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**Alcogolic beverage  
production industry**



## Alcoholic Beverage Market

### ***In 2015 there was decreasing tendency of alcoholic beverages production volumes***

Decreasing tendency of alcoholic beverages production continued in 2015, particularly of vodka and potable alcohol production. The rate of decline was 22.3% compared to 2014 year and production volume fell to 9.1 mln. dal. At the same time, inventories of vodka and potable alcohol at enterprises' warehouses have declined by 27.1% and amounted to 875 thousand dal on 01.01.2016 (115.7% of the monthly output).

### ***Alcoholic Beverage Market of Belarus is preparing to face foreign competition***

Alcoholic Beverage Market of Belarus is fully controlled by domestic producers. In 2015 holding group for the production of alcoholic beverages was created with the managing company JSC "Minsk Kristall". This holding group was a response to the predicted increase of foreign competition. So technology roadmap for alcohol market involves convergence of excise rates on alcohol in all states of the Eurasian Customs Union in 2016. Otherwise, the free movement of lots of alcohol beverages between Russia and Belarus, Russia and Kazakhstan may be banned. Furthermore, Draft Agreement on the regulation of the alcohol market within the EAEC is approved. The document is aimed towards eliminating existing barriers in mutual trade of alcoholic beverages as well as forming the legal framework of the alcohol market regulation within the Union. In particular, it also comes to the elimination of special importers Institute in Belarus.

### ***The main production quotas on alcohol are increased in Belarus in 2016***

Resolution of the Council of Ministers №1117 of December 30, 2015, set the sizes for the quotas for 2016. The quotas for the production of vodka, liqueurs and spirits increased from 11.486 mln dal to 11.603 mln dal; fruit vodka - from 35 mln dal to 55 mln dal, grape vodka - from 10 mln dal to 15 mln dal; rum - from 23 thousand dal to 32 thousand dal; calvados - from 6 mln dal to 11 mln dal. Besides, quotas for the production of fruit and berry natural wines are increased from 133 mln dal to 585 mln dal, grape wines - from 2.5 mln dal to 3.473 mln dal.

### ***According to the WHO alcohol consumption per capita in Belarus was 13.9 liters in 2014 (15 years and older)***

According to the latest data published by the World Health Organization (WHO) in 2014, Belarus ranked second in the ranking of countries of world in the consumption of alcohol - 13.9 liters per capita, ranging from 15 years of age. Strong spirits are accounted for the half of drunk alcohol in Belarus. On the other hand overall alcohol consumption in Belarus has dropped dramatically in 2015 according to the government statistics. However it doesn't mean that Belarusians started to drink less. Belarusian high-quality alcohol got replaced by cheap counterfeits from the neighboring countries.

### ***Sales of major alcoholic beverages decreased in 2015***

In 2015 there was a decrease in sales of main alcoholic beverages. Trade organizations have sold alcoholic drinks and beer in the amount of 29.7 trillion Belarusian rubles (1,432 billion dollars at the exchange rate of the National Bank of Belarus) that in retail trade turnover amounted to 10.4% vs. 11.1% in 2014. Sales volume of vodka dropped by 10.6% to 8.651 mln dal; liqueurs and spirits - by 14.9% to 1.131 mln dal; fruit wines - by 19.7% to 7.894 mln dal. This was due to the increase of excise rates, as well as due to active government policies aimed to fight against alcoholism.

UNITER Investment Company – financial and investment adviser in Belarus with 14+ years of experience with national and international investors in 40+ industries and markets within the country.

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