



Flanders
State of the Art



THE BEER MARKET

IN PERU

FLANDERS INVESTMENT & TRADE MARKET STUDY



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FLANDERS INVESTMENT & TRADE

THE BEER MARKET IN PERU

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TABLE OF CONTENTS

1.	Executive summary.....	4
2.	Introduction.....	5
3.	Description of the beer industry in Perú.....	6
4.	Breweries.....	7
4.1	Domestic breweries	7
4.1.1	Unión de cervecerías peruanas backus y johnston s.a.a.	7
4.1.2	AJEGroup	10
4.2	Artisanal breweries	10
5.	Trade flows.....	12
5.1	Important statistics	12
5.2	Top 20 brands imported beers	19
5.3	Belgian beer exports evolution	21
5.4	Peruvian beer exports evolution	22
6.	Channels of distribution and pricing tables.....	23
7.	Tariff advantages and taxes.....	25
8.	Labelling and packaging requirements	27
8.1	Labelling	27
8.2	Packaging	28
9.	Product potential.....	28
10.	New trends in peruvian beer market	30
11.	Recognition of belgian beer in Perú.....	31
12.	Testimonials	34
13.	Press releases	36
13.1	Event related	36
13.2	Consumption	36
13.3	General information	36
14.	Commercial events related to beer in Perú.....	38
15.	Conclusion.....	39
16.	References	40



1. EXECUTIVE SUMMARY



This paper gives the reader an overview of the current situation regarding the beer business in Perú. It will give an extended description of the national breweries and their products with a great attention towards the Unión de Cervecerías Backus & Johnston, which is the company who has the monopoly on the market. Also this paper will focus on the aspect of importation of foreign beers in Perú and the explanation of current tendencies regarding Belgian products that already entered in the country.

Over the past years, a real evolution in the Peruvian beer market took place. The reason for this evolution is the upcoming of new trends. In general, the total of importations of foreign beers became greater in the nationalistic market and this development will be shown with analytical information in the paper. Another serious trend in Perú is the presence of artisanal breweries and their products and that also will be researched.

Furthermore, the market research will provide insight into the current situation regarding Belgian imports in the country, with a specific attention towards the Peruvian import companies and the products that are already available on the market. Also, because of the chapter 'Testimonials', the reader will get an idea about the reputation and distribution of Belgian beers in Perú.

For more in-depth information about this developing beer market sector, we invite you to read the present paper.



2. INTRODUCTION

The following research is intended for all Belgian breweries and interested Flemish companies who would like to have a good knowledge of the overall structure of the Peruvian beer industry.

This beer market research and the topics discussed were defined by the number of requests that FIT Lima has received over the last months from Flemish companies, which consider to enter the Peruvian beer market. The figures and graphics illustrate recent tendencies of the beer sector in Perú.

In a first part of the research, the beer industry in Perú is briefly described and a historic timeline is made to show the evolution to nowadays. It includes the description of the most important player Backus & Johnston, who own the monopoly. Furthermore, there is a profound explanation of all the national breweries and their Peruvian products.

We also provide the reader an overview of the most recent related trade flows. This will be documented with import evolution from 2012 to 2016, statistics, graphs, Peruvian exports' evolution, prices in the local market of national and imported foreign beers...

Also, the market research will focus on the current situation of Belgian imports in the beer market of Perú. A description will be given of the products that are already available for purchase.

Other chapters of the paper will be dedicated on Peruvian regulations and tariff advantages, labeling regulations and finally there is also a chapter about the consumption and how it has increased over the last years.



Image 1: Cloudfront, 2017

3. DESCRIPTION OF THE BEER INDUSTRY IN PERÚ

154 years ago, the history about Peruvian beer began. During that time, the beer industry reached Perú for the first time. The alcoholic drink, that the Peruvians love right now, arrived in the hands of German and American immigrants.

In 15 October 1863, German-native Federico Bindels opened his first 'Cervecería', or beer company, with the name Pilsen in the suburbs of capital Lima, Perú. Later, an Italian acquired the beer company and changed the name from brewery Pilsen Callao to Compañía Nacional de Cerveza (CNC). It was only 16 years later that the first competitor of the Pilsen Callao beer was created. This beer was called Cristal and formed the first real competition on a since then monopolized market. A lot of years passed and in 1879, two Americans called Jacobo Backus and Howard Johnston founded a company that previously sold ice but converted itself three years later in Backus & Johnston Brewery Ltd.

However, Pilsen Callao and Cristal were not the only products available on the Peruvian market during that time. Located in the central region of the country, beer in Cuzco was made, named Cusqueña. Furthermore, Peruvian beer was produced through companies Cervesur from Arequipa and Cerveza Trujillo from the city of Trujillo.

In 1953 arose a definite change in the Peruvian beer industry. For the first time throughout the whole history, Peruvian locals acquired Backus & Johnston and made it the first brewing company in Perú, which was led and owned by nationals.

During the 70s, when the government was military, every company tried to launch breweries in each large province of the country. Backus & Johnston took this opportunity and started Cervecería San Juan in Pucallpa and Cervecería in Motupe which released the Peruvian regional brands San Juan and Real.

During the 80s and the 90s, a real beer war broke loose between the 3 biggest players on the Peruvian market back then: Backus & Johnston, CNC and Cervesur all fought for the greatest market share. Later that century, Backus & Johnston acquired the Cervecería de Trujillo and with that acquisition originated the UCBJ, the union of beer breweries Backus & Johnston. This union held 90% of the entire market in 1994. In 2004, UCBJ acquired Cervesur and some years later the UCBJ got acquired by Colombian based company Bavaria. In 2005, one of the biggest breweries in the world, Sab Miller acquired Bavaria and thus UCBJ. In that same year Ambev, the Belgian/Brazilian company, entered the Peruvian market.

Currently Backus, since 2016 under AB Inbev is the biggest beer brewing company in Perú, with a clear market share of 95 % of the total beer market. One can say that the beer market in Perú is now a classic example of a monopoly. They own, produce and distribute the 3 most popular brands in the country: Cristal, Pilsen and Cusqueña. Therefore, it is very difficult for competition to find a position on this market.





Image 2: Backus, 2017

4. BREWERIES

4.1 DOMESTIC BREWERIES

4.1.1 Unión de Cervecerías Peruanas Backus y Johnston S.A.A.

As briefly explained before, Backus is the biggest player on the Peruvian beer market. With a market share of 95%, the monopoly clearly lies with Backus brewery in this country.

The history of the brewery goes back more than 140 years and it all started when two American men, named Jacobo Backus and John Howard Johnston founded in Lima an artificial ice plant where they made ice for three years. However, during that time and age, the demand for beer was enormous and Backus and Johnston changed their ice factory into a brewery.

Backus brewery bottles, sells and distributes beverages primarily in Perú. The headquarters are located in Lima and since October 10th 2016, they are a part of AB Inbev group after their fusion with SAB Miller.

Nowadays, the brewery is market leader on the Peruvian market and owns 5 production plants all around the country. The location is strategically localized in provinces all around Perú: Lima, Arequipa, Cusco, Motupe and Pucallpa. Furthermore, Backus owns a malting plant and a water factory and has its own distribution company. In the portfolio of Backus brands, there are local and also multinational brands. More than 180000 points of sale, of which include 135000 bodegas (typical Peruvian street stores) around Perú carry these. The company offers super-premium, premium, medium-priced brands of beers and non-alcoholic beverages.



Backus is mostly present on national level through their diverse level of national and regional beers, sodas and waters. However, their main focus lies with beer and that is clearly visible in their portfolio. They own 12 brands and produce licensed brands that they sell nationwide: Cristal, Pilsen Callao, Cusqueña, Backus Ice, Pilsen Trujillo, Arequipeña, San Juan, Fiesta Real, Abraxas, Miller Genuine Draft, Peroni Nastro Azzuro and Grolsch. One should keep in mind that after the acquisition of SABMiller and thus Backus by AB Inbev Miller, Peroni, Miller and Grolsch became licensed global brands of Backus, and they started distributing them in Perú. Before that these beers were seen imported from Italy, The United States, Colombia and The Netherlands.

Cristal is the leading beer on the Peruvian market and has the major preference of all Peruvians on national level. It is present all around the country and is seen as the proud ambassador of the Peruvian brand. It is also important to mention that in 2017 all conditions will be met for Corona, Budweiser and Stella Artois to be part of the portfolio of global brands from the new company Backus-AB Inbev.

Characteristics of the Backus' beers

NAME	TYPES	COLORS	ALCOHOL %
Cristal	American lager	Gold	4.80%
Pilsen Callao	Lager	Yellow gold	4.80%
Cusqueña Dorada	Lager	Intense gold	4.80%
Cusqueña Negra	Dark Lager	Intense black	5.50%
Cusqueña Roja	Lager	Reddish gold	5.00%
Cusqueña Trigo	Lager	Gold	4.90%
Backus Ice	Lager	Gold	4.25%
Pilsen Trujillo	Lager	Gold	4.60%
Arequipeña	Pilsener Lager	Amber	4.60%
San Juan	Pilsener Lager	Amber	4.60%
Fiesta Real	Pale Lager	Reddish gold	5.00%
Abraxas	Ale	Copper	7.00%
Peroni Nastro Azzurro (Italy)	Pils	Gold	5.10%
Miller genuine Draft (USA)	Pale Lager	Gold	4.70%
Grolsch (Holland)	Pils	Gold	5.00%

Table 1: Characteristics of the Backus brands, (Backus,2017)





Picture 1: Backus, 2017

Other products Backus

Backus' product portfolio also consists of other drinks beside beers. They also offer non-alcoholic drinks such as sodas, malts and water. San Mateo is the spring water that Backus bottles at their natural source. Secondly the company produces Guarana Backus, which is an energizing soda that is made from fruit and the addition of vitamins B1 and B3.

In the portfolio, also exists the drink Maltin Power which is the unique drink of natural barley and vitamins that gives the consumer energy for every physical or mental challenge. Furthermore, Agua Tónica is a part of the non-alcoholic portfolio and is a carbonated drink with fruit flavor, made with citrus aromas, sugar and quinine. Last but not least they also produce Viva Backus which is another soda in their range.

Backus' Sales and Financial Information

Categoría	Valor en Millones PEN	Porcentaje del total
Cerveza	3,595.0	90.6%
Gaseosas	165.1	4.2%
Aguas	163.4	4.1%
Maltas	41.9	1.1%
Total	3,965.4	100.0%

1

In 2016, the beer market in Perú showed a growth of 2.1% with respect to the previous year 2015. The total volume of beer sold in 2016, of all beers, all brands and companies is 14,112 thousand hectoliters in Perú.

1 Source: Memoria Annual 2016. Backus

4.1.2 Ajegroup

AJE is a multinational specialized in drinks. More specifically in purified water, juices, sodas, energy drinks and teas. The group originated in 1988 in Perú and is now present in 23 countries all around South-America, Asia, Africa and Spain. They still have their central offices in Ayacucho, Perú.

In 2008, AJE entered the beer market with the launch of a beer named 'Caral'. But this product failed to succeed in the industry and the production was canceled in 2011. However, AJEGroup did not quit with its beer endeavors and came with a new beer on the market in late 2011 called 'Tres Cruces'.

This time, AJE profiled this beer as a premium product with the highest quality standards and with an extraordinary taste and aroma. It's a lager with 5% alcohol percentage.

It is mostly available in the Lima region in bars, restaurants and more exclusive places and supermarkets. The slogan is 'Tres Cruces. Lo bueno no llega, se busca.' Which means that the customer has to search for the good products to come to him.



Picture 2: *Tres Cruces*: Imagedrinks, 2017

4.2 ARTISANAL BREWERIES

Because the beer market in Perú is an almost entirely monopolized sector, it is very difficult for artisanal and little breweries to make an entry or to be competitive.

The Unión de Cervecerías Peruanas Backus y Johnston S.A.A. has currently 95% market share in the sector. This is because they integrated all the smaller commercial breweries of the country and made them into subsidiaries. So each brewery still produces its own licensed beer but they are all members of Backus. The most recent aim of the company is to let their market share augment even more. They want to see it reach 99% in the future. This means that the smaller domestic artisanal breweries that already struggle will have to compete even more. Luckily, there is a tiny but fast growing market for craft beer, in line with booming Peruvian gastronomy. In 2016, the entire craft segment grew an estimated 50%, mostly because Peruvian consumers are interested in following the global trend of liking and consuming craft beers.

Regarding the artisanal breweries, 3 of them are important in the beer market and the products are also for sale in the supermarkets. They are called Perú's microbreweries and they are fighting to change tax laws which put them at a disadvantage against the economies of scales of Ab Inbev's local

monopoly. The movement of those microbreweries started about ten years ago but today the market of craft beer is popular but still very tiny. Generally speaking, they have around 0.2% of the total market.

Since 2014, The growth has been exponential and the 24 biggest craft brewers formed a lobby group called ACAPR.²

In total, Perú has around 60 local microbreweries in the whole country. Their products are sold in premium points of sale, because they have a higher price range. You can find them in premium supermarkets, convenience stores and premium restaurants and bars.

Because of the difficult market position there in, the small but growing craft beer industry in Perú is pushing Congress to change its excise tax scheme so small breweries which sell less than 34000 barrels per year pay less in excise tax than large breweries. They need lesser barriers in order to grow.

Some examples of breweries that are member of the ACAPR and whose products are represented in the main supermarkets are Candelaria, Sierra Andina and Barbarian.



Picture 3 & 4: Pinterest, 2017



² Source: (<http://www.cervecerosartesanales.com/cerveza-artesanal>)

5. TRADE FLOWS

Product code: 22030000 – Beer from malt

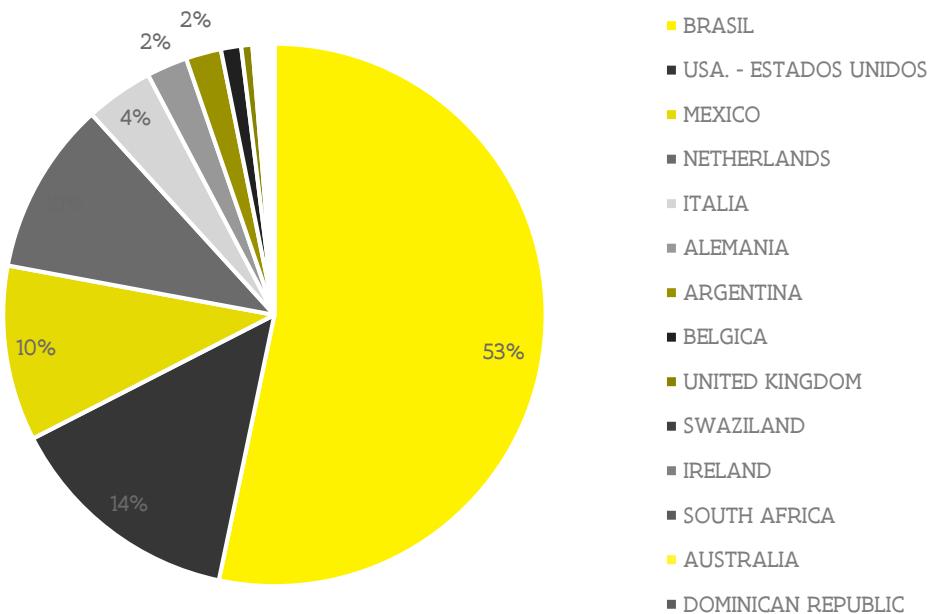
5.1 IMPORTANT STATISTICS

An overview of the Peruvian import statistics shows us the different trends over the last 5 years. To illustrate this, every year has its own statistics and importation data. During every year, the place in the ranking of Belgium is clearly indicated. This is done to make Belgium's position in the Peruvian beer importation more obvious. The scope of information is 5 years. In this paper the trends in the import statistics will be recognized with analytical information in tables and graphs. These tables show the most important importation data such as place in the ranking, name of the country, unit of the products, volume, the percentage in volume, CIF and the percentage of the CIF. These statistics will be shown from 2012 through 2016, to give the reader a clear indication of whether Belgium's position has evolved positively or rather negatively in the last 4 years. Also, the graphs are a representation of the trade data between January and December of that same year.

2012

Nr.	Code	Name	Unit	Volume	%Vol.	Cif	%Cif
1	220	BRASIL	LITRO	8036774,895	71,43	4349674,64	53,29
2	225	USA. - ESTADOS UNIDOS	LITRO	986694,648	8,77	1157715,53	14,18
3	216	MEXICO	LITRO	856058,4	7,61	852851,6	10,45
4	'1033	NETHERLANDS	LITRO	611938,52	5,44	842525,55	10,32
5	504	ITALIA	LITRO	323169,66	2,87	330484,03	4,05
6	'1066	ALEMANIA	LITRO	190287,48	1,69	198929,51	2,44
7	224	ARGENTINA	LITRO	125484,48	1,12	171609,47	2,10
8	514	BELGICA	LITRO	34395,36	0,31	98515,39	1,21
9	510	UNITED KINGDOM	LITRO	31396	0,28	54115,14	0,66
10	122	SWAZILAND	LITRO	13992	0,12	20228,09	0,25
11	506	IRELAND	LITRO	7392	0,07	19204,47	0,24
12	112	SOUTH AFRICA	LITRO	5347,2	0,05	13688,01	0,17
13	406	AUSTRALIA	LITRO	6467	0,06	13541,39	0,17
14	206	DOMINICAN REPUBLIC	LITRO	10224	0,09	12343,86	0,15
15	528	POLAND	LITRO	5702,4	0,05	8456,6	0,10
16	505	FRANCE	LITRO	2760	0,02	7256,64	0,09
17	226	CANADA	LITRO	1857,275	0,02	5123,59	0,06
18	218	ECUADOR	LITRO	1175,04	0,01	4141,71	0,05
19	544	CZECH REPUBLIC	LITRO	79,2	0,00	1360,71	0,02
20	251	PUERTO RICO	LITRO	14,905	0,00	555,97	0,01
21	331	JAPON	LITRO	162	0,00	333,32	0,00
	TOTAL					8162655,22	

IMPORTATION PERÚ JANUARY - DECEMBER 2012

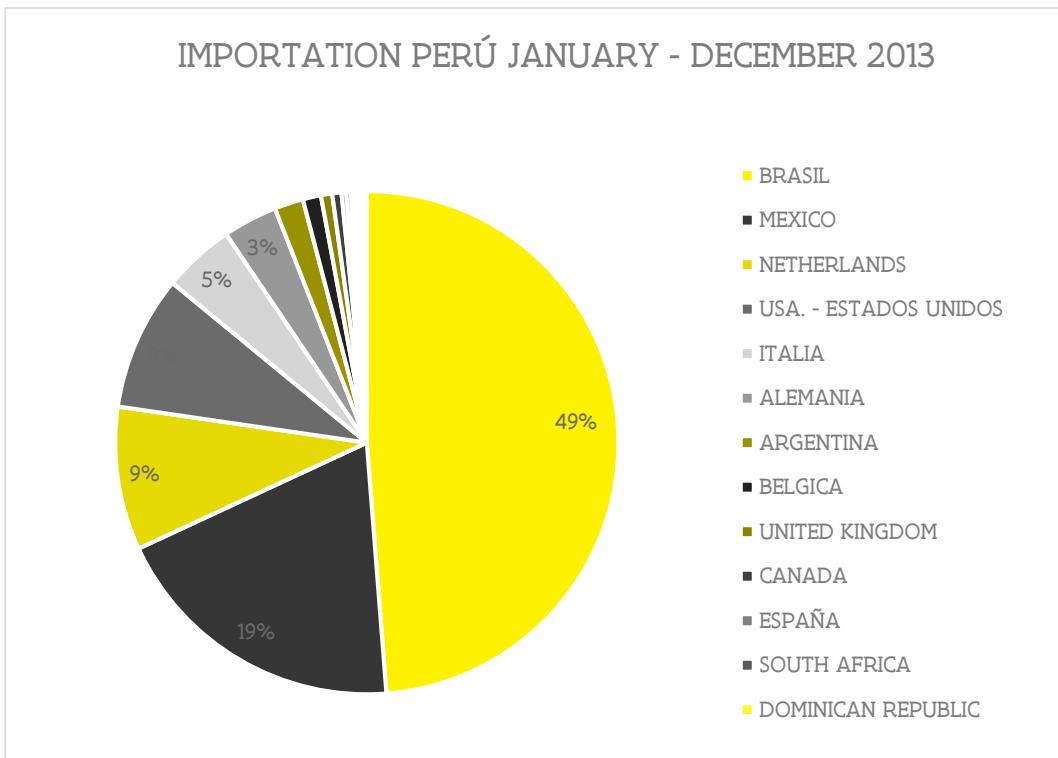


In 2012 it can be concluded that Perú's biggest importers of foreign beer were Brazil with 53% and the United States with 14%. Together they held 67% of the total importation of beer. In 2012, Belgium had 8th place in the ranking for imported beers into Perú.



2013

Nr.	Code	Nombre	Unit	Volume	%Vol.	Cif	%Cif
1	220	BRASIL	LITRO	5767050,1	60,13	4162339,89	48,76
2	216	MEXICO	LITRO	1688879,16	17,61	1650263,61	19,33
3	'1033	NETHERLANDS	LITRO	587477,64	6,13	786411,01	9,21
4	225	USA. - ESTADOS UNIDOS	LITRO	630001,068	6,57	738464,81	8,65
5	504	ITALIA	LITRO	366513,8	3,82	393691,57	4,61
6	'1066	ALEMANIA	LITRO	294514,52	3,07	298307,15	3,49
7	224	ARGENTINA	LITRO	113097,6	1,18	158163,11	1,85
8	514	BELGICA	LITRO	25000,32	0,26	99888,5	1,17
9	510	UNITED KINGDOM	LITRO	33010	0,34	61613,14	0,72
10	226	CANADA	LITRO	15272,52	0,16	50835,43	0,60
11	517	ESPAÑA	LITRO	169,73	0,00	26012,71	0,30
12	112	SOUTH AFRICA	LITRO	10780,8	0,11	24896,68	0,29
13	206	DOMINICAN REPUBLIC	LITRO	19456,32	0,20	22778,64	0,27
14	544	CZECH REPUBLIC	LITRO	12862,08	0,13	19995,41	0,23
15	506	IRELAND	LITRO	7603,2	0,08	17626,08	0,21
16	122	SWAZILAND	LITRO	13968	0,15	17616,24	0,21
17	334	REPUBLICA DE KOREA	LITRO	1956	0,02	2186,62	0,03
18	336	CHINA	LITRO	681,6	0,01	1922,76	0,02
19	223	URUGUAY	LITRO	297	0,00	1541	0,02
20	'1061	ZONAS FRANCAS DEL PERU	LITRO	1870	0,02	1427,54	0,02
21	218	ECUADOR	LITRO	38,34	0,00	1228,45	0,01
22	331	JAPON	LITRO	12	0,00	32,86	0,00
	TOTAL					8537243,21	



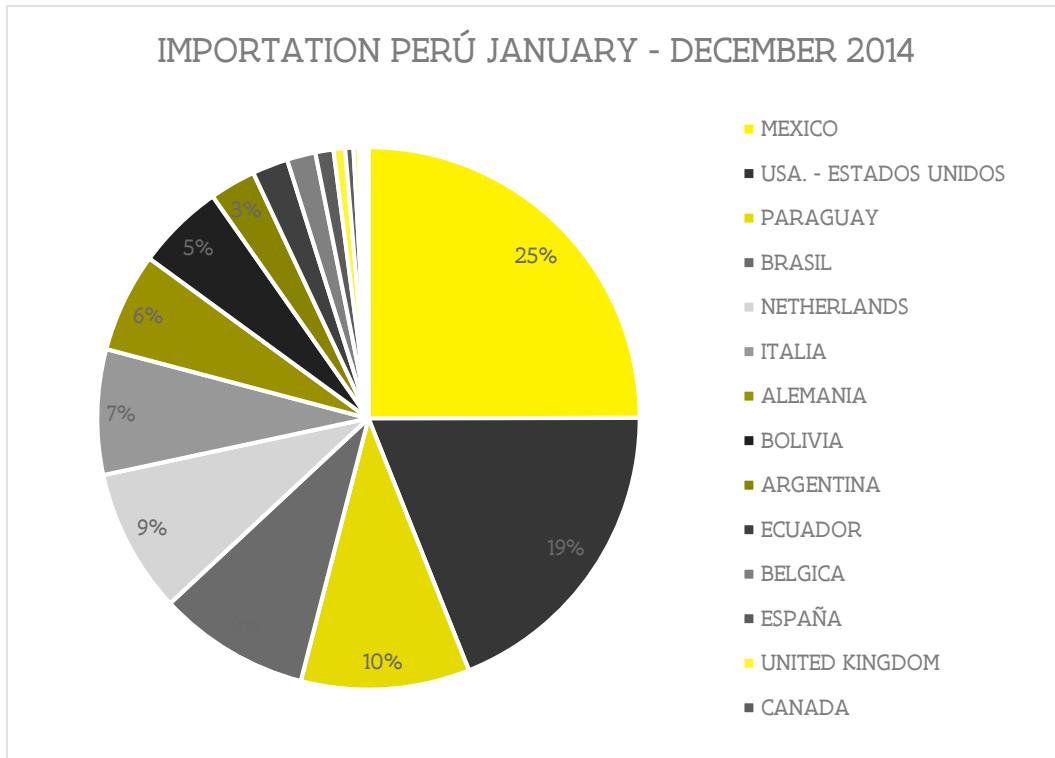
In 2013, the biggest importers of beer in Perú were Brazil and Mexico. Together they held 68 % of the total importation share in that year. Belgium kept his position stable, and kept 8th place.

2014

Nr.	Code	Name	Unit	Volume	%Vol.	Cif	%Cif
1	216	MEXICO	LITRO	1894815,58	28,41	1838083,75	24,97
2	225	USA. - ESTADOS UNIDOS	LITRO	1119203,256	16,78	1398221,7	18,99
3	222	PARAGUAY	LITRO	455464,656	6,83	740261,15	10,06
4	220	BRASIL	LITRO	789545,295	11,84	665435,58	9,04
5	'1033	NETHERLANDS	LITRO	447426	6,71	632381,39	8,59
6	504	ITALIA	LITRO	537752,31	8,06	549865	7,47
7	'1066	ALEMANIA	LITRO	389358,48	5,84	435983,32	5,92
8	221	BOLIVIA	LITRO	563044,008	8,44	384695,64	5,23
9	224	ARGENTINA	LITRO	183771,12	2,76	202745,45	2,75
10	218	ECUADOR	LITRO	108168,48	1,62	157287,85	2,14
11	514	BELGICA	LITRO	35111,76	0,53	125454,91	1,70
12	517	ESPAÑA	LITRO	47441,24	0,71	79230,09	1,08
13	510	UNITED KINGDOM	LITRO	26934	0,40	50667,86	0,69
14	226	CANADA	LITRO	11511,08	0,17	36196,73	0,49
15	336	CHINA	LITRO	18852	0,28	22470,18	0,31
16	506	IRELAND	LITRO	6441,6	0,10	15408,34	0,21
17	'1061	ZONAS FRANCAS DEL PERU	LITRO	18870	0,28	14409,64	0,20



18	206	DOMINICAN REPUBLIC	LITRO	9798	0,15	11761,8	0,16
19	334	REPUBLICA DE KOREA	LITRO	852	0,01	906	0,01
20	331	JAPON	LITRO	5202	0,08	314,86	0,00
	TOTAL					7361781,24	

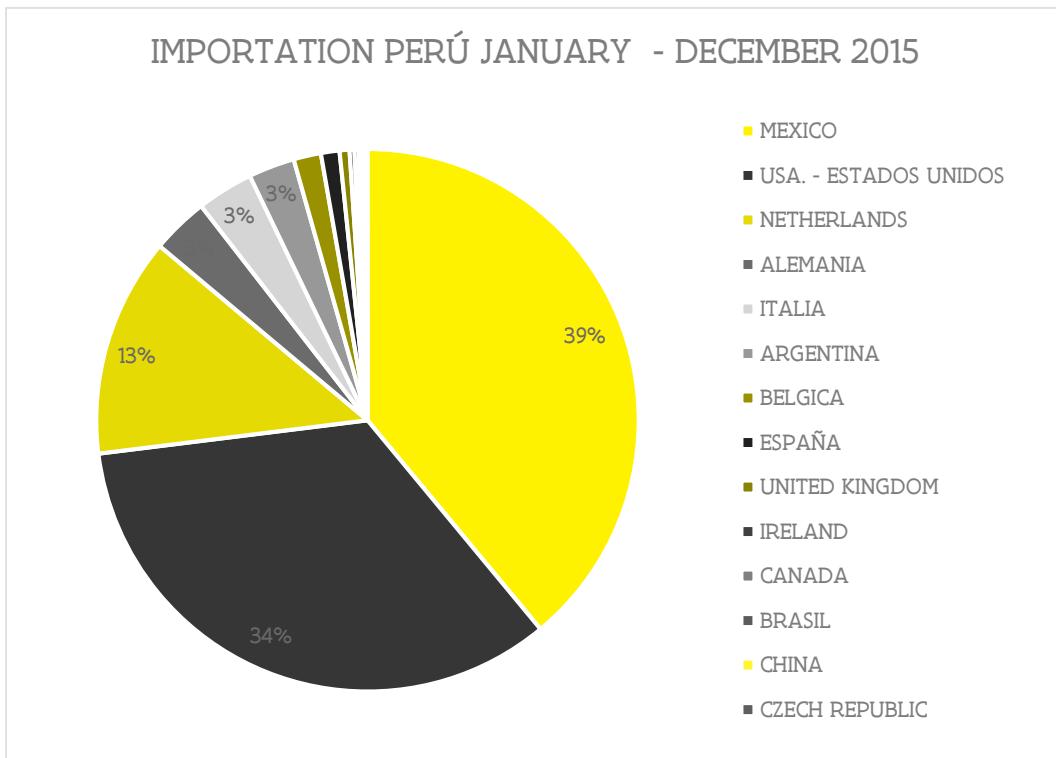


In 2014, the biggest importers of beer in Perú were Mexico and The United States. Together they held 44 % of the total importation share in that year. Belgium lost its 8th position and became 11th.



2015

Nr.	Code	Name	Unit	Volume	%Vol.	Cif	%Cif
1	216	MEXICO	LITRO	3571262,88	45,34	3131749,65	38,99
2	225	USA. - ESTADOS UNIDOS	LITRO	2414227,44	30,65	2734499,36	34,04
3	'1033	NETHERLANDS	LITRO	804400,32	10,21	1049981,44	13,07
4	'1066	ALEMANIA	LITRO	365150,641	4,64	272012,34	3,39
5	504	ITALIA	LITRO	307750,44	3,91	270247,07	3,36
6	224	ARGENTINA	LITRO	166265,88	2,11	221269,15	2,75
7	514	BELGICA	LITRO	72916,86	0,93	131136,33	1,63
8	517	ESPAÑA	LITRO	85877,84	1,09	88899,76	1,11
9	510	UNITED KINGDOM	LITRO	25709	0,33	47472,7	0,59
10	506	IRELAND	LITRO	9820,8	0,12	23364,14	0,29
11	226	CANADA	LITRO	7216,8	0,09	21074,13	0,26
12	220	BRASIL	LITRO	28459,2	0,36	16254,7	0,20
13	336	CHINA	LITRO	10248	0,13	12711,71	0,16
14	544	CZECH REPUBLIC	LITRO	1401,84	0,02	4664,01	0,06
15	'1061	ZONAS FRANCAS DEL PERU	LITRO	5046	0,06	3853,23	0,05
16	331	JAPON	LITRO	802	0,01	3027,56	0,04
		TOTAL				8032217,28	



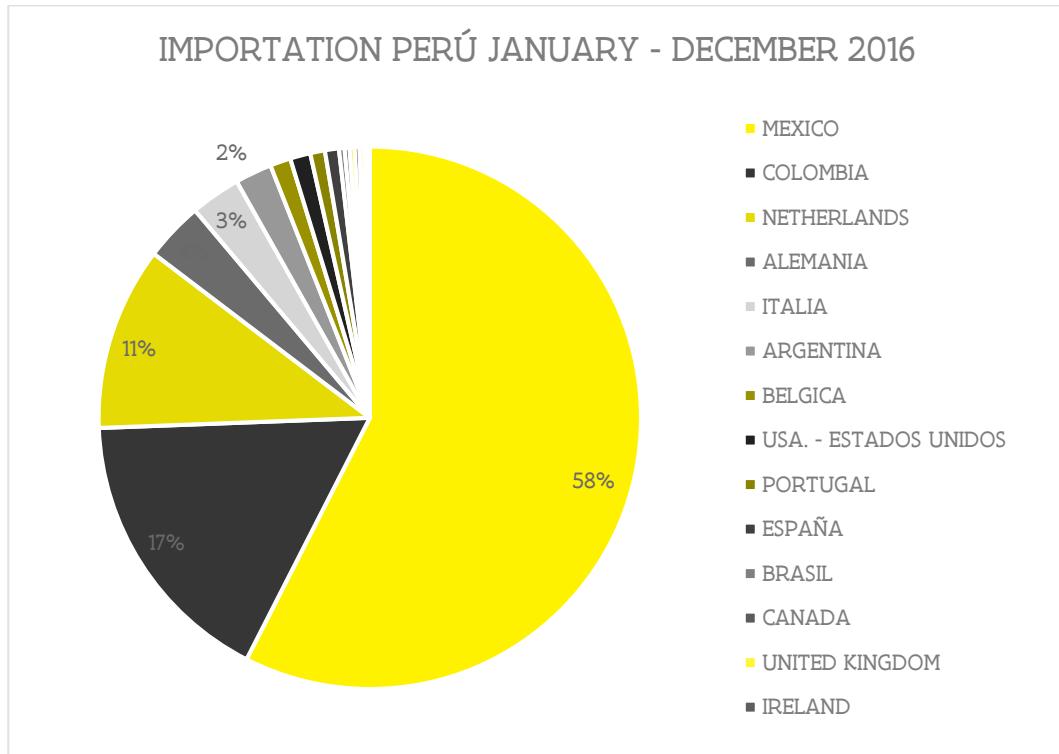
In 2015, the biggest of exporters were the same of the previous year. Thus Mexico and The United States had the biggest importation volume in Perú. Together they held 73% of the total importation in that year. Belgium rose in its position and held 7th place.

2016

Nr.	Code	Name	Unit	Volume	%Vol.	Cif	%Cif
1	216	MEXICO	LITRO	6364335,7	64,04	4984411,2	57,51
2	202	COLOMBIA	LITRO	1565720,4	15,76	1463908,2	16,89
3	'1033	NETHERLANDS	LITRO	765673,32	7,70	947997,79	10,94
4	'1066	ALEMANIA	LITRO	343074	3,45	304763,64	3,52
5	504	ITALIA	LITRO	317980,08	3,20	258593,8	2,98
6	224	ARGENTINA	LITRO	170665,08	1,72	190003,96	2,19
7	514	BELGICA	LITRO	33440,38	0,34	106521,18	1,23
8	225	USA. - ESTADOS UNIDOS	LITRO	73644,23	0,74	104882,84	1,21
9	172	PORTUGAL	LITRO	133895,52	1,35	75537	0,87
10	517	ESPAÑA	LITRO	44310,24	0,45	72521,2	0,84
11	220	BRASIL	LITRO	48787,2	0,49	28896,87	0,33
12	226	CANADA	LITRO	8970	0,09	25599,42	0,30
13	510	UNITED KINGDOM	LITRO	12977,12	0,13	25576,79	0,30
14	506	IRELAND	LITRO	11193,6	0,11	25357,32	0,29
15	336	CHINA	LITRO	20508	0,21	23885,28	0,28
16	331	JAPON	LITRO	11589,98	0,12	17283,54	0,20



17	'1061	ZONAS FRANCAS DEL PERU	LITRO	8980	0,09	8590,64	0,10
18	334	REPUBLICA DE KOREA	LITRO	1890	0,02	2535,39	0,03
	TOTAL					8666866,06	



In 2016, México and Colombia are the 2 biggest providers of foreign beer. Only their 2 countries represent 76 % of the beer importation in Perú. Belgium kept its 7th place in the ranking, this is the same as the year before.

Source of the Statistics: Carried out based on data taken from www.checkpoint.cl © LEGALPUBLISHING
2008 - Todos los Derechos Reservados

5.2 TOP 20 BRANDS IMPORTED BEERS

In the table below, the 20 most popular imported brands from the period 2012-2016 are shown. For 2016, the most important brand that is imported in Perú is Corona, which is imported from Mexico and second place belongs to Miller Genuine Draft, that is imported from Colombia. Heineken got third place.³

³ Source: Camara de Comercio, Lima; CAMTRADE, 2016

RANKING: TOP 20 MARCAS IMPORTADAS POR EL PERÚ - LITROS
PERÍODO: ENERO A AGOSTO (2012/2016)

RK. 2016	RK. 2012	Marca	2012	2013	2014	2015	2016	Diferencia (2012/2016)	Var% 16/12	Part % 2016
1	2	CORONA	562.634	1'138.054	904.789	2'270.054	3'303.043	2'740.408	487%	58%
2	13	MILLER	5.268	10.463	1.091	0	1'009.535	1'004.267	1,000%	18%
3	3	HEINEKEN	450.445	405.106	316.876	344.761	445.350	5.95	-5.095	-1%
4	4	PERONI	212.050		211.987	186.880	247.318	35.268	17%	4%
5	-	GROLSCH		0	0	156.875	87.426	87.426	-	2%
6	6	STELLA ARTOIS	83.572	71.708	98.153	83.152	80.490	-3.082	-4%	1%
7	7	SAMBA	18.110	32.147	25.872	14.230	48.787	30.677	169%	1%
8	8	ERDINGER WEISSBRAU	16.316	23.504	34.983	21.703	43.859	27.542	169%	1%
9	-	BEAR BEER		0	0	0	37.664	37.664	-	1%
10	5	QETTINGER	89.456	17.891	15.601	17.197	37.230	-52.226	-58%	1%
11	-	CLASSE ROYALE		0	19.087	0	57.792	30.072	-	1%
11	-	PHOENIX		0	19.087	0	56.731	30.072	-	1%
13	-	SAPPORO		0	13.163	9.807	10.703	13.365	13.365	-0%
14	-	TSINGTAO		0	0	10.248	10.248	10.248	-	0%
15	26	KIRIN	1.014		0	1.789	0	7.002	5.988	591%
16	-	ESTRELLA		0	170	12.241	8.340	5.320	5.320	-0%
17	-	QUILMES		0	0	28.658	0	5.112	5.112	-0%
18	17	ASAHI	1.840	6.404	102	7.643	4.943	3.103	169%	0%
19	10	BITBURGER	7.436		0	2.592	0	4.873	-2.563	-34%
20	11	GUINNESS	7.392	7.603	6.442	7.286	4.752	-2.640	-36%	0%
OTROS			5'664.246	4'587.431	2'799.867	980.519	243.299	-5'420.947	-96%	4%
TOTAL			7'119.781	6'351.819	4'481.096	4'234.114	5'699.761	-1'420.020	-20%	100%

Fuente: CAMTRADE

Elab.: Área de Inteligencia de Mercados - CCEX

Picture 4: Top 20 brands in Perú, 2016



5.3 BELGIAN BEER EXPORTS EVOLUTION

Year	Code	Country	Unit	Volume	%Vol.	Cif	%Cif
2012	514	BELGICA	LITRO	34395,36	0,31	98515,39	1,21
2013	514	BELGICA	LITRO	25000,32	0,26	99888,51	1,17
2014	514	BELGICA	LITRO	35111,76	0,53	125454,91	1,70
2015	514	BELGICA	LITRO	72916,86	0,93	131136,33	1,63
2016	514	BELGICA	LITRO	33440,38	0,34	106521,18	1,23

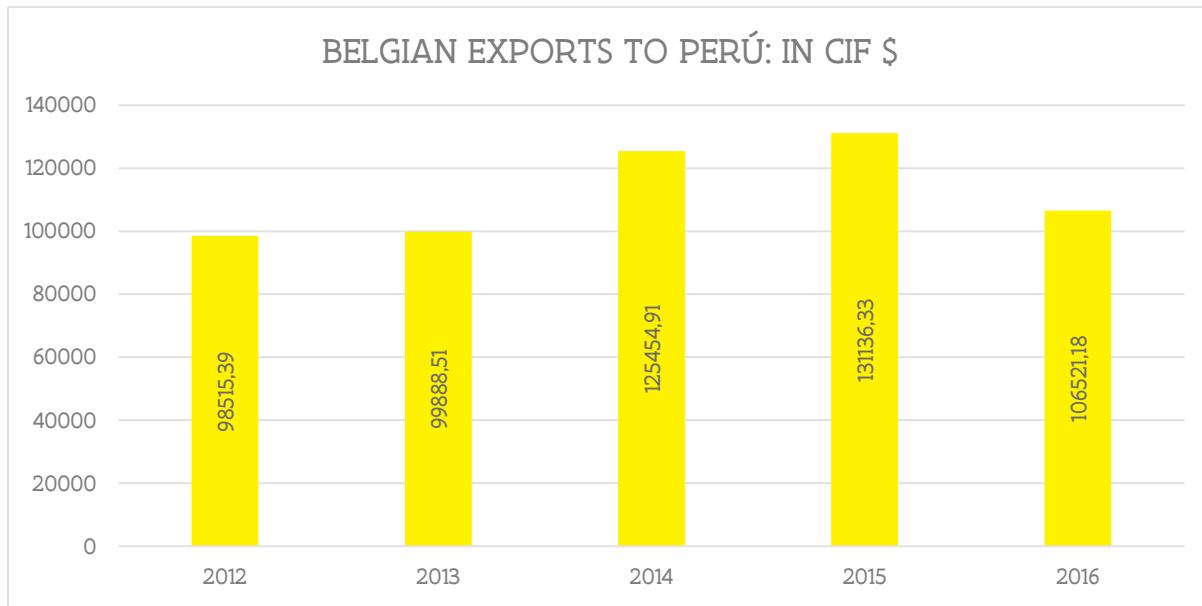


Chart 1: Statistics carried out based on data taken from www.checkpoint.cl, 2017



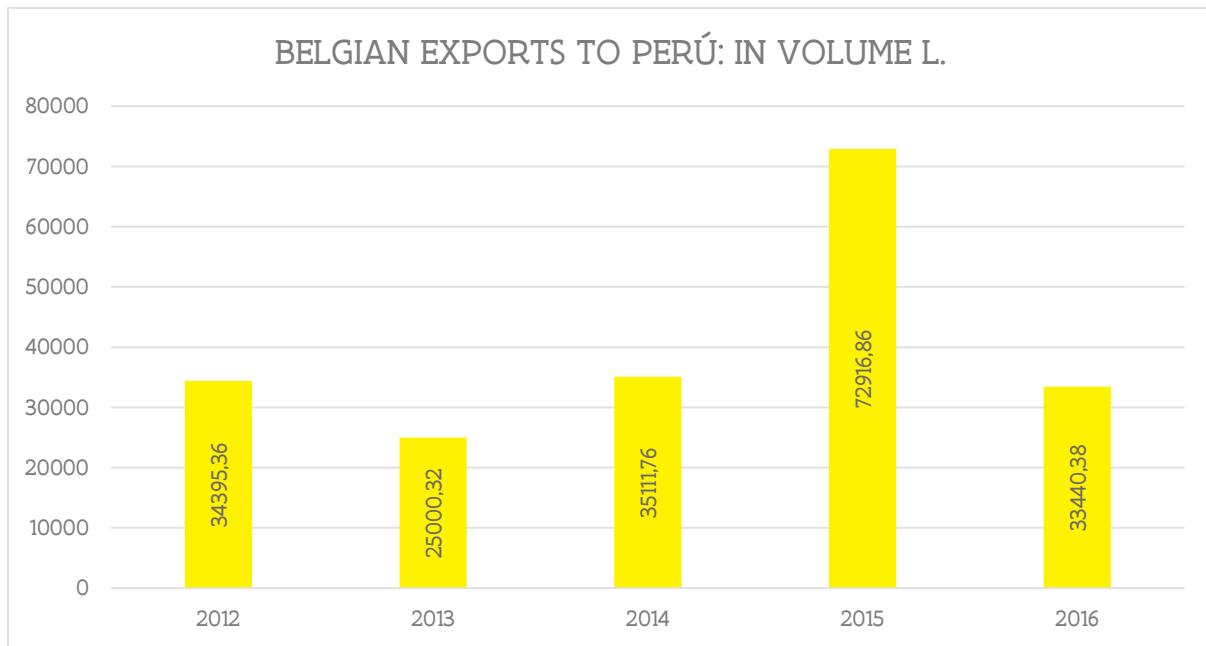


Chart 2: Statistics carried out based on data taken from www.checkpoint.cl, 2017

As indicated in the graphs above, total Belgian beer imports increased steadily during the period 2012 to 2015 in regard to CIF. However, since 2015, a negative evolution can be observed and the total decreased with 19%. The same trend can be observed in the Belgian beer importation in Perú but via volume in liter. The volume slowly augmented, except for 2013, and from 2015 to 2016 it took a drastic fall and decreased with 46%.

5.4 PERUVIAN BEER EXPORTS EVOLUTION

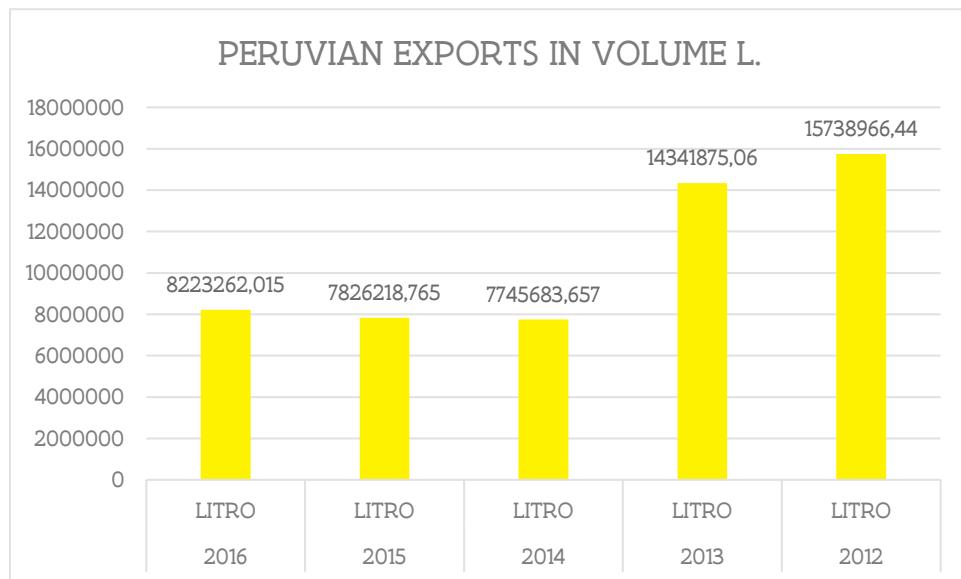


Chart 3: Statistics carried out based on data taken from www.checkpoint.cl, 2017



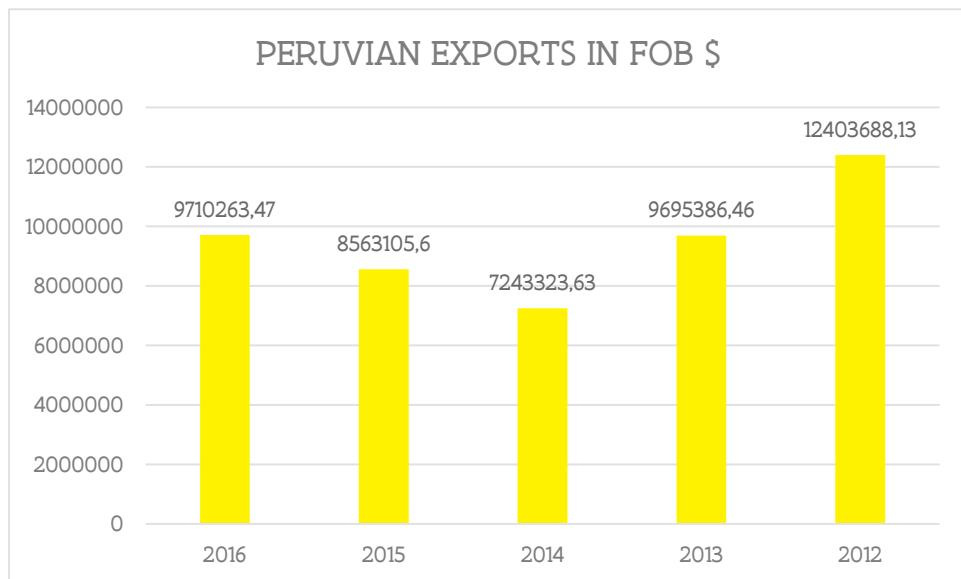


Chart 4: Statistics carried out based on data taken from www.checkpoint.cl, 2017

The Peruvian exportation of beer to the world is indicated in graphics above, both exports in volume and in FOB have declined over the period 2012-2014. After that period, a slow but steady augmentation in volume and FOB is visible, meaning that Perú is again exporting more beer to other countries, however the end results are still not compatible to 2012.

6. CHANNELS OF DISTRIBUTION AND PRICING TABLES

The main channels of distribution are restaurants, pubs, discos, supermarkets, gourmet shops and retail. This is the case for most of the local beer produced in Perú. Imported beers go to retail through an importer/distributor. Imported beers have a smaller chain of distribution because they are seen as premium beers and are more expensive, hence they are not sold everywhere in Perú. Imported beers are possible for sale generally in the premium supermarkets like Wong, PlazaVea, Vivanda and the specialized pubs and restaurants. Below an overview of set prices of the assortment of products (also of the imported and Belgium beers present) at PlazaVea supermarkets. Belgium products are indicated in blue. In general: Delirium Tremens, Duvel, La Chouffe and Chimay can be found in supermarkets. This table is made regarding the prices on March 6th 2017. (For your information 1€ = 3,35 PEN – currency rate 3.05.'17).

Country	Type of Beer	Price (06/03/2017)
PERÚ	Cristal 330 ml (botella)	PEN 2.39
PERÚ	Cristal 355 ml (lata)	PEN 2.60
PERÚ	Cristal 12 X 330 ml (lata)	PEN 28.59
PERÚ	Cristal 6 X 330 ml (lata)	PEN 16.29
PERÚ	Cristal 6 X 330 ml (botella)	PEN 16.29
PERÚ	Cristal Ultra 330 ml (botella)	PEN 3.00

PERÚ	Cusquena Dorada (12 X 355 ml) (lata)	PEN 31.90
PERÚ	Cusquena (355 ml) (lata)	PEN 3.20
PERÚ	Cusquena Dorada (330 ml) (botella)	PEN 3.15
PERÚ	Cusquena Dorada (6 X 330 ml) (botella)	PEN 20.50
PERÚ	Cusquena Negra (330 ml) (botella)	PEN 3.30
PERÚ	Cusquena Negra (6 X 330 ml) (botella)	PEN 20.50
PERÚ	Cusquena Roja (330 ml) (botella)	PEN 3.15
PERÚ	Cusquena Roja (6 X 330 ml) (botella)	PEN 20.50
PERÚ	Pilsen Callao 355 ml	PEN 2.80
PERÚ	Pilsen Callao 12 X 310 ml (lata)	PEN 33.00
PERÚ	Pilsen Callao 6 X 355 ml (lata)	PEN 17.70
PERÚ	Pilsen Callao 310 ml (botella)	PEN 2.99
PERÚ	Pilsen Callao 6 X 310 ml (botella)	PEN 15.90
PERÚ	Tres Cruces 6 X 355 ml (lata)	PEN 12.50
PERÚ	Candelaria Pale Ale 330 ml (botella)	PEN 7.95
PERÚ	Candelaria Golden Ale 330 ml (botella)	PEN 7.95
PERÚ	Candelaria Red Ale 330 ml (botella)	PEN 7.95
PERÚ	Candelaria Witbier 330 ml (botella)	PEN 7.95
PERÚ	Barbarian Chask Porter 345 ml (botella)	PEN 9.50
PERÚ	Barbarian Lima Pale Ale 345 ml (botella)	PEN 9.50
PERÚ	Barbarian La Nena 345 ml (botella)	PEN 9.50
PERÚ	Barbarian 174 IPA 345 ml (botella)	PEN 9.50
PERÚ	Barbarian Garaje Brown Ale 345 ml (botella)	PEN 9.50
PERÚ	Barbarian Red Ale 345 ml (botella)	PEN 9.50
PERÚ	Sierra Andina Huaraz 330 ml (botella)	PEN 8.60
PERÚ	Sierra Andina Pacha 330 ml (botella)	PEN 10.00
PERÚ	Sierra Andina Don Juan Porte 330 ml (botella)	PEN 8.60
PERÚ	Sierra Andina Shama 330 ml (botella)	PEN 9.30
ENGLAND	Abbot Ale 500 ml (botella)	PEN 18.70
ENGLAND	Fuller's 1845 500 ml (botella)	PEN 23.40
ENGLAND	Fuller's Golden Pride 500 ml (botella)	PEN 23.50
ENGLAND	Old Speckled Hen 500 ml (botella)	PEN 18.70
GERMANY	Bitburger 330 ml (botella)	PEN 6.00
GERMANY	Bitburger 500 ml (lata)	PEN 8.50
GERMANY	Erdinger 0% alcohol 500 ml (lata)	PEN 13.50
GERMANY	Erdinger 0% alcohol 500 ml (botella)	PEN 13.50
GERMANY	Erdinger 0% alcohol 330 ml (botella)	PEN 9.50
GERMANY	Erdinger Weissbier 500 ml (botella)	PEN 13.50
GERMANY	Erdinger Weissbier 330 ml (botella)	PEN 9.50
GERMANY	Erdinger Dark 500 ml (botella)	PEN 15.50
ITALY	Peroni 4 X 330 ml (botella)	PEN 18.55
ITALY	Peroni 330 ml (botella)	PEN 4.60
ITALY	Peroni 330 ml (botella)	PEN 4.60
JAPAN	Sapporo Premium beer 330 ml (botella)	PEN 13.59
JAPAN	Sapporo Reserve beer 650 ml (lata)	PEN 18.50

...and the following day, I am off to the beach.

JAPAN	Sapporo Premium beer 355 ml (lata)	PEN 11.00
MEXICO	Corona 710 ml (botella)	PEN 7.50
MEXICO	Corona 355 ml (botella)	PEN 5.50
MEXICO	Corona 6 X 355 ml (botella)	PEN 23.90
SPAIN	Koperwiek 6 X 330 ml (lata)	PEN 9.99
SPAIN	Estrella Galicia 330 ml (botella)	PEN 6.00
THE NETHERLANDS	Grolsch 330 ml (botella)	PEN 5.00
THE NETHERLANDS	Heineken 6 X 355 ml (lata)	PEN 35.89
THE NETHERLANDS	Heineken 6 X 330 ml (botella)	PEN 35.90
USA	Budweiser 343 ml (botella)	PEN 3.20
USA	Budweiser 6 X 343 ml (botella)	PEN 18.70
USA	Miller 330 ml (botella)	PEN 4.30
USA	Miller 355 ml (lata)	PEN 3.80
USA	Miller 6 X 355 ml (botella)	PEN 21.90
BELGIUM	La Chouffe 4 X 330 ml + copa (botella)	PEN 101.50
BELGIUM	La Chouffe 330 ml (botella)	PEN 24.30
BELGIUM	Delirium Tremens 330 ml (botella)	PEN 30.20
BELGIUM	Duvel 330 ml (botella)	PEN 22.60
BELGIUM	Duvel 2 X 330 ml + copa	PEN 49.00

7. TARIFF ADVANTAGES AND TAXES

In general, it is possible to import all kinds of goods to Perú; however, goods are subject to customs duties of 6 % on the CIF value (Value of the goods (FOB) + Freight + Insurance) and VAT which is 18 % on the CIF value + the customs duties. This 18% is the Impuesto General de las Ventas (16%) and the Impuesto de Promoción Municipal (2%). Which is the VAT and the municipal promotion tax. Next to these taxes, the insurance of 1.75% must be paid as well.

Also, for alcoholic beverages such as beer, extra import duties in Perú have to be paid. These taxes are derived from the percentage of alcohol the drink contains. The full degree of taxes can be analyzed in the tables below.

For beers that have an alcohol percentage of 0° to 6° degrees, one has to pay a fixed price of 1.25 PEN/liter or 30% of the retail price. The highest tax rate of the two will apply. Also, of beers that have an alcohol percentage of 6° to 20° degrees, the fixed price is 2.5 PEN/liter or 25% of the retail price. Again, the highest tax rate will apply.



TIPO DE PRODUCTO: 01 -GRADO ALCOHÓLICO DE 0° A 6° DS.167-2013-EF-LEY
29666-IGV 20.02.11

Gravámenes Vigentes	Valor
Ad / Valorem	6%
Impuesto Selectivo al Consumo	Detalle
Impuesto General a las Ventas	16%
Impuesto de Promoción Municipal	2%
Derecho Específicos	N.A.
Derecho Antidumping	N.A.
Seguro	1.75%
Sobretasa	0%
Unidad de Medida:	(*)

4

IMPUESTO SELECTIVO AL CONSUMO

PARTIDA 2203000000 TNAN 01

Grado Alcohólico: DE 0° A 6°

TIPO DE PRODUCTO	ESPECIFICO (Monto Fijo)	AL VALOR <i>Según PVP</i>	FECH. INI	FECH. FINAL
DS.167-2013-EF-LEY 29666-IGV 20.02.11	1.25	30%	10/07/2013	31/12/9999

IMPUESTO SELECTIVO AL CONSUMO

PARTIDA 2203000000 TNAN 02

Grado Alcohólico: MAYOR DE 6° A 20°

TIPO DE PRODUCTO	ESPECIFICO (Monto Fijo)	AL VALOR	FECH. INI	FECH. FINAL
DS.167-2013-EF-LEY 29666-IGV 20.02.11	2.5	25%	10/07/2013	31/12/9999

⁴ Source all tax statistics: <http://www.aduanet.gob.pe/>



8. LABELLING AND PACKAGING REQUIREMENTS

8.1 LABELLING

The labelling and marketing requirements for food products in Perú are almost the same as in Europe. If the labelling is in another language than Spanish, a separate adhesive label with the Spanish translation should be attached. The VAT-number and the name of the manufacturer, importer or distributor must also be added to the packaging.

INDECOPI, the Consumer Protection Office of Perú's Consumer Defense Agency, is in charge of the food and beverage labeling and advertising. All latest requirements are described in law 28.405. Imported food and beverages must also be registered by Dirección General de Salud Ambiental (DIGESA).

The label must contain following information⁵:

PRODUCT NAME

INGREDIENTS

DIGESA sets up a list of sanitary standards. All materials and food additives must meet these requirements. You can find the list of additives in the Codex alimentarius on the website of DIGESA.

MANUFACTURER

The name, VAT-number and address of the manufacturer should be added to the label. All the food additives that are not included in this list, are forbidden.

NET CONTENT

The net content should be expressed in units of the metric system.

SANITARY REGISTRATION NUMBER

The Sanitary Registration Number can be obtained from the DIGESA bureau (Dirección General de Salud Ambiental). Once the product is registered, the license is valid for 5 years. To complete the registration, following documents should be included: a physical-chemical analysis carried out by an authorized laboratory in Perú (you can find these on the website of DIGESA); a certificate of free trade; the label of the product and the registration receipt of payment.

EXPIRATION DATE

The expiration date should be clearly printed in indelible characters on the product or packaging depending on the nature of the product.

MANUFACTURING NUMBER

The manufacturing number must be marked on the product in a readable, visible way. It can either be written in a code or clear language to identify the manufacturer and its number.

CONSERVATION INSTRUCTION

IMPORTER / DISTRIBUTOR

The name VAT-number and address of the importer/distributor should be added to the label.

MANUFACTURING DATE

⁵ Source: <https://www.export.gov/article?id=Peru-Labeling-Marking-Requirements>, Market Access Database of the European Commission, 2017.



COUNTRY OF MANUFACTURE

The country of origin should be clearly printed in indelible characters on the product or packaging, depending on the nature of the product.

RISKS

A warning about the risks and the dangers that may occur by consuming the product. On every bottle of beer there is a sticker which says: 'Tomar bebidas alcohólicas en exceso es dañino' which means that drinking too much alcoholic beverages is dangerous for your health.



Picture 5: example of packaging Delirium Tremens in Plaza Vea, 2017

8.2 PACKAGING

Perú is known as a humid country and products are often exposed to the open air. Therefore, it is important that packaging material is waterproof and impact resistant. The material for the packaging of food and beverages must be harmless and free of substances that could affect food safety. According to the Ministry of Health's sanitary standards, packages must be made to preserve the product's sanitary quality and composition. In Perú, packaging with recycled paper, cardboard or plastic is forbidden.

9. PRODUCT POTENTIAL

Generally speaking, the Peruvian beer market is monopolized by Union de Cervecería Peruanas Backus y Johnston S.A.A (with 95% market share) All popular and famous national beer brands such as Pilsen Callao, Cristal, Cusqueña are produced and represented via Backus.

Perú is a country with a great cultural heritage for the national beers. Peruvians are proud and are big consumers of all national beers rather than imported beers. The national beer consumption per capita has been growing consequently since 2010. The numbers for 2010 is 40 liters per year per capita and grew to 46,1 liters per year in 2016. However, they do not only drink beer. There has been a trend

of consuming other alcohol besides beer in the country. The most important drink next to beer is Pisco, which is a typical wine-distilled liquor. Next to Pisco, Peruvians also like to drink wine and stronger liquor like vodka, whisky and gin. Those drinks all augmented in consumption in 2016 in comparison with the year before. According to newspaper, Gestión and research center Euromonitor International, Perú is the 3rd country that consumes the most alcohol in South – America and the 4th country that consumes the most beer per capita in the region. The Peruvian spends 118,5 USD on beer in a year. Ranked with a higher consumption per capita is Brazil with 64,9 liters, Mexico with 52,1 liters, and Colombia with 48,9 liters.⁶

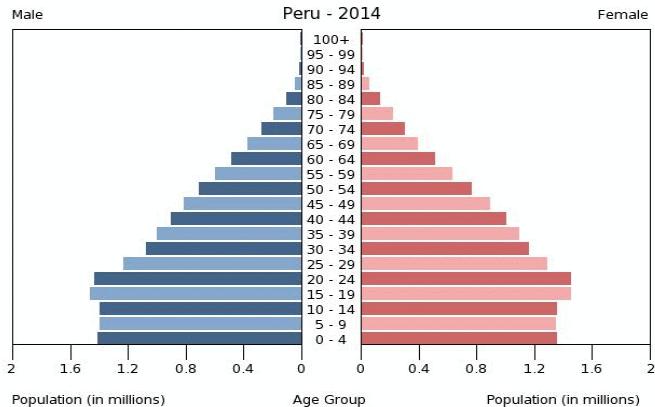


Picture 6: Gestion.pe, 2016

The Peruvian consumer has a preference for Lager beers and Premium Lager beers. The major consumers of beer are men and woman between 18 – 35 years old. It is quite obvious that this age – range has the most consumers because it is the biggest demographic age range in the Peruvian population.

Note: For the most brands, in a smaller demographic barrier, young people from the age of 18 – 25 are the biggest consumers in beer consumption. That is the reason why big brands focus their marketing campaigns on that segment. Generally, according to Peruvian law 28681, the legal drinking age is 18 years old. In reality, this is not the case in the country. The law is very much ignored by both drinkers and vendors and sometimes even law-enforcement.

⁶ Source: ¿Cuánto es el consumo per cápita de bebidas alcohólicas en el Perú; www.gestion.pe, 2016



Picture 7: Indexmundi, 2014

Men and women that are part of that big consuming range, come from all different socio-economic sectors, even the women are good consumers of the alcoholic beverage because a lot of them are active in the regular working class. The Peruvian consumers prefer to enjoy their drink from glass bottles, this is why that packaging is the most popular in the country. Most consumed in that range, are the bottles of 650 ml, mostly because the Peruvian customers enjoy sharing beer with family member of friends in festive occasions. In second place the personal bottle of 330/350 ml is positioned. The aluminum cans are not yet in the race for competitiveness.⁷

Perú is a country that is focused on a beer culture and there is an urge for wanting to develop this more. In order for the market to evolve even more, companies and more in specifically Backus, is planning a specific strategy to make beer even more attractive in the country. This strategy will be implemented with the use of a 3-pillar system. When customers will follow these 3 pillars, development of the beer culture will be possible. The first pillar focuses itself on knowledge. Every time a Peruvian consumes a beer, they must know what they are drinking. In that way, they will think more about the product itself, what ingredients it contains, what alternatives exist.... The second pillar is aimed at proud. It can be possible to link beers more to the Peruvian gastronomy, something that the Peruvians are very proud of. Just as Peruvian food, the beer assortment can be as diverse for the consumers. This new trend can be noticed with a Cusqueña Trigo for example, a new beer aiming for diversity. The last pillar is directed to belonging. This sense of belonging should be present with the consumers need to drink beer. It exists because Perú is a country with a lot of history, cultural heritage and traditions. What can be aiding with the rise of beer culture in Perú is aiming and promoting the beers with the cultural heritage.⁸

10. NEW TRENDS IN PERUVIAN BEER MARKET

In recent years, a movement of artisanal beer in Perú has become noticeable. Artisanal beers and thus the craft breweries did not exist until 10 years ago. There were no other alternatives for the national beers for Peruvian consumers. This all changed when since about 2012, craft breweries have been popping up across the whole country of Perú and the movement grew. Artisanal brewers claim that

⁷ Source: <https://es.slideshare.net/Cizem/mercado-de-cerveza-peru>

⁸ Source: 'La cultura cervecera en el Perú: <http://elcomercio.pe/blog/destilandopisco/2015/02/la-cultura-cervecera-en-el-peru>'



there is a substantial difference with the aromas and flavors of their craft beers and the products that are available on the mass market. In artisanal breweries, the production process is not automated like in the industrial processing industry which results in more natural taste of the artisanal beers.

Continuing with the artisanal breweries, three of them are important in the current climate and are also for sale in the national and local supermarkets. They are called Candelaria, Sierra Andina and Barbarian. Precisely, since 2014, the growth of those artisanal breweries has been exponential. And together with the other 21 biggest craft brewers they formed a lobby group called ACAPR.⁹ In total, Perú has around 60 local microbreweries in the whole country. Their products are sold in premium points of sale, because they have a higher price range. You can find them in premium supermarkets and of course all tourist-oriented places and cities.

And since 2015, there is a new trend in Perú which explains the growth of the craft segment in beers. In 2015, the entire craft segment grew an estimated 50%, mostly because Peruvian consumers are interested in following the global trend of liking and consuming craft beers. However, just because it is a new trend does not mean that it is easy for the artisanal breweries to compete with Backus and to gain more market share. The main issue that arose for all craft breweries is that they have to comply with high tax laws.

"Under current tax law, breweries pay an excise tax of either \$0.38 per liter or 30% of the retail price – whichever is higher. Consumers pay \$3 on average for a 330 ml bottle of Sierra Andina, compared to \$1.25 for a 650 ml bottle of popular Backus brand, Pilsen. Based on those prices, Sierra Andina would pay \$2.75 in excise tax per liter while Backus would pay just \$0.67. According to their annual report, Backus paid \$600 million in excise tax on \$1.2 billion in sales in 2015, from which the company earned \$360 million in net income.

Sierra Andina pays higher production costs per unit on much smaller volume of 130 barrels per month, and it also pays more for higher-quality malt and hops than Backus does for its lighter, American-style lagers. With a smaller tax burden for his business, the extra money would go back into Huaraz's local economy in the form of jobs, argue local brewers. Popular Force congressman Luis Galarreta recently submitted a bill to Congress which will modify Perú's excise tax by allowing companies which brew less than 34,000 barrels per year to pay a fixed excise tax of \$0.38 per liter."¹⁰

Artisanal breweries are still fighting to change tax laws for them and they keep putting stress on Congress to help them and pass their bill. However, still no favorable decision has been made for the craft breweries of Perú.

11. RECOGNITION OF BELGIAN BEER IN PERÚ.

Currently, Belgian beers are fairly unknown products in Perú. For that reason, recognition of the Belgian beers is obviously not that significant. It is difficult for Belgian beers to profile themselves outside the niche market they are currently in. Prices of the beers are too high for the mass market consumer and there are no indications of marketing campaigns in the country, nor notifications in

⁹ Asociación de Cerveceros Artesanales de la República del Perú.

¹⁰ Source: Peru's craft brewers face high barriers to compete with beer monopoly: <http://perureports.com/2017/01/26/perus-craft-brewers-want-different-tax-scheme-beer-monopoly/>

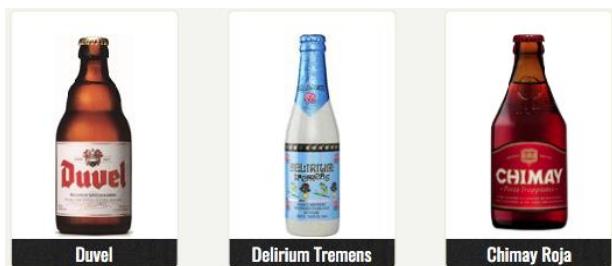


the press. In order for the market to grow, more awareness should be created by the Peruvian consumers and more supply should be on hand.

Currently in Perú, the following products, portrayed in the table below¹¹, can be found because they are directly imported from Belgium. The 2 biggest Peruvian import companies are called Cervesia and Casa Belga. They distribute their products to restaurants and bars. Also, a small segment of Cervesia's Belgian brands is sold to premium supermarkets, this is Chimay Tripel, Delirium Tremens, Duvel and La Chouffe. Casa Belga also owns its shop in Lima where customers can buy beers that cannot be found in supermarkets.

Timmermans	Floris Kriek/ Passion/ Framboise	Cuvee des Trolls
Achel	La Chouffe	Bush Blond/ Amber/ Tripel/ Peche
Westmalle Dubbel/ Tripel	Chimay Blue/ Red/ Tripel	Gulden Draak
La Trappe	Kwak	Piraat Tripel Hop
Duvel	St. Bernardus	Guillotine
Delirium Tremens/ Red/ Nocturnum	Lindemans Kriek/ Pecheresse	St- feuillen
Maredsous Tripel/Blond	Tripel Karmeliet	...

Table 2: Belgian brands in Perú



Picture 8: 3 most popular brands Cervesia, 2017

¹¹ Source: www.checkpoint.cl; Informe detalle de importaciones



Picture 9: Belgian beer for sale at Casa Belga shop, 2017



Picture 10: Belgian beers for sale at Casa Belga restaurant in Lima, 2017

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12. TESTIMONIALS

SPSA Supermarkets: SPSA Supermarkets or Supermercados Peruanos S.A. is the second largest supermarket and hypermarket chain in Perú. They own Vivanda and PlazaVea and are headquartered in the capital, Lima. The interview was conducted with Elias Enrique Umber Sarmiento, who is a manager of alcoholic drinks and beer at SPSA. He gave some more information on the importation market and the presence of Belgian beers in the supermarkets in particular.

The supermarkets choose their portfolios in 2 ways. Either they put out a request for a specific brand and/or product and they choose their distributor. Or a distributor can come presenting new brands from different countries. For some brands, they don't use a distributor but for Belgian beer they do everything via Cervesia, an importer for English and Belgian beer. When deciding on which brands they keep in the stores they only look at sales. They keep the products with the good sales, without a specific interest for the brand. They choose pricing with regard what the provider suggest, adding costs and their own margin of course. But the supermarkets decide what the final price of a Belgian beer will be when selling it. The total of Belgian beer sales is not high; it is less than 1% of the beer sale in the supermarkets. Currently they have only Delirium Tremens, Duvel, Chimay and La Chouffe in their supply. According to them, this is the result of the low interest with Peruvians towards Belgian beer and because they have no real knowledge over the products. However, it is believed that this niche market can really develop over time when the Peruvian consumer changes its behavior and is more involved with Belgian beers. Last but not least, it is believed that in order for Perú to grow with regard to the consumption of Belgian beer, there must be investments in good marketing campaigns that will persuade the consumer to try a Belgian beer at least once.



Picture 11: SPSA Supermarkets Perú, 2017

Website: www.vivanda.com.pe & www.plazavea.com.pe

Cervesia: Cervesia is the company name under importer Guldsmed International S.A. Cervesia is owned by Peruvians Javier Romani Chunga and Liliana Romani Chunga, who started with importing foreign beers in Perú in 2010. They started and are continuing with importing beer from Belgium and England. With regard to Belgian beer, they are always looking for new and lucrative ways to improve sales of the product here in Perú. They mostly choose new beers to import when they are contacting independent breweries in Belgium. They also consult the website Ratebeer which helps indicating what kind of beers are wanted on the market. Currently they distribute to 3 big supermarket chains in Perú: Vivanda, Wong and PlazaVea. They also distribute their products to restaurants and bars, mostly in

Lima. They have a plan to expand their business to all provinces in Perú. In June 2017, they are planning to open their first shop where they can sell their beers directly to the public without interference of supermarkets, therefore it will be possible to sell them for a lower price. Momently the prices for Belgian beers in supermarkets is very high because of the large import taxes that must be paid, the margins, the investments, the costs and the promotions. The Belgian beers that are the bestsellers in Cervesia's portfolio are Delirium Tremens and Duvel. The next step for the biggest importer of Belgian beer is to augment consumer's awareness and their taste preferences. They believe that Belgian beers have a good quality reputation and are filled with special aromas and tastes. They hope for more interest within the niche market and realize that promotion and good marketing campaigns can help with that.



Picture 12: Cervesia's Belgian beers, 2017

Website: www.cervesia.pe

13. PRESS RELEASES

13.1 EVENT RELATED

“Hoy empieza Lima Beer Week: cervezas artesanales para disfrutar”

<http://elcomercio.pe/gastronomia/ferias/hoy-empieza-lima-beer-week-cervezas-artesanales-disfrutar-270066>

“Craft Beer Festival: empieza la fiesta de la cerveza artesanal”

<http://elcomercio.pe/gastronomia/bares-y-copas/craft-beer-festival-empieza-fiesta-cerveza-artesanal-152551>

"Festival de cerveza artesanal se realizará este 8,9,10 de diciembre en el Jockey Club"

<http://larepublica.pe/sociedad/828801-festival-de-cerveza-artesanal-se-realizara-este-8-9-y-10-de-diciembre-en-el-jockey-club>

13.2 CONSUMPTION

“Cuánto es el consumo per cápita de bebidas alcohólicas en el Perú?”

<http://gestion.pe/economia/cuanto-consumo-per-capita-bebidas-alcoholicas-peru-2161596>

“La cultura cervecería en el Perú”

<http://elcomercio.pe/blog/destilandopisco/2015/02/la-cultura-cerveceria-en-el-peru>

“Perú, el sexto país con mayor consumo de alcohol en la región”

<http://elcomercio.pe/economia/peru/peru-sexo-pais-mayor-consumo-alcohol-region-170689>

"Cerveceros artesanales del Perú vendrán más de un millón de litros en 2016"

<http://gestion.pe/empresas/cerveceros-artesanales-peru-venderan-mas-millon-litros-2016-2171673>

13.3 GENERAL INFORMATION

“El dueño de las cervezas de Perú controla el 95% del mercado”

http://economia.elpais.com/economia/2016/05/12/actualidad/1463052882_279197.html

“Cuáles son las marcas de cerveza que más importa el Perú?”

<http://elcomercio.pe/economia/peru/son-marcas-cerveza-importa-peru-227532>

“Lima está en la lista de ciudades donde es más caro tomar una cerveza?”

<http://gestion.pe/tu-dinero/lima-esta-lista-ciudades-donde-mas-caros-tomar-cerveza-2165673>

“La llegada de la cerveza al Perú: 151 años de historia”

<http://elcomercio.pe/economia/negocios/llegada-cerveza-peru-151-anos-historia-313285>

“Cerveceros artesanales se unen para fortalecer sus condiciones de competencia”

<http://gestion.pe/tendencias/cerveceros-artesanales-se-unen-mejorar-sus-condiciones-competencia-2115685>

“Tres cervezas que no llegaron a tener éxito en el Perú”

<http://elcomercio.pe/economia/negocios/tres-cervezas-llegaron-exito-peru-347978>

"Backus gives AB Inbev monopoly over the Peruvian beer market"

<http://www.peruviantimes.com/15/backus-gives-ab-inbev-monopoly-of-peruvian-beer-market/24970/>

14. COMMERCIAL EVENTS RELATED TO BEER IN PERÚ

Lima Beer Week (Next edition October 2017)

www.limabeerweek.com

Oktoberfest Perú (Next edition 17 October 2017)

www.oktoberfestperu.pe

Craft Beer Festival (Last edition December 2016)

<https://www.facebook.com/events/1589905087983175/>

Summer Brewfest Lima (Last edition February 2016)

<https://www.joinnus.com/PE/comidas-y-bebidas/lima-summer-brewfest-2016-4511>

Capfest 2- Festival de Cerveza Artisanal Peruana (Last edition September 2016)

<http://comunidadaria.com/capfest-2-cerveza-artesanal-peruana>

Noche de chocolate y cerveza artisanal, Cusco (March 2017)

<https://mx.eventbu.com/cuzco/noche-de-chocolate-y-cerveza-artesanal/1691577>

Expo Cerveza Perú (Last edition November 2016)

<http://www.nferias.com/expo-cerveza-peru/>

Expoalimentaria (September 2017)

www.expoalimentariaperu.com

Fiesta de la Cerva Belga (Last edition 2016)

<http://tomandoaltura.com/fiesta-de-la-cerveza-belga/beers/>

15. CONCLUSION

The Beer industry in Perú is subject to a sustainable growth. This is reflected by different factors in this market research: higher number of sales, more evolution in the national beers, higher number of imports, higher beer consumption per capita and the presence of new beer trends such as artisanal beers. In general, we can conclude that there is already a significant national beer culture because of the strong cultural heritage beer has for the Peruvians. However, this does not necessarily translates in a massive sales percentage, because Peruvians drink more occasionally than regularly and they also like drinking the national liquor Pisco and other spirits such as Vodka, Rum...

More development is necessary. The reason for slow innovation on the national market is because of the monopoly that Backus has. It is very difficult for new market players to compete with the national beers, which have already a profound history and ownership of the mass market in Perú.

The presence of Belgian beers in Perú is not big. The reason for that is that the Peruvian mass consumer is not yet developed in flavors and aromas and they don't necessarily have a special need for innovation on that market. They are very nationalistic when it comes to their beers and they must develop a more sophisticated profile if they want to invest in knowing about imported and Belgian beers.

Because Belgian beer in Perú is a niche market, this comes with a couple of serious hurdles. First of all, there is a significant amount of taxes that has to be paid when entering the country and there are currently not a lot of Belgian beer importers. This then translates in a high cost price for consumers to buy the product. Furthermore, the offer that can be found in the supermarkets is very small, Peruvian supermarkets such as PlazaVea, Vivanda or Wong that distribute some products only have 3 or 4 beers in their portfolio.

In order for the niche market of Belgian beers to grow, there is a need for development in the market and a bigger conscience with the Peruvian consumers. They need to have more information about the Belgian beers and they need a lot of marketing campaigns in order for them to learn more and to persuade them to buy. But in the end the most important factor why Peruvians do not buy Belgian beer regularly is because of the high price. If that can be changed, sales numbers will be on the rise.



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SUNAT
<http://www.sunat.gob.pe/>

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