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MINISTRY OF AGRICULTURE
OF THE CZECH REPUBLIC

OPPORTUNITIES TO EXPORT ALCOHOLIC AND NON-ALCOHOLIC BEVERAGES TO UKRAINE



BRIEF CHARACTERISTIC OF THE COUNTRY

- Area: 603 628 km²
- Population: 45 millions
- Gross domestic product: 119 bil. USD
 - thereof agriculture: 1.231,45 mil. USD
- Inflation rate: 12.01 % from 2010 until 2021
- Currency + exchange rate:
 - 1 USD = 27.2 UAH, 1 EUR = 31,40 UAH
 - 1 CZK = 1,22 UAH
- Agri and food production: 41.5 mil. hectares of agricultural land covering 70 % of the country, agriculture is Ukraine's largest export industry and generates 12 % of GDP
- Labor force - by occupation:
 - agriculture: 5.8%
 - industry: 26.5 %
 - services: 67.8 %

In 2020, the value of imported alcoholic and non-alcoholic beverages in Ukraine amounted to 587 mil. USD, which is 10 % higher than in 2019.

THE STRUCTURE OF THE SOFT DRINKS MARKET IN MONETARY TERMS IN 2016–2020, IN %

Type of drinks	2016	2017	2018	2019	2020
Carbonated soft drinks	40,5	41,6	41,0	40,9	40,6
Mineral Water	32,4	31,8	32,9	33,1	33,2
Total mineral water and carbonated drinks	72,9	73,4	73,9	74,0	73,8
Juices, nectars and fruit drinks	20,5	19,5	18,4	17,6	17,7
Energy drinks	3,9	4,0	4,5	5,0	5,3
Cold tea	2,7	3,1	3,2	3,4	3,5

Significant demand for imported alcoholic and non-alcoholic beverages should remain in Ukraine this year, as they are gradually becoming more common products for domestic consumers.

Seasonality of demand is the main distinguishing feature of the market: the summer period is always characterized by an increase in consumption of this product. According to statistics, throughout the year companies produce less than 50% of the volume of products produced during peak hours (April-July).

Statistic data of import beverages to Ukraine

The lion's share in the structure of domestic purchases of products of this group of agricultural products last year was traditionally occupied by **alcoholic beverages with an alcohol concentration of less than 80%**.

Mainly **cognac, whiskey, vodka, liqueurs and sweet infusions**, which were imported about 74 thousand tons worth 227 mil. USD. Almost 91 thousand tons of **grape and other wines** worth 224 mil. USD were imported.

Imports of **natural and mineral waters** last year amounted to 126 thousand tons worth 68 mil. USD, and **malt beer** - 70 thousand tons worth 67 mil. USD.

Supplier countries

Supplier countries differed. In particular, domestic importers made the largest purchases of **natural and mineral waters** in Georgia and Poland, and beer is Mexico, Belgium and Germany.

Various wines were purchased mainly in Italy, France, Georgia and Spain, and **strong alcohol** was purchased in Great Britain, Georgia, Ireland, Germany and Armenia.

In general, **the main supplier of beverages to Ukraine last year was the European Union**. They provided about 2/3 of the value of imports, the expert said. At the same time, the total supply of these products from Italy accounted for 18.5% of the value of imports, from Georgia - 14.9%, Great Britain - 8.7%, France - 6.7%. Germany - 6.5%.



TOP 5 TRENDS FOR UKRAINE 2021-2022

Tea with "bubbles". Invented in the 1980s, bubble tea will reach new heights of popularity. From the United States to Germany, from China to Brazil, the bubble tea industry is globalizing. This market segment is expected to grow by almost \$ 2 billion to \$ 4.3 billion by 2027.

Fermented beverages. The segment of fermented beverages is growing rapidly, occupying a significant part in the category of functional and healthy products. Probiotic drinks are expected to reach sales of more than \$ 77 billion by 2025, almost double the revenue generated worldwide in 2018.

Wine in packages as an ecological choice. Packaged wine is easier to store, it retains the properties of the drink better after opening and is a more hygienic and stable option, especially for restaurants. Each three-liter package generates about half of the carbon dioxide emissions compared to a glass bottle. Moreover, wine in boxes is cheaper to transport and more environmentally friendly.

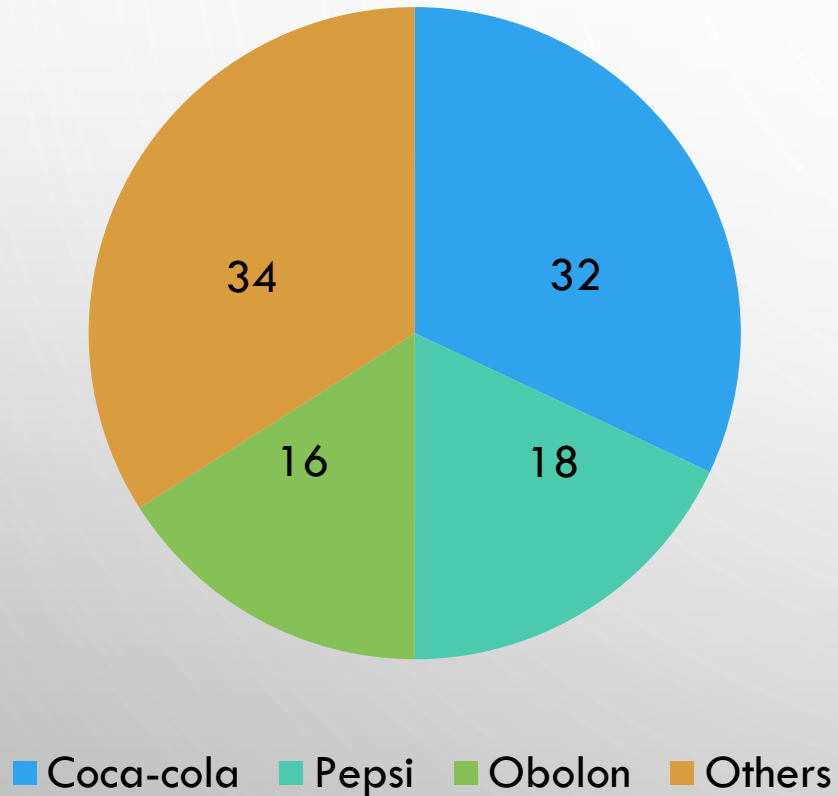
Canned cocktails. Although some are happy to mix their own cocktails at home, consumers miss the time when it was possible to buy a ready-made cocktail and drink it immediately.

Low-alcohol beverages. Interest in low-alcohol beverages has grown rapidly over the past few years, with more and more people looking for the middle ground between drinking and functionality. Low-alcohol and non-alcoholic beverages are filling the market.



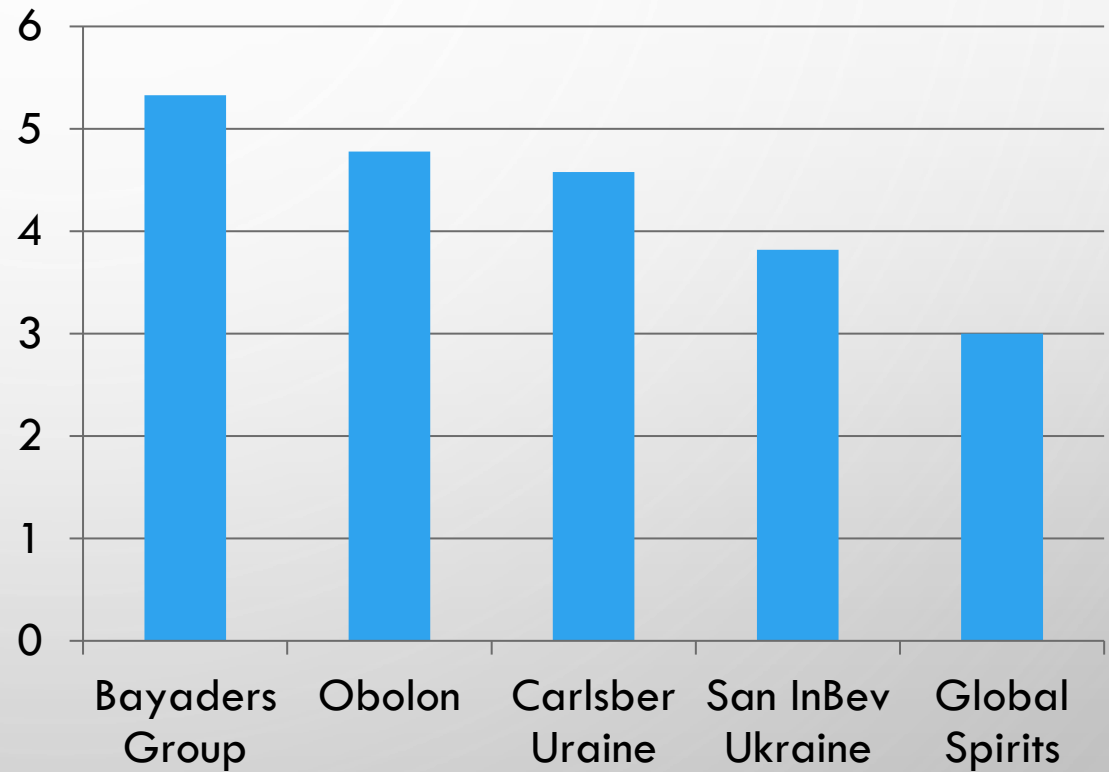
TOP NON-ALCOHOL PRODUCERS, UKRAINE

Producers by %, 2020



TOP ALCOHOL PRODUCERS

Rank for the annual income, billion UAH



TRADE BARRIERS IN UKRAINE



- Existing contracts
- Lack of space on the shelves
- Products divided by “Regional affiliation”
- Availability of offers with low prices and appropriate product quality, for cheap segment rank
- Contrafact of alcohol products, esp. expensive positions
- Low buying possibilities
- Constant growing taxes, excise and custom duties
- Local prices for both type of products



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Thank you!

Contacts: Reshetnyk Yegor

Yegor.reshetnyk@mze.cz

+38 099 098 33 35

