

Kingdom's beer market caters to changing tastes

WEDNESDAY, 18 AUGUST 2010 15:02 JEREMY MULLINS AND KOAM TIVEA

BEER from Kingdom Breweries, Cambodia's first microbrewery, will be available to the thirsty punters next week, with the latest market entrant targeting a growing premium market segment.

Cambodia's annual per capita consumption of beer stands at roughly one-quarter of Thailand's or Vietnam's, but the market is growing, leaving plenty of potential for domestic brewers, Kingdom CEO Peter Brongers said yesterday.

"I think people appreciate good products," he said. "Cambodia is a developing market, with developing taste."

San Miguel Cambodia representative Hong Ratana said the Philippines-based beer also saw an increased niche in the premium market.

An extensive advertising campaign and the opening of its Siem Reap branch was credited with doubling the number of boxes of beer the firm sold in Cambodia during the past six months, from 1,000 to 2,000 per month.

"Cambodians' concept towards beer has been changing," he said.

... If beer was cheap, they'd drink it, but now people are considering the brand names.

"Before, if beer was cheap, they'd drink it, but now people are considering brand names and where the beers are coming from, as well as expiry dates and whether the beer will affect their health."

Several industry insiders pegged Cambodia's per capita beer consumption at between 10 and 14 litres annually, although statistics were difficult to measure because of "grey market" imports.

Cambodia charges a 25 percent tax on foreign and domestically produced beer,

according to a guide from Price Waterhouse Coopers, but Kingdom's Peter Brongers downplayed the tax as a potential deterrent to brewers yesterday.

"If the same tax is levied on everyone, it's not an issue," he said.

Kingdom will hold its formal product launch at the Finishing Post, hosted by The Phnom Penh Post, on Friday week.

Meanwhile, Danish brewer Carlsberg A/S, which owns 50 percent of Cambrew Ltd, the maker of Angkor, noted strong sales growth in Indochina, including Cambodia as well as Laos and Vietnam in the firm's second quarter results released yesterday.

"[Carlsberg's] organic beer volume growth in Indochina was 28 percent," it said in a release. "All three markets, Vietnam, Laos, and Cambodia, grew strongly driven by market growth and market share gains."

The firm turned a \$765 million profit in the March-to-June quarter, a 16 percent increase on its \$632 million from the same quarter last year.

The firm's Indochina CEO Henrik Andersen was unavailable for comment yesterday.

Asia Pacific Breweries, the Singapore-based brewer of Anchor and Tiger in the Kingdom and 80 percent owner of Cambodia Breweries, also cited strong returns from Indochina in its results for the latest quarter released last week.

Cambodia Breweries general manager Koh Tai Hong wrote yesterday that the firm was positioned as one of the top two brewers in Cambodia, and was careful to keep its eye on increasing competition in the sector.

"While consumers are increasingly exposed to greater options [in Cambodia], we have maintained our focus on giving quality brews," he said.