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InBev to Close Down Second Plant in Russia

By The Moscow Times

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InBev, one of the largest international beer producers, has decided to close down a second factory in Russia after its negotiations with the government on subsidies failed, Kommersant reported Wednesday.

InBev, the world's second biggest beer maker after Carlsberg in terms of sales, will close its plant in Novocheboksarsk, Chuvashia, due to the Finance Ministry's decision not to subsidize beer producers losing money because of a higher alcohol excise tax, said Andrei Yerin, head of corporate relations at SAN InBev, the company's Russian subsidiary.

The plant, which produces 10 percent of the company's beer in Russia, had earlier asked the government to provide subsidies equal to a total of 60-70 million rubles ($1.9-2.2 million) per year, or 2 rubles per liter of beer.

SAN InBev showed the worst results among market leaders in the first quarter, with sales

dropping by 17 percent.

The company, which still runs 7 plants in Russia, closed its plant in Kursk last year, saying the decision was aimed at preserving competitiveness.

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