The Can Makers UK Market Report 2016

BCME Can Makers

Introduction

This Report brings together statistics and commentary on the UK market for drinks cans and provides a reference point for readers interested in the take home market for beer, cider and carbonated soft drinks (csds). Further information on the Can Makers and our work is available at **www.canmakers.co.uk** and **www.indiebeercanadvice.com**

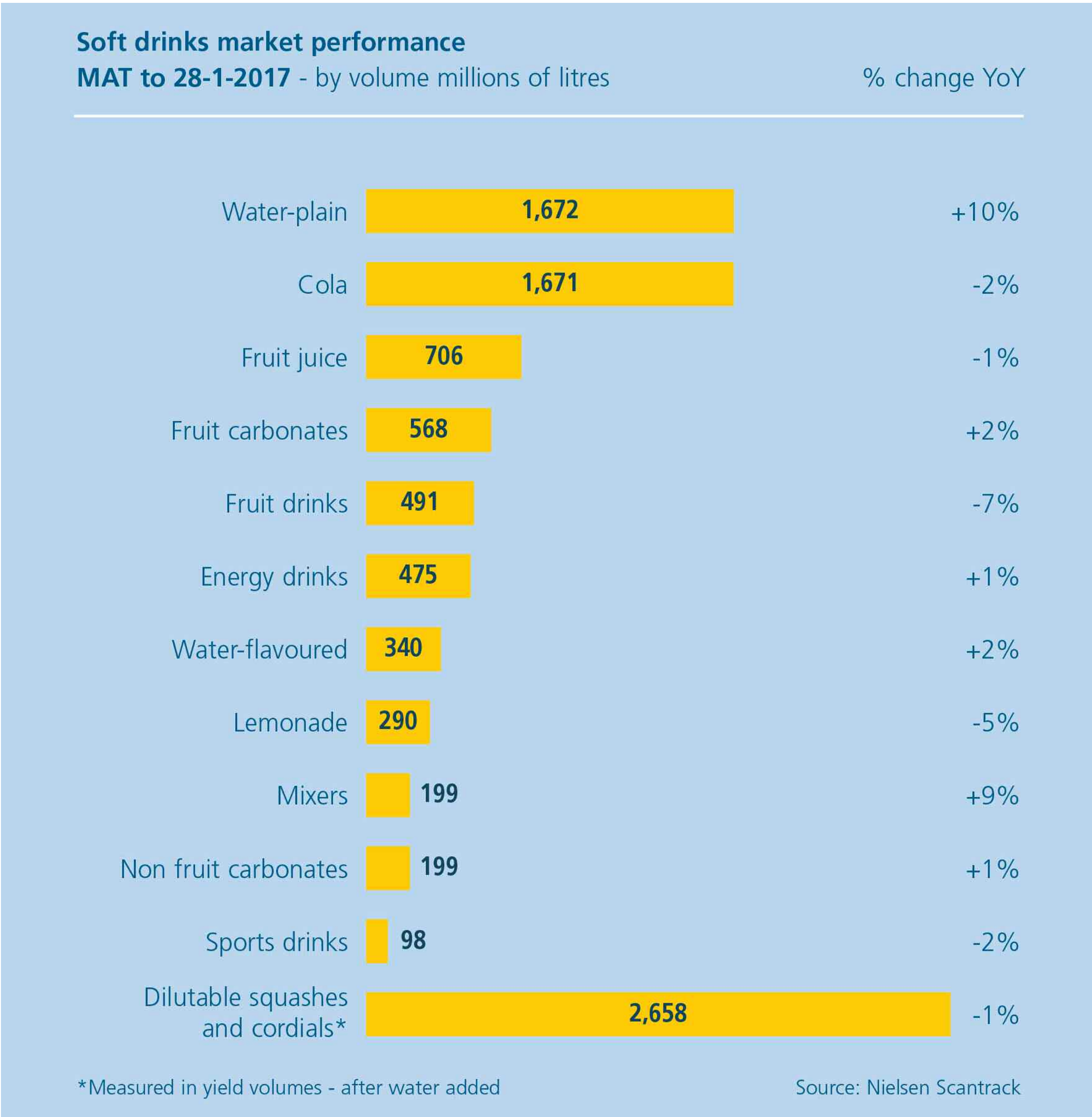
Market for drinks cans - UK and Eire

Following recent changes in canmaker companies, empty can shipment data is not available for 2016. We are therefore unable to report with accuracy on the UK and Eire empty can shipments. However, we do have access to the Nielson data and within this report offer our insights and narrative to explain the performance of drinks cans over 2016.

In 2015 the UK and Eire can shipment figures were a total of 9,628 million cans, made up of 5,174 million for soft drinks and 4,454 million for beer and cider. Based on the Nielsen data of retail sales for the year, we believe that the figures for 2016 were broadly similar in both sectors of the market.

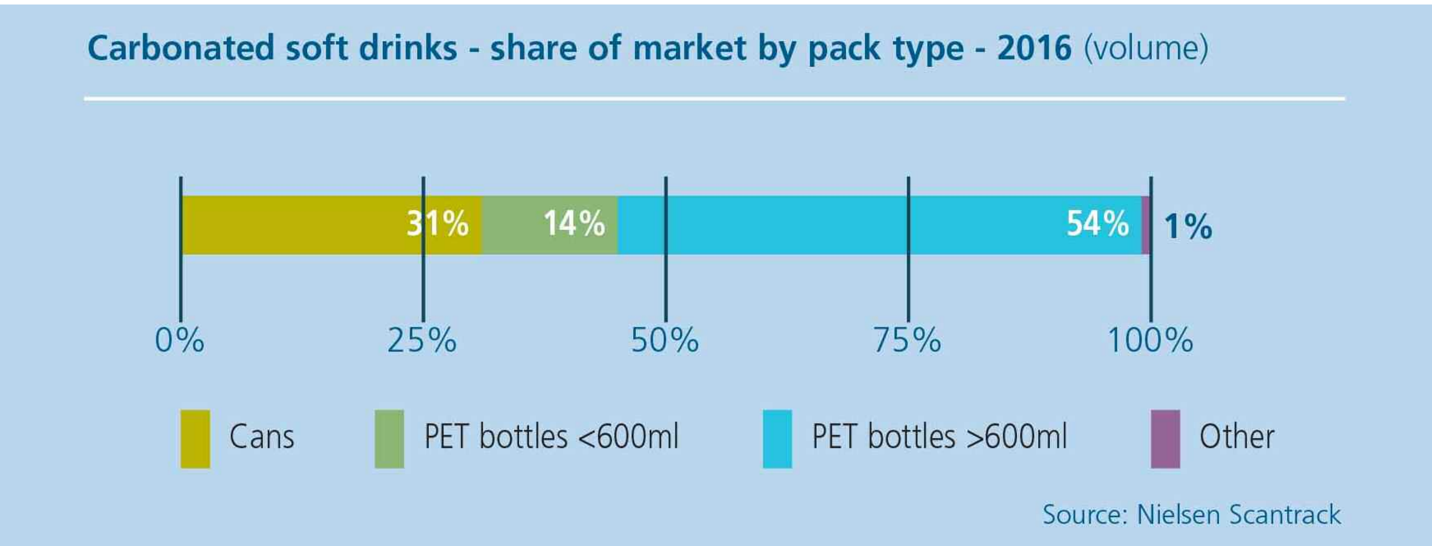
Soft drinks UK

Soft drinks market



For the first time, sales of plain water have overtaken cola, with growth of 10% in volume. Flavoured water also grew by 2%. Sales of energy drinks, fruit and non-fruit carbonates grew in 2016, whilst cola and lemonade declined somewhat. The star performer in this sector apart from water, was mixers where volume grew by 9%, no doubt linked to the popularity of gin and various cocktails.

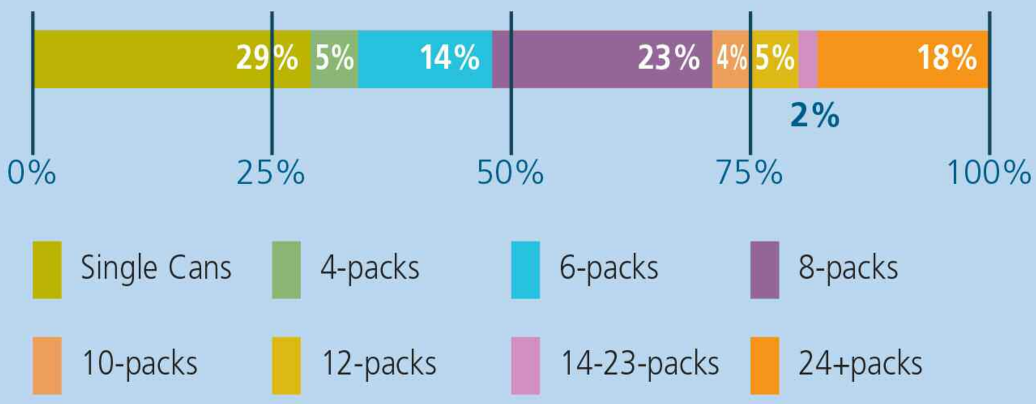
Pack shares



The share of market by pack type remained constant in 2016, with growth in 25cl and 50cl cans. In the PET sector there was some growth in 50cl, 1 litre and 1.75 litre packs. Other size PET packs declined marginally.

Can Multipacks

Carbonated soft drinks - share of pack - % of volume sold - 2016



Source: Nielsen Scantrack

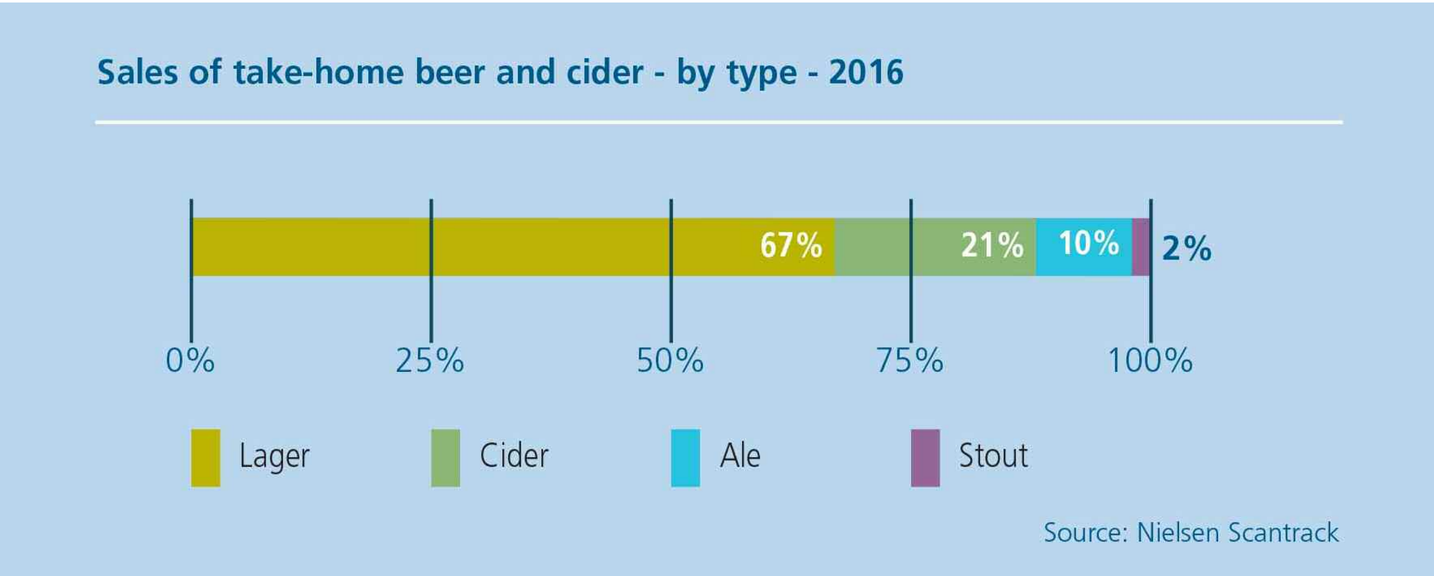
In 2016 there were few significant changes in the multipack size mix. Ten packs grew at the expense of 12's and 8's at the expense of 6's whilst 24 packs increased somewhat.

Alcohol UK

Alcoholic drinks market

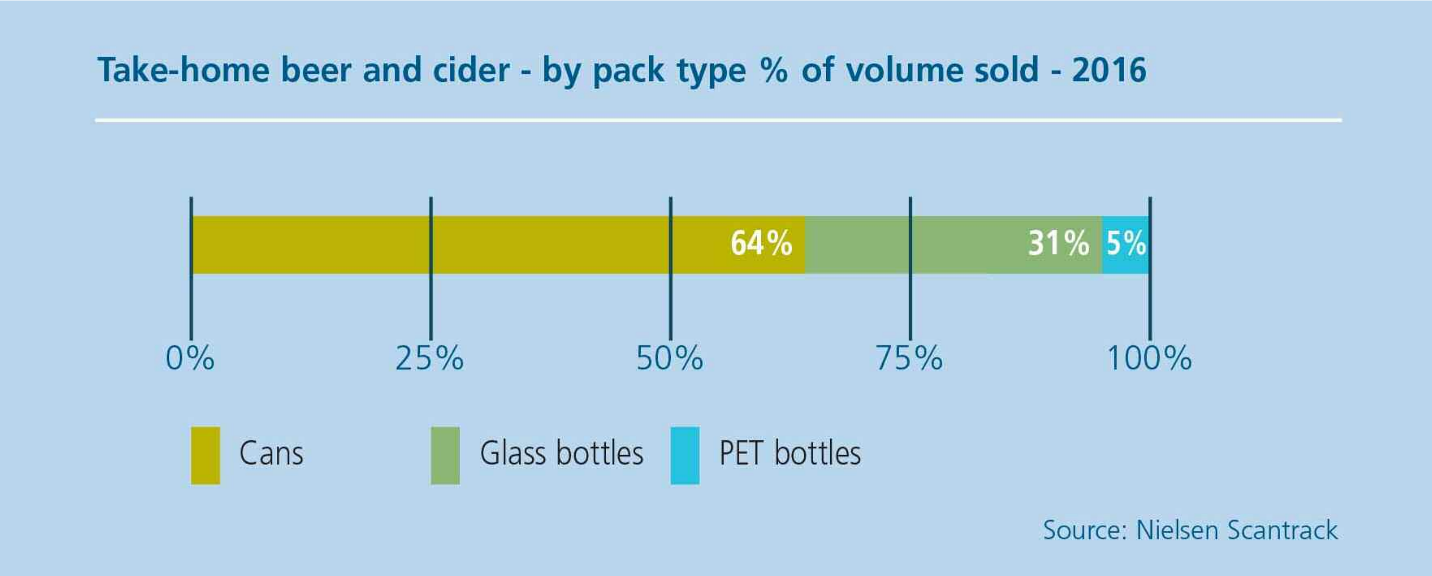
Once again sparkling wine led the growth, in line with long term trends. Sales of spirits also grew, primarily gin. Whilst total beer volumes were flat, there was growth in ale and stout. Volumes of cider declined marginally in 2016.

Take-home beer and cider - by type



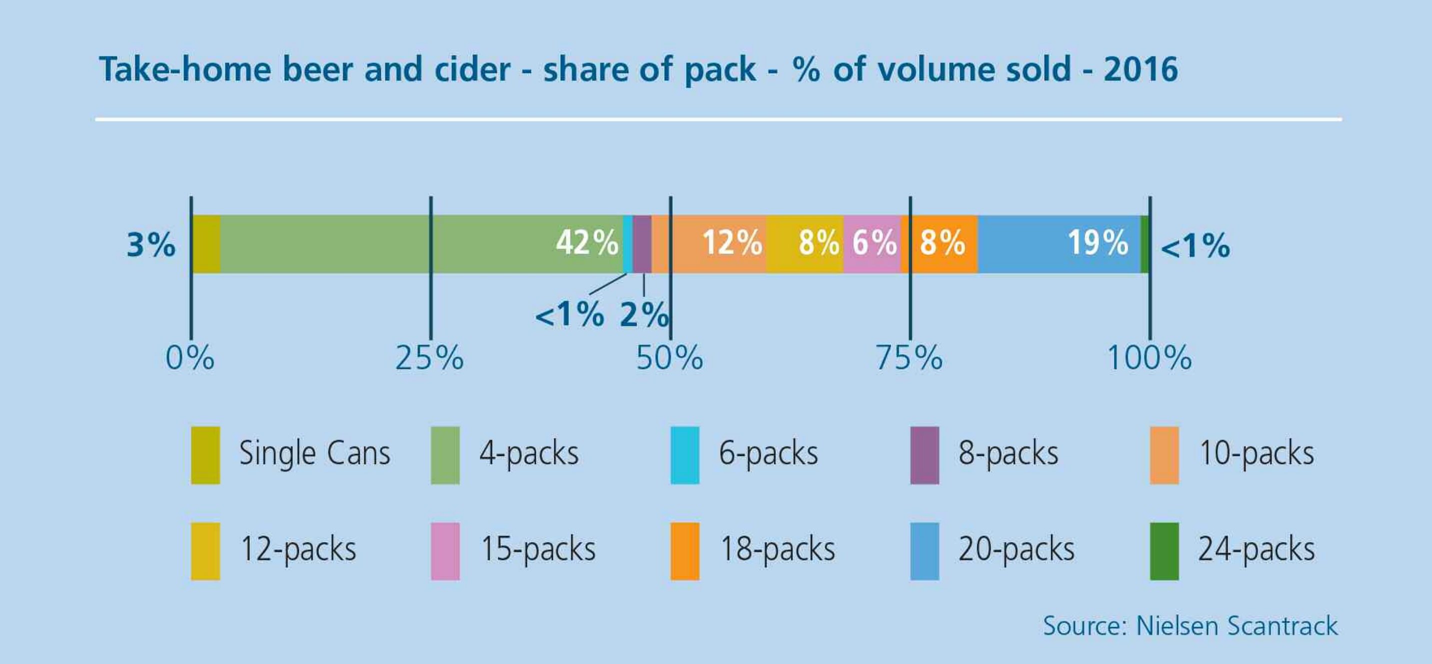
Using the standard definitions above, the relative shares of the take-home market remained unchanged in 2016. Craft beer cuts across these definitions and is the stand out performer in the beer sector. Nielsen report that retail sales of craft beer have doubled in the last two years and added nearly 50% value share of beer growth in 2016.

Take-home beer - by pack type



Can's share of the total market remained static in 2016, with glass bottles gaining 1% share from PET bottles. Within the can sector there has been striking growth in retail sales of 33cl cans - the preferred size pack for craft beer, reflecting their take up by retailers and the public. In cider, cans have continued to take share from both glass and PET bottles.

Can Multipacks



Within the multipacks sector, there has been quite a lot of change around 10,12 and 15 packs, with growth in the first two sizes and decline in the latter, no doubt due to marketing activity and pricing. The other area of change has been around the largest packs, with 24's declining significantly and gains in sales of 20 packs. Retail sales of single cans grew by 20% in 2016 influenced by the fact they are the standard sales unit for many craft beer brands.

Outlook

2017 has an absence of major sporting events to lift consumption of canned drinks, so a summer boost to consumption will be dependent on the weather. The impending sugar tax is already encouraging changes to the market for csds with more no/low sugar varieties now available. A move in part to smaller capacity cans could be another development, as brand owners seek to reduce the sugar load of some csd purchases.

We are encouraged by the continued speedy adoption of cans for craft beer, aided by the variety of can filling options that are now established in the market place. Indeed in 2016 three of the top four retailers have doubled their craft beer ranges in the last year, creating opportunities for cans, where their space efficiency on the shelf makes them a winner.

Although it is early days, we are looking forward to the further development of the adult soft drinks market. The initial use of small scale canning lines should enable trials of new products as this market expands to meet consumer needs.

Brexit and currency fluctuations create uncertainty for many sectors and will no doubt create changes in the markets for canned csds, ale, lager, craft beer and cider, not least of which we hope, will be enhanced export opportunities.

Sustainability continues to be an important message for us and we are keen to promote the METALFOREVER symbol and multiple recycling, demonstrating that aluminium and steel are permanent materials that can be forever recycled to remain an asset available for future generations.

METAL recycles forever™

The Can Makers
10 Frith Street
London W1D 3JF
Tel: +44 (0)20 7437 0227
www.canmakers.co.uk