

# India's growing beverage market keeping pace with economy

India has one of the fastest-growing economies in the world today. It is presently the tenth-largest economy and the third-largest food processor worldwide.

Due to the extraordinary developments in all important industrial sectors, the demand for machinery and equipment has grown rapidly in the last ten years, generating demand that cannot be met exclusively by domestic production.

Despite a considerable increase in the supply provided by local food processing and packaging machinery manufacturers, there is strong demand for foreign machinery featuring state-of-the-art technology. For the manufacturers of food processing and packaging machinery, India has become a very important market with strong growth potential. In the last five years the Indian imports of food processing and packaging machinery increased by 200% and were valued at US\$ 550 million in 2008.

The carbonated soft drinks industry in India counts more than 100 plants spread throughout the country. At some US\$ 1,049 million, this sector accounts for a large share of the foreign direct investments undertaken in India.

**Machinery imports increased by 200%**

## Non-alcoholic beverages

Soft drinks constitute the third-largest packaged food segment in India after packaged tea and packaged biscuits. But the penetration level of carbonated soft drinks in India is still low compared with other developing markets, a sign that this market has potential for rapid growth.

The market size for bottled water in India had an estimated value of US\$ 570 million in 2008. With annual growth of 14.5%, sales of bottled water are set to increase rapidly over the next five years. The market for juice will also grow dramatically in coming years with an annual growth rate of almost 15%.

## Milk

Unlike most other Asian countries, dairy products are a well-established part of the national diet in India. With an annual output of more

than 100 million tonnes, India is the largest milk producer in the world. Currently, only 13% of the milk is processed. The unorganised sector distributes 85%, however the organised sector is growing rapidly. Demand for packaged milk and milk products will increase because the growing middle-class, health-conscious consumer segment – especially in towns and cities – is adopting western lifestyles and consequently buying more and more processed and packaged food. The availability of fresh/pasteurised and long life/UHT milk is increasing nationwide.

## drink technology India 2010

Providing a forum for the latest technology, products and services for the beverage sector, the next drink technology India 2010 will be held at the Bombay Exhibition Centre in Mumbai, India, from 18 - 20 November 2010. This year's show will feature some 100 exhibitors.

### Sales volume of non-alcoholic drinks in India

Litres mn	2009	2010	2011	2012	2013	Annual growth
						2009-2013
Bottled water	3,290	3,885	4,515	5,169	5,825	14,5 %
Carbonated soft drinks	1,323	1,430	1,536	1,639	1,738	6,7 %
Juice (fruit/vegetable)	456	538	623	709	796	14,9 %

### Sales volume of alcoholic drinks in India

Litres mn	2009	2010	2011	2012	2013	Annual growth
						2009-2013
Beer	1.215,8	1.370,1	1.537,6	1.718,2	1.911,9	12 %
Spirits	1.372	1.515	1.665	1.822	1.985	9,7 %

### Sales volume of drinking milk products in India

In 1,000 tonnes	2009	2010	2011	2012	2013	Annual growth
						2009-2013
Drinking milk products	10,944.9	11,772.1	12,605.6	13,438.5	14,262.8	6.8 %

Source: Euromonitor International 2009