



Paper: Beer market in Finland



Flanders Investment & Trade, Helsinki
c/o Embassy of Belgium in Helsinki
Aleksanterinkatu 17
00100 Helsinki
Finland
T +358 9 62 62 33
helsinki@flanderstrade.com

Overview on the Finnish beer market

The sale of beer in 2013 – a few statistics:

- domestic sales 433,7 million litres
- travellers imported 31,6 million litres
- consumption pro person 85,6 litres

There has been increasing and decreasing trends according to the consumption of beer; a main explanation in the past ten years has been the tax policy on alcohol. The heavier the taxes, the less beer and alcohol in general is consumed.

Most of the beer is sold in the retail, currently (2013) 83,2%. In the years after the millennium the retail sector has managed to grow its share in the sales. In 2000, the percentage was 67,0. The restaurant sector has been losing share, in 2000 it sold 28,0% of all beer, in 2013 it was only 15,0%. The prices in restaurants have gone up and as people have less money in the current economic situation, the amount of beer consumed at home has increased. Alko stores sold 1,8% of all beers in 2013 (sold in the domestic market). Alko is state owned and has a monopoly on the retail sales of strong alcoholic beverages (with an alcohol rate above 4,7%). Alko has a total of 351 stores and 97 pre-order pickup points.



Beers in a Finnish retail store. 6- and 12-packs of Finnish beer are very popular.

Currently, at least in the cities the beer trend is changing from the basic Finnish lager to special small brewery beers. (See below in the history chapter for more detailed information). The biggest Finnish breweries are Hartwall www.hartwall.fi/en, Sinebrychoff (part of the Carlsberg Group) www.sinebrychoff.fi, and Olvi www.olvi.fi/web/en. The list of the smaller breweries can be found at the website of the Finnish Microbreweries' Association www.en.pienpanimoliitto.fi/3

The imports have seen a boom in the years after the Millennium. In 2000, the import of beer was 6 581 000 litres. In 2013, it already was 53 027 000 litres and it seems to be increasing every year.

More detailed figures:

Imports and exports, 1000 l

Beer	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Imports	6 728	6 581	7 820	10 909	22 319	31 782	32 850	37 344	37 392	46 759	42 175	62 195	58 229	50 565	53 027
Exports	28 645	27 392	27 538	27 285	23 855	25 138	18 719	17 430	20 240	18 431	17 095	20 519	17 391	22 282	19 079
*Tax free sales	36 565	37 094	30 213	31 733	31 239	20 790	17 102	15 796	15 632	15 266	20 325	20 037	16 510	21 372	19 392

Source: panimoliitto.fi, (its member companies' figures)

Some examples of Belgian beers sold in Alko (of a total 25):

- Grimbergen Blanche 0,33l 3,11€
- Rochefort 10 0,33l 6,35€
- Leffe Blonde 0,33l 3,77€
- Hoegaarden Witbier 0,33l 3,53€
- Stella Artois 0,33l 2,97€
- Duvel 0,33l 3,98€
- Lindemans Kriek 0,25l 2,97€

The consumption of organic beer has been increasing in Finland over the past years. In 2009, there were only 5 brands of organic beers available in Alko, currently this number has increased to 17 brands. Two of them are from Belgium: Mongozo Premium Pilsener (0.33l) 3,69 €, and Saison Dupont Biologique (0.25l) 3,13€.

In bars beers cost approximately 6–9 €.

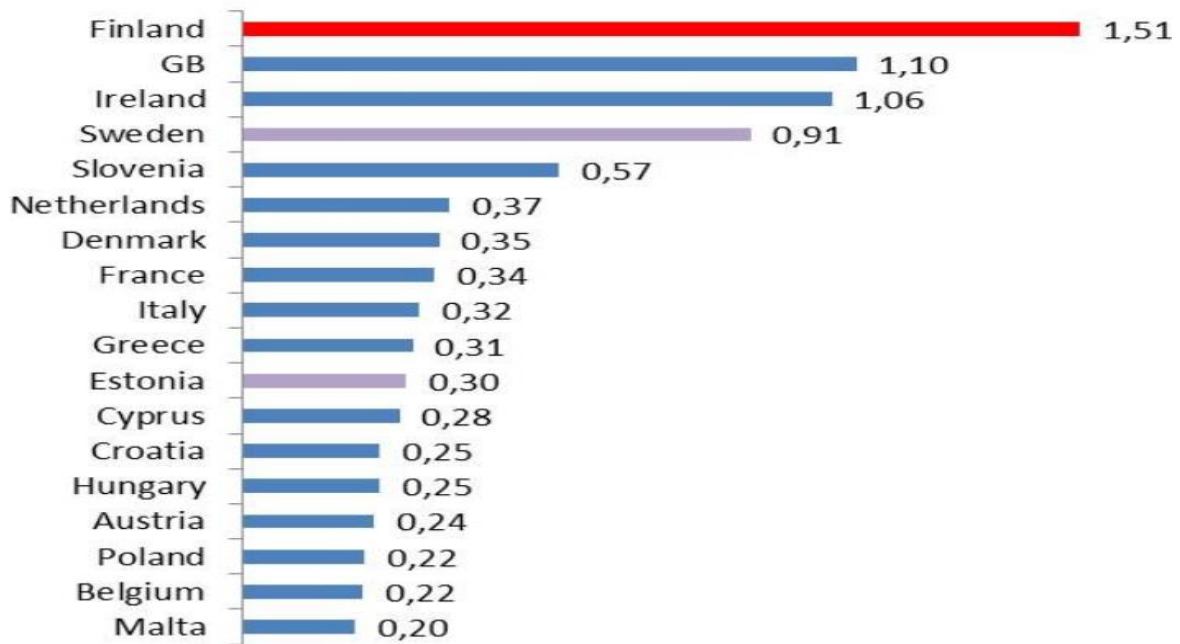
Beer taxation

Finland's beer tax is the highest of all countries in the European Union and almost five times as high as in Estonia, Finland's southern neighbour where people often travel for e.g. cheaper alcohol.

Taxes in Finland account for about 60% of the price of a bottle of beer. On the discount beer, tax could be more than 80% of the price. Tax differences between Finland and Estonia are huge. When prices in Finland rise, the outcome is a rush to buy cheap beer in Estonia. This has increased heavily in the past years.

Beer tax in European Union 2014

€/liter, 4,7 % abv



Source: Panimoliitto (www.panimoliitto.fi)

History of Finnish beer and brewery culture



Brewing beer in 1911 at Ylälaakaa

The history of Finnish beer culture has experienced different phases.

In the beginning of the 1900's Finland had a rather lively brewery culture and different types of beers were brewed in almost every city and village; such as porters, stout and bock.

In 1919 the prohibition law came into force and lasted until 1932. The breweries had to stop their business. Finnish beer culture reached their 'dark age'. After the prohibition the monopoly of alcoholic beverages above 2% was given to Alko, the state owned alcohol retailer. Alko tendered the breweries and chose the 4 biggest and cheapest which all produced watery lager because it was the cheapest to make. The Koff brewery also produced porter. Currently, alcoholic beverages above 4,7% have to be sold in Alko.

The import of foreign beer was allowed only in 1964, but in 1986 Alko only had 2 foreign beers in the selection, both Danish beers. The beer culture as we know today, only started when Finland joined the European Union in 1995. After that year, the import of beer rose heavily and Finns discovered the tasty foreign beers. Belgian beers were very popular and became a trend in the 1990's. Also, the amount of Finnish breweries increased. However, the recovery of the beer culture lasted only a few years and ceased sadly again when the Millennium approached.

The current beer boom started about five years ago. Today the thirsty customer likes to order special beers instead of Finnish lager. In this new boom the price is no longer a terminating factor as it was before. Today only taste matters. Not only the beer but also the beer houses have changed. The current style is 'trendy and Scandinavian', no longer 'dark and shabby' as before.

Finnish retailers sell a vast variety of special beer, which have now become main stream. Consumers even go to beer houses to find more rare beers. The experts believe the boom will continue and will even grow. This boom is merely visible in the big cities in Finland, in the countryside the normal Finnish lager still keeps up. It remains to be seen whether the whole population will change its taste for beers.

The big breweries like Koff and Hartwall also started co-operations with foreign breweries. They are, understandable, afraid of losing too much market share. They believe that the smaller players have better managed their strategy of marketing and branding their products. Their etiquettes are well-thought, and their beer names are funnier.

Another trend is pubs and bars owned by breweries. Recently the Scottish brewery 'Brewdog' has opened a bar in Helsinki. Other new trendy beer houses have opened their doors as well for example with Scandinavian or North American emphasis.

Beer festivals

Annually there are several smaller and bigger beer festivals in Finland.

For example the Helsinki Beer Festival www.helsinkibeerfestival.fi/main. Flanders Investment & Trade Helsinki visited this festival in 2014. There were about 60 Belgian beers present. (Through e.g. importer)

Sales channels

If you want to do business directly with Alko, please carefully read their instruction and requirements www.alko.fi/en/alko-inc/for-suppliers. Contact information can be found on the website as well.

It may be easier to sell through a beer importer. They sell beers to Alko, the retail sector and hospitality industry.

Contact information

- 1) Servaali - www.servaali.fi
- 2) Diamond Beer - www.diamondbeer.com
- 3) Malty Oy - www.malty.fi
- 4) Heino Juomat - www.heinojuomat.fi
- 5) Arvid Nordqvist Finland - www.arvidnordqvist.fi
- 6) Novovin - www.novovin.com
- 7) Pikkulintu - www.pikkulintu.fi
- 8) Ultimator - no website
- 9) Brewseeker Oy - www.brewseeker.fi
- 10) Red Bev Oy - www.redbev.fi/index.html

Sources:

Helsingin Sanomat (Helsinki Times) 30.01.2015

Panimoliitto - www.panimoliitto.fi/en

Pienpanimoliitto - www.en.pienpanimoliitto.fi

Alko - www.alko.fi/en

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