

Asia Witnesses Shifting Trends In The Carbonates Market

Contributed by Research on Global Markets

Friday, 13 June 2014

Last Updated Friday, 13 June 2014

Global beverage companies who are seeking acquisitions to expand their offerings and reach are eyeing Southeast Asia and beyond as regulatory hurdles invalidate their interest in the giant markets of China and India. The carbonated drinks market analysis shows that China is not an easy market to navigate, whether with regulation or distribution networks while India is a closed market due to the restrictions on operations by foreign companies

This report: Asia Carbonates Report 2013, gives a detailed insight into the carbonated soft drinks market in Asia, with data at a regional and individual country level, including forecasts to 2016.

Key areas for growth

The key areas for growth include Malaysia, the Philippines, Singapore, Thailand and Vietnam. The growth in these countries is expected to increase by 40%, thus reaching USD 17 Billion mark. The Chinese and Indian markets are each forecasted to grow about 70 per cent by 2014. The Southeast Asian beverage market is viewed as less risky and with a potential of its own, thanks to a growing segment of wealthier, and brand conscious consumers, which contrasts with saturated markets in the West and Japan.

Key players in the market

The three largest global soft drinks brands continue to be Coca-Cola, Pepsi-Cola and Sprite but the local brands are not far behind. For example in China Kangshifu (Tingyi Holding Corp) is slowly gaining ground. In India too, a lot of local brands are taking over the market although the sale of the top three soft drinks brands has remained unchanged over the last decade.

Market outlook

A host of mergers and acquisitions are taking place in this market. Kirin Holdings, the number one brewer in Japan, recently bought a 14.7 per cent stake in Fraser & Neave, a 127-year-old Singapore company with beverage operations. A few months back, Asahi Breweries of Japan agreed to buy P&N Beverages, an Australian fruit juice maker, to combine with its Schweppes division. Meanwhile, more mergers and strategic links look probable, with global companies expected to consider alliances with companies like Unilever Indonesia and Mamee-Double Decker of Malaysia.