



Leopard invests US\$2 million in High-End Beer

An investment of US\$2 million by Leopard Capital will create a micro brewery in Phnom Penh able to produce high-end beer. The microbrewery will be open some time next year and will be led by a British manager with 52 years of brewing experience.

Douglas Clayton, the Leopard fund's managing partner, said that Leopard will own 55.5 percent of the new venture. Kingdom Breweries would be targeting a market niche share of Cambodia's beer market, he added, claiming that "Cambodia needs more beer brands."

"Kingdom Breweries has a simple mission: to produce the best beer in the Kingdom, and win over a small but enthusiastic following," said a Leopard press release. "The beer market here has been surging in recent years, but with half the local population still 'under-age', consumption should double over the next 5-10 years as the kids grow up and everyone gets richer. Kingdom Breweries aims to secure a foothold by producing high-quality craft beer in a microbrewery in Phnom Penh, in which visitors will be able to tour and taste."

There could, however, be some hiccups. During the current recession, said Koh Tai Hong, general manager of Cambodia Brewery, market conditions mean it might not be the best time to start a microbrewery. Still, modest consumption will continue, he added, so reach their target is certainly possible, though other alcoholic beverages, such as wines and cocktails, will increasingly compete with beer.

Annually, Cambodia Brewery produces about 700,000 hectoliters, equal about 8.8 million 24 can cartons of beer. Yet the total beer volume sold in Cambodia market is unclear.

Leopard Capital has raised more than US\$28 million since its inception in 2007 and Kingdom Brewery Ltd would be the fund's fourth investment after investing US\$4.6 million so far.

ECONOMICS TODAY AUGUST 16-31, 2009