

# Zhujiang Beer.



BEER SECTOR  
**Zhujiang Beer**  
Inbev group  
Guangzhou, China  
>> casepacker  
SMI WP 450



## ■ INBEV GROUP

Inbev is a world leader in beer production, with a turnover of 13.3 billion euro in 2006. It enjoys a key presence both in the most industrialized and in the emerging markets, selling its products in over 180 countries, directly by its own operating units or indirectly through licensing agreements. Stella Artois and Beck's are just some of the brands which unite consumers around the globe; Inbev's portfolio includes famous brands like Leffe, Brahma, Staropramen and Hoegaarden, as well as 200 local brands produced worldwide.





## ■ SOME HISTORICAL DETAILS...

The history of Chinese beer is 900 years old, with recent archaeological discoveries that show Chinese villages producing beer as an alcoholic drink on a small individual scale, with a production process similar to that of ancient Egypt and Mesopotamia. Chinese beer, initially popular only in China, has enjoyed international development over recent decades.

Guangzhou Zhujiang Beer Group Company Ltd. was founded in 1985 under the guidance of Inbev and is currently one of the top 3 beer brands in China and second in terms of sales.



# Zhujiang Beer

## The “Southern” beer

■ The origin of the name “Zhujiang Beer”, pronounced “Joo Jung Beer” which means “Pearl River Beer”, is particularly interesting. The Pearl River is the third largest river in China after the Yangtze and the Yellow River.

The Zhujiang company is located in Southern China, in the city of Guangzhou, which lies on the delta of the Pearl River in the province of Guangdong, region known for its culinary preparations and gastronomic style. The production unit in Guangzhou is recognised as the largest beer production site in the world; the number of bottles

consumed in one hour is astronomical: 48,000!

The company production covers 50% of the region needs and 80% of Guangzhou needs.

A number of smaller industries, which led the group to reach the best positions over a very short period of time, are all part of the Zhujiang Beer group. Named “Beer of the South”, it is known extensively and is available throughout the country and in the nearby Asiatic regions, earning export shares in international markets like Great Britain, Sweden, USA, France and Australia and recently also in Canada.

# High-speed China

## A challenge to be won through SMI partnership



■ In a competitive market like China, the Zhujiang Brewery has known how to tackle the change in the demand and consolidate the quality of its product, also beyond China. Not much time has passed since 1985, when a long history started: in a handful of years Zhujiang Brewery

conquered a leadership position in the beer sector, continuing to accept the market challenges, so as to consolidate its success. Success achieved by virtue of a first class technology centre, which leads the company to use hi-tech machinery produced by leading international

manufacturers. The partnership with SMI starts here. The Zhujiang Brewery in fact is a long standing SMI's customer, as its first order for a wrap around casepacker dates to 1999. The growing sales success marked the beginning of the expansion process we know today and led the company to invest in new production lines, where over 20 SMI machines are currently used.

2008 is the year of the great challenge, which Zhujiang wants to win with SMI help. Like an athlete training to win the "gold medal" at the 2008 Beijing Olympic games, Zhujiang is preparing itself for the greatest challenge ever: producing 72,000 bottles per hour in one single production line packing products in various





types of packaging (packs in film, multipack with overwrapping cardboard sleeve or wrap around boxes). This has given way to the installation of two new beer bottling lines: one at Guangzhou brewery and the other at Zhanjiang

brewery.

How is the largest beer production plant in the world preparing for this challenge? We asked Mr. Luo Zhijun, deputy general manager of Zhujiang Brewery.



## ■ IT IS THE CUSTOMER'S TURN TO SPEAK - Interview with Mr. Luo Zhijun



Jack Lee, SMI China area manager, met the deputy Manager of Zhujiang Beer, Mr. Luo Zhijun (in the photo on the left)

*What factors have made you invest in two new lines for the production plants of Guangzhou and Zhanjiang?*

“These two new production lines are essential for bottling our beer (draft beer). We have designed the fastest line of cans in China at the production plant of Guangzhou, with a production of 72,000 cans per hour.

The size of the population and the growing pro-capita consumption has caused a substantial rise in the beer industry: factors which have led our company to add these new high speed production lines to satisfy the growing demand of the market. We expect the new lines to be able to satisfy the demand for canned beer for the next 2 or 3 years.

We have also invested in a bottling line of 50,000 bottles per hour in the production plant of Zhanjiang, in western Guangdong.

The production of Zhujiang Beer Zhanjiang will have to cover the market of western Guangdong, Hainan, Guangxi and Guizhou.

The current production capacity of the Zhanjiang plant cannot satisfy the demand in these regions and we hope that the start of the new high speed production line will improve our supply.

To summarise, the high demand of the market has been the main reason for our investments in these two new lines, which will come on line before Summer 2008 and improve our supply.”

*What challenges does Zhujiang Brewery want to conquer in 2008?*

“In 2008 the total output of Zhujiang Beer will exceed 15 million hl, thus starting its climb towards the peak of the “top 10” of the Chinese beer industry.





*Mr. Luo Zhijun, deputy general manager of Zhujiang Beer*

Currently there are 10 bottling plants operating within Zhujiang Beer, almost all in the Guangdong province.

In 2008-2009 Zhujiang Beer wants to expand outwards: the short term objective is to design two new bottling plants, one in the province of Hunan and the other in the Guangxi province, with a production capacity of 40,000 bph.”

*SMI is a long time supplier of Zhujiang, with 20 machines installed and 8 to be delivered shortly.*

*What does Zhujiang Brewery expect from this new supply of SMI?*

“Yes, many SMI machines are at work in Zhujiang Beer.

The first WP was installed

in 1999. After this long term co-operation we believe SMI is an excellent business partner.

Zhujiang Beer has great belief in SMI machinery.

As a result, we purchased the SMI high speed shrinkwrapper and the MP multipack packaging machine for our new can lines, though we had no experience with this kind of machinery.

Zhujiang Beer expects the SMI supply to help maintain the high level of efficiency of the new lines and to offer the market greater choice of secondary packaging means: packs in film only or with flat cardboard pad support, multipack in overlapped cardboard sleeve and cardboard boxes.”

*How has SMI contributed to the success of Zhujiang Beer?*

“Zhujiang Beer is a famous brand in China and Zhujiang Beer Corporate is one of the first Chinese companies working in the beer market and the largest producer in Southern China.

SMI machines have helped us reach and consolidate our current position in the market and increase the image of our product, thanks to the variety of packages we can create.”