

Flourishing times for the craft beer industry

On average, every Australian consumes 12.2 litres of pure alcohol per year, ranking Australia on a global comparison higher than Germany with roughly 11.8 litres per capita. In fact, it is estimated that every Australian drinks up to one bathtub of alcohol annually. Must be a small bath tub (12.2 litres.)

However, alcohol consumption in Australia is gradually declining which is mostly attributable to Australia's ageing population, greater health awareness, increasing regulation and taxation and above all shifting consumption behaviour. Although beer still relatively accounts for almost half of consumed alcohol, beer consumption has dropped significantly and in fact has fallen by more than 15% over the past decade. In general, a premiumisation within the demand for consumer goods has set in, which follows the philosophy "quality over quantity". This trend also affected beer consumption: the demand for traditional full-strength and mass-market beers like Victoria Bitter and XXXX has shifted to craft beer and premium foreign-label beers.

This in turn affected the local beer manufacturing industry: while in 1998, only 29 breweries were active in Australia, 246 breweries were registered in 2014 with an estimated 30 new breweries to open annually. Contrary to the general beer consumption decline, craft beer consumption exhibits a tremendous growth rate of over 25% per annum and is currently estimated to generate around \$ 160 million every year, an equivalent of almost 4% market share of the total beer market.

With the increasing number of craft breweries starting operations, the demand for brewing equipment and instruments is also on the rise. Since the local manufacturing industry keeps shrinking, most of the brewing equipment is sourced from international manufacturers with Germany leading the way. However, due to the strict budget restraints resulting from limited funds for small business and high operating costs, product quality has not been a

high priority when purchasing equipment. Although larger national breweries rely on procuring German-made equipment. Norbert Stampfer - who represents three leading German manufacturers of brewing and bottling equipment in Australia through his business BevTech - acknowledges that the usage of German equipment was almost non-existent before he took up operations.

In order to stay competitive, small breweries that already set up their business realize that they need to upgrade their existing equipment. Production efficiency is key: reduction of manual labour, raw material usage and increased product quality and consistency are essential for players in order to keep profits and demands up.

With the increasing demand for craft beer and numbers of craft and micro-breweries, the outlook for German brewing equipment in Australia is promising.

Written by BevTec



About Bevtec

BevTech was established in 2010 by Norbert Stampfer and his wife Bev, supplying spare parts for German made packaging equipment. His passion for good beer and enjoyment working for smaller breweries, made him shift his focus more and more to Australia's emerging Craft Beer Industry. Due to an apparent lack of good quality smaller output packaging equipment, in 2012 BevTech took on the agency for Leibinger bottle fillers and Renner labelling machines.

Due to an increasing demand for more sophisticated and automated brew houses, in 2014 BevTech took on the agency for renowned German brew house manufacturer BrauKon.

BevTech can supply turnkey solutions from brewing to bottling and packing, tailored for Australian Craft Brewers. They also offer smart and inexpensive solutions for manual packaging operations. Their services include, planning, line layouts, installation and commissioning.

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