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Russia Sees 9% Slowdown in Beer Market

By The Moscow Times

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Russia's beer market has steadily declined over the last several years as higher duties and stricter laws, including a ban on alcohol sales after 11 p.m., have come into play.

Russia's beer market dropped by 9 percent in the first three months of this year compared to the same period last year, according to a report issued Tuesday by Russia's biggest beer brand, Baltika, a division of international brewer Carlsberg.

The company attributed the slump to Russia's currently poor macroeconomic conditions. Russia's economy is expected to shrink by as much as five percent this year on the back of the falling ruble, plunging oil prices and Western sanctions over the Ukraine crisis.

Baltika's market share in the Russian beer market remained at 38.4 percent, roughly the same as last year. According to the report, though, the brand's long-term growth opportunities in the region are very uncertain.

Russia's beer market has steadily declined over the last several years as higher duties and stricter laws, including a ban on alcohol sales after 11 p.m., have come into play. Last year Russia's beer market declined by 7 percent compared to the previous year, according to Baltika.

Carlsberg closed two of its Russian breweries at the start of this year due to the declining Russian beer market and difficult macroeconomic conditions in the region.

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