



Flanders
State of the Art

A photograph of a beer flight on a wooden tray. The tray is placed on a wooden table. There are four glasses of beer, each with a different color and head of foam, ranging from light to dark. The glasses are arranged in a line, receding into the background.

OVERVIEW OF THE BEER MARKET IN FINLAND

FLANDERS INVESTMENT & TRADE MARKET SURVEY



Vlaanderen

is internationaal
ondernemen

Overview of the Beer Market in Finland 2018

November 2018

Flanders Investment & Trade Helsinki
C/o Embassy of Belgium
P.O. Box 800
Aleksanterinkatu 17

FLANDERS INVESTMENT & TRADE

Content

Introduction..... 3

History of Finnish Beer and Brewery Culture 4

Alko..... 5

Sales and Consumption of Beer in Finland..... 5

Import of Beers..... 7

Beer taxation - highest in the European Union..... 7

Trends in 2018..... 8

Packaging and Labels..... 9

Beer Festivals..... 10

Channels to do Business in Finland - Contact Information 10

Sources 11

Introduction

The Finnish beer market and culture has seen changes in the far and recent past. In general, it can be said that the biggest change recently has been the willingness of Finns to pay more for quality alcohol products, moving finally away from the culture where the amount of alcohol for the cheapest price possible has been the main way of consumer behaviour. Since 2007 the consumption of alcohol in Finland has fallen 15%. According to Alko this shows in the demand of higher quality wines and in the downward trend in consumption of hard liquor.

During the past years, beer culture as such has become increasingly popular. This has resulted in a booming craft beer consumption in Finland. Finns consume the highest amount of beer per person of the Nordic countries.

Belgian beers were a trend in Finland in the 1990's, but since then we have not witnessed a new strong trend in Belgian beers. Belgium is of course well recognized as a leading country in beer culture and its well-known brands are already represented by the main importers of beers in Finland. Belgian beers are recognized as the classic ones, the challenge is to catch the attention of the new consumers who are attracted by the strong trend in craft and special beers and trendy labels, focusing momentarily strongly on Nordic made/created beers.

Two main characteristics are to be noted in the Finnish beer market. First, the state-owned Alko stores have a monopoly in beers over 5.5% vol. Only beers under 5.5% vol. can be sold in retail. In retail the two big chains, S-Group (www.sok.fi) and K-Group ([Home](#)) have together over 80% of the market. Besides these Lidl has a growing market share of 9%.

Also distinctive in Finland is the alcohol tax which is the highest in EU and has a heavy effect on beer prices. That is why a lot of Finns used to buy alcohol from Estonia, our Southern neighbour only a 2-hour ferry ride away. However, the new alcohol act in force from January 2018, is expected to lessen the import from Estonia.

History of Finnish Beer and Brewery Culture



Brewing beer in 1911 at Ylälaakaa

The history of the Finnish beer culture has experienced different phases

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

In 1919 the prohibition law came into force and the breweries had to stop with their business. The prohibition law lasted until 1932 and started a 'dark age' in the Finnish beer culture. It lasted for decades. After the prohibition the monopoly of alcoholic beverages above 2% vol. 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.

The import of foreign beer was allowed only in 1964, but as late as in 1986 Alko only had 2 foreign beers in the selection, both Danish. The beer culture that we know now, started only when Finland joined the European Union in 1995. After that, the imports rose heavily and Finns found the tasty foreign beers, especially the Belgian ones which were a trend in the 1990's. The number of Finnish breweries increased rapidly during this period. However, the recovery of the beer culture lasted only a few years and ceased sadly again, due to various reasons.

About five years ago the current beer boom started. Instead of ordering just 'beer' as equivalent to Finnish lager, the thirsty customers want individually chosen special beers. In this new boom the price is no longer a terminating factor as it was before, finally taste matters. Beer houses have also changed, the current style is trendy and Scandinavian, good examples among several others are Bier Bier and Brewdog. They are far from the dark and shabby style of before. The traditional Belgian style cafes remain to have their own loyal customer base.

The Finnish retailers also sell a vast variety of special beers. These have now become main stream and consumers go to beer houses to find even more rare beers. The experts believe the boom will continue or even grow. However, it is good to note that this boom is visible in the main cities in Finland. On the countryside the normal Finnish lager still keeps up. It remains to be seen whether a larger group of the whole population will change its liking with beers.

There is a growing number of small breweries and brands in Finland; some of their special beers are brewed in Belgium as private label products. The big Finnish breweries like Koff and Hartwall have started co-operating with foreign breweries. They are understandably afraid of losing too much market share. They see that the smaller players have managed better with the marketing and the branding of their products.

Alko

Alko is a state-owned, independent retailer of alcoholic beverages. Alko has a chain of shops selling alcoholic beverages (these days they have added a selection of non-alcoholic drinks). At this moment Alko has 420 stores and pick-up points all over Finland. Alko is not a producer of beverages but purchases them from Finnish and international suppliers.

In 2016 Alko sold 8.5 million litres of beer which was 1.6% less than in 2015. The percentage of beer among all products sold at Alko is about 9%, however Alko sells only 1.7% of the total amount of beer sold in Finland (84.5% is sold via retail and 13.8% in restaurants, 2017).

According to Alko most of the beers sold are lager or strong lager style, accounting for 72% of all beers sold. Yet at the same time Alko witnesses a strong trend in special beers. Ales, stouts, porters and other specialties have become increasingly popular. This trend applies to both local production as well as international craft beers.

Although the role of Alko is important for Belgian beers the competition is tough. The choice of beer has become so wide at supermarkets and Alkos that every beer brand presented by a local importer is only left with a small share of the actual sales.

Also, the catering industry sector can buy directly from Alko. The new alcohol law from the beginning of 2018 also enables restaurants to sell alcohol directly for consumers to be taken home with them, this however applies only to beers under 5.5% vol.

On pricing by Alko please read here: www.alko.fi/en/responsibly/economy/fair-and-equal-pricing.

Sales and Consumption of Beer in Finland

Consumption of beer per person was 76.6 litres in 2016 and 75 litres in 2017. There has been notable fluctuation in the consumption trend; 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.

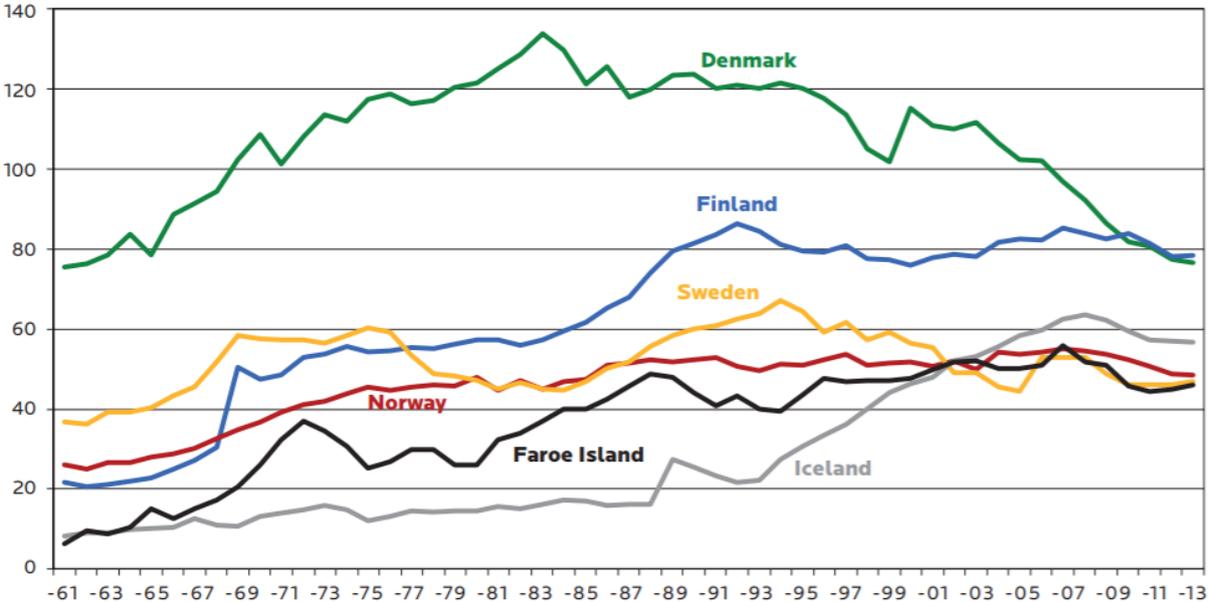
The domestic sale of beer was 379.9 million litres in 2017 of which 15.3% over 4.7% in alcohol volume. whereas 41.6 million litres were imported. According to the association of Finnish breweries 90% of Finnish consumption of beer is domestic.

Travelers imported approximately 34.7 million litres of beer in the period of August 2018 to September 2017 which indicates a decrease of 2.3% compared to previous year. The trend of travel imports is decreasing, and the new alcohol act is expected to strengthen this trend. Most of the imported beer is brought from Estonia or from cruise ships sailing incessantly between Helsinki and Tallinn.

The popularity of buying from Estonia owes to remarkably lower prices compared to the prices on Finnish mainland. However, the Estonian government is planning to increase the tax rate for beer significantly during 2018, which will most likely result in an increase in the domestic sales in Finland. In Estonia it is expected that locals and some Finns will start travelling to the border with Latvia for cheaper alcohol. Accordingly, cruising between Finland and Sweden is popular but the allowed amount of alcohol beverages travellers can import is restricted. In general, the cheaper price rate of alcohol beverages on cruise ships derives from the tax-free zone of the Baltic Sea.

Sales of alcoholic beverages decreased between 2008 and 2015 in all channels including Alko monopoly, catering industry and retail. However, the consumption trend turned into an upward direction in 2016 and an ongoing reform of Alcohol Act will be likely to boost sales even more once implemented.

Below a graph of recorded consumption of beer in the Nordic countries from 1961 to 2013 in litres per capita.



Sources: ATVR, Rûsdrekkasölu, SoRAD, Statistics Denmark, Statistics Iceland, Statistics Norway, THL, Valvira, World Drink Trends 2005

Source: Alko, Nordic Alcohol Market 2016

In 2018 the new Alcohol Act went into force in Finland and the maximum alcohol content of beverages sold in the retail was increased from 4.7% to 5.5%. This enables larger selection of Belgian beers to be available for the consumers in new channels, such as grocery stores and kiosks.

Beverages with alcohol content lower than 5.5% vol. are sold in retail channels such as grocery stores, but stronger beverages (alc. content above 5.5% vol.) can be sold only in Alko stores and cruise ships - Viking Line has some Belgian beers in its selection. Most of the Belgian beers sold in Finland are available only in Alkos and the catering industry.

Most of the beer, 84.5%, is sold in the retail stores (2017). In the years after the millennium, this sector has managed to grow heavily its share in the sales. In 2000, the percentage was 67. The restaurant sector has been losing share, in 2000 the sector sold 28% of all beers, in 2015 it was only 14.7%.

The prices in restaurants have gone up and as consumers are price sensitive in the challenging stages of economic cycle, the amount of beer consumed at home has increased.

The biggest Finnish breweries are Hartwall www.hartwall.fi/en, Sinebrychoff (part of the Carlsberg Group) www.sinebrychoff.fi/ and Olvi www.olvi.fi/en/. The list of the smaller breweries can be found at the website of the Finnish Microbreweries' Association www.pienpanimoliitto.fi/ (the website is being renewed, actually - info@pienpanimoliitto.fi).

Import of Beers

The imports have seen a boom in the years after the Millennium. In 2000, the imported amount of beer was only 6,581 litres and went up to 53,027,000 litres in 2013. The latest figures are from 2017 and show import figures of 41,648 litres.

Some examples of Belgian beers sold in Alko ([in February 2018 in total 65 beers](#))

- Grimbergen Blanche 0.33l € 3.11
- Rochefort 10 0.33l € 7.14
- Leffe Blonde 0.33l € 4.02
- Hoegaarden Witbier 0.33l € 3.84
- Stella Artois 0.33l € 3.16
- Duvel 0.33l € 4.11
- Lindemans Kriek 0.25l € 2.97

As the consumption of organic food is increasing in Finland, Alko has also taken more organic beers into its selection. In 2009, there were only 5 organic beers available in Alko, whereas the current number is 22. Three of these products are from Belgium: Brunehaut Ambrée Bio Gluten free (0.33l) € 3.28, Mongozo Premium Pilsener (0.33l) € 3.50, and Saison Dupont Biologique (0.25l) € 3.51.

Beers in bars cost approximately € 6 - € 9.

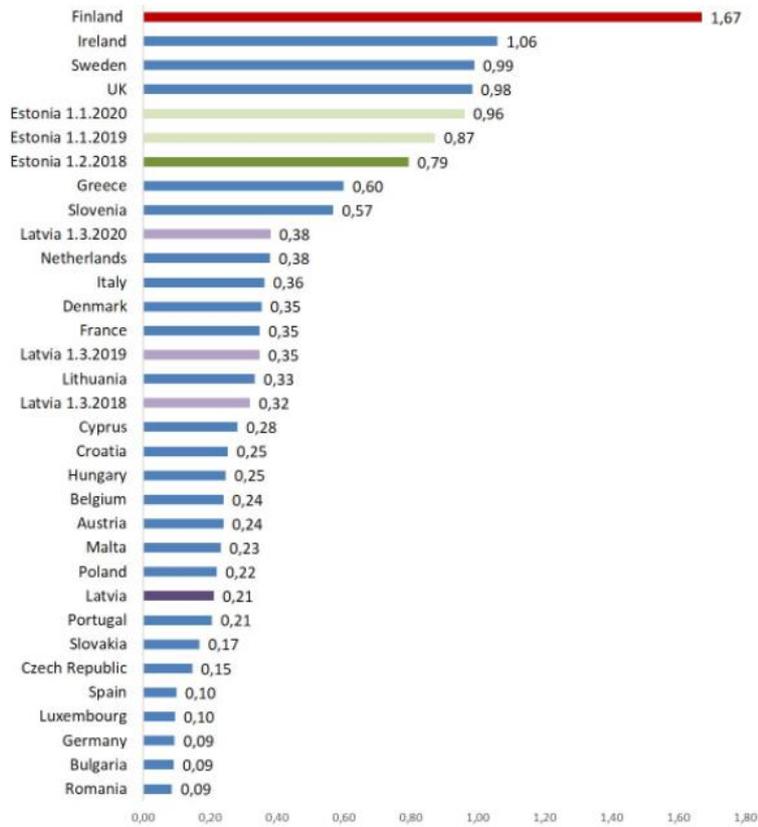
Beer taxation - highest in the European Union

Finnish beer tax is the highest in the European Union and almost double as high as in Estonia, Finland's southern neighbour where people often travel for cheaper alcohol, as mentioned before.

Taxes in Finland account for about 60% of the price of a bottle of beer which is one of the highest in Europe. The Finnish Association of Breweries says that the amount of taxes is even higher. On the discount beer, tax could be more than 80% of the price. Tax differences between Finland and Estonia are seen as problematic especially by the Association of Breweries. When prices in Finland rise, the outcome is a rush to buy cheaper beer in Estonia. In 2016 Finns brought 36 million litres of alcohol from their travels (mainly from Estonia).

Beer tax in European Union 2018

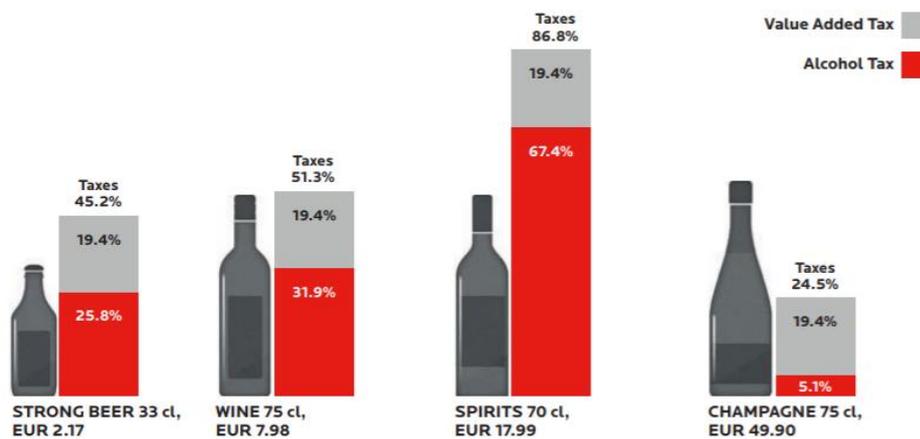
€/liter, 4,7 % Abv



Source: European Commission Excise Duty Tables, The Brewers of Europe, emta.ee ja fm.gov.lv

Source: Panimoliitto (www.panimoliitto.fi)

AMOUNT OF TAX IN VARIOUS PRODUCTS



Source: Alko

Trends in 2018

As mentioned above, the main trend in alcohol consumption in Finland is that the amount of alcohol sold is not expected to rise but at the same time the interest in higher quality and specialty products is expected to grow. In beer this means that Finns more often choose a craft beer instead of the typical lager can. This trend is more visible in the big cities than on the country side. Still most of the beers

consumed in Finland will continue to be the typical lager produced by big local breweries like [Sinebrychoff](#), [Hartwall](#) and [Olvi](#).

Alcohol Free, Organic and Gluten Free Beer

Like elsewhere in Europe also in Finland **beers with little or no alcohol** is a significant trend expected to continue growing as part of the bigger wellness trend. Mostly the low and non-alcoholic beers are German style wheat beers. [Helsingin Sanomat](#), the biggest newspaper in Finland, recently tested the alcohol-free beers and rated the Mikkeller 'Drink'in the Sun' beer as the best, the beer is brewed in Belgium by the PROEF Brewery.

Gluten free beer is also interesting and a known diet in Finland. Beer brands that can provide something extra (organic, gluten free) are interesting at the moment. Organic products in general are a growing trend as well as vegan products (big Finnish food producers have joined the vegan trend strongly with their own products). The trends related to responsibility are thus reflected to the beer industry. Examples of this are beers brewed with **leftover bread, organic beers and local beer brands**.

Good news for Belgian beers is that **beer is getting more popular as a food drink** besides wine in Finnish restaurants.

When promoting your beer to Finnish buyers the strong history of Belgian beers as part of the Belgian kitchen is a point to be mentioned.

What comes to taste landscapes the **IPA/APA trend** continues. Sour beers are trending, although this does not show in the sold litres yet. Retailers do not see this yet in the sales as the absolute majority of sales is light lager. But staff at bars noted an increased interest in sour tastes.

The Belgian brown beers are currently hard to sell in Finland, there is very little interest towards brown beer.

Other mentioned trends in recent conversations and articles about beer are **collaboration beers and the interest in Scandinavian breweries**.

As a conclusion it can be said that the danger of the traditional Belgian beers at the moment in Finland might be that they are seen as of high quality, but at the same time they lack the novelty factor.

Packaging and Labels

Packaging has become increasingly important as part of the brand building of breweries together with social media accounts and well thought websites to present the story of each brewery. There is a trend towards creative and 'cool' labels.

Cans are becoming popular because they are seen as more ecological than glass bottles which are taken to Estonia to be washed and then brought back to Finland to be reused. More than 83% of the beer sold in Finland is in cans. The new technics of labelling allowing the labels to be glued onto cans makes it cheaper. A trendy aroma and the 360-degree beer can has been taken into use by the [Fat Lizard Brewery](#).

The Belgian bottle size of 0.33 l is a size that works well especially at restaurants and bars, although in general, restaurants prefer taps.

Beer Festivals

Annually there are several smaller and bigger beer festivals in Finland. The embassy of Belgium in Finland together with Flanders Investment & Trade has also started an event of its own taking place twice per year at the Ambassador's residency and focusing in bringing together the importers of Belgian beers with the horeca sector, importers of beer, beer bloggers and journalists and Belgian breweries looking for contacts in Finland. **If interested in participating, please send a mail to helsinki@flanderstrade.com.**

Helsinki Beer Festival - www.helsinki-beerfestival.fi

This is a well-established beer festival in Helsinki.

FIT Helsinki has started close cooperation with the organisers with the goal of bringing more Belgian breweries to visit the festival, **please contact FIT-Helsinki (helsinki@flanderstrade.com) for more information.**

Great Beers - Small Breweries - www.suuretluet.fi

Beer Expo Finland - <http://olutexpo.fi>

Craft Beer Helsinki - www.craftbeerhelsinki.fi

Channels to do Business in Finland - Contact Information

If you want to do business directly with Alko, please read carefully their instructions and requirements www.alko.fi/en/alko-inc/for-suppliers/. Contact information can be found on the website. Alko publishes its purchase plan twice per year, in November and in May. Besides these they might have extra searches e.g. Easter beers or Sparkling Wine from Germany. However, as the sales of beer in Alko are limited, we rather recommend you to do your best to find your product a good importer in Finland who will visit and keep up contacts with Alko. Unlike in Sweden and Norway, the Finnish importers are allowed to do this. Working with a good importer means that you can also enter the Finnish catering sector. So, your beer could be poured in Finnish restaurants, hotels and bars.

There are about 10 importers of Belgian beers in Finland, please contact the FIT Helsinki office (helsinki@flanderstrade.com) for the names and contact details of these importers.

FIT Helsinki also has a separate document with advice in the case of a brewery working with a Belgian agent. Please request this separately.

Sources

- Helsingin Sanomat 30.01.2014
- Pienpanimoliitto - www.pienpanimoliitto.fi/ (the website is being renewed, actually - info@pienpanimoliitto.fi)
- Alko - www.alko.fi/en/
- Ministry of Social Affairs and Health - <http://stm.fi/en/comprehensive-reform-of-alcohol-act>
- THL, National Institute of Health and Welfare - www.thl.fi/en/web/thlfi-en
- Panimoliitto - www.panimoliitto.fi/app/uploads/2017/12/Tuonti-ja-vienti-2016_en.pdf
- Meetings with Finnish importers in 2015 and 2016, 2018
- Alko - www.alko.fi/vuosikertomus/alko-oy/liiketoiminnan-kehitys/juomien-myynti-ja-kulutus
- Viisi Tähteä - <http://viisitahtea.com>
- Kippis! Podcast by Aniko Lehtinen - www.radiohelsinki.fi

The information in this publication is provided for background information that should enable you to get a picture of the subject treated in this document. It is collected with the greatest care on the bases of all data and documentation available at the moment of publication. Thus, this publication was never intended to be the perfect and correct answer to your specific situation. Consequently, it can never be considered a legal, financial or other specialized advice. Flanders Investment and Trade (FIT) accepts no liability for any errors, omissions or incompleteness's, and no warranty is given or responsibility accepted as to the standing of any individual, firm, company or other organization mentioned.

Date of publication: December/2018