

flavoured soft drinks are well liked in India, with 65% of consumers preferring carbonated and 35% preferring non-carbonated brands. Among international market leaders, Pepsi and Coca Cola already have an established presence. In addition, many soft drinks (as much as 25% of consumption) are manufactured in the unorganized sector. The soft drink and snack foods project of the Coca Cola Company and Britannia Industries Ltd. is being set up at Mulshi. This joint venture, named Britco Foods Company Private Ltd., blends the concentrates for soft drinks in India and has introduced two brands - Coca Cola and Fanta. Pepsi plans to launch fruit based drinks soon.

Fruit Juice

The fruit juice and concentrate sector offers opportunities for expansion as an export-oriented industry, and is the focus of increasing foreign interest. India is a major producer of tropical and temperate fruits including mangoes, apples, pineapples, citrus fruits, bananas, papayas, guavas, litchi, sapota and grapes, with an annual production of about 27 million tonnes. Pepsi Foods and Coca Cola are the leading producers of fruit and soft drink products. Godrej, a leading producer of refined groundnut (peanut), soybean and sunflower oils, also produces fruit drinks and health beverages in consumer and bulk packs.

Beer and Alcoholic Beverages

There are currently 42 breweries in India, of which 28 are members of the All India Brewers' Association (see Part 3 for contact information). Leading foreign liquor brands are entering the market, estimated at a 20% annual growth rate. McDowell, the flagship company of India's United Breweries (UB) group, Mohan Meakins, Shaw Wallace and Hindustan Breweries are the major producers of alcoholic beverages.

Consumption of Alcohol in India

	<i>%</i>
Whisky	64
Brandy	17
Rum	14
Gin	4
Vodka	1

Source: CMIE

In 1994 a new beer policy was introduced by the Indian Government, allowing financial institutions to extend loans to beer projects with 100% foreign equity investment. In addition, the policy allows for increased production per unit, from 5,000 kilolitres (kl) to 20,000 kl, with provisions for special licences to exceed this ceiling. Although the demand for beer has been increasing steadily (approximately 400 million litres are produced annually), it is still mainly confined to urban centres. Malt is the main ingredient in Indian beer. Draft beer is popular in Mumbai and Bangalore where a large number of pubs operate. Micro-brewery kits and do-it-yourself brew kits do not apply to the Indian market, mainly because of licensing requirements and a general anti-drinking attitude, especially in non-urban areas.