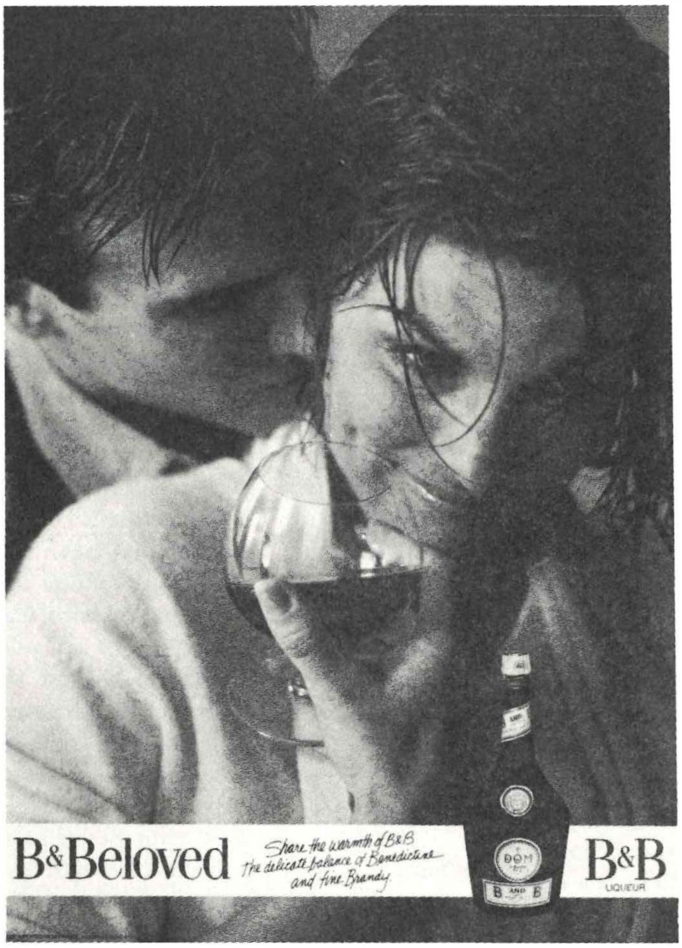
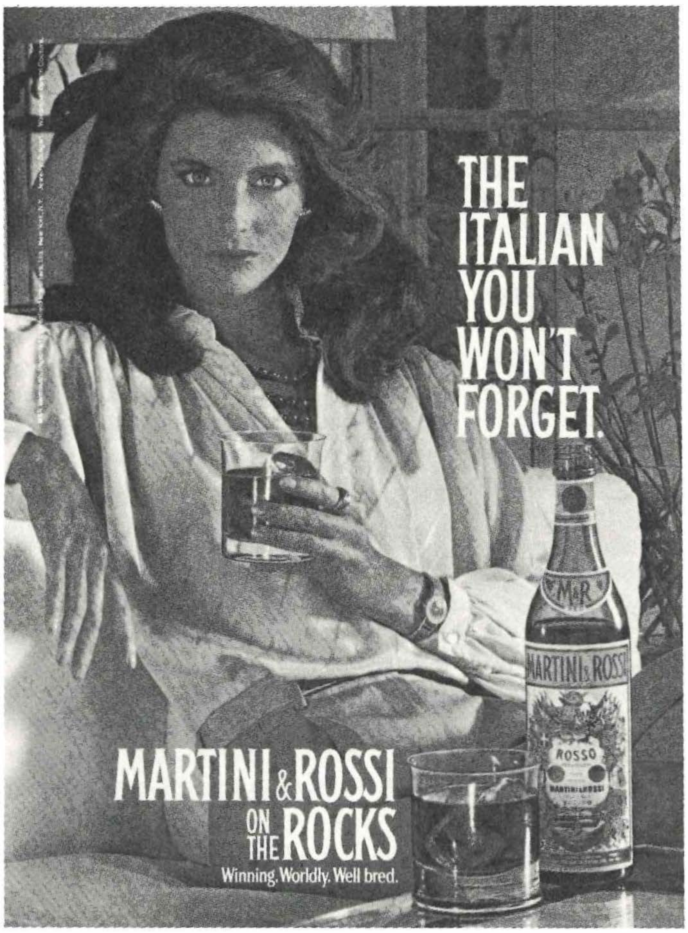
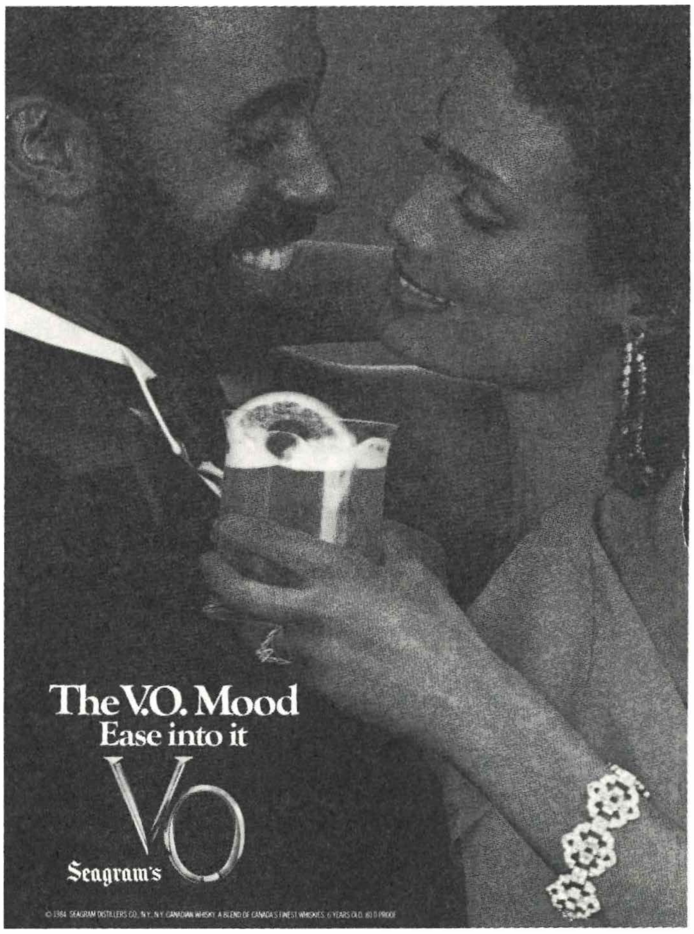


Advertisements for B&B liqueur in Life Magazine, June 1984, for Lonrho controlled alcohol products and products for the industry in the Lonrho Annual Report for 1983, for Martini and Seagram whisky in Home and Garden and Ebony, both from June 1984.





SPECIAL REPORT

Alcohol – dimensions of corporate power

By Tom Willoughby

In a recent report the structure of the rapidly growing transnational alcohol industry was revealed in great detail for the first time. However, the WHO secretly cancelled plans to publish the report.
Tom Willoughby looks at the background to this decision by the WHO and the strategies of the TNCs.

Tom Willoughby is a free-lance journalist based in London.

By end 1981, the global alcohol market hit 170 billion US dollars. Such is one of the seminal findings of the suppressed World Health Organization (WHO) report graphically entitled *Alcohol Beverages: Dimensions of Corporate Power.* By end 1983 this number had easily outpaced 180 billion dollars and was still running fast. An appalling human cost was, however, to be exacted for the marketing prowess of corporate booze.

In the United Kingdom, alcoholic beverages – beer, wine and spirits are killing more people than drugs. In 1981, coroner's courts in England and Wales recorded over four times as many deaths from chronic alcoholism, euphemistically labelled alcohol dependency, as in 1971. In the United States, booze is an accomplice to more than two thirds of the nation's homicides, 50 per cent of rapes, up to 70 per cent of assaults, four-fifths of suicides. What holds for the developed countries is no less so for poor countries. A recent UN survey in Asia indicated that output in the regions biggest drink (beer) rocketed more than fivefold since 1960. In Thailand, consumers spend almost as much on alcoholic beverages as the government does on petroleum imports; in the Philippines, brewers sold more than 2 billion bottles of beer in 1982 – or 40 bottles for every Fillipino. The same unremitting ravabes unfold in Australia, Africa and Latin America.

It is against this backdrop with its corporate connections that WHO's secretly cancelled plans to publish a report authored by Dr Frederick Clairmonte of UNCTAD and Mr John Cavanagh, prefaced by the British epidemiologist Dr Griffith Edwards must be seen. The strength and originality of this research was that it deviated radically from WHO's traditionalist booze related public health problems, which focused primarily on medical and social matters.

The author's stance

The suppressed report breaks into unexplored areas which, in the aftermath of the US counterattack on pharmaceuticals and the reverberation on the marketing of infant formula, ran smack into corporate and bureaucratic resistance. And which coincided with the re-election of WHO's Dr Halfdan Mahler. WHO had made its peace with the transnational corporations, or in the encomium of Mr Gino Levi, WHO's public relations spokesman:

> "I should like to point out that WHO, itself, has never attacked any corporation. The organization is ready to work with, and indeed welcomes the support of corporations." [1]

To what extent WHO has received or is receiving the funding of pharmaceutical companies for its substantive divisions is a matter of some speculation in the absence of coherent information on the sources of corporate contributions to WHO's projects.

In the authors perspective, public health is inseparable from the political, economic and social framework in which people live, work and die. Accordingly, their leitmotif is that public health is influenced by a specific range of addictive commodities – alcoholic beverages and tobacco – whose output and marketing is dominated at a rising tempo by large scale transnational corporations (TNCs). The report embodies profusion of detail culled from dozens of interviews with corporate representatives in tobacco and alcohol as well as extensive, hitherto unanalyzed, corporate documentation and annual reports.

Whereas conventional enquiries demonstrated the linkages between climbing consumption and a rise in its deleterious consequences, for the first time an official report that brought together WHO and the UNCTAD secretariat explored another and even more vital relationship: namely the connection between globe-girdling TNCs and the availability and consumption of alcoholic beverages. Not only did the investigators pinpoint the extent to which individual corporations were no longer single line product companies, but that corporate demarcations between beer, wine and spirits were becoming more daily blurred. The pure booze company of yesteryear has already become an historical anachronism in the pantheon of global capitalism characterized by the swift liquidation of the small and medium enterprise.

In the preface commissioned by WHO psychiatrist and editor of the *British Journal of Addiction,* Dr Griffith Edwards commented that if the report's findings are valid:

> "then the challenge to the international community is tangible: in the case of health interests some type of international regulation of the liquor trade must become a matter for urgent consideration. The world's health cannot, the argument goes, safely be left to the mercies of an unfettered pursuit of profit."

As Morton Mintz of *The Washington Post* says nobody disputes the right of the mega multi-commodity corporation to earn profits. The question is whether governments and international organizations have a responsibility to intervene when corporate activities demonstrably affect health, and exacerbate social problems that taxpayers ultimately have to pay for.

The WHO alcohol programme and the Mental Health Division in which it was housed gave its unanimous approval, in October 1982, to its publication. It was sent to Oxford University Press (OUP) and accepted with certain caveats. In its letter of 28 January 1983, Oxford University Press commented to the WHO chief of publications Mr Loveday:

> "In his preliminary report our reviewer was in favour of this proposal, but felt that the market should be defined and some suitable alterations made . . . if action could be taken on these suggestions I think Oxford University Press would be interested in publishing this report."

In January 1983, the study was withdrawn from Oxford University Press by WHOs decision makers. It was never explained to the authors when or why the study, after having been sent for publication review, and after having received OUPs imprimatur was recalled by the WHO. Whether withdrawal coincided with Dr Halfdan Mahler's reelection joined to other pressures from the UN Permanent Missions in Geneva and alcohol corporations remains to be ascertained. Unanimous approval of the study was, however, not enough.

"This sort of study is a very touchy thing for WHO to get involved in. It was skittish from the beginning", adds Mr James Mosher, secretary of the US based Council on Alcohol Policy and one of the 20 outside experts who reviewed and approved unanimously the WHO enquiry. Mosher asserts that the enquiry which he labels:

> "probably the most important study in the field is vital for the development of national regulation on alcohol and not only in the developing countries. My past work on control policies in seven countries convinced me that this work is absolutely essential. Right now there is no thought given to the health consequences of alcohol companies' expansion into the Third World. All of us were excited about the study and felt it was critical to get it out. We were unanimous in our decision to publish it commercially."

The power pyramid

At the onset of the 20th century, the alcoholic beverage industry, as with many other sectors, was largely within the ambit of small firms whose distributional reach was local and, in limited cases, regional. Over the ensuing decades, this industrial structure experienced a dramatic metamorphosis by accelerated concentration through waves of mergers and acquisitions that paved the way for large corporate units which vastly extended the output and distribution networks nationally. This mounting concentration was most conspicuous in beer and distilled spirits sectors. Already by the mid-sixties a handful of giant corporations achieved market dominance in most countries. In the United States the number of beer makers shrunk from some 1 500 before the advent of Prohibition (1920) to merely 42 today, including the microbrewers. Just six brewers now have 90 per cent of the US beer market and that number will shrink further by the end of the decade. In Canada, for example, three major brewers: Labatt (a Seagram's subsidiary), Molson and Carling have annexed almost 98 per cent of the Canadian market.

The drive to overseas markets

What, it may be said, in the global context of public health, were the constellation of forces that propelled alcoholic beverages beyond national frontiers? Under the impetus of the post-World War II economic boom, and the upsurge in incomes, consumption of alcoholic beverages in many advanced capitalist economies burgeoned in the 1950s and 1960s.

With the 1970s, however, there were signs of decelerating consumption in many of these markets, compelling the larger TNCs to scramble for markets elsewhere. This migration coincided with technological strides in packaging, transportation and telecommunications, spurring globalization of marketing and managerial decision making.

Push and pull factors

Just as these developments were factors pushing alcohol on global markets, parallel developments were occurring in countries with low consumption levels. Paramount among these pull factors in post-independence economies was the unprecedented migration from non-monetized rural areas to monetized urban centres.

This was matched by the upsurge in many poor countries of a vast numerical increase in elites with high purchasing power and westernized consumption proclivities. Trinidad and Tobago alone, with a population of slightly more than one million spent 40 million USD (1982) on imported whisky.

Among the pioneers in the transnationalization of the beer sector were the quasi-monopolies Heineken (Netherlands), United Breweries (Denmark) and Guinness (UK/Ireland), each controlling three-fifths of their national markets by the 1960s.

Overseas penetration by distilled spirit firms was spearheaded by the highly oligopolistic whisky sectors in the UK and North America, and the big cognac houses of France. Such domestic and overseas expansion was and continues to be reinforced by massive conglomerate takeovers as that of BSN Gervais Danone (the leading French food processing group) which acquired Pommery and Lanson, two of France's illustrious champagne houses. Its champagne product line will now be joined to its traditional output of beer. What we are seeing is the unfolding of the entire process of internationalization and transnationalization of two major beverage groups. Such a conglomerate acquisition reinforces Pommery and Lanson's sales due to BSNs extensive global marketing network.

The alcohol configuration

The global capitalist configuration of push and pull factors drove firms in the beer and distilled spirits sectors to extend their operations overseas into both developed and poor countries. What the WHO investigation brings out is that overseas penetration of distilled spirit firms was spearheaded by the highly oligopolistic whisky sectors in the UK and North America, and the giant cognac houses of France.

These overseas encroachments were made via three corporate mechanisms: export of goods, export of capital and sales of licenses. The combined impact of these three escalated consumption of alcoholic beverages worldwide.

Penetration of the global market is but one mechanism whereby concentrated corporate power influences consumption. Yet another is that sectoral control of an exiguous number of firms which can, at times, engender collusive business practices. True, such corporate conduct is not the sole preserve of TNC oligopolies, but also discernible in markets controlled by a handful of powerful domestic capitalists. Market sharing arrangements and other such niceties enhance each corporation's promotional and distributional leverage to mould the consumer and catapult consumption.

By 1980, there were 27 global corporations producing alcoholic beverages with sales outpacing one billion USD with corporate headquarters anchored in merely eight countries: UK (9), US (5), Canada (4), Japan (2), the FRG (2), France (2), South Africa (2) and the Netherlands (1). All are conglomerates, almost all produce at least two beverage categories, and most derive a growing segment of their revenues abroad. Enhancing their power is that several of them are engaged in joint output and marketing ventures.

The case of Seagram

> "The concentration of wealth", noted *The Financial Times,* "in the hands of a relatively small number of families and individuals makes Canada almost unique in the industrialized world . . . The power of this elite is formidable. Since 1978, a spate of bids, deals and takeovers has underlined the enormous resources they have at their disposal. Now they are turning their attention to the US and beyond."

The Bronfman dynasty is at the apex of this power structure. Its roots go back to 1889. By 1928, operations were further extended by the acquisition of distiller Joseph E Seagram & Sons which, during the prohibition, vastly extended its capital base as a vital supplier to US bootleggers. Seagram now straddles beer and wine. Labatt, one of Canada's top three brewers, is controlled by Brascan Ltd, the Toronto holding company of the Peter and Edward Bronfman group. In addition to its extensive vineyards and wineries, it has now recently bought out (200 million USD) Coca Cola's Wine Spectrum, the third largest producer and marketer of wines in the USA.

Seagram has backward and forward linkages underpinning both its spirits and wine activities. As a feeder base to its distillers, it has become one of the largest operators of grain storage facilities in North America. From their North American vantage point, Seagram was to thrust its operations into every continent.

In Latin America, Seagram is one of the biggest whisky producers in Brazil through its locally produced brand Natu Nobilis, and in Argentina it has acquired a 15 per cent share in the country's leading wine producer.

In Western Europe, expansion is occurring through the buyout of some of the family-owned firms, as well as implantation of subsidiaries in port and sherries, through the annexation of Sandeman; in whisky, through the buyout of the Glenlivet Distilleries; in the FRG where three of its spirits brands rank among the top 100, and in practically all Southern European countries through its established wineries.

It established an Asian beachhead through its Robert Brown joint venture with Japan's Kirin brewery. Elsewhere in Asia it has joined its resources with those of major domestic capitalists which facilitates the conquest of ever larger segments of their rapidly growing markets.

In Australia, the impact of big booze power will now be felt by the takeover of New Zeeland's one and only whisky producer.

Further ramifications

The rationale of Seagram's annexations was voiced by its Chairman Mr Edgar Bronfman as "building on what my father accomplished". Such filial loyalty, however, does not explain the specific and changing forms that these have assumed over the years. Conglomerate annexationism has been planned and executed through secretive and legally complex companies not basically dissimilar from the design of Anton Ruperts Rembrandt/Rothmans group in South Africa.

Like many of the major conglomerates Seagram surged into the 1980s with unprecedented resources of over 4 billion USD, in large part due to its massive cash flows and a 2.3 billion USD windfall from sale of its oil and gas interests to Sun Company. Its launching of several takeover wars was made possible by its formidable investment banking connections including Goldman, Sachs, Lazard Frères and a large number of other financial institutions.

Pinpointing its vital connection to finance capital, the 1980 *Annual Report* noted that:

> "by December, Seagram's financial staff had arranged the acquisition financing – a limited recourse 1.62 billion USD facility – and an unsecured 1.38 billion USD revolving credit agreement. Thirty one banks participated, an unusually small number for such a large credit, and the time in which the financing was accomplished was unusually short."

Summarizing the annexationist blueprint, Seagram's chairman announced that its goals were all-embracing "except for atomic energy and the steel business". In concert with this drive, it bought 21 per cent of DuPont. Jubilantly, Seagram's 1981 Annual Report contended that DuPont and Conoco now ranks as North America's seventh largest industrial corporation, a company with combined revenues of 32 billion USD.

Seagram's corporate trajectory, and this applies no less so to the global corporation as a whole is that internationalization and conglomeration have become a prerequisite for growth and survival. Nowhere was this compulsion to diversify so unequivocally articulated as in the case of R J Reynolds, one of the world's biggest tobacco companies. "First, having captured one-third of the US cigarette market", notes its centenary report in 1975, "the company could see a point of diminishing returns for growth potential". Second, significant cash was being generated which could be invested advantageously elsewhere. Adopting "an unrestricted approach towards diversification, R J Reynolds moved into entirely new areas . . . on the theory that it made sense, when appropriate, to apply cash to any strong well-established business". It would be difficult, in the world of corporate literature, to unearth a more concise rationale of conglomerate annexationism.

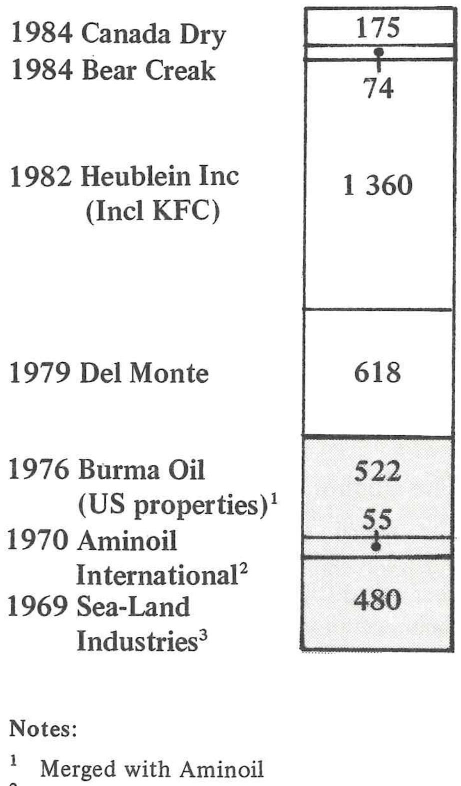
R J Reynolds

R J Reynolds' 1.4 billion dollar takeover of Heublein (1982) propelled it into one of the world's most powerful alcoholic beverage TNCs. Even prior to its buyout, Heublein owned the largest US vodka brand and the second largest wine operation. Since the merger, Heublein has been fused with one of the world's biggest agribusiness concerns, Del Monte, another R J R subsidiary, to form a new beverage and food division. R J Reynolds was attracted to Heublein's major presence in brand name consumer goods, especially outside the USA. This is crystallized in Heublein's management contention that "overseas, where our business in recent years has been growing two to three times the rate of that in the USA, we see opportunity abounding".

With due allowance for sectoral variation, this compulsion to expand abroad is seen in both unprocessed and industrial commodities, particularly those consumer product lines where domestic markets are or have already approached saturation. Thus, internationalization has its own compulsive logic which inescapably embraces both major and minor corporations.

Overseas operations already provide Heublein with 22 per cent of its revenues and 25 per cent of operating profits. Such indicators of internationalization are valid not only for its alcohol operations, but also for its other product lines. The fact that Heublein produces a vast spectrum of wines and spirits means that it is positioned to meet demand for the fastest growing alcohol category in each national market at a specific moment. Underpinned by the multi-billion dollar sales capa-

Major aquisitions by R J Reynolds 1969–84 (in M USD)



Notes:

1 Merged with Aminoil
2 Sale under study
3 Sold in 1984

Source:
Business Week 1984-06-04

bility of its parent, Heublein is positioned to deploy even more massive advertising outlays.

In Brazil, for example, where vodka and certain wines have been growing at double digit rates Heublein has locked into those market segments and has adapted its marketing goals to specific social formations, notably higher income groups. One of its strategies is that "emphasis is also being placed on strengthening our leading position in the premium-priced whisky category, which is relatively immune to economic slowdown", a marketing strategy no less relentlessly pursued by other distilled spirit TNCs in poor countries.

Description and analysis of these complex structures and their relationship to alcohol dependency would have been wholly incomplete had the investigators not matched it by a no less percipient analysis of their annexationist strategies. It is precisely these aspects of the investigation which have contributed immensely to make this pioneering report unacceptable to WHO's decisional masters, corporate spokesmen and their political associates in the UN permanent missions.

Marketing strategies

In pursuit of the overriding goal of separating the consumer from his money, the global corporation has built up a series of inter-related gimmicks and techniques to package, advertise, promote and price its products to maximize the dual targets of profit and market aggrandizement. This represents in the authors' eyes a totalitarian force of understrained dimensions involving multi-billion dollar advertising onslaughts. Nowhere is the impact of this juggernaut on the consumer pocketbook (and implicitly his health) more lucidly framed than in the words of the chairman of the world's largest (Anheuser-Busch) brewery, Mr August A Busch III:

> "In 1977, we installed a programme which we called 'Total Marketing' which combines all of the marketing elements into a single orchestrated thrust. Advertising was joined by sales promotion, merchandising, field sales, sales training and sports programming, enabling us to market not only on a national plane, but also at the grass roots level. This 'in the tranches capability' coupled with our national programmes, will prove vital to our growth in the eighties."

The astronomic sums involved in such global marketing strategies and, no less so, in the legal takeover wars are such that only the biggest can survive. Global advertising on alcohol and tobacco now outstrips 6 billion USD. Global alcoholic beverage advertising hit over 2 billion USD in 1981 with an estimated half of this in the United States. A strong US movement towards deregulating government codes and restrictions on corporate practices in the eighties will indubitably speed up the avalanche of consumer advertising.

Under the constant pressure of deregulation, the National Association of Broadcasters dismantled its advertising code in 1982, which prohibited distilled spirits advertising and restrained the volume of advertising minutes per television hour. In view of the heterogeneity of consumers in all societies by sex, age, ethnic, income, and geographical groups, TNCs in all consumer product lines attempt to expand markets via product differentiation and brand proliferation. To be sure, the alcoholic beverage industry is no exception.

The major segmentation criteria in launching new brands based on sophisticated and prodigiously bankrolled market surveys identifies those markets most vulnerable to corporate penetration. Tracing the new battle lines of the eighties, a vice president of one of America's largest (Gallo) wine producers noted: "Coke has lots of money and can do whatever it wants". Similarly, as the editor of the trade journal *Impact* added: "Coke said there are no rules, and whatever it takes to build a brand we will commit ourselves to". Segmentation is just one technique whereby this corporate strategy will be realized. "Our target group", notes André Roch, director of Pernod's marketing offensive "is young adults in the 25–30 age group . . . we have no competitors in France at the moment. We are carving out a new segment of the market".

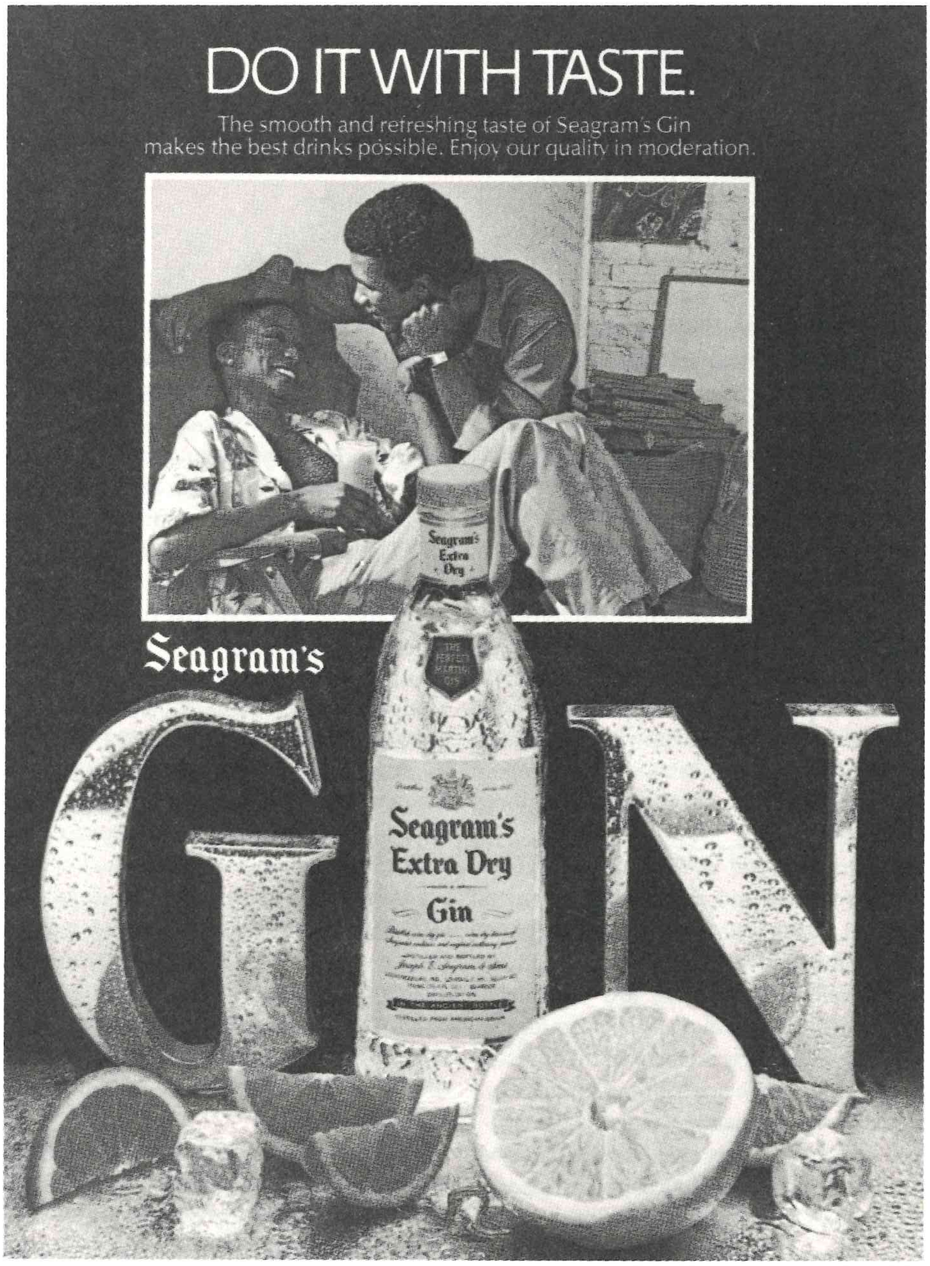
One specific form of segmentation was the corporate targeting of women as a rising consumer group worthy of special attention. This involves two kinds of corporate strategy applicable to all forms of market segmentation: generating new brands and retargeting older ones.

Retargeting is exemplified by Brown-Forman's push to reposition their leading whisky brand, Jack Daniels, towards women. "As the brand has gotten bigger", notes an advertising executive, "we have kept looking for places to find new drinkers . . . Vodka has done all right with women, but women are a big untapped category for whisky". But there is another interconnected element bearing on this segmentation as the authors of the investigation noted. It is not only the alcohol TNCs showing their advertisements into women's magazines, but the magazines themselves, due to escalating costs and their dependence on advertising revenues, which solicit such big-scale thrusts.

While womens' importance as a consuming segment is unparalled in size, the youth market has also come to assume paramount importance for another reason. Due to legal prescriptions against alcohol sales to adolescents in certain developed capitalist economies, alcohol advertising TNCs can hone in on the entry level age group to recruit consumers at a formative age. This is considered crucial for it is immensely easier to recruit a nondrinker to a specific brand than a consumer who is already locked into another brand.

To make further deep forays into this segment, TNCs often strive to reshape certain existing brands to enhance their youth appeal. By recourse to commercials

The TNCs have identified youth as a new growth market for gin, traditionally purchased by an aging consumer group. Advertisement from Ebony, June 1984.



depicting the attractiveness of certain exciting jobs Philip Morris has moved in on this market. Likewise, Grand Metropolitan, discerning through a market survey that their gin products were being purchased by an aging consumer group, attempted to counteract this by launching a novel cartoon advertising campaign for its Gilbey's brand aimed at the youth market.

What is no less important for the WHO investigation is the central role played in the pushing of global booze by the giant advertising corporations that constitute the 120 billion dollar advertising phalanx which has become an indispensable adjunct of global corporate capital in all economic sectors, of which alcohol is but one important component. The authors emphasize that it is precisely the same big 12 advertising agencies that are omnipresent in both developed and poor countries.

Shifting the focus to the five largest Latin American markets, for example, J Walter Thompson is the major advertising agency in Argentina, Chile and Venezuela; number two in Brazil and number four in Mexico. Thus, precisely the same marketing technology perfected in the developed capitalist economies is deployed to promote alcoholic beverages and other product lines in the poor countries.

It is brutally marshalled facts like these in a report of 225 pages that are unpalatable to certain interests. The enquiry has been withdrawn, confined to a ghetto of WHO's information officer. Nonetheless, it is available to the public, notes WHO's Mr Gino Levi. All it requires is a trip to Geneva, where in his version of events "it is readily available for review in my office".

In view of the study's suppression and WHO's sustained silence it remains problematical whether the solitary copy in WHO's information office is identical to that of the original enquiry. Suppression of this enquiry for a multiplicity of self-reinforcing political and corporate reasons is a tragedy not only for a once distinguished organization but for a universal audience. Obviously such a document confined to a ghetto will not remain there. Suppression runs counter to the ideals of free enquiry espoused at the formal level by an earlier WHO.

In a far wider setting this report must be evaluated as a more effective critique against the empty slogans so prolific in international organizations and hammered home by Dr Clairmonte in his article in *The New York State Journal of Medicine.*[2]

> "Changes within the global corporations are political changes, and when we are talking about tobacco and alcohol, we are obviously talking about politics. We are not simply talking about cancer. Cancer is a mere offshoot; the health element is, in a sense, a very minor aspect. We are talking about power – how that power is distributed among nations and for whom these profits are being made. Slogans like "Health for all by the year 2000" are created by bureaucrats, and are a dime a dozen. We have to strip such slogans of their metaphysics if we desire to come to grips with the underlying forces that are molding the world economy, and which can bring to bear enormous political pressures on even the World Health Organization."

Notes:

[1] *International Herald Tribune,* 1982-11-13/14.

[2] *The Transnational Tobacco and A hol Conglomerates: "A World Oligopoly,* December 1983.

Table 1

Beer output by major region 1960 and 1980

(Million hl)

Region	1960[1] M hl	1960[1] per cent	1980[2] M hl	1980[2] per cent	total growth 1960–1980 per cent	population per annum growth 1960–1980 per cent	per annum growth 1960–1980 per cent
Europe	217.0	53.3	444.5	48.8	104.8	0.88	3.6
North America	122.4	30.0	222.1	24.4	81.5	1.18	3.0
Latin America	34.9	8.6	103.2	11.3	195.7	2.61	5.6
Asia	12.7	3.1	78.5	8.6	518.1	2.16	9.5
Africa	7.4	1.8	38.8	4.3	424.3	2.73	8.6
Australasia/Oceania	13.0	3.2	23.4	2.6	80.0	1.82	3.0
Total	**407.4**	**100.0**	**910.5**	**100.0**	**123.7**	**1.94**	**4.1**

Notes:

[1] The figures are understated, as they cover only 73 per cent of the world's population. Since almost all countries omitted were developing countries with low beer output, the understating is minimal.

[2] Refers only to barley based beer produced commercially.

Sources:
Computed from data in: Finnish Foundation for Alcohol studies and World Health Organisation Regional Office for Europe, *International Statistics on Alcoholic Beverages* (Finland, 1977); and Joh Barth & Son of Nuremberg, 1981.

Table 2

Top ten beer producing countries 1960 and 1980

(Million hl)

Country	1960 M hl	1960 per cent	1980 M hl	1980 per cent	total growth 1960–1980 per cent	population per annum growth 1960–1980 per cent	per annum growth 1960–1980 per cent
United States	110.9	27.2	201.4	22.1	81.6	1.16	3.0
FRG	47.3	11.6	92.3	10.1	95.1	0.51	3.4
USSR	25.0	6.1	70.0	7.7	180.0	1.08	5.3
UK	43.4	10.7	66.6	7.3	53.4	0.21	2.2
Japan	9.3	2.3	45.1	5.0	384.9	1.09	8.2
Brazil	5.9[1]	1.4	29.5	3.2	400.0	2.68	8.4
Mexico	8.5	2.1	26.0	2.9	205.9	3.16	5.7
Dem Rep of Germany	13.4	3.3	24.0	2.6	79.1	–0.09	3.0
Czechoslovakia	14.1	3.5	23.4	2.6	65.9	0.55	2.6
France	17.3	4.2	22.0	2.4	27.2	0.80	1.2
Others	112.3	27.6	310.2	34.1	177.1	2.15	5.2
Total	**407.4**	**100.0**	**910.5**	**100.0**	**123.7**	**1.94**	**4.1**

Note:

[1] 1959.

Sources:
Same as above.

Table 3

Wine output by major region 1960 and 1980

(Million hl)

Region	1960[1] M hl	1960[1] per cent	1980[2] M hl	1980[2] per cent	total growth 1960–1980 per cent	population per annum growth 1960–1980 per cent	per annum growth 1960–1980 per cent
Europe	186.2	76.8	271.3	80.0	45.7	0.88	1.9
Latin America	24.2	10.0	32.5	9.6	34.3	2.61	2.0
North America	7.3	3.0	17.8	5.2	143.8	1.18	4.5
Africa	22.7	9.3	10.7	3.1	−52.9	2.73	−3.2
Australasia/Oceania	1.4	0.6	4.6	1.4	228.6	1.82	6.1
Asia	0.7	0.3	2.3	0.7	228.5	2.16	6.1
Total	**242.5**	**100.0**	**339.2**	**100.0**	**39.9**	**1.94**	**1.7**

Notes:

1 The figures are understated, as they cover only 40 per cent of the world's population. Since almost all countries omitted were developing countries with low wine output, the understating is minimal.

2 Figures converted assuming 1 kilogram = 1 litre in alcoholic beverages.

Sources:
Finnish Foundation for Alcohol Studies and World Health Organisation Regional Office for Europe, *International Statistics on Alcoholic Beverages* (Finland, 1977); and Food and Agriculture Organization, *Production Yearbook*, 1980, Rome 1981.

Table 4

Top ten wine producing countries 1960 and 1980

(Million hl)

Country	1960 M hl	1960 per cent	1980[1] M hl	1980[1] per cent	total growth 1960–1980 per cent	population per annum growth 1960–1980 per cent	per annum growth 1960–1980 per cent
Italy	55.3	22.8	79.0	23.3	42.9	0.65	1.8
France	63.1	26.0	71.6	21.1	13.5	0.80	0.6
Spain	21.3	8.8	42.4	12.5	99.1	1.04	3.5
USSR	7.8	3.2	29.4	8.7	276.9	1.08	6.9
Argentina	16.8	6.9	23.0	6.8	36.9	1.47	1.6
United States	7.0	2.9	17.3	5.1	147.1	1.16	4.6
Portugal	11.5	4.7	9.4	2.8	−18.3	0.47	−1.0
Romania	5.5	2.3	8.9	2.6	61.8	0.94	2.4
Yugoslavia	3.3	1.4	6.8	2.0	106.1	1.00	3.7
South Africa	2.9	1.2	6.3	1.9	117.2	2.57	4.0
Others	48.0	19.8	45.1	13.2	−6.0	2.12	−0.3
Total	**242.5**	**100.0**	**339.2**	**100.0**	**39.9**	**1.94**	**1.7**

Note:

1 France's Office International de la Vigne et du Vin (OIV) estimated global wine output for 1980 at 351 M hl. The one country where the OIV has a substantially different calculation for 1980 is the US (30.0 M hl).

Sources:
Same as above.

Table 5

Distilled spirits output[1] by major region 1970 and 1977
(Million litres)

Region	1970 Ml	1970 per cent	1977 Ml	1977 per cent	total growth 1970–1977 per cent
Europe	1,944	50.0	2,105	50.1	8.2
North America	864	22.2	953	22.7	10.3
Asia	639	16.4	619	14.8	–3.1
Latin America	357	9.2	400	9.5	12.0
Africa	70	1.8	99	2.4	41.6
Australasia/Oceania	17	0.4	22	0.5	28.7
Total	**3,891**	**100.0**	**4,198**	**100.0**	**7.8**

Notes:

[1] Absolute alcohol. [2] 1976.

Source:
Computed from data of Addiction Research Foundation, 1982.

Table 6

Top ten distilled spirits producing countries 1977

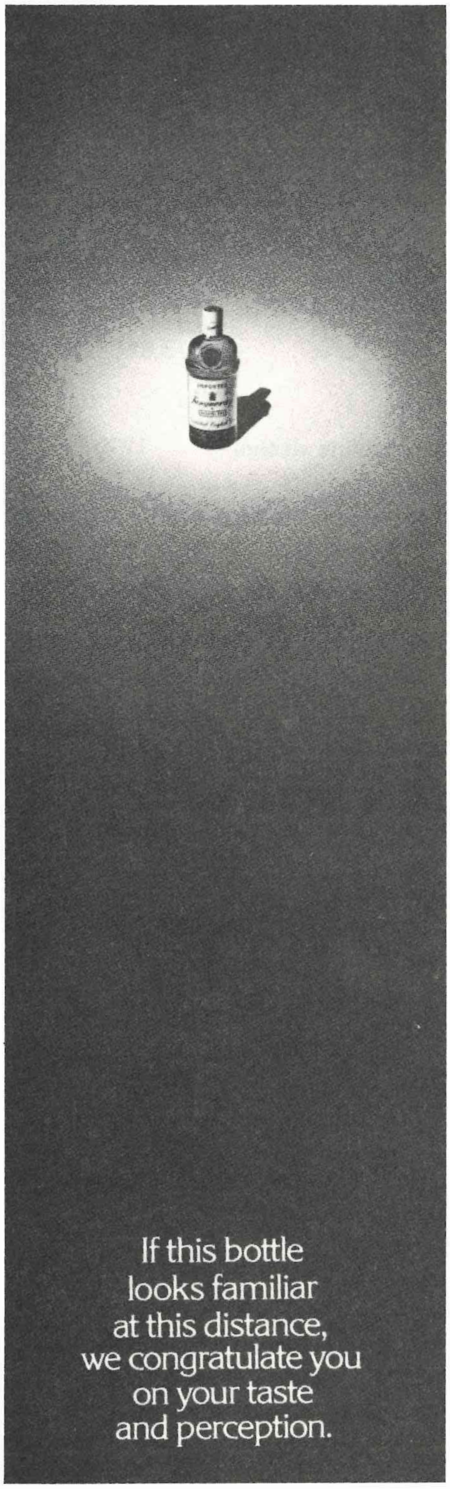
Country	1977 Ml[1]	1977 per cent
US	599	14.2
USSR	571	13.6
UK	431	10.2
Brazil	248	5.9
Canada	244	5.8
Japan	207[2]	4.9
Korea, Rep	205	4.9
France	201	4.8
Poland	196	4.6
FRG	176	4.2
Others	1,130	26.9
Total	**4,198**	**100.0**

Table 7

Alcoholic beverages: per capita consumption 1980
(Figures in parentheses indicate ranking)

Country	Total (litres pure alcohol)	Average, annual percentage change 1960–1980	Beer (litres)	Wine (litres)	Spirits (litres pure alcohol)
Luxembourg	(1) 18.4	4.1	(8) 121.0	(6) 48.2	(1) 9.0
France	(2) 14.8	–0.8	49.3	(1) 95.4	2.5
Spain	(3) 14.1	2.6	53.4	(5) 64.7	(10) 3.0
Italy	(4) 13.0	0.3	16.7	(2) 93.0	1.9
FRG	(5) 12.7	3.1	(1) 145.7	25.6	(8) 3.1
Hungary	(6) 11.5	3.1	86.3	35.0	(3) 4.5
Argentina	(7) 11.4	0.8	7.7	(3) 75.0	2.0
Austria	(8) 11.0	1.2	101.9	(10) 35.8	1.6
Portugal	(9) 11.0	0.04	33.8	(4) 70.0	0.9
Belgium	(10) 10.8[1]	2.7	(5) 131.3	20.6	2.4
Switzerland	(11) 10.5	0.3	69.0	(7) 47.4	2.1
Australia[1] (1979–80).	(12) 9.8	2.1	(4) 134.3	17.4	1.0
GDR	(13) 9.7	3.8	(3) 135.0	9.5	(4) 4.5
New Zealand	(14) 9.7	2.0	(9) 118.0	11.0	2.5
Czechoslovakia	(15) 9.6	2.8	(2) 137.8	15.5	(5) 3.5
Denmark	(16) 9.2	4.9	(7) 121.5	14.0	1.5
Canada[1]	(17) 9.1	3.2	87.6	8.5	(6) 3.4
Netherlands	(18) 8.8	6.3	86.4	12.9	2.7
Poland	(19) 8.7	4.2	30.4	10.1	(2) 6.0
US	(20) 8.7	3.0	92.0	7.9	(9) 3.1

Source:
Computed from figures of Produktschap voor Gedistilleerde Dranken, 1981; and data supplied by WHO.



Alcohol consumtion is often boosted by appealing to the "good taste" of the consumer.

Table 8

Beer: global market shares,[1] by firm, 1979–1980

Rank	Corporation	Country	Market share (per cent)
1.	Anheuser-Busch	United States	6.48
2.	Philip Morris (Miller)	United States	4.83
3.	Kirin Brewery	Japan	3.08
4.	Heineken	Netherlands	2.84[2]
5.	Brahma	Brazil	2.01
6.	Pabst Brewing	United States	1.91
7.	Jos Schiltz Brewing	United States	1.88
8.	Adolf Coors	United States	1.74
9.	G Heilemann	United States	1.69
10.	Bass	United Kingdom	1.53
11.	B S N Gervais Danone	France	1.35
12.	United Breweries	Denmark	1.34
13.	Cerveceria Modelo	Mexico	1.09
14.	Allied-Lyons	United Kingdom	1.01
15.	Sapporo	Japan	0.98
16.	Whitbread	United Kingdom	0.96
17.	South African Breweries	South Africa	0.93
18.	Cerveceria Caouhtemoc	Mexico	0.90
19.	Grand Metropolitan (Watney Mann)	United Kingdom	0.88
20.	Cerveceria Moctezuma	Mexico	0.84
21.	Molson	Canada	0.82
22.	Scottish & Newcastle	United Kingdom	0.79
23.	Stroh Brewing	United States	0.79
24.	San Miguel	Philippines	0.78
25.	Olympia	United States	0.78
26.	Brascan (Labatt)	Canada	0.78
27.	DUB Schultheiss	FRG	0.77
28.	Tchibo (Reemtsma)	FRG	0.77
29.	Oetker	FRG	0.71
30.	Imperial Group (Courage)	United Kingdom	0.62
Others			54.04
World total			**100.00**

Notes:

[1] Market shares computed on basis of brewer's own output as per cent of world commercial beer output; excludes firms' overseas output.

[2] Includes output of overseas subsidiaries, joint ventures and licensees. If only Dutch output computed, Heineken would rank 26.

Source:
Computed from data supplied by UK Brewers Society and trade sources.

Table 9

Alcoholic beverages: Leading corporations

	Corporate headquarters	Total sales G USD	Net profits M USD	Employees	Alcoholic beverages as per cent of total sales	Per cent of total sales abroad
Philip Morris	US	9.8	577	72 000	25.9	15.3
Imperial Group	UK	9.6	196	127 300	–	–
Rembrandt Group	South Africa	8.5	–	–	–	–
Grand Metropolitan	UK	6.2	286	126 737	–	–
Coca Cola	US	6.0	422	41 000	–	44.7
Lonrho	UK	5.0	108	140 000	5.6	34.8
Allied Breweries[1]	UK	5.0	170	84 805	69.7	27.1
Kirin	Japan	4.1	90	15 761	92.3	–
BSN Gervais Danone	France	4.0	73	47 969	23.8	32.6
Bayerische[2]	FRG	3.5	44	–	–	–
Anheuser Busch	US	3.3	172	18 040	92.0	–
South African Breweries	South Africa	3.0	156	–	–	–
Reemtsma[3]	FRG	2.8	–42	11 703	31.6	–
Suntory	Japan	2.8	–	–	–	–
Seagram	Canada	2.6	145	15 500	100.0	92.9
National Distillers	US	2.1	111	14 000	35.4	–
Bass	UK	2.0	173	65 737	93.8	6.4
Heublein[5]	US	2.0	84	27 100	66.1	22.0
Hiram Walker	Canada	2.0	205	11.700	–	–
Whitbread	UK	2.0	127	40 916	–	–
Distillers Co Ltd	UK	2.0	312	21 300	–	–
Heineken	Netherlands	1.5	39	20 532	86.4	–
Guinness	UK	1.4	54	22 452	63.7	51.0
Pernod Ricard	France	1.4	58	7 200	–	–
Labatt[4]	Canada	1.3	31	13 000	44.9	–
Molson	Canada	1.2	34	12 481	46.4	56.0
Scottish & Newcastle	UK	1.1	66	27 830	–	–

Note:

1 Name changed to Allied-Lyons in 1982.
2 Bayerische Hypotheken und Wechsel Bank and Dresdner Bank have part ownership in several FRG breweries.
3 Taken over by coffee-based firm Tchibo in 1981.
4 Figures for Seagram and Labatt are vastly understated, as both are part of large Bronfman holding companies.
5 Taken over by tobacco-based R J Reynolds in 1982.

Source:
Sales and profit figures from *Business Week* and annual reports; employee figures from *Fortune* and annual reports; other figures from *Forbes* and annual reports.