a 5% CAGR. A devaluation of the local currency is expected to occur in 2013, a factor that will have a significant effect on price increases within overall spirits and even more so in those categories that depend heavily on imports.
- In terms of unit prices for spirits, a CAGR of 4% in constant terms is expected over the forecast period, based on the premise that a great number of categories comprise imported products. Although rum is domestically manufactured, imported raw materials are used by local production.
- Potential threats affecting spirits' performance include continuous shortages of imported products as a result of the limited access to foreign currency; a situation than intensified with

the suspension of the purchase and sale of securities in foreign currency through brokerage firms which took place in May 2010.

- In addition, the measure that is expected to have a greater impact on the sales of alcoholic drinks at on-trade channels is the implementation and enforcement of a new regulation which prohibits smoking in public places. The prohibition imposed by the Health Ministry was effective from March 2011. According to one industry source, this measure will have a significant impact at least in the short term, as restaurants and nightclubs adapt their facilities for smokers. It should be noted that Venezuela is the country where more whisky is sold at nightclubs and bars than anywhere else in the world.
- Rum is expected to continue performing the strongest over the forecast period, recording a total volume CAGR of 6% followed by vodka with 5%. Venezuelan consumers are changing consumption habits towards domestic drinks and this trend is not expected to reverse over the long term. On the one hand, the country's GDP is not expected to recover to such an extent to produce a significant improvement in consumers' purchasing power and, on the other, consumers are accustomed to adopting more than one type of beverage given the good quality of domestic products, such as the great number of rum brands.
- According to one industry source, value brands of vodka are likely to continue exhibiting strong performance in the short to medium term as they represent a consumption alternative for young audiences in terms of price and availability. The emergence of domestic brands of vodka has proven that the category has significant growth potential, especially within low-income groups which represent around 80% of the Venezuelan population.
- The limitations on obtaining foreign currency are likely to persist at least until presidential elections take place in December 2012. Against this backdrop, companies importing spirits are likely to continue focusing on those presentations with higher levels of sales at the expense of launching new products. In addition, it should be noted that Venezuelan consumers have changed their drinking habits and even with a significant improvement in their purchasing power and a broad offer of products, companies will require more than the medium term to reposition the brands withdrawn from the market.
- Over 2011-2016, the off-trade channel is projected to continue outperforming the on-trade as on the one hand, the price difference between the two channels mainly affects purchasing decisions for lower-income groups. On the other hand, lack of security at on-trade establishments sees upper-income consumers adopt the home as the safest place for consumption. In addition, the prohibition of smoking in public places will also contribute to increasing the consumer preference for home consumption, as a large number of smokers will not be willing to go outside to smoke, due to concerns over personal safety.

CATEGORY BACKGROUND

Vodka, Gin and Other Blended Scotch Whisky Price Band Methodology

Classification for these spirits products is based purely on pricing, taking a typical brand, usually the leading brand by volume as the benchmark price which is indexed as 100%. The benchmark brand will usually be a standard priced brand. There will be exceptions, however, whereby an economy brand (likely for vodka in some countries in Eastern Europe) or a premium brand (typically the case for Scotch whisky in the US) is used as the benchmark brand. Refer to the guidelines below for further detail.

Based on benchmark brand being standard:

- Super premium 30% or higher than price of benchmark brand
- Premium 10-29.99% higher price than benchmark brand

Standard Between 9.99% lower or 9.99% higher than benchmark brand
 Economy At least 10% lower than price of benchmark brand
 Based on benchmark brand being economy:
 Super premium 50% or higher than price of benchmark brand
 Premium 30-49.99% higher than price of benchmark brand
 Standard Between 10% and 29.99% higher than price of benchmark brand
 Economy Anything lower or up to 9.99% higher than price of benchmark brand
 Based on benchmark brand being premium:
 Super premium: 10% or higher than benchmark brand
 Premium: Any brand up to 9.99% higher or 9.99% lower than benchmark brand
 Standard: Between 10% and 29.99% cheaper than benchmark brand
 Economy: Anything 30%+ cheaper than benchmark brand
 Based on benchmark brand being super premium:
 Super premium Anything higher or up to 9.99% lower than benchmark brand
 Premium: 10% to 29.99% lower than benchmark brand
 Standard: 30% to 49.99% lower than benchmark brand
 Economy: 50%+ lower than benchmark brand

Summary 20 Benchmark Brands 2011

Category	Brand name	Positioning
Other blended Scotch whisky	Something Special	3
Vodka	Smirnoff	
Gin	Gordon's	

Source: Store checks, trade interviews

CATEGORY DATA

Table 72 Sales of Spirits by Category Total Volume 2006-2011

'ODD litres	2006	2007	2008	2009	2010	2011
Brandy and Cognac	620.4	661.1	691.1	702.3	709.3	720.0
- Brandy	615.4	655.8	685.7	696.8	703.8	714.4
- Cognac	5.0	5.3	5.4	5.5	5.5	5.6
Liqueurs	9,361.2	10,073.8	10,376.2	11,071.3	11,345.2	11,540.5
- Bitters	10.5	10.7	10.9	11.7	12.0	12.2
- Cream-Based Liqueurs	1,944.7	2,141.1	2,249.8	2,619.2	2,742.6	2,810.3
- Other Liqueurs	7,406.1	7,922.0	8,115.5	8,440.4	8,590.6	8,718.1
Rum	12,308.6	13,529.1	14,483.7	16,853.6	19,462.0	22,200.6
- Dark Rum	11,625.6	12,773.1	13,679.1	16,013.1	18,587.9	21,304.8
- White Rum	683.1	756.0	804.6	840.5	874.1	895.8
Tequila (and Mezcal)	131.7	139.5	145.9	148.3	149.8	152.1
Whiskies	28,806.1	31,953.8	29,650.6	29,039.8	28,045.9	27,549.0
- Bourbon/Other US Whiskey	3.1	3.2	3.2	3.0	2.8	2.7
- Canadian Whisky						
- Irish Whiskey	2.9	3.0	3.1	2.8	2.7	2.5
- Japanese Whisky						
- Blended Scotch Whisky	25,757.4	28,602.2	26,032.8	25,200.2	23,940.2	23,210.6
- Single Malt Scotch	2.6	2.7	2.8	2.6	2.4	2.3

Whisky						
- Other Whiskies	3,040.1	3,342.7	3,608.7	3,831.2	4,097.8	4,330.9
White Spirits	4,279.0	4,613.4	4,857.0	4,978.1	5,139.1	5,326.5
- Gin	3,109.8	3,399.0	3,598.2	3,668.9	3,729.2	3,787.9
- Vodka	1,169.3	1,214.4	1,258.8	1,309.1	1,409.9	1,538.6
Other Spirits	53,100.7	52,525.2	54,053.5	55,402.7	57,038.2	58,539.6
- Aguardente/Aguardiente	21,228.1	20,913.9	21,535.1	22,067.4	22,729.4	23,297.7
- Aniseed-Flavoured	31,872.6	31,611.2	32,518.5	33,335.3	34,308.7	35,241.9
Spirits	108,607.8	113,495.9	114,258.0	118,196.2	121,889.6	126,028.2

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 73 Sales of Spirits by Category: Total Value 2006-2011

BsF million	2006	2007	2008	2009	2010	2011
Brandy and Cognac	67.1	91.8	157.3	209.4	279.2	376.6
- Brandy	66.5	91.0	156.1	207.6	276.0	372.4
- Cognac	0.6	0.8	1.2	1.7	3.2	4.2
Liqueurs	277.6	349.9	531.9	766.2	1,004.3	1,333.0
- Bitters	2.1	2.5	4.4	5.9	7.7	10.6
- Cream-Based Liqueurs	64.1	87.4	148.0	247.6	297.6	391.0
- Other Liqueurs	211.3	260.0	379.6	512.7	699.1	931.4
Rum	516.9	649.3	843.0	1,164.0	2,613.3	3,854.7
- Dark Rum	499.1	626.5	804.6	1,112.7	2,535.2	3,745.8
- White Rum	17.7	22.8	38.4	51.2	78.1	108.9
Tequila (and Mezcal)	10.5	14.5	15.5	22.6	33.0	45.2
Whiskies	2,444.0	3,150.0	4,436.4	6,243.1	8,572.5	11,130.6
- Bourbon/Other US	0.4	0.5	0.9	1.1	1.4	1.7
Whiskey	-	-	-	-	-	-
- Canadian Whisky	-	-	-	-	-	-
- Irish Whiskey	0.2	0.3	0.5	0.6	0.8	1.0
- Japanese Whisky	-	-	-	-	-	-
- Blended Scotch Whisky	2,392.0	3,081.8	4,333.3	6,064.4	8,295.0	10,749.0
- Single Malt Scotch	0.5	0.6	0.8	1.1	1.3	1.6
Whisky	-	-	-	-	-	-
- Other Whiskies	51.0	66.8	100.8	175.9	274.0	377.3
White Spirits	114.9	146.6	250.6	414.3	619.0	971.0
- Gin	55.6	72.1	126.6	188.8	295.3	477.9
- Vodka	59.3	74.5	124.1	225.5	323.7	493.2
Other Spirits	321.0	364.6	558.3	1,015.7	1,344.6	1,935.3
- Aguardente/Aguardiente	101.2	113.1	162.1	246.7	299.8	399.2
- Aniseed-Flavoured	219.8	251.5	396.2	769.0	1,044.7	1,536.1
Spirits	3,752.0	4,766.7	6,793.1	9,835.3	14,465.8	19,646.4

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 74 Sales of Spirits by Category: % Total Volume Growth 2006-2011

% total volume growth	2010/11	2006-11 CAGR	2006/11 Total
Brandy and Cognac	1.5	3.0	16.0
- Brandy	1.5	3.0	16.1

- Cognac	0.8	2.2	11.4
Liqueurs	1.7	4.3	23.3
- Bitters	2.1	3.0	16.2
- Cream-Based Liqueurs	2.5	7.6	44.5
- Other Liqueurs	1.5	3.3	17.7
Rum	14.1	12.5	80.4
- Dark Rum	14.6	12.9	83.3
- White Rum	2.5	5.6	31.1
Tequila (and Mezcal)	1.5	2.9	15.4
Whiskies	-1.8	-0.9	-4.4
- Bourbon/Other US Whiskey	-5.1	-2.6	-12.5
- Canadian Whisky	-	-	-
- Irish Whiskey	-5.0	-2.8	-13.4
- Japanese Whisky	-	-	-
- Blended Scotch Whisky	-3.0	-2.1	-9.9
- Single Malt Scotch Whisky	-5.2	-2.9	-13.7
- Other Whiskies	5.7	7.3	42.5
White Spirits	3.6	4.5	24.5
- Gin	1.6	4.0	21.8
- Vodka	9.1	5.6	31.6
Other Spirits	2.6	2.0	10.2
- Aguardente/Aguardiente	2.5	1.9	9.7
- Aniseed-Flavoured Spirits	2.7	2.0	10.6
Spirits	3.4	3.0	16.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 75 Sales of Spirits by Category: % Total Value Growth 2006-2011

% local currency, current value growth

	2010/11	2006-11 CAGR	2006/11 Total
Brandy and Cognac	34.9	41.2	461.2
- Brandy	34.9	41.1	460.1
- Cognac	30.2	46.7	579.8
Liqueurs	32.7	36.9	380.2
- Bitters	37.2	38.0	400.5
- Cream-Based Liqueurs	31.4	43.5	509.5
- Other Liqueurs	33.2	34.5	340.8
Rum	47.5	49.5	645.8
- Dark Rum	47.8	49.6	650.5
- White Rum	39.4	43.8	514.6
Tequila (and Mezcal)	37.3	33.9	329.9
Whiskies	29.8	35.4	355.4
- Bourbon/Other US Whiskey	22.9	31.2	289.1
- Canadian Whisky	-	-	-
- Irish Whiskey	28.0	37.1	383.5
- Japanese Whisky	-	-	-
- Blended Scotch Whisky	29.6	35.1	349.4
- Single Malt Scotch Whisky	23.4	27.7	239.3
- Other Whiskies	37.7	49.2	640.2
White Spirits	56.9	53.2	745.3
- Gin	61.8	53.7	759.1
- Vodka	52.4	52.8	732.3
Other Spirits	43.9	43.2	502.8
- Aguardente/Aguardiente	33.1	31.6	294.5
- Aniseed-Flavoured Spirits	47.0	47.5	598.7
Spirits	35.8	39.3	423.6

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 76 Sales of Spirits by On-trade vs Off-trade Split: Volume 2006-2011

'000 litres	2006	2007	2008	2009	2010	2011
Off-trade	98,174.7	102,300.2	103,271.0	107,003.0	110,717.3	114,769.1
On-trade	10,433.1	11,195.7	10,987.0	11,193.2	11,172.2	11,259.1
Total	108,607.8	113,495.9	114,258.0	118,196.2	121,889.6	126,028.2

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 77 Sales of Spirits by On-trade vs Off-trade Split: Value 2006-2011

BsF million	2006	2007	2008	2009	2010	2011
Off-trade	2,308.1	2,954.5	4,159.1	6,272.0	9,331.8	12,750.8
On-trade	1,443.9	1,812.2	2,634.0	3,563.3	5,134.0	6,895.6
Total	3,752.0	4,766.7	6,793.1	9,835.3	14,465.8	19,646.4

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 78 Sales of Spirits by On-trade vs Off-trade Split: % Volume Growth 2006-2011

% volume growth	2010/11	2006-11 CAGR	2006/11 TOTAL
Off-trade	3.7	3.2	16.9
On-trade	0.8	1.5	7.9
Total	3.4	3.0	16.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 79 Sales of Spirits by On-trade vs Off-trade Split: % Value Growth 2006-2011

% current value growth	2010/11	2006-11 CAGR	2006/11 TOTAL
Off-trade	36.6	40.8	452.4
On-trade	34.3	36.7	377.6
Total	35.8	39.3	423.6

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 80 Sales of Gin by Price Platform 2006-2011

% total volume	2006	2007	2008	2009	2010	2011
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Super Premium	9.8	7.6	7.0	6.7	6.6	6.5
Premium	16.1	17.4	16.4	15.6	14.8	14.6
Standard	63.5	63.0	64.9	67.5	68.6	69.9
Economy	10.7	12.0	11.7	10.2	9.9	9.0
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Note: '-' indicates data not available

Table 81 Sales of Other Blended Scotch Whisky by Price Platform 2006-2011

% total volume	2006	2007	2008	2009	2010	2011
Super Premium	2.4	2.2	2.8	2.5	2.4	2.4
Premium	23.5	24.8	26.9	27.8	27.4	26.0
Standard	40.0	40.3	36.3	35.5	37.3	38.0
Economy	34.1	32.7	34.0	34.3	32.9	33.5
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Note: '-' indicates data not available

Table 82 Sales of Vodka by Price Platform 2006-2011

% total volume	2006	2007	2008	2009	2010	2011
Super Premium	7.4	7.5	7.7	3.3	3.0	3.2
Premium	34.6	32.8	29.6	27.4	26.4	25.9
Standard	42.2	43.5	45.8	51.4	47.6	46.5
Economy	15.9	16.2	16.8	18.0	23.0	24.4
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Note: '-' indicates data not available

Table 83 Sales of Flavoured vs Non-flavoured Vodka 2006-2011

% total volume	2006	2007	2008	2009	2010	2011
Flavoured Vodka	13.0	15.0	16.0	17.8	19.0	21.0
Non-Flavoured Vodka	87.0	85.0	84.0	82.2	81.0	79.0
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 84 Spirits Production, Imports and Exports: Total Volume 2005-2010

'000 litres	2005	2006	2007	2008	2009	2010
Spirits – Imports	29,230.7	39,615.4	46,620.9	27,276.2	35,833.5	19,201.0

Spirits – Exports 24,450.0 20,941.4 14,130.3 22,929.7 7,042.7 5,121.2

Source: GTIS, Euromonitor International

Note: '-' indicates data not available

Table 85 Spirits Imports by Country of Origin: Total Volume 2005-2010

'000 litres

	2005	2006	2007	2008	2009	2010
Spirits – United Kingdom	24,592.0	32,595.2	41,923.4	23,708.8	31,706.4	16,181.4
Spirits – Spain	618.0	897.4	750.4	595.5	789.5	375.7
Spirits – Mexico	212.0	451.4	392.5	316.6	411.5	323.8
Spirits – Sweden	239.3	274.0	566.2	219.3	240.1	322.1
Spirits – Ireland	95.7	836.1	705.5	279.0	450.7	271.6
Spirits – Germany	129.0	56.6	145.7	66.4	27.6	262.1
Spirits – Netherlands	1,116.7	1,404.5	268.7	106.6	249.6	238.8
Spirits – Brazil	30.7	333.1	276.8	526.0	665.1	234.8
Spirits – France	125.9	167.5	183.7	218.0	357.0	224.4
Spirits – US	390.2	342.8	156.4	133.9	39.4	173.7
Spirits – Panama	571.0	1,108.0	54.7	75.4	106.6	160.2
Spirits – Italy	161.9	151.1	222.7	185.6	157.9	126.6
Spirits – Colombia	68.2	189.0	454.2	490.3	320.2	77.4
Spirits – South Africa	56.8	110.0	60.0	69.9	147.4	76.7
Spirits – Argentina	16.4	-	-	41.0	37.7	48.1
Spirits – Russia	168.1	112.4	6.3	24.5	72.8	46.6
Spirits – Poland	54.1	87.7	199.2	159.5	9.7	35.2
Spirits – Ukraine	31.4	14.4	-	-	-	14.9
Spirits – Switzerland	0.0	-	-	-	31.4	-
Spirits – Korea, South	177.3	13.3	-	-	-	-
Spirits – Cuba	-	22.7	37.7	-	-	-
Spirits – Finland	20.7	76.9	63.9	-	-	-
Spirits – Venezuela	310.9	297.9	50.0	-	-	-
Spirits – Netherlands Antilles	-	-	0.5	16.0	-	-
Spirits – Reunion	-	-	44.2	-	-	-
Spirits – Others	44.5	73.5	58.1	43.9	12.8	7.0
Spirits – Total	29,230.7	39,615.4	46,620.9	27,276.2	35,833.5	19,201.0

Source: GTIS, Euromonitor International

Note: '-' indicates data not available

Table 86 Spirits Imports by Country of Origin: Total Value 2005-2010

BsF million

	2005	2006	2007	2008	2009	2010
Spirits – United Kingdom	206.2	309.9	384.0	251.3	318.1	181.5
Spirits – Panama	11.3	15.3	1.0	1.7	2.9	4.7
Spirits – Spain	2.5	4.2	3.6	3.0	5.3	3.8
Spirits – Netherlands	11.9	12.6	3.3	0.7	2.7	3.7
Spirits – France	0.7	1.2	1.4	2.0	2.6	2.4
Spirits – Sweden	1.1	1.4	3.0	1.3	1.5	2.3
Spirits – Mexico	1.1	1.8	2.1	1.9	2.8	2.2
Spirits – Germany	0.7	1.2	1.6	0.4	0.1	2.2
Spirits – Italy	1.0	0.9	1.4	1.3	1.1	1.3
Spirits – Brazil	0.6	0.5	1.7	5.3	1.2	1.2
Spirits – Ireland	0.3	2.2	1.6	0.7	1.0	1.2
Spirits – US	3.8	3.1	0.9	0.9	0.2	1.1

Spirits – South Africa	0.3	0.7	0.4	0.5	1.1	0.7
Spirits – Poland	0.2	0.3	0.7	0.8	0.1	0.3
Spirits – Colombia	0.2	0.6	1.7	1.8	1.1	0.3
Spirits – Argentina	0.1	-	-	0.1	0.2	0.2
Spirits – Russia	0.2	0.2	0.0	0.1	0.2	0.2
Spirits – Ukraine	0.0	0.0	-	-	-	0.0
Spirits – Peru	0.0	0.0	-	0.0	0.0	0.0
Spirits – Lebanon	0.0	-	-	-	-	0.0
Spirits – Portugal	0.2	0.4	0.2	0.0	0.0	0.0
Spirits – Australia	-	-	-	-	-	0.0
Spirits – Belgium	-	-	-	0.0	0.0	0.0
Spirits – Hong Kong	-	-	-	-	0.4	-
Spirits – Venezuela	3.6	3.8	1.1	-	-	-
Spirits – Others	1.3	0.8	0.8	0.4	0.1	-
Spirits – Total	247.5	361.3	410.8	274.4	342.9	209.3

Source: GTIS, Euromonitor International
Note: '-' indicates data not available

Table 87 Spirits Exports by Country of Destination: Total Volume 2005-2010

'000 litres	2005	2006	2007	2008	2009	2010
Spirits – Italy	3,704.0	2,774.4	3,671.5	4,621.4	4,672.8	3,730.9
Spirits – Panama	-	15.7	13.1	134.5	90.0	482.9
Spirits – Spain	16,546.1	13,099.2	7,194.7	14,675.3	1,237.5	230.3
Spirits – Chile	1,507.9	1,938.6	1,698.4	1,858.8	629.4	193.3
Spirits – US	441.7	579.8	386.6	71.3	130.0	120.1
Spirits – France	-	38.4	-	23.5	29.1	61.6
Spirits – United Kingdom	38.6	51.4	70.5	41.8	40.7	56.0
Spirits – Netherlands	47.8	63.8	247.1	441.1	-	54.7
Spirits – Russia	-	15.8	61.5	43.0	71.0	47.8
Spirits – Uruguay	-	17.1	15.5	12.9	33.4	36.4
Spirits – Japan	5.5	6.8	7.2	4.4	24.9	24.3
Spirits – Sweden	0.3	-	-	-	-	22.5
Spirits – Argentina	-	89.8	52.9	31.3	18.0	18.0
Spirits – Mexico	199.4	100.0	4.2	22.8	17.2	12.1
Spirits – Costa Rica	14.7	15.1	22.8	-	14.9	11.2
Spirits – Portugal	26.4	-	29.7	66.5	-	9.9
Spirits – China	-	-	-	-	-	9.1
Spirits – Dominican Republic	884.0	1,580.6	423.4	704.7	13.6	-
Spirits – Canada	-	-	0.4	7.3	13.1	-
Spirits – Israel	-	15.2	-	-	-	-
Spirits – Ireland	-	-	-	15.2	-	-
Spirits – NL Antilles (Bonaire)	52.6	31.8	-	-	-	-
Spirits – Germany	36.2	104.2	0.0	26.1	-	-
Spirits – Martinique	-	-	11.1	9.7	-	-
Spirits – Ecuador	299.2	30.8	108.2	75.7	-	-
Spirits – Others	645.5	372.8	111.3	42.3	7.1	0.1
Spirits – Total	24,450.0	20,941.4	14,130.3	22,929.7	7,042.7	5,121.2

Source: GTIS, Euromonitor International
Note: '-' indicates data not available

Table 88 Spirits Exports by Country of Destination: Total Value 2005-2010

BsF million	2005	2006	2007	2008	2009	2010
Spirits – Italy	5.5	5.5	12.0	23.3	16.5	14.9
Spirits – Chile	3.7	4.7	4.1	6.6	2.5	1.0
Spirits – Spain	32.7	29.3	17.6	42.8	5.2	0.9
Spirits – US	1.4	1.6	1.6	0.4	0.8	0.9
Spirits – Panama	-	0.0	0.0	0.2	0.2	0.8
Spirits – Netherlands	0.1	0.3	0.6	1.2	-	0.4
Spirits – China	-	-	-	-	-	0.4
Spirits – France	-	0.2	-	0.3	0.2	0.4
Spirits – Russia	-	0.1	0.2	0.2	0.3	0.3
Spirits – United Kingdom	0.1	0.1	0.1	0.2	0.1	0.2
Spirits – Uruguay	-	0.0	0.0	0.1	0.1	0.1
Spirits – Argentina	-	0.2	0.1	0.1	0.1	0.1
Spirits – Japan	0.0	0.0	0.0	0.1	0.1	0.1
Spirits – Costa Rica	0.0	0.0	0.1	-	0.1	0.1
Spirits – Peru	0.1	0.2	0.2	-	-	0.1
Spirits – Portugal	0.0	-	0.1	0.2	-	0.1
Spirits – Sweden	0.0	-	-	-	-	0.0
Spirits – Mexico	0.6	0.3	0.0	0.1	0.2	0.0
Spirits – Canada	-	-	0.0	0.0	0.0	-
Spirits – Ecuador	0.5	0.1	0.2	0.2	-	-
Spirits – Israel	-	0.0	-	-	-	-
Spirits – Ireland	-	-	-	0.1	-	-
Spirits – Germany	0.1	0.2	0.0	0.1	-	-
Spirits – Martinique	-	-	0.0	0.1	-	-
Spirits – NL Antilles (Bonaire)	0.1	0.0	-	-	-	-
Spirits – Others	2.0	2.0	0.6	0.9	0.0	-
Spirits – Total	46.9	45.2	37.7	77.0	26.4	20.6

Source: GTIS, Euromonitor International
Note: '-' indicates data not available

Table 89 Brandy & Cognac Production, Imports and Exports: Total Volume 2005-2010

'000 litres	2005	2006	2007	2008	2009	2010
Brandy and Cognac – Imports	648.8	945.6	737.7	643.7	768.3	324.0
Brandy and Cognac – Exports	5.0	-	0.0	0.5	-	-
Brandy and Cognac – Apparent consumption	1,594.3	1,978.2	1,840.2	-	-	-
Brandy and Cognac – Production	950.4	1,032.6	1,102.5	-	-	-

Source: GTIS, Euromonitor International
Note: '-' indicates data not available

Table 90 Gin Production, Imports and Exports: Total Volume 2005-2010

'000 litres	2005	2006	2007	2008	2009	2010
Gin – Imports	70.5	171.2	168.1	120.8	53.5	91.5
Gin – Exports	-	-	0.0	0.9	-	-

Gin – Apparent consumption	1,868.0	2,057.6	2,129.4	-	-	-
Gin – Production	1,797.5	1,886.4	1,961.4	-	-	-

Source: GTIS, Euromonitor International
Note: '-' indicates data not available

Table 91 Liqueurs Production, Imports and Exports: Total Volume 2005-2010

'000 litres	2005	2006	2007	2008	2009	2010
Liqueurs – Production	16,763.4	17,904.3	19,003.7	-	-	-

Source: GTIS, Euromonitor International
Note: '-' indicates data not available

Table 92 Rum Production, Imports and Exports: Total Volume 2005-2010

'000 litres	2005	2006	2007	2008	2009	2010
Rum – Exports	47,401.6	41,135.5	28,129.6	45,045.7	14,041.3	10,222.8
Rum – Imports	60.2	464.7	780.9	952.2	693.7	150.1
Rum – Production	30,765.0	33,572.1	36,207.1	-	-	-
Rum – Apparent consumption	-16,576.4	-7,098.6	8,858.4	-	-	-

Source: GTIS, Euromonitor International
Note: '-' indicates data not available

Table 93 Tequila Production, Imports and Exports: Total Volume 2005-2010

'000 litres	2005	2006	2007	2008	2009	2010
Tequila (and Mezcal) – Imports	127.9	378.4	229.4	247.8	342.0	247.5
Tequila (and Mezcal) – Exports	-	-	-	0.7	-	-

Source: GTIS, Euromonitor International
Note: '-' indicates data not available

Table 94 Vodka Production, Imports and Exports: Total Volume 2005-2010

'000 litres	2005	2006	2007	2008	2009	2010
Vodka – Imports	784.9	1,339.3	2,246.6	1,454.3	1,111.5	1,143.5
Vodka – Exports	0.1	0.6	0.1	1.5	-	-
Vodka – Apparent consumption	1,244.4	1,805.9	2,721.5	-	-	-
Vodka – Production	459.6	467.2	475.1	-	-	-

Source: GTIS, Euromonitor International
Note: '-' indicates data not available

Table 95 Whiskies Production, Imports and Exports: Total Volume 2005-2010

'000 litres	2005	2006	2007	2008	2009	2010
Whiskies – Imports	26,552.0	34,620.2	40,924.3	22,861.8	31,366.1	16,501.5
Whiskies – Exports	5.6	0.2	0.1	30.0	6.1	-
Whiskies – Apparent consumption	29,818.0	39,397.3	44,569.5	-	-	-
Whiskies – Production	3,271.6	4,777.2	3,645.3	-	-	-

Source: GTIS, Euromonitor International

Note: '-' indicates data not available

Table 96 Other Spirits Production, Imports and Exports: Total Volume 2005-2010

'000 litres	2005	2006	2007	2008	2009	2010
Other Spirits – Production	46,896.7	47,684.5	48,311.2	-	-	-

Source: GTIS, Euromonitor International

Note: '-' indicates data not available

Table 97 Company Shares of Spirits by National Brand Owner 2007-2011

% total volume Company	2007	2008	2009	2010	2011
Diageo Venezuela CA	20.1	21.1	21.5	21.7	21.7
Pernod Ricard Venezuela CA	11.9	11.8	11.2	10.6	10.4
Lander y Vera SA	4.8	6.6	10.3	9.6	9.5
Industrias Monterrey CA	8.4	8.5	8.6	8.6	8.7
Ron Santa Teresa CA	4.1	4.4	4.9	5.5	6.3
Consorcio Licorero Nacional CA	4.0	4.1	4.3	4.5	4.6
Complejo Licorero Ponche Crema	2.2	2.3	2.5	2.6	2.6
Destilación Motatán CA	1.4	1.5	1.5	1.5	1.5
Industrias HL Ibarra CA	1.3	1.3	1.3	1.3	1.3
Dixon's Corp CA	1.3	1.3	1.3	1.3	1.3
Francisco Dorta A Sucrs CA	1.3	1.0	0.8	0.9	0.9
Alnova CA	0.7	0.5	0.8	0.7	0.6
Distribuidora Glasgow CA	0.7	0.7	0.6	0.6	0.6
Distribuidora Nube Azul CA	0.8	0.7	0.6	0.6	0.6
Tamayo & Cía SA	1.0	0.7	0.6	0.6	0.4
Destilería Carupano CA	-	-	-	0.2	0.2
Destilerías Unidas SA	0.0	0.0	0.1	0.2	0.2
Distribuidora HDCA	0.1	0.1	0.1	0.1	0.1
Bodegas Pomar CA	0.1	0.1	0.0	0.0	0.0
Industrias Bravo CA	-	-	-	-	-
Ponche Crema CA	-	-	-	-	-
Others	35.7	33.2	28.8	28.9	28.5

Total 100.0 100.0 100.0 100.0 100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 98 Company Shares of Spirits by Global Brand Owner 2007-2011

% total volume Company	2007	2008	2009	2010	2011
Diageo Plc	20.1	21.1	21.5	21.7	21.6
Pernod Ricard Groupe	11.8	11.8	11.2	10.7	10.4
Grupo Osborne SA	4.9	6.6	10.4	9.7	9.6
Industrias Monterrey CA	8.4	8.5	8.6	8.6	8.7
Ron Santa Teresa CA	4.1	4.4	4.9	5.5	6.3
Consortio Licorero Nacional CA	4.0	4.1	4.3	4.5	4.6
Complejo Licorero Ponche Crema	2.2	2.3	2.5	2.6	2.6
Destilación Motatán CA	1.4	1.5	1.5	1.5	1.5
Industrias HL Ibarra CA	1.3	1.3	1.3	1.3	1.3
Dixon's Corp CA	1.3	1.3	1.3	1.3	1.3
William Grant & Sons Ltd	1.2	0.9	1.1	1.0	0.9
Bacardi & Co Ltd	1.3	1.0	0.8	0.9	0.9
Suntory Holdings Ltd	0.6	0.6	0.5	0.5	0.5
Rémy Cointreau Group	0.3	0.3	0.4	0.3	0.3
Destilería Carupano CA	-	-	-	0.2	0.2
Destilerías Unidas SA	0.0	0.0	0.1	0.2	0.2
Campari Milano SpA, Davide	0.0	0.0	0.0	0.1	0.1
Ilva Saronno SpA	0.1	0.1	0.1	0.1	0.1
MacLeod & Co Ltd, Ian	0.3	0.0	0.0	0.0	0.0
V&S Vin & Spirit AB	0.2	-	-	-	-
Fortune Brands Inc	0.2	0.2	0.2	0.0	-
C&C Group Plc	0.1	0.1	0.1	-	-
Allied Domecq Plc	-	-	-	-	-
Ponche Crema CA	-	-	-	-	-
Others	36.1	33.6	29.2	29.3	28.8
Total	100.0	100.0	100.0	100.0	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 99 Brand Shares of Spirits 2008-2011

% total volume Brand (Global Brand Owner)	Company	2008	2009	2010	2011
Anis La Castellana (Grupo Osborne SA)	Lander y Vera SA	6.6	10.3	9.6	9.5
Aguardiente San Thomé	Industrias Monterrey CA	8.5	8.6	8.6	8.7
Cacique (Diageo Plc)	Diageo Venezuela CA	4.9	5.5	6.1	6.7
Gran Reserva	Ron Santa Teresa CA	3.2	3.7	4.1	4.9
Anis Cartujo	Consortio Licorero Nacional CA	4.1	4.3	4.5	4.6
Chequers (Diageo Plc)	Diageo Venezuela CA	2.8	2.9	2.8	2.7
Buchanan's (Diageo Plc)	Diageo Venezuela CA	2.5	2.8	2.5	2.2

Something Special (Pernod Ricard Groupe)	Pernod Ricard Venezuela CA	2.3	2.4	2.3	2.2
Gordon's (Diageo Plc)	Diageo Venezuela CA	1.7	1.7	1.8	1.9
Ponche Crema	Complejo Licorero Ponche Crema	1.6	1.8	1.8	1.8
Others	Others	61.7	56.1	55.8	54.8
Total	Total	100.0	100.0	100.0	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 100 Forecast Sales of Spirits by Category: Total Volume 2011-2016

'000 litres	2011	2012	2013	2014	2015	2016
Brandy and Cognac	720.0	728.6	742.0	755.9	770.1	783.3
- Brandy	714.4	723.0	736.3	750.2	764.4	777.6
- Cognac	5.6	5.6	5.7	5.7	5.7	5.8
Liqueurs	11,540.5	11,879.9	12,203.1	12,578.3	12,983.0	13,406.7
- Bitters	12.2	12.3	12.4	12.5	12.5	12.5
- Cream-Based Liqueurs	2,810.3	2,908.7	3,030.3	3,131.4	3,234.5	3,343.1
- Other Liqueurs	8,718.1	8,958.9	9,160.4	9,434.5	9,736.0	10,051.1
Rum	22,200.6	24,554.1	26,563.4	27,905.2	28,943.4	29,986.6
- Dark Rum	21,304.8	23,634.3	25,629.9	26,955.1	27,977.3	29,007.0
- White Rum	895.8	919.8	933.4	950.1	966.2	979.6
Tequila (and Mezcal)	152.1	154.0	156.9	159.8	162.3	165.0
Whiskies	27,549.0	27,973.3	28,417.1	28,998.8	29,716.2	30,792.4
- Bourbon/Other US Whiskey	2.7	2.6	2.6	2.7	2.7	2.8
- Canadian Whisky	-	-	-	-	-	-
- Irish Whiskey	2.5	2.5	2.5	2.5	2.6	2.6
- Japanese Whisky	-	-	-	-	-	-
- Blended Scotch Whisky	23,210.6	23,372.0	23,624.1	24,024.8	24,608.9	25,558.9
- Single Malt Scotch Whisky	2.3	2.2	2.3	2.3	2.3	2.3
- Other Whiskies	4,330.9	4,594.0	4,785.7	4,966.5	5,099.6	5,225.8
White Spirits	5,326.5	5,492.5	5,635.3	5,775.4	5,906.1	6,028.4
- Gin	3,787.9	3,846.2	3,904.0	3,961.2	4,017.8	4,068.4
- Vodka	1,538.6	1,646.3	1,731.3	1,814.1	1,888.2	1,960.0
Other Spirits	58,539.6	60,082.3	61,262.3	62,235.0	63,295.6	64,300.9
- Aguardiente/Aguardiente	23,297.7	23,959.3	24,438.5	24,858.9	25,231.7	25,590.0
- Aniseed-Flavoured Spirits	35,241.9	36,123.0	36,823.7	37,376.1	38,063.8	38,710.9
Spirits	126,028.2	130,864.7	134,980.1	138,408.3	141,776.6	145,463.5

Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources

Table 101 Forecast Sales of Spirits by Category: Total Value 2011-2016

BsF million	2011	2012	2013	2014	2015	2016
Brandy and Cognac	376.6	387.3	416.5	430.3	450.2	470.3
- Brandy	372.4	383.0	411.9	425.6	445.5	465.5
- Cognac	4.2	4.3	4.6	4.7	4.8	4.9
Liqueurs	1,333.0	1,387.3	1,472.0	1,536.0	1,617.2	1,708.9

- Bitters	10.6	10.8	11.1	11.3	11.5	11.8
- Cream-Based Liqueurs	391.0	406.4	435.1	453.0	477.1	504.0
- Other Liqueurs	931.4	970.1	1,025.8	1,071.7	1,128.5	1,193.1
Rum	3,854.7	4,179.8	4,568.7	4,807.1	5,035.4	5,291.4
- Dark Rum	3,745.8	4,066.5	4,450.2	4,684.2	4,907.8	5,159.4
- White Rum	108.9	113.3	118.5	122.8	127.6	131.9
Tequila (and Mezcal)	45.2	46.4	50.0	51.8	53.8	56.0
Whiskies	11,130.6	11,434.8	12,170.6	12,591.5	13,114.6	13,885.5
- Bourbon/Other US Whiskey	1.7	1.7	1.7	1.8	1.8	1.9
- Canadian Whisky	-	-	-	-	-	-
- Irish Whiskey	1.0	1.0	1.1	1.1	1.2	1.2
- Japanese Whisky	-	-	-	-	-	-
- Blended Scotch Whisky	10,749.0	11,025.1	11,724.3	12,120.2	12,620.7	13,367.7
- Single Malt Scotch Whisky	1.6	1.7	1.7	1.8	1.8	1.9
- Other Whiskies	377.3	405.3	441.8	466.6	489.1	512.8
White Spirits	971.0	1,032.3	1,119.8	1,175.4	1,234.0	1,294.9
- Gin	477.9	495.7	528.4	546.2	567.0	585.9
- Vodka	493.2	536.6	591.4	629.2	667.0	709.0
Other Spirits	1,935.3	2,008.8	2,118.6	2,182.3	2,252.0	2,316.5
- Aguardiente/Aguardiente	399.2	413.8	431.0	443.6	453.0	461.3
- Aniseed-Flavoured Spirits	1,536.1	1,594.9	1,687.7	1,738.7	1,799.0	1,855.2
Spirits	19,646.4	20,476.8	21,916.2	22,774.3	23,757.2	25,023.4

Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources

Table 102 Forecast Sales of Spirits by Category: % Total Volume Growth 2011-2016

% total volume growth	2015/16	2011-16 CAGR	2011/16 Total
Brandy and Cognac	1.7	1.7	8.8
- Brandy	1.7	1.7	8.9
- Cognac	0.4	0.6	2.8
Liqueurs	3.3	3.0	16.2
- Bitters	0.1	0.5	2.5
- Cream-Based Liqueurs	3.4	3.5	19.0
- Other Liqueurs	3.2	2.9	15.3
Rum	3.6	6.2	35.1
- Dark Rum	3.7	6.4	36.2
- White Rum	1.4	1.8	9.4
Tequila (and Mezcal)	1.7	1.6	8.5
Whiskies	3.6	2.3	11.8
- Bourbon/Other US Whiskey	2.2	0.6	3.2
- Canadian Whisky	-	-	-
- Irish Whiskey	2.6	0.9	4.4
- Japanese Whisky	-	-	-
- Blended Scotch Whisky	3.9	1.9	10.1
- Single Malt Scotch Whisky	1.2	0.5	2.4
- Other Whiskies	2.5	3.8	20.7
White Spirits	2.1	2.5	13.2
- Gin	1.3	1.4	7.4
- Vodka	3.8	5.0	27.4
Other Spirits	1.6	1.9	9.8
- Aguardiente/Aguardiente	1.4	1.9	9.8
- Aniseed-Flavoured Spirits	1.7	1.9	9.8
Spirits	2.6	2.9	15.4

Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources

Table 103 Forecast Sales of Spirits by Category: % Total Value Growth 2011-2016

% local currency, constant value growth

	2011-16 CAGR	2011/16 TOTAL
Brandy and Cognac	4.5	24.9
- Brandy	4.6	25.0
- Cognac	3.0	15.9
Liqueurs	5.1	28.2
- Bitters	2.1	11.2
- Cream-Based Liqueurs	5.2	28.9
- Other Liqueurs	5.1	28.1
Rum	6.5	37.3
- Dark Rum	6.6	37.7
- White Rum	3.9	21.1
Tequila (and Mezcal)	4.4	23.8
Whiskies	4.5	24.8
- Bourbon/Other US Whiskey	2.7	14.5
- Canadian Whisky	-	-
- Irish Whiskey	3.4	18.2
- Japanese Whisky	-	-
- Blended Scotch Whisky	4.5	24.4
- Single Malt Scotch Whisky	2.5	13.3
- Other Whiskies	6.3	35.9
White Spirits	5.9	33.4
- Gin	4.2	22.6
- Vodka	7.5	43.8
Other Spirits	3.7	19.7
- Aguardente/Aguardiente	2.9	15.5
- Aniseed-Flavoured Spirits	3.8	20.8
Spirits	5.0	27.4

Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources

WINE IN VENEZUELA - CATEGORY ANALYSIS

HEADLINES

- In 2011, wine sales fall 11% in total volume terms and grow 18% in total current value terms
- Demand for wine continues to fall with the strengthening of domestic alcoholic drinks
- All wine categories record negative growth in 2011, except fortified wine which remained stagnant
- Wine unit price increases 32% in current terms to reach BsF134 per litre in 2011
- Tamayo & Cía SA leads wine in Venezuela with a 9% total volume share
- Total volume sales of wine are expected to post a CAGR of 3% over the forecast period, while total value sales in constant terms are expected to post a CAGR of 7%

TRENDS

- 2011 was the third consecutive year in which wine exhibited a negative performance in terms of total volume sales. The downward spiral is a direct consequence of price increments and reduction in Venezuelans' purchasing power. Wine is no exception among the downtrading trend that characterises many of the alcoholic drinks categories; indeed, consumers of Gran Reserva wines have moved down to Reserva and those who consume Reserva are looking to varietal types depending on price, availability and consumption occasion. In addition to this trend, wine drinkers are also reducing their frequency of consumption, as faced with tightened budgets, they are targeting their limited resources at priority consumption goods and services.
- Wine recorded a decline of 11% in total volume terms while total value sales increased by 18% in current terms in 2011. This fall was much more dramatic than the review period volume CAGR as severe price increases for imported products have been undermining the overall industry since 2009. According to one industry source, wine competes with domestic rum and whiskies mainly on price and since these categories have been strengthening as the result of the economic downturn, wine has been losing market share.
- In 2011, all wine categories except fortified wine, which remained stagnant, recorded a negative growth rate in terms of total volume. Champagne exhibited the highest decrease in total volume sales, falling 17%, as consumers tended to switch away from the luxury product to less expensive alternatives such as other sparkling wine for celebrations requiring consumption of such beverages. However, other sparkling wine also showed a negative performance, but less pronounced, which is attributed to the fact that Venezuelans are downtrading to cider.
- In 2011, overall unit price for wine increased 32% in current terms, a figure which was in line with the country's inflation rate. Despite the fact that a great number of alcoholic drinks recorded price increments well above 30%, in 2010 wine was one of the categories which exhibited the highest increase estimated at 70%. Against this backdrop, the category cannot stand another increment of this magnitude without losing a significant portion of consumers therefore both domestic producers and importers have delayed price increases as late as possible.

- In wine, the off-trade channel represents 75% of total volume sales. Compared to other categories such as spirits, where off-trade sales are 90% of total volumes, wine is considered as a more affordable option for on-trade consumption. According to one industry source, Venezuelan consumers typically order a bottle of wine in a restaurant to be consumed in the form of sangria, a very accessible drink in terms of price when compared to spirits.
- In terms of still red wine grape varieties, Cabernet Sauvignon is the leader in Venezuela with a 64% total volume share in 2011, followed by Merlot with 11%. These varieties are preferred by consumers since they are more full-bodied wines. In terms of still white wine, consumer preferences for Sauvignon Blanc gave this varietal type a 67% total volume share in 2011. Rosé wine is not very common in Venezuela since consumers do not see a clear consumption occasion for this kind of product, which does not occur with red and white varieties.
- A large amount of red and white wine in Venezuela falls under the New World wines classification which accounts for 81% volume share. This performance is the result of the enormous presence that Chilean and Argentinean wines have had in Venezuela and their competitive price compared to European options. Wine culture has grown in the country in the past 10 years mainly due to the penetration of Chilean brands. Competitive prices due to trade agreements have allowed Chilean wines to reach such levels of acceptance among Venezuelan consumers.
- Although domestic wine is not very popular in the country, it has been gaining importance over the review period as imported brands have suffered severe price increments as a consequence of import barriers; an opportunity that has been exploited by local producer Bodegas Pomar. From 2006 to 2011, domestic wines increased their volume share within still red wine from 3% to 6%.
- In Venezuela, red wine is usually more expensive than white and rosé as Reserva and Gran Reserva varieties are commonly marketed within this type. Due to Venezuela's high inflation rate and the high costs of importing wine into the country, the wine price bands have to be adjusted each year. The red wine price band which comprised the greatest number of products is between BsF66 and BsF84. For white wine, the predominant price band was that between BsF61 and BsF79 and for rosé wine it was between BsF60 and BsF70. Leading brands such as Frontera Concha y Toro marketed by Ron Santa Teresa CA and Santa Carolina imported by Casa Oliveira CA fall within this price range.
- For its part, sparkling wine is more expensive than the varieties of still light grape wine, and the predominant price band is that between BsF127 and BsF160. The most common variety marketed in Venezuela is méthode champenoise, a traditional sparkling wine from Chile produced by a method in which the second fermentation takes place in the same bottle that the wine will be consumed later. Valdivieso is the leading brand in Venezuela. In second place, there is cava, a sparkling wine subtype that has become very popular primarily because it is consumed by the large Spanish colony living in the country. Freixenet is one of the leading brands within this type.
- The most popular packaging in wine is the 0.75-litre glass bottle. Another type that has been seen in less expensive products, such as the Chilean brand Fray León, is the cardboard brick, following the Tetra Pak design. This presentation is bought mainly to be used for cooking rather than for drinking consumption. Venezuela has no deposit system for wine bottles unlike the one used for beer bottles, since there is no strong recycling culture among consumers.
- Consumers are more sophisticated in terms of wine culture and the presence of the domestic producer Bodegas Pomar has definitely been a positive factor in boosting wine knowledge and demand among Venezuelan consumers. Wine culture in Venezuela has spread to a large part of the population; men and women, 30 years and upwards, are key consumers of the

category. Wine represents an affordable option in terms of price and availability as there are more than 700 types of wine presented in the country.

Production, Imports and Exports

- Although imported still light grape wine accounts for more than 90% of total volume share, local supplier Bodegas Pomar has increased its participation over the review period. The relation between price and quality and the continuous effort directed to consolidate domestic production are the key factors ensuring successful performance. In addition, the difficulty of the import process, due to the closure of all the brokerage firms operating in Venezuela, created a lack of most imported products at off-trade outlets, benefiting domestic producers. Thus far, Bodegas Pomar does not export its products to neighbouring countries.
- In terms of the country of origin, most imported wines come from Chile. In 2010, Chile accounted for nearly 70% of the volume of imported wines (excluding sparkling wines), followed by Argentina, with 14% in the same year. In terms of sparkling wines, Chile ranked first in 2010 in terms of imported volume with a share of 55%, while Spain accounted for a 17% volume share.
- European wines have not benefited from preferential import tax rates such as is the case for Chile and Argentina. This situation puts imports from Spain, Italy and Portugal at a disadvantage in terms of price, particularly during an economic downturn.

COMPETITIVE LANDSCAPE

- Tamayo & Cía SA continues to lead wine with a 9% total volume share in 2011. This company commercialises recognised Chilean brands such as Gato Negro and Castillo de Molina, which is the leader of the Reserva segment, and the wines from the 35 South San Pedro vineyards. Tamayo & Cía has been awarded by the government of Chile as the most prominent importer and representative of Chilean products in Venezuela.
- In 2011, domestic producer Bodegas Pomar saw the biggest increase in sales, increasing its volume share by almost two percentage points. Price increases recorded by imported products have been a key factor in strengthening the competitive position of this company, which in turn has taken advantage to position its portfolio of wine brands at local levels. Bodegas Pomar has led marketing activities directed to promote its brands, including wine tastings, guided tours of its vineyards at harvest time and the Club Pomar, which offers its members special prices and products.
- In Venezuela, wine is led by international brands and manufacturers which account for over 90% of total volume share in 2011. However, local manufacturers have been gaining importance over the review period due to the restrictions in gaining access to foreign currency that importers have to deal with. Among international competitors, the fact that Chilean wines enjoy special concessions in terms of customs tax has been a significant factor in their competitive position. Argentinean wines also enjoy similar privileges to wines from Chile.
- In June 2011, Tamayo & Cía released two new products from Viña San Pedro, Cabo de Hornos and 1865. Cabo de Hornos is made from the Cabernet Sauvignon grape variety and aged in new French oak barrels for 18 months. After bottling, the wine remains at the winery for a year before going on sale. 1865 is available in both Syrah grape variety from the Cachapoal Valley and Cabernet Sauvignon. These releases belong to the premium segment and target knowledgeable wine consumers. In terms of new advertising campaigns, there

were no important movements in 2011 beyond the marketing activities that accompanied these releases which include wine tasting and presentations to trade associations.

- In February 2011, Concha y Toro devised a campaign whereby pastry chefs from Caracas were called to create a recipe that best harmonises with its Late Harvest wine which is ideal to accompany desserts. From March 2011, each bottle of Concha y Toro Late Harvest includes a 4-side collar with photographs of each chef and their dessert recipes. In addition, recipes will be available on the Concha y Toro page at social network site Facebook.
- In terms of packaging innovation, Bodegas Pomar changed the image of its portfolio of sparkling wine to a more refined bottle design, with a prevalence of pearly tones combined with distinctive colours to differentiate wine varieties; Pomar Demi Sec, Pomar Brut Rosé, Pomar Brut and Pomar Brut Nature. In addition, the product label, which has proven to be of special interest for wine enthusiasts, provides more information on its backside and emphasises the value of the traditional method by which these sparkling wines are made.
- The economic downturn that the country has been experiencing since 2009 has led average Venezuelan consumers to look for those products offering the best ratio of price to quality. In this context, companies competing within wine have been focusing more on promoting products in the economy and standard segments through aggressive pricing strategies in the off-trade. On the other hand, for wine connoisseurs who choose their preferred type of wine regardless of price, firms have focused on the launch of premium products and have promoted them through wine tastings and special events in major cities of the country. Thus far, there are no private label wine products in Venezuela.

PROSPECTS

- Over the forecast period, consumption of middle- and lower-priced products will continue characterising wine performance as recovery of consumers' purchasing power is not expected to be strong enough to produce a significant switch in purchasing habits towards premium presentations. Lack of access to foreign currency will be a key factor in the strengthening of local producer Bodegas Pomar which has gained ground due to pricing and distribution strategies adapted to Venezuelans' economic conditions.
- From 2012, wine will begin to reverse the negative growth trend that started in 2009 but at a very slow rate in line with the improvement in consumers' personal disposable income. By 2016, there is expected to have been an acceleration in the rate of growth in total volume terms; however, it is unlikely that volumes will recover to the same levels achieved in 2007. As a result, wine is expected to record a total volume CAGR of 3% over 2011-2016, while constant value sales are projected to post a CAGR of 7%. A devaluation of the local currency is expected to occur in 2013, a factor that will have a significant effect on retail value sales in that year.
- Potential threats to future growth of wine sales include higher costs of imports and increases of trade taxes, especially for those countries that currently benefit from advantageous duty levels, such as Chile and Argentina. In addition, new changes in Venezuelan legislation could include tougher restrictions regarding the distribution and sale of alcoholic drinks as well as more severe tax rates in the off-trade in order to reduce alcohol consumption. However, the most important action that could threaten domestic production is related to expropriation measures towards Bodegas Pomar vineyards, which on several occasions have been inspected by government representatives.
- Over the forecast period, still red wine is expected to slightly outperform the other wine categories as it accounts for the largest offer of economy presentations and brands. In

addition, the preferences of wine drinkers are not expected to change enough to produce changes in consumption patterns towards white or rosé wine.

- In terms of unit price movements, wine is expected to record a compound annual growth rate of 4% in constant terms, based on the premise that high inflation rates and difficulties in importing wine from suppliers will see prices continue to rise. It should be reiterated that more than 90% of the total volumes sold in the country come from imported products. Even domestic producers will be subjected to the increases in raw material prices worldwide.
- The products launched by Tamayo & Cía within the premium segment (Cabo de Hornos and 1865) are likely to exhibit healthy performance over the forecast period as they count on the support of Viña San Pedro, which is greatly recognised for offering high-quality products worldwide. In addition, although connoisseurs and wine lovers represent a niche segment, they are willing to pay a higher price for premium products. Over the forecast period, companies marketing imported wines in Venezuela are likely to continue focusing on new launches of premium brands as the economy segment already has the widest offer of products and entry into this segment could prove particularly difficult.
- Over the forecast period, Bodegas Pomar is expected to extensively promote its portfolio of products as the recent change of image to its line of sparkling wine signals that the company is focusing on gaining share and increasing brand awareness. Moreover, given that prices of imported products are likely to increase as a result of the restricted access to foreign currency, the competitive position of domestic wines will become further entrenched.
- Within wine, sales in the off-trade channel are likely to grow slightly ahead of the on-trade for both security and economic reasons. In this context, the off-trade channel is projected to record a volume CAGR of just over 3% over 2011-2016, while the on-trade is expected to post a volume CAGR of just under 3%. In addition, the prohibition of smoking in public places will also contribute to the increasing preference for home consumption, as a large number of smokers will not be willing to go outside to smoke, mainly due to issues of personal safety. However, it is expected that in the medium term, bars and restaurants will provide adequate spaces for smokers as a measure to avoid losing customers.

CATEGORY DATA

Table 104 Sales of Wine by Category: Total Volume 2006-2011

'000 litres	2006	2007	2008	2009	2010	2011
Fortified Wine and Vermouth	639.8	686.9	727.9	742.9	741.0	741.9
- Port/Oporto	54.3	56.1	57.6	57.3	55.8	55.1
- Sherry	21.0	21.6	22.1	22.2	22.0	21.9
- Vermouth	564.5	609.2	648.2	663.4	663.2	664.9
Non-Grape Wine	-	-	-	-	-	-
Sparkling Wine	1,080.0	1,274.0	1,393.4	1,351.7	1,176.0	1,046.2
- Champagne	130.0	150.6	158.2	137.9	113.1	94.2
- Other Sparkling Wine	950.0	1,123.4	1,235.2	1,213.8	1,062.9	952.0
Still Light Grape Wine	11,440.0	13,079.1	14,236.7	13,382.5	11,509.0	10,133.3
- Still Red Wine	6,180.0	7,030.0	7,684.0	7,248.7	6,248.6	5,502.3
- Still Rosé Wine	710.0	899.1	966.0	883.6	747.1	648.1
- Still White Wine	4,550.0	5,150.0	5,586.7	5,250.2	4,513.3	3,983.0
Wine	13,159.8	15,039.9	16,358.0	15,477.1	13,426.0	11,921.4

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 105 Sales of Wine by Category: Total Value 2006-2011

BsF million	2006	2007	2008	2009	2010	2011
Fortified Wine and Vermouth	21.2	31.1	48.3	67.8	93.0	120.2
- Port/Oporto	2.9	4.1	6.0	9.2	13.9	17.8
- Sherry	0.5	0.7	1.0	1.5	3.2	4.2
- Vermouth	17.7	26.3	41.3	57.0	75.9	98.2
Non-Grape Wine	-	-	-	-	-	-
Sparkling Wine	78.7	120.3	177.4	231.7	263.0	297.0
- Champagne	48.8	73.6	97.2	128.9	138.2	150.8
- Other Sparkling Wine	29.9	46.7	80.2	102.8	124.8	146.2
Still Light Grape Wine	226.4	312.7	473.9	620.4	1,031.0	1,218.2
- Still Red Wine	134.7	188.7	276.7	368.4	611.1	736.4
- Still Rosé Wine	10.1	14.0	22.3	28.0	39.1	44.1
- Still White Wine	81.6	110.0	174.9	224.0	380.8	437.7
Wine	326.3	464.1	699.7	919.8	1,387.0	1,635.3

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 106 Sales of Wine by Category: % Total Volume Growth 2006-2011

% total volume growth	2010/11	2006-11 CAGR	2006/11 Total
Fortified Wine and Vermouth	0.1	3.0	16.0
- Port/Oporto	-1.2	0.3	1.5
- Sherry	-0.3	0.9	4.5
- Vermouth	0.3	3.3	17.8
Non-Grape Wine	-	-	-
Sparkling Wine	-11.0	-0.6	-3.1
- Champagne	-16.7	-6.2	-27.5
- Other Sparkling Wine	-10.4	0.0	0.2
Still Light Grape Wine	-12.0	-2.4	-11.4
- Still Red Wine	-11.9	-2.3	-11.0
- Still Rosé Wine	-13.3	-1.8	-8.7
- Still White Wine	-11.8	-2.6	-12.5
Wine	-11.2	-2.0	-9.4

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 107 Sales of Wine by Category: % Total Value Growth 2006-2011

% local currency, current value growth	2010/11	2006-11 CAGR	2006/11 Total
Fortified Wine and Vermouth	29.1	41.5	467.3
- Port/Oporto	28.0	43.4	506.1
- Sherry	29.6	51.3	692.5
- Vermouth	29.3	40.8	454.2
Non-Grape Wine	-	-	-

Sparkling Wine	12.9	30.4	277.6
- Champagne	9.1	25.3	209.1
- Other Sparkling Wine	17.1	37.4	389.3
Still Light Grape Wine	18.2	40.0	437.9
- Still Red Wine	20.5	40.5	446.8
- Still Rosé Wine	13.0	34.2	335.6
- Still White Wine	14.9	39.9	436.1
Wine	17.9	38.0	401.2

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 108 Sales of Wine by On-trade vs Off-trade Split: Volume 2006-2011

million litres

	2006	2007	2008	2009	2010	2011
Off-trade	9.7	11.2	12.2	11.6	10.1	9.0
On-trade	3.5	3.9	4.2	3.9	3.4	3.0
Total	13.2	15.0	16.4	15.5	13.4	11.9

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 109 Sales of Wine by On-trade vs Off-trade Split: Value 2006-2011

BsF million

	2006	2007	2008	2009	2010	2011
Off-trade	164.8	242.0	373.7	490.8	710.1	825.9
On-trade	161.5	222.1	325.9	429.0	676.9	809.4
Total	326.3	464.1	699.7	919.8	1,387.0	1,635.3

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 110 Sales of Wine by On-trade vs Off-trade Split: % Volume Growth 2006-2011

% volume growth

	2010/11	2006-11 CAGR	2006/11 TOTAL
Off-trade	-10.9	-1.5	-7.2
On-trade	-12.2	-3.3	-15.5
Total	-11.2	-2.0	-9.4

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 111 Sales of Wine by On-trade vs Off-trade Split: % Value Growth 2006-2011

% current value growth

	2010/11	2006-11 CAGR	2006/11 TOTAL
Off-trade	16.3	38.0	401.1
On-trade	19.6	38.0	401.3
Total	17.9	38.0	401.2

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 112 Volume Sales of Still Red Wine by Price Segment 2006-2011

% off-trade	2006	2007	2008	2009	2010	2011
Under BsF31	14.7	11.6	0.4	-	-	-
BsF31 to BsF39.99	9.7	8.0	2.7	2.0	2.5	2.0
BsF40 to BsF51.99	23.0	19.3	9.8	10.0	17.2	12.0
BsF52 to BsF65.99	17.0	17.8	27.3	16.0	14.8	18.0
BsF66 to BsF83.99	10.7	10.1	13.4	14.0	8.5	26.0
BsF84 to BsF108.99	13.1	14.0	20.0	21.0	26.5	17.0
BsF109 to BsF139.99	5.8	11.2	14.4	19.0	23.5	15.0
BsF140 and above	6.0	8.0	12.0	18.0	7.0	10.0
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 113 Volume Sales of Still White Wine by Price Segment 2006-2011

% off-trade	2006	2007	2008	2009	2010	2011
Under BsF36	28.6	27.1	1.0	-	-	-
BsF36 to BsF41.99	11.9	10.2	5.0	6.0	8.0	4.0
BsF42 to BsF51.99	7.1	5.6	6.0	5.0	9.0	10.0
BsF52 to BsF60.99	21.4	11.7	17.0	12.0	13.0	13.0
BsF61 to BsF78.99	9.5	4.7	20.0	24.0	28.0	30.0
BsF79 to BsF99.99	14.3	27.8	35.0	28.0	22.0	23.0
BsF100 to BsF129.99	7.2	9.2	11.0	10.0	11.0	12.0
BsF130 and above	-	3.7	5.0	15.0	9.0	8.0
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 114 Volume Sales of Still Rosé Wine by Price Segment 2006-2011

% off-trade	2006	2007	2008	2009	2010	2011
Under BsF45	11.0	8.0	3.0	-	-	-
BsF45 to BsF51.99	18.0	14.0	9.0	8.0	5.0	4.0
BsF52 to BsF59.99	19.0	20.0	15.0	20.0	18.9	17.0
BsF60 to BsF69.99	16.0	19.0	21.0	13.0	11.8	16.0
BsF70 to BsF84.99	15.0	16.0	23.0	18.0	21.2	22.0
BsF85 to BsF99.99	14.0	15.0	20.0	19.0	29.3	27.0
BsF100 to BsF119.99	2.0	1.0	1.0	7.0	8.4	8.0
BsF120 and above	5.0	7.0	8.0	15.0	5.4	6.0
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 115 Volume Sales of Other Sparkling Wine by Price Segment 2006-2011

% off-trade	2006	2007	2008	2009	2010	2011
Under BsF62	17.0	10.0	4.0	-	-	-
BsF62 to BsF79.99	20.0	18.0	14.0	8.0	8.5	6.0
BsF80 to BsF103.99	26.0	23.0	22.0	15.0	15.7	17.0
BsF104 to BsF126.99	19.0	24.0	24.0	10.0	7.8	12.0
BsF127 to BsF159.99	18.0	25.0	36.0	33.0	37.6	38.0
BsF160 to BsF179.99	-	-	-	13.0	12.4	10.0
BsF180 to BsF229.99	-	-	-	11.0	7.4	9.0
BsF230 and above	-	-	-	10.0	10.6	8.0
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 116 Sales of Still Red Wine by Grape/Varietal Type 2006-2011

% total volume	2006	2007	2008	2009	2010	2011
Cabernet Sauvignon	64.3	62.3	61.2	61.4	63.0	63.5
Carmenère	7.2	7.5	9.0	9.4	10.0	10.2
Malbec	2.7	2.8	2.7	2.8	2.6	2.4
Merlot	13.6	12.1	11.9	11.0	10.8	10.5
Shiraz/Syrah	6.1	6.2	6.3	6.6	6.7	6.7
Tempranillo	2.2	2.3	2.3	2.4	2.5	2.8
Others	3.9	6.8	6.6	6.4	4.4	3.9
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 117 Sales of Still White Wine by Grape/Varietal Type 2006-2011

% total volume	2006	2007	2008	2009	2010	2011
Chardonnay	11.8	13.0	14.0	16.4	17.0	17.1
Macabeo	3.0	1.8	1.0	0.5	0.2	0.1
Moscato	4.0	2.5	2.0	0.8	0.5	0.4
Pinot Noir	8.8	8.9	9.0	9.0	9.4	9.5
Sauvignon Blanc	63.0	62.8	63.0	65.0	67.0	67.0
Tempranillo Blanco	2.5	2.4	2.6	2.8	2.7	2.8
Others	6.9	8.6	8.4	5.5	3.2	3.1
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 118 Sales of Still Rosé Wine by Grape/Varietal Type 2006-2011

% total volume	2006	2007	2008	2009	2010	2011
Cabernet Sauvignon	60.0	60.5	62.0	62.5	64.0	64.0

Chardonnay	6.9	6.4	6.0	6.2	6.4	6.3
Merlot	23.8	23.6	22.1	22.0	21.0	20.7
Shiraz/Syrah	4.5	5.1	4.8	4.8	4.8	4.7
Tempranillo	3.0	3.1	3.2	3.0	3.0	3.1
Others	1.8	1.3	1.9	1.5	0.8	1.2
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 119 Sales of Still Red Wine by Quality Classification 2006-2011

% total volume	2006	2007	2008	2009	2010	2011
Domestic	3.0	3.2	3.2	3.1	4.2	6.0
New World	80.0	80.1	80.5	81.0	81.2	81.1
Old World	17.0	16.7	16.3	15.9	14.6	12.9
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 120 Sales of Still White Wine by Quality Classification 2006-2011

% total volume	2006	2007	2008	2009	2010	2011
Domestic	2.8	2.9	2.9	3.0	3.9	5.7
New World	80.0	80.3	80.6	80.9	81.0	81.3
Old World	17.2	16.8	16.5	16.1	15.1	13.0
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 121 Sales of Still Rosé Wine by Quality Classification 2006-2011

% total volume	2006	2007	2008	2009	2010	2011
New World	82.2	82.4	82.3	82.5	82.4	82.5
Old World	17.8	17.6	17.7	17.5	17.6	17.5
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 122 Wine Production, Imports and Exports: Total Volume 2005-2010

million litres	2005	2006	2007	2008	2009	2010
Wine – Imports	18.2	27.2	32.6	29.7	23.1	11.7
Wine – Exports	0.0	0.0	0.0	0.0	0.0	0.1
Wine – Apparent consumption	37.5	51.0	49.6	-	-	-

Wine – Production	19.3	23.8	17.1	-	-	-
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Source: GTIS, Euromonitor International
 Note: '-' indicates data not available

Table 123 Wine Imports by Country of Origin: Total Volume 2005-2010

million litres	2005	2006	2007	2008	2009	2010
Wine – Chile	10.6	18.5	23.5	20.1	16.6	7.8
Wine – Argentina	0.8	2.3	3.3	5.4	3.1	1.6
Wine – Spain	2.9	2.1	1.7	0.9	1.0	0.7
Wine – Portugal	0.7	0.6	0.6	0.6	0.6	0.4
Wine – Italy	0.8	0.9	1.0	0.5	0.5	0.4
Wine – France	1.0	1.4	1.2	1.0	0.7	0.3
Wine – Colombia	0.5	0.6	0.6	0.6	0.2	0.1
Wine – US	0.5	0.2	0.2	0.4	0.2	0.1
Wine – Germany	0.3	0.3	0.3	0.1	0.1	0.1
Wine – Brazil	-	-	0.0	0.0	-	0.1
Wine – Uruguay	-	0.0	0.0	0.0	0.0	0.0
Wine – Panama	0.0	0.1	0.0	0.0	0.0	0.0
Wine – Switzerland	-	-	-	-	-	0.0
Wine – United Kingdom	0.1	0.0	0.0	0.0	-	0.0
Wine – Netherlands	0.0	-	-	-	0.0	0.0
Wine – Barbados	-	-	0.0	0.0	0.0	0.0
Wine – China	0.0	0.0	0.0	0.0	0.0	-
Wine – Hong Kong	-	-	-	-	0.0	-
Wine – Australia	-	0.0	0.0	0.0	-	-
Wine – Netherlands Antilles	-	-	-	0.0	-	-
Wine – Venezuela	0.0	0.0	0.0	-	-	-
Wine – Dominican Republic	-	-	0.0	-	-	-
Wine – NL Antilles (Curacao)	0.0	-	0.0	-	-	-
Wine – South Africa	0.1	0.0	0.1	0.0	-	-
Wine – Lebanon	-	-	-	0.0	-	-
Wine – Others	0.0	0.0	0.0	0.0	0.0	0.0
Wine – Total	18.2	27.2	32.6	29.7	23.1	11.7

Source: GTIS, Euromonitor International
 Note: '-' indicates data not available

Table 124 Wine Imports by Country of Origin: Total Value 2005-2010

BsF million	2005	2006	2007	2008	2009	2010
Wine – Chile	29.3	51.0	67.5	64.3	51.4	30.0
Wine – Argentina	2.0	7.4	11.7	20.9	11.6	8.0
Wine – Spain	8.0	8.7	8.8	5.6	6.0	5.2
Wine – France	5.7	10.4	11.0	9.8	6.6	4.9
Wine – Italy	2.6	2.9	3.9	2.5	2.2	2.4
Wine – Portugal	1.8	2.3	2.8	2.2	2.4	2.1
Wine – Colombia	1.0	1.5	1.7	2.0	0.8	0.5
Wine – US	1.4	0.7	0.6	1.4	1.1	0.3
Wine – Germany	0.7	1.3	0.8	0.3	0.5	0.3
Wine – Brazil	-	-	0.1	0.1	-	0.2
Wine – Uruguay	-	0.0	0.1	0.2	0.1	0.1

Wine – Panama	0.4	1.1	0.1	0.2	0.2	0.1
Wine – Netherlands	0.1	-	-	-	0.0	0.1
Wine – United Kingdom	0.4	0.0	0.0	0.1	-	0.0
Wine – Barbados	-	-	0.0	0.0	0.0	0.0
Wine – Switzerland	-	-	-	-	-	0.0
Wine – Belgium	-	-	0.0	0.0	0.0	0.0
Wine – Hungary	-	-	-	0.0	-	0.0
Wine – Costa Rica	-	-	-	0.0	0.0	0.0
Wine – Hong Kong	-	-	-	-	0.3	-
Wine – China	0.1	0.2	0.0	0.0	0.1	-
Wine – Lebanon	-	-	-	0.0	-	-
Wine – Netherlands Antilles	-	-	-	0.1	-	-
Wine – South Africa	0.0	0.1	0.1	0.1	-	-
Wine – Venezuela	0.2	0.1	0.1	-	-	-
Wine – Others	0.0	0.0	0.0	0.0	0.0	-
Wine – Total	53.7	87.7	109.2	109.9	83.3	54.3

Source: GTIS, Euromonitor International

Note: '-' indicates data not available

Table 125 Wine Exports by Country of Destination: Total Volume 2005-2010

million litres

	2005	2006	2007	2008	2009	2010
Wine – Colombia	0.0	-	-	0.0	0.0	0.1
Wine – Spain	-	-	-	-	-	0.0
Wine – Costa Rica	-	-	-	-	0.0	-
Wine – NL Antilles (Bonaire)	0.0	0.0	-	-	-	-
Wine – Netherlands Antilles	-	-	0.0	-	-	-
Wine – Aruba	-	0.0	0.0	0.0	-	-
Wine – Chile	-	0.0	-	-	-	-
Wine – Yugoslavia	-	0.0	-	-	-	-
Wine – Guyana	-	0.0	-	0.0	-	-
Wine – Italy	-	-	-	0.0	-	-
Wine – Dominican Republic	-	-	0.0	-	-	-
Wine – Total	0.0	0.0	0.0	0.0	0.0	0.1

Source: GTIS, Euromonitor International

Note: '-' indicates data not available

Table 126 Wine Exports by Country of Destination: Total Value 2005-2010

BsF million

	2005	2006	2007	2008	2009	2010
Wine – Colombia	0.0	-	-	0.0	0.1	0.8
Wine – Spain	-	-	-	-	-	0.0
Wine – Costa Rica	-	-	-	-	0.0	-
Wine – Dominican Republic	-	-	0.0	-	-	-
Wine – NL Antilles (Bonaire)	0.0	0.0	-	-	-	-
Wine – Netherlands Antilles	-	-	0.0	-	-	-
Wine – Italy	-	-	-	0.1	-	-
Wine – Guyana	-	0.0	-	0.0	-	-

Wine – Aruba	-	0.0	0.0	0.0	-	-
Wine – Chile	-	0.0	-	-	-	-
Wine – Yugoslavia	-	0.0	-	-	-	-
Wine – Total	0.0	0.0	0.0	0.1	0.1	0.8

Source: GTIS, Euromonitor International

Note: '-' indicates data not available

Table 127 Company Shares of Still Light Grape Wine by National Brand Owner 2007-2011

% total volume Company	2007	2008	2009	2010	2011
Ron Santa Teresa CA	8.7	8.9	8.5	7.7	7.3
Bodegas Pomar CA	3.2	3.2	2.1	4.2	6.0
Casa Oliveira CA	5.6	5.4	5.4	5.4	5.1
Tamayo & Cía SA	4.9	5.1	6.3	5.4	4.3
Distribuidora Homann Dürr CA (HDCA)	3.5	3.5	3.4	3.1	2.8
Di Vino Comercializadora CA	2.1	2.3	2.2	2.1	2.0
Alnova CA	0.3	0.3	0.3	0.3	0.2
Others	71.7	71.3	71.7	71.8	72.4
Total	100.0	100.0	100.0	100.0	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 128 Company Shares of Still Light Grape Wine by Global Brand Owner 2007-2011

% total volume Company	2007	2008	2009	2010	2011
Viña Concha y Toro SA	10.8	11.1	10.7	9.8	9.3
Empresas Polar CA	3.2	3.2	2.1	4.2	6.0
Cía Cervecerías Unidas SA	4.9	5.1	6.3	5.4	4.3
Viña Fray León SA	2.8	3.0	3.1	3.2	3.0
Viña Santa Carolina SA	2.8	2.4	2.3	2.3	2.1
Fundo La Huerta	2.2	2.2	2.2	2.2	1.9
Unión Vitivinícola Viñedos de Cenicero SA	1.3	1.3	1.2	0.9	0.9
Landiras	0.3	0.3	0.3	0.3	0.2
Others	71.7	71.3	71.7	71.8	72.4
Total	100.0	100.0	100.0	100.0	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 129 Brand Shares of Still Light Grape Wine 2008-2011

% total volume Brand (Global Brand Owner)	Company	2008	2009	2010	2011
Frontera Concha y Toro (Viña Concha y Toro SA)	Ron Santa Teresa CA	5.0	5.0	4.2	4.1

Pomar (Empresas Polar CA)	Bodegas Pomar CA	-	-	2.5	3.6
Casillero del Diablo (Viña Concha y Toro SA)	Ron Santa Teresa CA	3.9	3.6	3.5	3.2
Terracota (Empresas Polar CA)	Bodegas Pomar CA	0.7	1.1	1.5	2.4
Gato Negro (Cía Cervecerías Unidas SA)	Tamayo & Cía SA	2.7	3.2	2.9	2.2
Gato Blanco (Cía Cervecerías Unidas SA)	Tamayo & Cía SA	2.4	3.1	2.5	2.1
Santa Carolina (Viña Santa Carolina SA)	Casa Oliveira CA	2.4	2.3	2.3	2.1
Cono Sur (Viña Concha y Toro SA)	Di Vino Comercializadora CA	2.3	2.2	2.1	2.0
La Huerta (Fundo La Huerta)	Distribuidora Homann Dürr CA (HDCA)	2.2	2.2	2.2	1.9
Fray León (Viña Fray León SA)	Casa Oliveira CA	1.9	2.0	2.0	1.9
Château Los Vascos (Viña Fray León SA)	Casa Oliveira CA	1.1	1.1	1.2	1.1
Marqués de Cáceres (Unión Vitivinícola Viñedos de Cenicero SA)	Distribuidora Homann Dürr CA (HDCA)	1.3	1.2	0.9	0.9
Baron D'Arignac (Landiras)	Alnova CA	0.3	0.3	0.3	0.2
Altagracia (Empresas Polar CA)	Bodegas Pomar CA	2.5	1.1	0.2	-
Others	Others	71.3	71.7	71.8	72.4
Total	Total	100.0	100.0	100.0	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 130 Company Shares of Champagne by National Brand Owner 2007-2011

% total volume Company	2007	2008	2009	2010	2011
Diageo Venezuela CA	41.7	43.9	45.5	47.1	47.5
Tamayo & Cía SA	41.9	40.3	41.9	41.1	40.4
Casa Oliveira CA	7.3	7.0	6.7	6.2	6.5
Others	9.1	8.8	5.9	5.6	5.6
Total	100.0	100.0	100.0	100.0	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 131 Company Shares of Champagne by Global Brand Owner 2007-2011

% total volume Company	2007	2008	2009	2010	2011
LVMH Moët Hennessy Louis Vuitton SA	83.6	84.3	87.5	88.2	87.9

Groupe Laurent-Perrier	7.3	7.0	6.7	6.2	6.5
Others	9.1	8.8	5.9	5.6	5.6
Total	100.0	100.0	100.0	100.0	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 132 Brand Shares of Champagne 2008-2011

% total volume Brand (Global Brand Owner)	Company	2008	2009	2010	2011
Moët & Chandon (LVMH Moët Hennessy Louis Vuitton SA)	Diageo Venezuela CA	43.9	45.5	47.1	47.5
Veuve Clicquot (LVMH Moët Hennessy Louis Vuitton SA)	Tamayo & Cía SA	40.3	41.9	41.1	40.4
Laurent Perrier (Groupe Laurent-Perrier)	Casa Oliveira CA	7.0	6.7	6.2	6.5
Others	Others	8.8	5.9	5.6	5.6
Total	Total	100.0	100.0	100.0	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 133 Company Shares of Other Sparkling Wine by National Brand Owner 2007-2011

% total volume Company	2007	2008	2009	2010	2011
Tamayo & Cía SA	18.4	17.7	19.0	20.5	20.3
Bodegas Pomar CA	14.0	15.6	16.1	17.8	18.2
Diageo Venezuela CA	12.7	10.9	8.8	8.5	8.5
Francisco Dorta A Sucrs CA	5.8	6.3	7.2	7.1	7.1
Pernod Ricard Venezuela CA	7.7	7.4	7.0	6.2	6.1
Casa Oliveira CA	5.3	5.1	6.0	5.4	5.3
Others	36.1	37.0	35.9	34.5	34.5
Total	100.0	100.0	100.0	100.0	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 134 Company Shares of Other Sparkling Wine by Global Brand Owner 2007-2011

% total volume Company	2007	2008	2009	2010	2011
Licores Mitjans SA	17.8	17.5	18.7	20.2	20.0
Empresas Polar CA	14.0	15.6	16.1	17.8	18.2
LVMH Moët Hennessy Louis Vuitton SA	12.7	10.9	8.8	8.5	8.5
Freixenet SA	5.8	6.3	7.2	7.1	7.1

Pernod Ricard Groupe	7.7	7.4	7.0	6.2	6.1
Viña Santa Carolina SA	5.3	5.1	6.0	5.4	5.3
Société Boisset	0.6	0.3	0.3	0.3	0.3
Others	36.1	37.0	35.9	34.5	34.5
Total	100.0	100.0	100.0	100.0	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 135 Brand Shares of Other Sparkling Wine 2008-2011

% total volume Brand (Global Brand Owner)	Company	2008	2009	2010	2011
Valdivieso (Licores Mitjans SA)	Tamayo & Cía SA	17.5	18.7	20.2	20.0
Pomar Brut (Empresas Polar CA)	Bodegas Pomar CA	15.6	16.1	17.8	18.2
Chandon (LVMH Moët Hennessy Louis Vuitton SA)	Diageo Venezuela CA	10.9	8.8	8.5	8.5
Freixenet (Freixenet SA)	Francisco Dorta A Sucrs CA	6.3	7.2	7.1	7.1
Café de Paris (Pernod Ricard Groupe)	Pernod Ricard Venezuela CA	7.4	7.0	6.2	6.1
Santa Carolina Brut (Viña Santa Carolina SA)	Casa Oliveira CA	5.1	6.0	5.4	5.3
Grandin (Société Boisset)	Tamayo & Cía SA	0.3	0.3	0.3	0.3
Others	Others	37.0	35.9	34.5	34.5
Total	Total	100.0	100.0	100.0	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 136 Company Shares of Fortified Wine and Vermouth by National Brand Owner 2007-2011

% total volume Company	2007	2008	2009	2010	2011
Tamayo & Cía SA	44.9	44.4	45.4	46.4	46.2
Marquint SA	14.0	13.5	13.0	13.5	13.9
Pernod Ricard Venezuela CA	5.4	5.0	4.7	4.0	3.9
Casa Oliveira CA	3.9	3.8	3.9	3.8	3.8
Distribuidora HDCA	0.6	0.5	0.6	0.6	0.7
Tres Coronas SA	0.6	0.5	0.3	0.3	0.3
Others	30.6	32.2	32.1	31.3	31.2
Total	100.0	100.0	100.0	100.0	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 137 Company Shares of Fortified Wine and Vermouth by Global Brand Owner 2007-2011

% total volume Company	2007	2008	2009	2010	2011
Bacardi & Co Ltd	42.8	42.3	43.4	44.5	44.5
Campari Milano SpA, Davide	14.0	13.5	13.0	13.5	13.9
Pernod Ricard Groupe	5.4	5.0	4.7	4.0	3.9
Barros Almeida & CA Vinhos SA	2.9	2.8	2.9	2.9	2.9
Sogrape - Vinhos de Portugal SA	2.1	2.1	2.0	1.8	1.8
González Byass SA	0.8	0.8	0.8	0.7	0.7
José de Soto SA	0.6	0.5	0.6	0.6	0.7
Tres Coronas SA	0.6	0.5	0.3	0.3	0.3
Bodegas Williams & Humbert SA	0.3	0.2	0.2	0.2	0.3
Others	30.6	32.2	32.1	31.3	31.2
Total	100.0	100.0	100.0	100.0	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 138 Brand Shares of Fortified Wine and Vermouth 2008-2011

% total volume Brand (Global Brand Owner)	Company	2008	2009	2010	2011
Martini (Bacardi & Co Ltd)	Tamayo & Cía SA	42.3	43.4	44.5	44.5
Cinzano (Campari Milano SpA, Davide)	Marquint SA	13.5	13.0	13.5	13.9
Dubonnet Rouge (Pernod Ricard Groupe)	Pernod Ricard Venezuela CA	5.0	4.7	4.0	3.9
Barros (Barros Almeida & CA Vinhos SA)	Casa Oliveira CA	2.8	2.9	2.9	2.9
Offley Port (Sogrape - Vinhos de Portugal SA)	Tamayo & Cía SA	2.1	2.0	1.8	1.8
Tío Pepe (González Byass SA)	Casa Oliveira CA	0.8	0.8	0.7	0.7
Tío Soto (José de Soto SA)	Distribuidora HDCA	0.5	0.6	0.6	0.7
Perla	Tres Coronas SA	0.5	0.3	0.3	0.3
Dry Sack Amontillado Sherry (Bodegas Williams & Humbert SA)	Casa Oliveira CA	0.2	0.2	0.2	0.3
Others	Others	32.2	32.1	31.3	31.2
Total	Total	100.0	100.0	100.0	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 139 Forecast Sales of Wine by Category: Total Volume 2011-2016

'000 litres	2011	2012	2013	2014	2015	2016
Fortified Wine and Vermouth	741.9	745.9	755.9	772.9	791.1	812.7
- Port/Oporto	55.1	55.1	55.3	56.0	57.0	58.5
- Sherry	21.9	22.0	22.3	22.6	23.0	23.5
- Vermouth	664.9	668.7	678.3	694.3	711.0	730.7
Non-Grape Wine	-	-	-	-	-	-
Sparkling Wine	1,046.2	1,064.1	1,082.3	1,116.3	1,162.1	1,223.0
- Champagne	94.2	91.9	92.6	93.9	96.6	100.2
- Other Sparkling Wine	952.0	972.1	989.8	1,022.5	1,065.5	1,122.8
Still Light Grape Wine	10,133.3	10,335.6	10,475.2	10,717.8	11,191.2	11,819.2
- Still Red Wine	5,502.3	5,608.6	5,677.7	5,817.8	6,085.3	6,446.3
- Still Rosé Wine	648.1	658.9	666.1	681.3	711.8	752.1
- Still White Wine	3,983.0	4,068.0	4,131.4	4,218.7	4,394.1	4,620.7
Wine	11,921.4	12,145.5	12,313.4	12,607.0	13,144.3	13,854.9

Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources

Table 140 Forecast Sales of Wine by Category: Total Value 2011-2016

BsF million	2011	2012	2013	2014	2015	2016
Fortified Wine and Vermouth	120.2	124.1	132.2	139.4	147.7	157.8
- Port/Oporto	17.8	18.5	19.8	20.8	22.1	23.8
- Sherry	4.2	4.3	4.6	4.8	5.1	5.4
- Vermouth	98.2	101.2	107.8	113.8	120.5	128.6
Non-Grape Wine	-	-	-	-	-	-
Sparkling Wine	297.0	304.0	322.1	338.6	359.2	384.6
- Champagne	150.8	151.3	160.2	167.4	177.3	188.7
- Other Sparkling Wine	146.2	152.7	162.0	171.2	181.9	195.9
Still Light Grape Wine	1,218.2	1,287.1	1,376.4	1,459.0	1,601.3	1,781.0
- Still Red Wine	736.4	777.0	828.0	875.8	958.6	1,058.6
- Still Rosé Wine	44.1	46.4	49.4	52.2	57.0	62.6
- Still White Wine	437.7	463.7	499.0	530.9	585.7	659.8
Wine	1,635.3	1,715.1	1,830.8	1,937.1	2,108.2	2,323.5

Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources

Table 141 Forecast Sales of Wine by Category: % Total Volume Growth 2011-2016

% total volume growth	2015/16	2011-16 CAGR	2011/16 Total
Fortified Wine and Vermouth	2.7	1.8	9.5
- Port/Oporto	2.6	1.2	6.2
- Sherry	2.0	1.4	7.1
- Vermouth	2.8	1.9	9.9
Non-Grape Wine	-	-	-
Sparkling Wine	5.2	3.2	16.9
- Champagne	3.7	1.2	6.4
- Other Sparkling Wine	5.4	3.4	17.9

Still Light Grape Wine	5.6	3.1	16.6
- Still Red Wine	5.9	3.2	17.2
- Still Rosé Wine	5.7	3.0	16.1
- Still White Wine	5.2	3.0	16.0
Wine	5.4	3.1	16.2

Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources

Table 142 Forecast Sales of Wine by Category: % Total Value Growth 2011-2016

% local currency, constant value growth

	2011-16 CAGR	2011/16 TOTAL
Fortified Wine and Vermouth	5.6	31.3
- Port/Oporto	6.0	33.6
- Sherry	5.5	30.5
- Vermouth	5.5	31.0
Non-Grape Wine	-	-
Sparkling Wine	5.3	29.5
- Champagne	4.6	25.1
- Other Sparkling Wine	6.0	34.0
Still Light Grape Wine	7.9	46.2
- Still Red Wine	7.5	43.8
- Still Rosé Wine	7.2	41.8
- Still White Wine	8.6	50.8
Wine	7.3	42.1

Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources

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