

Energy Drinks and Vodka Market



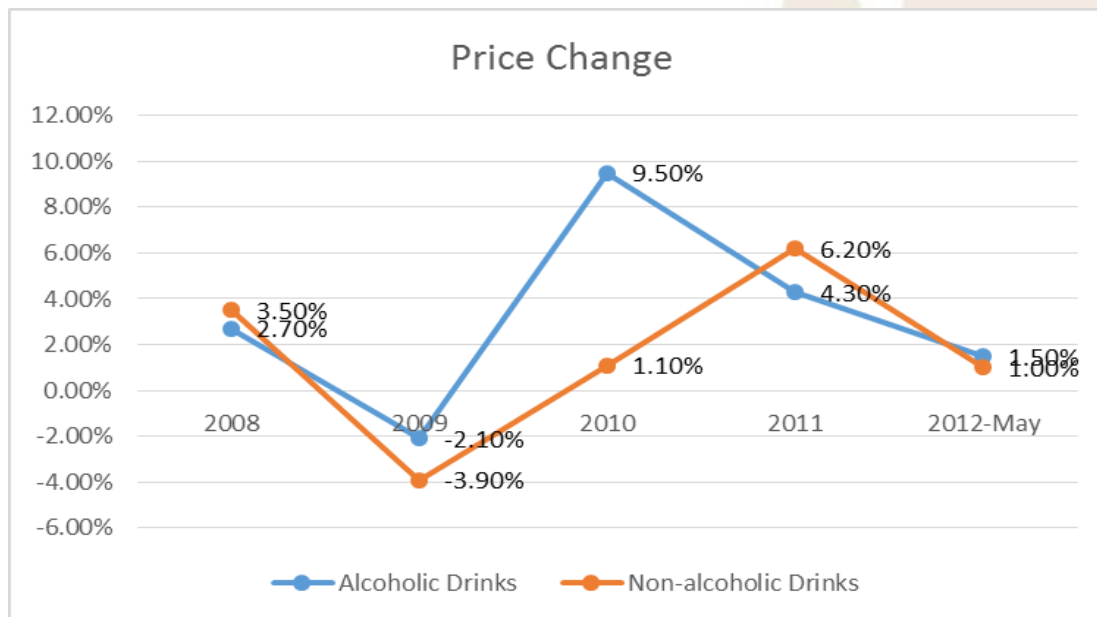
Energy Drinks and Vodka Market

- According to reports published by the Kosovo Statistics Agency, approximately 1% of total spending on food and drinks goes for alcoholic beverages and about 6% goes to non-alcoholic beverages.
- Nonalcoholic beverages include also energy drinks. Energy drinks contain high levels of caffeine and other elements whose effect is to increase mental and physical energy of individuals. These drinks are very popular and consumed in Kosovo. This is confirmed by the large participation in the market from many local and international brands. The most popular brands are: Red Bull, Golden Eagle, Red Rain and Pitt Bull.
- Alcoholic beverages, on the other hand, are divided into three main groups: beer, wine and spirits. Beer is the most consumed type of alcoholic beverage, followed by wine and spirits. According to information from the market, Kosovo is ranked behind other countries in the region regarding the consumption of spirits. However, well-known international brands are present in Kosovo.



- Consumption and the price of alcoholic and soft drinks has increased steadily over the years, implying that a growth trend is expected to continue. The following table shows the price changes over the years:

Price Change	2008	2009	2010	2011	2012-May
Alcoholic Drinks	2.70%	-2.10%	9.50%	4.30%	1.50%
Non-alcoholic Drinks	3.50%	-3.90%	1.10%	6.20%	1.00%



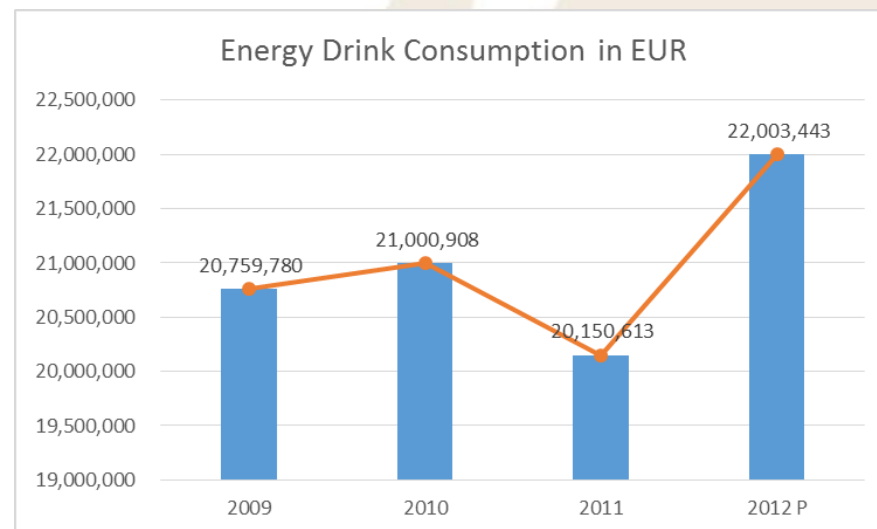
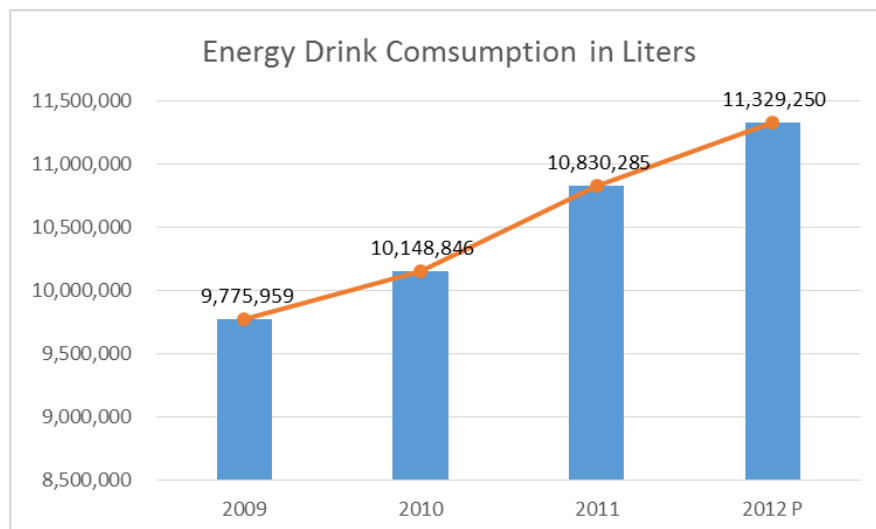
- **Non-alcoholic beverages market size**

- Energy drinks market in Kosovo is divided between domestic products and imported ones. The table below shows that the average domestic consumption is 10.5 million liters per year, or about 21 million euros in cash value. From this amount, approximately 53% are imported products and 47% local products.
- As seen in the table below, from 2009 until 2012, the market has not experienced any major changes in terms of size. Despite the fact that in 2011 the value was reduced to 4%, it is worth mentioning that by the end of 2012, it is expected that the market will grow by 9% compared to 2011. This will result in an increased market share from 20 million to 22 million.







Energy Drink Market	2009	2010	2011	2012 P
Energy Drink Consumption in Liters	9,775,959	10,148,846	10,830,285	11,329,250
Energy Drink Consumption in EUR	20,759,780	21,000,908	20,150,613	22,003,443
<i>Annually Increase</i>		1%	-4%	9%



- **Non-alcoholic beverages market size**



■ Main brands:

	Brendi	Prodhuesi	Distributori	Paketimet
	Red Bull	Red Bull	Meridian Corporation	250 ml 355 ml
	Golden Eagle	Frutex sh.p.k.	Frutex sh.p.k.	250 ml
	Red Rain	Fluidi sh.p.k.	Fluidi sh.p.k.	250 ml
	Pitt Bull	BBF Company, sh.p.k.	BBF Company, sh.p.k.	250 ml 300 ml
	Big Eagle	BBF Company, sh.p.k.	BBF Company, sh.p.k.	250 ml 300 ml 500 ml
	Ultra Energy	Coca Cola Hellenic	Coca Cola Hellenic	250 ml



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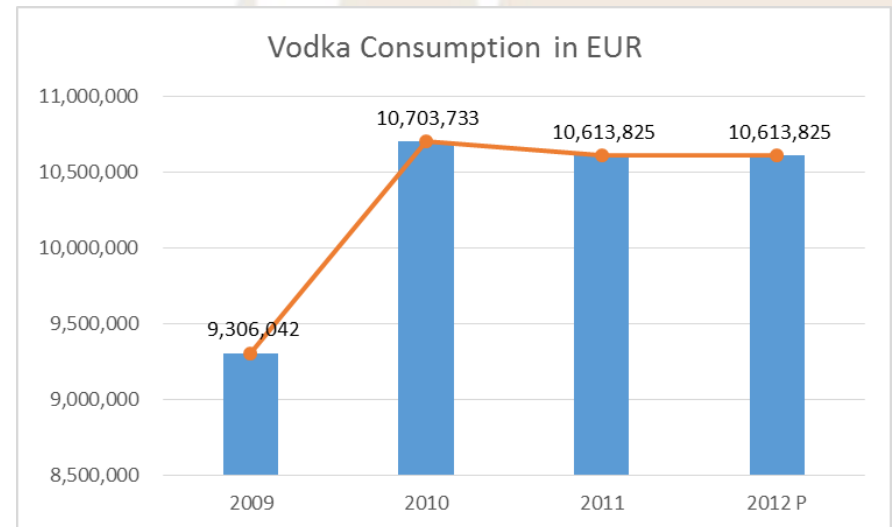
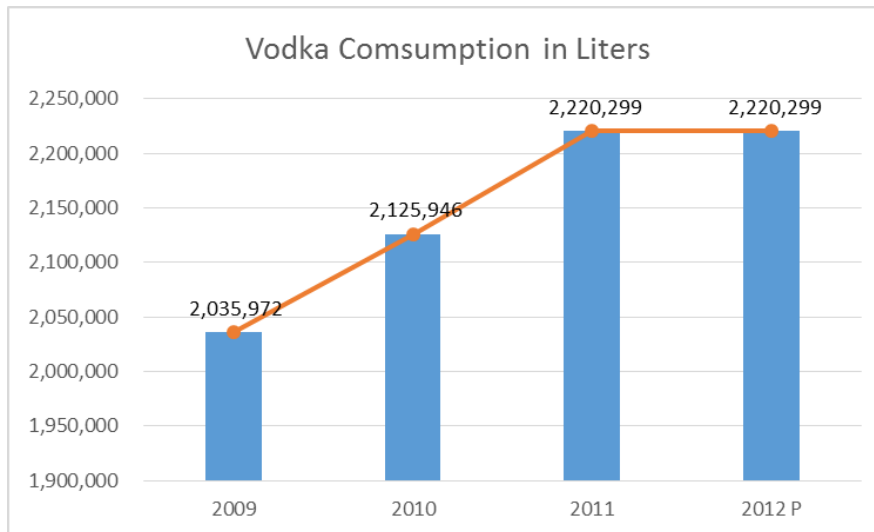
- **VODKA**

- The estimation of the vodka market is made on the basis of total declared imports from abroad and undeclared imports at customs, due to the fact that Kosovo still is not a producer of vodka. Regarding the estimation of total consumption of alcoholic beverages, except beer, wine and champagne, all other alcoholic drinks are included in the analysis. As noted above, beers and wines belong to another group of alcoholic beverages, therefore they are not a comparable basis with vodka. Wherever alcoholic beverages are mentioned in the following text, it does not include beer and wine.

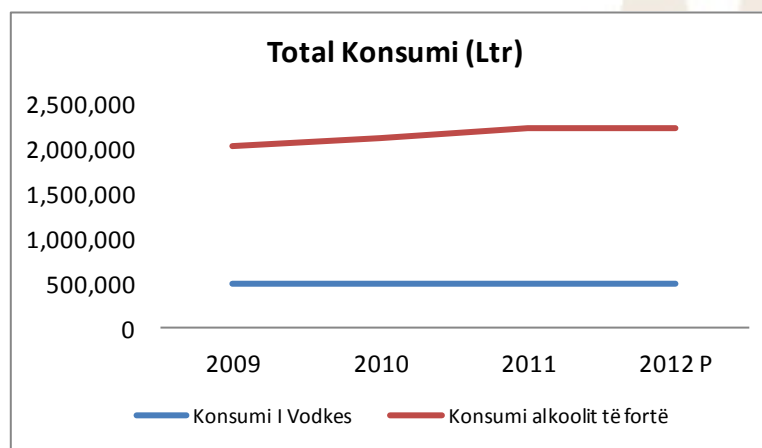
Vodka Market	2009	2010	2011	2012 P
Vodka Consumption in Liters	2,035,972	2,125,946	2,220,299	2,220,299
Vodka Consumption in EUR	9,306,042	10,703,733	10,613,825	10,613,825
<i>Annually Increase</i>		15%	-1%	0%



- Unlike vodka market, other spirits are also produced in Kosovo. Raki is the most produced spirit. Moreover, a relatively small amount is produced by individuals for personal consumption. Total consumption of alcoholic beverages does not include local production that is exported, but only the one that is sold domestically.



- As it can be noticed from the tables and the graph, we have estimated that the total import or consumption of vodka is about 490 thousand liters, or about € 2.3 million per year, whereas the consumption of spirits is estimated to be around 2.2 million liters, or over € 10 million per year (ref: year 2011). The trend of consumption of alcohol and vodka during the past three years is shown in the graph below. Consumption of alcoholic beverages and vodka is estimated based on the prices of imports after customs tax and excise, excluding VAT and mark-ups.



- Currently on the market there are more than 20 brands of vodka. The most common bottle sizes are: 0.5L, 0.7L and 1L. Among the most demanded brands are:

<i>Smirnoff</i>	<i>Flirt</i>	<i>Keglevich</i>	<i>Atlantik</i>
<i>Absolut</i>	<i>Stock</i>	<i>Puschkin</i>	<i>Russky</i>
<i>Vigor</i>	<i>Alaska</i>	<i>Blavod</i>	<i>Grey Goose</i>
<i>Romana</i>	<i>Trojka</i>	<i>1906</i>	<i>Finalandia</i>



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