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Latin America Beer Cans - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts 2019 - 2029

Market Report | 2024-02-17 | 70 pages | Mordor Intelligence

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Report description:

The Latin America Beer Cans Market size in terms of shipment volume is expected to grow from 18.75 Billion units in 2024 to 24.27 Billion units by 2029, at a CAGR of 5.29% during the forecast period (2024-2029).

Latin America offers a massive opportunity for the growth of the market studied, as there is high alcohol consumption, and the region accounts for 18% of the beer consumption globally.

Key Highlights
-The adoption of sustainability with environmental measures is expected to drive the market. Cans are permitted in many places where bottles are typically not allowed, such as beaches, pools, parks, campgrounds, ballparks, golf courses, boats, etc. Cans are 100-percent recyclable with other benefits such as much lighter than bottles, requiring less fuel to ship them, whether empty or filled, is an added advantage to it. An empty 12-ounce bottle weighs about 7 ounces, whereas an empty can weighs only about a half-ounce.
-The government in Brazil is playing a significant role in boosting local beer manufacturing. For instance, the Communist party government collaborated with AmBev, the local subsidiary, and AB InBev to launch Magnifica, a beer that is both sustainable and affordable.
-Further, the growing environmental concern in Mexico is forcing beer companies to adopt plastic-free cans. The brewer of Mexican beer, Corona, introduced a new can that does not use plastic ring carriers. The stackable cans are called Fit Packs and use zero plastic to screw together up to 10 cans in a stack.
-However, the preference of consumers for wine might act as a challenge to the market due to the increasing affordability of wine and liquor products, and this shift is expected to continue, making more consumers shift towards these commodities. For instance, Argentina has the largest consumption of wine in Latin America, and as of 2018, the consumption rate was 8.4 million

hectoliters (source Food and Agriculture Organization).
-Further, due to the COVID-19 pandemic, the consumption rate had fallen down due to the lockdown period. Mexico has run out of beer due to factory shut down in pandemic. Beer stocks were depleted within a month, and in some areas, the prices of what was left doubled. With factory shutdown during the initial phase of lockdown, the demand for metal cans decreased drastically. Also, the Mexican company Corona beer and Heineken has been temporarily halted production as the country declared a health emergency over the pandemic. The Mexican government ordered a suspension of all non-essential activities currently.
-Further, in Brazil, in March 2020, Ambev SA announced it would use one of its Brazil beer breweries to produce half a million sanitizer bottles for public hospitals to fight the spread of coronavirus. This significantly led to the decreasing demand for metal cans.
-Moreover, currently seeing the condition of the pandemic, in May 2020, Mexico City announced it would begin a gradual reopening of the beer shop, which reflects a smooth distribution channel as previously it was before COVID-19, and this shall provide a demand for the beer metal cans.

Latin America Beer Cans Market Trends

Aluminium Can to Hold a Significant Share in Brazil

- Beer is one of the significant alcoholic beverages consumed in Brazil, with approximately 14 million km/year, and it is among the top-five beer producers in the world. Almost 98% of beer consumption in Brazil is light beer.
- In the Latin America market, Brazil contributes to the growth of metal cans through the presence of 889 registered breweries, with the country producing 16,968 products (mainly contributing cans and bottles), approximately 6,800 of which were registered in 2018 as per the Ministry of Agriculture, Livestock, and Food Supply (MAPA).? This significantly raises the production of aluminum cans.
- Further, Abralatas (the Brazilian Association of Aluminum Can Manufacturers) represents the interests of Brazilian can manufacturers, most notably Ardagh, Ball, Can pack, and Crown Embalagens. These can-makers are getting rapid growth in demand for aluminum cans from the brewing sector. Moreover, as per demand from major breweries, Brazil has a surging demand for cans for packaging craft beers. In recent months in 2019, more than 300 new breweries were launched in Brazil.
- However, the currency fluctuating in Brazil is also likely to affect the beer can market, as many companies have their manufacturing facilities in the country. For instance, in 2019, the Netherlands-based Heineken NV's shares fell the most in almost four years, after the company reported earnings growth that nearly came to a halt and was held back by costs for aluminum cans manufactured in Brazil.?
- The country is also initiating recycling projects for metals cans due to the increased adoption of these cans. For instance, in February 2021, Trivium Packaging announced a recycling initiative in Argentina by partnering with urban recycler organization Creando Conciencia to increase the recollection and reuse of aluminum cans. The partnership will help the company become one of the first in Latin America to use post-consumer recycled (PCR) aluminum to develop its packaging products.
- Similarly, in October 2021, Ball Corporation also announced to build one of its first circular economy labs in Brazil with a centralized location for the collection and recycling of aluminum cans. According to the company, the lab will demonstrate the possibility of creating a circular economy in Brazil and contribute to a sustainable planet by constructing innovative and effective ways to collect beverage aluminum cans.

Aluminum Cans to Witness Significant Growth in Craft Beer in Mexico

- The demand for Mexican craft beer at home and abroad, aided by innovative marketing, is driving massive growth in the country's independent beer industry, with production increasing by more than 50% every year. In terms of beer production, Mexico accounted for nearly MXN 185.38 Billion from sales of Beer in the country. This potentially also raises the production of craft beer, by which the demand for aluminum can significantly increase.

- Mexico is also driving various partnerships and expansions owing to the increased demand. For instance, in January 2021, Constellation Brands planned to invest USD 1.5 billion for the construction of a brewery on the border of Mexicali as Mexican beer brands showed staggering growth in the United States. Such developments are encouraging the market vendors to increase their production capacity with sustainable and eco-friendly metal cans for the beer industry.
- Beer manufacturers are increasing production in Brazil owing to the increased consumption. The resultant is the growing manufacturing plant projects for the market vendors in the region. For instance, in March 2020, Heineken planned to invest BRS 865 million to expand its brewery in Brazil.
- The advantage of an aluminum can is that it is an airtight hermetic seal, which provides temperature regulation and prevents premature spoilage from heat, light, or oxygen and is critical for preserving the flavor profile of craft beer, which facilitates on-the-go, convenient consumption. Further, the bulk of unit volume growth from 350 ml and 269 ml beverage can format made up of aluminum, including craft beer packaging, which is significantly driving the market in the Mexico region.
- Furthermore, the player is opening their metal can production expansion with a growing demand for beer, including craft beer. In the past year, Crown officially opened its new beverage can plant in Monterrey, expanding its operations in Mexico and supporting the growing demand for metal packaging from consumers and brand owners. The plant, the Company's fourth beverage can facility in Mexico, supplies aluminum two-piece beverage cans in multiple sizes to customers in the region experiencing dynamic economic expansion.
- The growth in the craft beer segment is also developing demand for beer cans in the country. According to Acermax, a Mexican brewers' association's estimations, there are currently over 600 independent breweries in Mexico. In addition, the exclusion of aluminum and steel tariffs from the US Canada and Mexico Trade Agreement also contributes to the growth of the market for beer cans in the country as it excludes can manufacturers in the export or import of aluminum or aluminum cans.

Latin America Beer Cans Industry Overview

The Latin American beer cans market is concentrated in nature as some of the prominent players have potentially high market share in the can production that caters to the overall market. Key players are Ball Corporation , Crown Holdings, Inc., etc. Recent developments in the market are -

- November 2021- SC Johnson formed a new partnership with La Anonima, a local Argentine chain of supermarkets, and CEMPRE (Compromiso Empresarial para el Reciclaje), a leading environmental group, to increase recycling rates and capture more recyclable waste material in the Patagonia region of Argentina and Chile. The partnership with CEMPRE and La Anonima includes the installation of an eco point, or collection center, that will be centrally located near Muelle Comandante Piedra Buena to increase consumer access to recycling. At this collection point, consumers will be able to drop off paper and cardboard, plastic, glass, aluminum, steel, and tin for repurposing.
- February 2021 - Ardagh Group, the glass, and metal packaging group, planned to increase its medium-term investment plan by 17% to USD 2.1 billion. It seeks to double its drink cans business earnings over the next four years. The investments are expected to be directed towards projects aimed at expanding the market for canned energy drinks, flavored beverages, and craft beer. The region's growing propensity to consume canned craft beer and Ardagh Group's prominence in the region is expected to aid the growth of beer cans in the region.

Additional Benefits:

- The market estimate (ME) sheet in Excel format
- 3 months of analyst support

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