

Voluntary Report – Voluntary - Public Distribution

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Report Highlights:

Croatia is a major European tourist destination and as such is an opportunity for U.S. craft beer exporters to position their product in a newly minted EU member state. U.S. craft beer exporters should focus their market entry efforts on Zagreb, the nation's capital, where niches exist for higher quality craft beers. Having an established EU hub importer would simplify entrance to the Croatian market.

I. Market Overview

Production

There are six breweries in Croatia that have the potential for annual production of at least 100,000 hectoliters of beer. Three of these breweries dominate the market and are owned by international companies. Zagrebacka pivovara (Molson Coors, with key brands: Ozujsko, Becks, Loewenbreu, Staropramen, Stella Artois, Tomislav), Heineken Hrvatska (owned by the Heineken with key brands: Karlovacko, Heineken), and Carlsberg (Carlsberg with key brands: Pan, Holsten, Tuborg). Three smaller but significant manufacturers are Osijecka pivovara, Pivovara Daruvar, and Pivovara Licanka. There are nearly 80 microbreweries in Croatia that produce only craft beer with a market share of 2 to 3 percent. According to the Brewers of Europe, Croatia's beer production is just over 3 million hectoliters annually.

The craft beer scene in Croatia is gaining popularity and according to some has reached cult status. The scene is led by the sixth-largest brewer in Croatia, Pivovara Daruvar. Pivovara Daruvar is one of the few breweries outside the Czech Republic that produces beer according to traditional Czech technology, which makes it unique. However, craft beer microbreweries are gaining popularity and are expected to increase their market share from 2 to 10 percent in the next few years.

Due to the COVID-19 pandemic, Croatian craft breweries are facing major challenges, primarily due to the closure of hotel restaurants, restaurants and catering (HoReCa). The HoReCa sector accounts for about 90 percent of their business. Some of these companies turned to on-line sales, which is helpful, but does not replace traditional sales.

Consumption

According to industry sources, in 2014 beer consumption in Croatia was 3.41 million hectoliters, which puts Croatia high among European beer-drinking countries. Between 2014 and 2018 domestic consumption of beer surpassed domestic production. As a result, Croatia relies on beer imports to satisfy consumer demand. Despite this, Croatian customers still express a preference for domestic beers.

Trade

In 2019, Croatia imported beer and non-alcoholic beer valued at \$53.7 million, of which \$52.7 million was alcoholic beer. Imports were mostly from Slovenia, Germany, Czech Republic, and Hungary. From 2015 there is a year-on-year increase in beer imports.

U.S. craft beer exporters should focus their market entry efforts on Zagreb, the nation's capital, where niches exist for higher quality craft beers. Having an established EU hub would facilitate access to the Croatian market. This is especially necessary because of the short expiration dates of these beers and the low initial turnaround (sales) of new brands. Ocean freight is expensive, especially for smaller orders as craft beer orders tend to be. Croatia's 2019, beer exports primarily to Bosnia and Herzegovina and Slovenia were valued at \$35.2 million.

Table 1. Advantages and Challenges for the U.S. Exporters

Advantages	Challenges
Local craft beer connoisseurs and importers consider U.S. craft beer exciting.	Retailers rarely import US products into Croatia; they prefer purchases from central buyers including other member states.
Tourism growth.	High shipping costs from the US and short craft beer expiration-date.
Urban population growth.	High promotion costs to increase general consumer awareness about US craft beer.
Most importers speak English.	Competition from the EU member states.

II. Market Access

Croatia's Regulation on beer ([Governmental Gazette NN142/2011, 141/2013](#)) provides a list of approved ingredients in beer and regulates beer. [Regulation \(EU\) No 1169/2011](#) established the horizontal food labeling requirements. According to EU law, alcoholic beverages of more than 1.2 percent alcohol by volume (ABV) are exempt from listing the ingredients and nutrition information. However, a producer who voluntarily provides the information must comply with [Regulation \(EU\) No 1169/2011](#). With regard to nutrition information, alcoholic beverages over 1.2 percent ABV can list the energy values alone or list all seven nutritional values. Non-alcoholic beers and other beer products below 1.2 percent ABV are subject to [Regulation \(EU\) No 1169/2011](#) governing non-alcoholic beverages. All alcoholic beverages must comply with the allergen labeling requirements. For more details, please refer to the [EU-28 FAIRS](#) report.

III. Key Contacts and Additional Information

A list of Croatian beer importers is available to U.S. exporters and can be obtained by contacting:

FAS/USDA Office in Croatia,
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Attachments:

No Attachments.