ASSOCIAÇÃO DE POLITÉCNICOS DO NORTE **(APNOR)**

INSTITUTO POLITÉCNICO DE BRAGANÇA

International beer market: drivers and challenges of development

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Supervisors:

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Bragança, may, 2018.

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Abstract

The uncertain conditions in the beer market related with the tendency on downsizing of consumption of alcoholic beverages in favour to non alcoholic ones have invoked the need to determine competitive advantages of the brewery companies in the international market. At the same time, it is interesting to analyse competitiveness of Belarussian and Portuguese breweries in the international beer market taking into account different location, finance, government regulation, etc.

The main purpose of this research is to study the situation in the International beer market in order to estimate the prospects of Belarussian and Portuguese beer companies' development. Therefore, the objectives of the research are (i) to analyse international beer market, dynamics of sale volumes and prices, regulatory framework; (ii) to analyse Belarussian and Portuguese beer market and to determine its prospects; and (iii) to analyse competitiveness of Belarussian and Portuguese breweries in the international beer market.

To achieve these objectives, it was applied techniques and methods to analyse the competitiveness of the market such as Porter's analysis, SWOT and PEST analysis and others, using qualitative and quantitative analysis, secondary and primarily data (using sources from OECD databases, national institute of statistics and government statistics and others).

According to the results of the analysis of all collected data, Portuguese beer market is bigger than Belarusian one in production, consumption and export volumes. Portuguese company UNICER is well-known company with higher level of competitiveness in comparison with Belarusian company «Krinitsa», however «Krinitsa» has opportunities to launch new products, enter new markets and increase their sales on existing ones.

Keywords: International market, Beer, Competitiveness, Dynamics, Industry analysis

Resumo

As condições incertas no desenvolvimento do mercado internacional de cerveja, relacionadas com a diminuição do consumo de bebidas alcoólicas a favor das não alcoólicas invocaram a necessidade de determinar as vantagens competitivas das empresas cervejeiras no mercado internacional. Ao mesmo tempo, é interessante analisar a competitividade das cervejarias bielorrussas e portuguesas no mercado internacional de cerveja, tendo em conta diferentes localizações, finanças, regulamentação governamental, etc.

O principal objetivo desta pesquisa é estudar a situação no mercado internacional de cervejas, a fim de estimar as perspetivas do desenvolvimento das cervejarias bielorrussa e portuguesa. Portanto, os objetivos da pesquisa são (i) analisar o mercado internacional de cerveja, dinâmica de volumes e preços de venda e enquadramento regulatório; (ii) analisar o mercado da cerveja bielorrussa e portuguesa e determinar as suas perspetivas; e (iii) analisar a competitividade das cervejarias bielorrussas e portuguesas no mercado internacional da cerveja.

Para atingir os objetivos foram aplicadas técnicas e métodos para analisar a competitividade do mercado, tais como análise de Porter, análise SWOT, PEST entre outras, recorrendo à análise qualitativa e quantitativa de dados primários e secundários (utilizando bases de dados da OCDE, do Instituto Nacional de Estatística e estatísticas governamentais, entre outros).

De acordo com os resultados da análise de todos os dados recolhidos, o mercado da cerveja portuguesa é maior do que o da Bielorrússia (volumes de produção, consumo e exportação). A empresa portuguesa UNICER é uma empresa bem conhecida e com maior nível de competitividade em comparação com a empresa bielorrussa «Krinitsa». No entanto, esta tem oportunidades para se desenvolver, lançar novos produtos, entrar em novos mercados e aumentar as vendas nos já existentes.

Palavras-chave: Mercado internacional, Cerveja, Competitividade, Dinâmica, Análise do setor

Реферат

Неопределенные условия развития международного рынка пива, связанные со снижением потребления пива в пользу слабоалкогольных напитков, привели к необходимости определения конкурентных преимуществ пивоваренных компаний на международном рынке. В то же время интересно проанализировать конкурентоспособность белорусских и португальских пивоваренных заводов на международном рынке пива с учетом различного местоположения, финансового положения, государственного регулирования и т. д.

Основная цель этого исследования - изучить ситуацию на международном рынке пива, чтобы оценить перспективы развития белорусских и португальских производителей пива. Поэтому цели исследования следующие (i) проанализировать международный рынок пива, динамику объемов продаж и цен, нормативную базу; (ii) проанализировать рынок пива Республики Беларусь и Португалии и определить его перспективы; (iii) проанализировать конкурентоспособность белорусских и португальских пивоваренных заводов на международном рынке пива.

Методология исследования предполагает использование методов и способов для анализа конкурентоспособности рынка, такие как анализ Портера, анализ SWOT и PEST и другие, с использованием качественного и количественного анализа, а также первичные и вторичные данные (с использованием источников из ОЭСР базы данных, национального института статистики и государственной статистики и другие).

В соответствии с результатами, полученными в ходе исследования, можно сказать, что португальский рынок пива больше, чем белорусский по объему производства, потребления и поставок на экспорт. Португальская компания UNICER, хорошо знакомая для потребителей, обладает более высоким уровнем конкурентоспособности по сравнению с ОАО «Криница», однако у нее есть возможность развиваться, выпускай новые продукты, выходить на новые рынки и увеличивать продажи на уже существующих.

Ключевые слова: Международный рынок, Пиво, Конкурентоспособность, Динамика, Анализ

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Acronyms

ABV – Alcohol by volume

BYN - Belarussian ruble

CAGR - Compounded Average Growth Rate

CIS – Commonwealth of Independent States

CP – Competitive position

CPM – Competitor Profile Matrix

CRM – Customer Relationship Management

daL - decalitre

EU – European Union

FP – Financial Position

GATT - General Agreement on Tariffs and Trade

hl – hectolitre

IP – Industry Position

JSC – Joint Stock Company

MFN - Most Favored Nation

OJSC – Open Joint Stock Company

PEST – Political, Economical, Social, Technological

PET - polyethylene terephthalate

SCC - Sociedade Central de Cervejas e Bebidas

SP – Stability Position

SPACE Matrix - Strategic Position and Action Evaluation Matrix

SWOT – Strengths, Weaknesses, Opportunities, Threats

VAT - value-added tax

WTO – World Trade Organisation

UK – United Kingdom

USA – United States of America

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Introduction

Beer is one of the most popular beverages all over the world. The mass market of this product is presented by several big multinational companies, which create oligopoly on this market. That is why it is very difficult to compete with them for ordinary producers even if they have necessary capacity, financial and human resources, good quality of products. At the same time, several changes on the market (decreasing of consumption, decrease of population's purchase power, changes in consumers' preferences, healthy lifestyle, etc.) lead to new barriers for improving performance of the company.

Portuguese and Belarusian companies are in a similar situation, although 44% of UNICER's capital is owned by Carlsberg Group (a global brewer). OJSC «Krinitsa» and UNICER are not the giants of world beer industry, but they produce quality goods and sell them on domestic and foreign markets. For this reason, the main purpose of the research was chosen as to study the situation in the international beer market in order to estimate the prospects of Belarussian and Portuguese beer companies' development.

To achieve the main purpose of the study is important to define and analyse the following aspects: international beer market, dynamics of sale volumes and prices, regulatory framework; Belarussian and Portuguese beer market; competitiveness of Belarussian and Portuguese breweries in the international beer market.

The first section of the research is the literature review related to the theory of international trade and the system of international trade regulation. These theoretical aspects will help to understand the origin and the reasons of international trade and show different ways of trade regulation on the world market and how it influences on the development of the companies. The last subsection will present information about definitions of companies and industry's competitiveness and how it can be estimated.

The second section will include objectives and hypotheses of the study and methods, which will be applied in the research for defining company's competitiveness. The main methods, which are used in the research, are modern strategic techniques used by companies for defining their position on the market: SWOT analysis, Porter's framework, The Space Matrix, PEST analysis, etc.

The hypotheses will be stated and verified during the research to check that international beer market is characterized by a decrease in sale volumes and that the competitiveness of Portuguese company is higher than Belarussian one.

The third section will consist of analysis of Belarusian and Portuguese beer markets (volumes of production and consumption, export and import, channels of trade and regulation base); analysis of OJSC «Krinitsa» and UNICER's performance (organisational structure, volumes of sales, export, distribution channels, geographical structure of supplies, value chain and economic indicators). It also will include the comparison of financial rates to estimate financial condition of the companies. At the end of the section, the prospects of development will be represented according to different ways of forecast of sales for 2018 year.

1. International Trade as the main form of international economic relations

1.1 Theory of International Trade

The most common definition of international trade is that it is goods and services exchange amongst the countries of the world economy (“Introduction to international trade”, 2017). Other definition is very similar to the first one. International trade is the exchange of capital, goods, and services across international borders or territories (Vasudeva, 2011).

Other statement says that international trade is the trade between residents of different countries (Kozak & Gribincea, 2016). The residents can be physical agents, commercial and non-commercial organizations. International trade means the unbound goods and services exchange among trade agreement members. For this reason, both parties must be sure that they will get benefit, in other case the agreement will not be concluded. International trade in goods was the first. Only at the end of the 20^{th} century, different forms of financial transactions began to play the main role (Kozak & Gribincea, 2014).

An important feature of international trade is geographic and commodity structure. Geographical structure of international trade is the distribution of the trade flows between countries and their groups, which are created on the territorial or organizational basis (Kozak & Gribincea, 2014).

Territorial geographical structure includes data of international trade of countries, which are situated in the same part of the world. At the same time, it can be a big group of countries (developed countries, developing countries, countries with economies in transition). Organizational geographical structure includes data of international trade between countries, which belong to political associations or are grouped according to some principles (oil-exporting countries, countries that have debts, etc.) (Kozak & Gribincea, 2014).

Commodity structure of international trade includes data of commodities, which are sold to other countries. This structure was formed under the influence of the competitive advantages of economies' of each country. A country has the competitive advantages only if internal prices on export are lower than the world prices. It is caused by different production costs, which depend on two groups of factors. The first group of factors is formed by natural competitive advantages. There are some examples: climate, availability of mineral fossils, soil fertility etc. The second group of factors is included the gained competitive advantages, which have been achieved in the process of the development of economy. These advantages are characterized by scientific, technical and economic level of the development of the country, industrial and social infrastructure, scales of research projects (Kozak & Gribincea, 2014).

What are the reasons of international trade existing? First of all, each nation should produce goods for which its domestic costs are lower than other nations have. At the same time, country should exchange those goods for products that have higher domestic costs compared to other nations ("Introduction to international trade", 2017). In addition to comparative advantage, other reasons for trade are ("Introduction to international trade", 2017):

- Differences in resources' quantity: countries have different amounts of land, labor, and capital. For example, Saudi Arabia may have a lot of oil, but perhaps not enough water. Japan may be able to produce technological goods of high quality, but it may lack a lot of natural resources.
- Benefits of specialization: this factor can be explained by economies of scale from specialization, when long run average cost declines as output increases.
- Political benefits: countries can have close relations with some others, which dive them more trade opportunities.
- Efficiency gains: domestic firms should be obligated to become more efficient in order to be competitive in the global market.
- Benefits of increased competition: a higher degree of competition leads to lower prices for consumers, greater responsiveness to consumer wants and needs, and a wider variety of products.

The theories and models of international trade have different approaches and reasons for analyzing and explaining international trade existence, but there is a common idea that international trade gives benefits to each country from a normative point of view. Actually international trade is not just a competitive game, but it has positive effects on social welfare and consumers' surplus. It is beneficial for the group of countries trading in spite of such disadvantages as job outsourcing to foreign countries or demand for goods and services replacing from one country to another (Goldin & Reinert, 2007).

At the same time, all economic theories of international trade say that it increases efficiency. Increased international trade give the benefits to the country: to alleviate poverty in result of job creation, increased competition, improvements in education and in health, and technological learning. However, the influence of trade openness depends on many things, such as the relationship between trade reforms and other reforms and corresponding actions at the national and international levels (Kling, 2008).

If trade is based on comparative advantage, small countries should get more benefits than large countries. It can be explained by the thing that the benefits are proportional to the difference between the prices in world markets and the prices that will be in home markets without trade. So, if the difference is large, a country earns a large advantage from trade and vice versa (Kling, 2008).

Another important benefit that international trade gives to the country is dynamism and innovation within an economy. It leads to improvements and developments in manufacturing quality and productivity. We can suppose that the closed economy has inefficient industries. The most closed countries tend to be the poorest in the world. In addition, countries that have reduced trade barriers tend to be among the fastest-growing nations (Kling, 2008).

International trade has some specific features that differ it from domestic trade. There can be listed government regulation of international trade; independent national economic policy; social and cultural differences between countries; financial and commercial risks ("Main Specific Features of International Trade", 2017).

The first feature that should be discussed is socio-cultural differences between countries. All countries differ from each other in culture and customs, language, priorities. Despite these differences do not influence on the international trade significantly, but they perplex the relations between the governments of different countries and add many new objects to the job of the international companies. If company wants to work with another companies without distrust, it is important to have knowledges of the customs and laws of it ("Main Specific Features of International Trade", 2017).

The second feature of international trade is financial and commercial risks. There are two main financial risks, such as currency and credit risks. The countries have different currency systems. It determines the exchange of one currency for another (Dubey, Mishra & Iyer, 2015). In the case of the instability of exchange appears a currency risk. It is a risk of the foreign exchange losses in results of exchange rate change of the currency of price comparative to the currency of payment during the period of the signing of foreign trade contract and making the payments under this agreement (Dubey, Mishra & Iyer, 2015). The main importer's problem is the necessity of buying foreign currency in order to pay for goods. Currency risk appears for the importer when the exchange rate of the currency of price is increased relative to the currency of payment. Exporter also may have the problem of foreign currency exchange. He losses when the exchange rate of the currency of price falls relative to the currency of payment. At the same time, another important question is time for transportation of goods to foreign country (Dubey, Mishra & Iyer, 2015). That is why the exporter has credit risk and suffers from inconveniences associated with the distance and time between transportation and payment.

Commercial risks associated with the possibility not to get profit or have losses in the process of trade. It can be in the following situations: refusal of payment by the customer; changes in product prices; reduced demand for goods; bankruptcy of the buyer; different restrictions of transferring funds to the country of the exporter ("Main Specific Features of International Trade", 2017).

The next feature of international trade is government regulation that will be discussed in the next chapter.

1.2 The system of International Trade regulation

Each country performs using their own legal system. The government has under his strict control the international trade, monetary and financial relations. So the government of each independent country makes its own system of regulations: export and import licensing, import and export quotas, duties, embargoes, export subsidies with its trade and fiscal policy. The policy can be directed to the regulation of the foreign currency inflow and outflow and regulation of standards regarding to quality, safety, health safety, hygiene, patents, trademarks, packaging of products and the amount of information that is provided on the packaging (Aggarwal & Huelin, 2011).

Government regulation of international trade has influence on trade relations with other countries. The main purposes of foreign trade regulation are (Aggarwal & Huelin, 2011):

- the volume change of exports and imports;
- the structure changes of foreign trade;
- providing the country with the necessary resources.

There are two different types of foreign trade policy: liberalization (free trade policy) and protectionism. They characterize the measure of government intervention into international trade. Liberarization is the minimum of goverment intervention in foreign trade, which is based on the basis of market forces of supply and demand. Protectionism is the policy, which means the protection of the domestic market from foreign goods with the help of tariff and non-tariff instruments (Fouda, 2012)**.**

The basic of foreign trade regulation is a market in the conditions of free trade policy, because the protectionism practically puts out the mechanism of demand and supply. So economic potential and competitiveness of separate countries is different at the global market. Though, market forces can be unprofitable for the less developed countries. Boundless competition from the more developed countries can lead to some negative aspects in less-developed countries. The protectionism encourages to the development of some industries in the country. However, the extraction of the flow of foreign goods reduces the interest of domestic companies, what can lead to decreasing of scientific and technological progress, the efficiency of production (Fouda, 2012)**.**

There are four forms of protectionism (“International trade policy”, 2017):

- selective protectionism (it is turned against some countries or some goods);
- industrial protectionism (it exists to protect some industries);
- collective protectionism (this type is used by the countries of one economic integration organization to direct against the countries, which do not belong to a union);
- hidden protectionism, (it is conducted by methods of domestic economic measures).

There are social, economical and political arguments supporting protectionist measures in each country. For this reason, let’s write some of them: increase of domestic employment; diversification for the advantage of stability; protection of new industries; protection from dumping (“International trade policy”, 2017).

A major reason for protection is unemployment and in fact, this claim is reasonable. Import goods decrease the demand for the same domestic goods and can lead to unemployment in areas where they are made. However, these human resources can’t stay without using, because we live in a world of limited ones. But free trade does not so much affect employment, as it changes the type of employment. The unemployment causing by free trade is the short-term one that can be solved by such methods, as professional retraining, moving to a new place (Kozak & Gribincea, 2016).

The next argument is diversification for the advantage of stability. This argument touches the fact that trade barriers are obligatory for industrial diversification. In reality, diversification provides internal stability and helps to protect the national economy from the decline in production in foreign countries from unplanned fluctuations in supply and demand for one or two products. Nevertheless, at the same time the costs of diversification can be huge, significant and inefficient. Moreover, this argument cannot be attributed to already diversified economies (Kozak & Gribincea, 2016).

Another argument is protection of new industries. This argument of protecting new industries can be approved by the fact that their production begins to be competitive only after some time (Kozak &Gribincea, 2016). They have to achieve a competitive level of production costs only through some time. For example, the automobile production in Brazil and South Korea has reached the competitiveness because of national protection. However, there are other examples where such measures did not help. Thus, the automobile production has stayed weak in Argentina and Australia (Kozak & Gribincea, 2016).

The last argument is protection from dumping. Dumping is the sale of goods lower than their costs. This measure can be used to exclude competitors, for establishing monopoly and increasing of the prices (Kozak & Gribincea, 2016).

Therefore, it is necessary for state to find a balance between the two tendencies: free trade and protectionism. Each policy has its advantages and disadvantages, which depend on such things as the circumstances, time and place of use (Kozak & Gribincea, 2016).

There are two groups of the state regulation instruments of international trade. The first one is tariff methods. They regulate mostly the imports and protect national companies from foreign competition, because they make foreign goods less competitive. The second one is nontariff methods, which are directed to imports and exports. They help to bring more national goods on the world market, making them more competitive (Kozak & Gribincea, 2016).

There can be named two indicators that are used for the determination of trade policy (Kozak & Shengelia, 2014).

1) the average level of customs tariff. This indicator is calculated only for the import goods which are imposed by duties. It is determined as the average rate of import duties, in accordance with the evaluation of imported goods;

2) the average level of nontariff barriers. It is determined as the share of value of the imports or exports, which are subject to the restrictions.

Customs tariff is the main and the oldest instrument of foreign trade policy. This is a systematic group of customs rates, which are imposed on import or export goods of the country's customs territory. A customs duty is a tax on goods and services which are moved across the customs border of the country (Kozak & Gribincea, 2016).

Three main functions of duties can be named: fiscal, protectionist and balance. Fiscal function concludes with the cases, when duties are used as way of getting money for the state. This function refers to import and export duties. Protectionist function concludes the cases, when duties are used to protect domestic companies from foreign goods. The third function is balance one. It includes the cases for preventing from undesirable exports of goods, on which domestic prices are lower than on the world market (Kozak & Gribincea, 2016).

It should be added that the other trade restrictions are also used for international trade regulation. There are more than 800 methods of non-tariff restrictions, which are often used (Kozak & Gribincea, 2013). For example, administrative, financial, credit and others. More than half of world trade is the subject of non-tariff barriers that create major threat to the global trading system. According to the United Nations' figures, Middle East countries and North African countries (57,69%) and developed countries (48,24%) most frequently use non-tariff methods in their export of agriculture products; in the export of mineral products and fuels - Europe and Central Asia (6,72%); in the export of industrial products - Latin America and the Caribbean (11,68%) (Kozak & Gribincea, 2013).

The prevalence of non-tariff barriers is explained by the fact that their use is the prerogative of the government, bacause they are not regulated by international agreements. Governments can apply any type of non-tariff barriers, which is not acceptible with the tariffs, regulated by World Trade Organization (WTO). At the same time, non-tariff barriers usually do not influence on increase of the goods price at once. So a consumer does not perceive their effect in the form of an additional tax (Kozak & Gribincea, 2016). Non-tariff barriers can be divided into the following groups: quantitative, hidden and financial ones.

Quantitative restrictions include quotas, licensing, “voluntary” export restraints (Kozak & Gribincea, 2016). Hidden non-tariff barriers include: technical barriers, internal taxes and charges, public procurements, local content requirements. Financial methods of trade policy include: dumping, subsidies, export crediting.

There are three general approaches of the regulation of international trade. First approach is a system of one-sided measures, which means that the goverment instruments are not coordinated with partner in this system. The second approach is two-sided agreements. In this case the policy measures are coordinated between partners of such agreement. The third one is many-sided agreements. It means that trade measures are regulated by participating countries. For example, the General Agreement on Tariffs and Trade, the General Agreement on Trade in Services (Amadeo, 2018). The goverment can use each of approaches in any variations.

So now it is necessary to provide information about organisations and agreements between countries which are directed to monitor, control and regulate international trade. First of all, it is World Trade Organization (WTO). WTO is the leading world trade controller. It controls realization of many-side trading agreements and pacts, make decisions in trade debates, conducts many-sided trade negotiations, monitors national trade police of countries-participants, cooperates with international special organizations (Kozak & Gribincea, 2016).

The main goals of the WTO are liberalization of international trade by means of regulation mostly with tarrif-barriers and at the same time decrease of the import duties level in series, elimination of different non-tarrif barriers and quantity limitations (Kozak & Gribincea, 2016). Achievement of these goals will guarantee the reinforcement of the global economy, investment growth, rise of employment level and incomes worldwide. The main principles of the WTO are (Kozak & Gribincea, 2016):

1) Non-discrimination. It means that members of the WTO do not have to discriminate their trade partners and foreign goods. It is realized on the basis of regime of the most favored nation (MFN) treatment;

2) The members of the WTO should make more beneficial conditions;

3) After for a season the amount of trade barriers should be reduced in the countries-members of the WTO;

4) Predictability. It means that countries should inform about their use of certain instruments of trade policy and publish legislative and normative acts regarding the trade policy in the media;

5) Fair competition. It means conduction of competitive fight using fair and legal methods, which don’t break common standarts of bussiness. The main types of bussiness practice, which are forbidden by the majority of competitive legislations, are: agreements between competing firms producing identical or similar products; abuse of dominant position; merging of companies;

6) Promotion of development and economic reforms. This principle can be achieved through the creation of the conditions of the potential benefits of participation in the international trade for its members.

The main rules of trade in goods are defined in the General Agreement on Tariffs and Trade 1994, which consists of four parts: “Generalities”, “Rules of trade policy”, “Procedural issues” and “Trade and Development” (Kozak & Gribincea, 2016). There are four basic rules fixed by the General Agreement on Tariffs and Trade (GATT) in practice of international trade regulation (“World Trade Organisation”, 2018):

I. The first rule: the protection of national industry is carried out only through the tariffs. Despite the fact that the GATT is aimed at the gradual liberalization of trade, it is determined in the GATT, that countries could be forced to protect domestic production from foreign competition. However, the

GATT requires that protection was carried out using tariffs. The use of quantitative restrictions (import quotas, bileteral quotas, prohibitions and etc.) is prohibited.

II. The second rule: tariff rates must be decreased and be bound to avoid further increases. States should provide that the tariffs and other measures, used to protect the domestic market, should to be reduced and, where it is possible - to be eliminated through multilateral trade negotiations. As a result of trade negotiations, the WTO member states agree to open their domestic markets to the foreign goods and to "bind" themselves with corresponding obligations. The tariffs, that are reduced and bound in such a way, are not liable to increase, and this is indicated in the national Schedule of concessions of the country. Schedule of concessions is an integral part of the legal system of the GATT ("World Trade Organisation", 2018).

III. The third rule: the trade on the basis of the Most Favored Nation (MFN). The essence of the terms of this regime is to ensure that trade should not be discriminatory. MFN is the term, which is fixed in international trade agreements that provide concession of the contracting parties to each other all the rights, preferences and privileges, which are given or will be given to any third country.

IV. The fourth rule: trade on the basis of national treatment. The principle of national treatment complements the MFN principle and it assumes that the imported product that crosses the border after the payment of duty and other charges, should receive the treatment that is no less favorable than the treatment obtained by similar goods produced by domestic producers. Therefore, the state cannot impose on imported goods the internal taxes (for example taxes on sale) at higher rates than those applied to similar domestic products after the goods arrived to the country after paying the duties on the customs. And the rules that regulate the sale and purchase of goods in the domestic market should not be more stringent towards to imported goods ("World Trade Organisation", 2018).

The international regulation of trade in services is based on the General Agreement on Trade in Services (GATS) (Kozak & Gribincea, 2016). It aims to promote the economic growth of all trading partners and the development of developing countries, through the expansion of trade in services, and seeks to achieve this by applying to trade in services the rules of the GATT. The GATS involves international trade in services, with the exception of services provided by public authorities, and many air transport services (Kozak & Gribincea, 2016).

The GATS, firstly, is a comprehensive agreement, because it contains the main rules that refer to all types of services, appendixes oncerning specific services and sectors. It also contains the schemes of specific commitments for each member (Kozak & Gribincea, 2013). The GATS, secondly, is the framework agreement, which provides the initial conditions and rules that further will be specified and corrected by the parties. The structure of the GATS contains six parts (Kozak & Gribincea, 2013): "Scope and definition", "General obligations and disciplines", "Specific commitments", "Progressive liberalization", "Institutional provisions", "Final provisions". The most important neral obligations include the following (Kozak & Gribincea, 2016):

1) ensure the Most Favored Nation (MFN) treatment;

2) transparency of rules on trade in services. This commitment involves the creation of information and contact points;

3) mutual recognition of qualifications required for the provision of services;

4) the rules concerning monopolies, exclusive service suppliers and other business practices that restrict competition;

5) the measures aimed at liberalization of trade, in particular, to ensure greater participation of developing countries.

Specific commitments are the commitments assumed by separate countries on certain service sectors (Kozak & Gribincea, 2016). Country is obliged to assume the obligations of market access, national treatment and other obligations in each of the selected service sectors. Service delivery is executed by four elements (Kozak & Gribincea, 2016):

1) cross-border supply, i.e. the provision of services across the border. Neither supplier nor customer of a service are moved across the border, it is crossed only by the service;

2) consumption abroad, i.e. move of consumers to the country of export;

3) commercial presence, i.e. the creation of commercial presence in the country where services should be provided (the opening of a branch or subsidiary);

4) presence of natural persons, i.e. a temporary relocation of individuals to another country with the purpose of providing services there.

The determination of such modes of service delivery is aimed at enhancing of identification of appropriate regulating measures (Kozak & Gribincea, 2016).
After understanding that government of each country and different organizations regulate international trade, it is necessary to define ways of industry and business' competitiveness analysis in the global market.

1.3 The industry and business' competitiveness in the global market

Nowadays the role of competitiveness is increasing. The growth of international trade, export and import volumes of capital, the quantity of international trade participants leads to the fact that competitiveness obtains global character (Shestopalova, 2009). The problem of growing competitiveness is actual for producers that export their goods. However, domestic goods are involved in the process of international competitiveness, because they compete with foreign goods (Shestopalova, 2009).

The competitiveness can be studies on the next levels: product, company, industry and country. The competitiveness of product is the set of quality, consumer and price characteristics, which determine the success of realization on the market. Company can choose different variants of competitive methods. For example, on the basis of improving quality or services, price decreasing, decreasing of operating costs (Shestopalova, 2009).

The competitiveness of the company is the characteristic of the company's ability to build up own competitive advantages for achieving excellence in production and sale of goods. The factors of competitiveness are the character of innovation, level of labour capacity, management efficiency, resource existence, and market share of the company and sale methods (Shestopalova, 2009). The competitiveness of the industry depends on existence of resources and efficient use of them, particularity of production, technologies, employer's skills, the level of scientific potential (Spiridonova, 2009).

The country specializes on the production and export of certain goods depending on the competitiveness of some economy industries. The competitiveness of the country defines its position in the world economy. One of the most important criterion of competitiveness is the volume of demand on goods (Spiridonova, 2009). In this case, it is interesting to analyse the indicators of international trade of the country: the scale of export and its structure, country's share in world export, balance in each goods' section.

First of all, the competitiveness of industry should be discussed to understand its influence on company's competitiveness. The factors of industry competitiveness are (Spiridonova, 2009):

- Industry structure;
- Existence of high competitive companies;
- Developed industry infrastructure;
- The system of scientific, production, commercial cooperation in the industry and with another country;
- The system of product distribution;
- Labor capacity;
- The level of export orientation and import dependence of the industry.

This list of factors can be changed or completed according to the industry particularity (Spiridonova, 2009). Therefore, the most known method of industry competitiveness analysis is Porter's Five Forces Analysis. Since 1979 this method has become one of the most popular business strategy tool. The main purpose of it is to determine the attractiveness of the industry. The framework of Porter's analysis includes the following competitive forces (Porter, 1998):

1) Industry rivalry (it means the analysis of competition degree among existing firms: how many rivals do you have? Who are they? How quality their products are?).

The force of competition depends on the following factors: the number of competitors, the rate of industry growth, the degree of differentiation, cost structures, the objectives of competitors, exit barriers.

2) Threat of substitutes (This refers to the opportunity of customers to find another way of doing what you do).

The existence of close substitutes helps to define demand elasticity. For example, if a close substitute exists the demand for product will increase or decrease as its price goes up or down.

3) Bargaining power of buyers (How many buyers are on your market? How big are their orders? Do your buyers have possibility to buy from your rivals and dictate any terms to you?).

This force is determined by the following indicators: the concentration and size of buyer, the importance of the purchase to the buyer, the level of product standardization, the costs and opportunity to change supplier, the possibility of vertical integration.

4) Bargaining power of suppliers (How many suppliers do you have? How unique are their goods? Is it possible to switch from one supplier to another? And how expensive it is?

The behavior of suppliers and their power can compress industry profits. Therefore, the control of suppliers activities can be beneficial. The power of suppliers are affected by the following factors: concentration among suppliers, the degree of substitutability, the amount of vertical integration, switching costs and the extent to which the buyer is important to the supplier.

5) Barriers to entry (How easy is it to get into your industry or market? How expensive it is for new company would it cost?)

When barriers to entry are high, new companies will have problems with the access and will receive a quick reaction from existing firms. When the barriers are low, the reaction will be slower, so there are more opportunities for new companies. There are some factors, which create barriers: economies of scale, product differentiation, capital requirements, switching costs, access to distribution channels, cost advantages independent of scale (Porter, 1998).

The state of industry competition depends on these five basic competitive forces. The assembled strength of them defines profit potential in the industry (Spiridonova, 2009). Any company should try to understand the nature of its competitive forces. It wants to achieve its objectives and establish appropriate strategy. If a company does it and appreciate the most important one, it will have a stronger position in the market. However, the nature and power can be changed, so it is necessary to monitor them (Spiridonova, 2009).

Another well-known technique of external environment' analysis is PEST-analysis. PEST-analysis is the analysis of “Political, Economic, Social and Technological” spheres. This analysis is effective for planning of strategy, marketing, business and product development (Koumparoulis, 2013).

The goal of PEST-analysis is to identify as many factors, which are outside of the control of organization, but at the same moment can have impact on it. For each factor, it is possible to ask and find answers on the following questions: What are the main political factors? What are the important economic factors? What cultural aspects are the most important? What technological innovations can appear? The company should use this analysis on regular basis to maximize all advantages (Newton & Bristoll, 2013).

During identifying political factors, the following aspects should be taken into consideration: government stability, tax regulations, employment and operational laws, trade restrictions, corruption level, bureaucracy issues, stability of neighbors. It is always necessary to keep searching of potential political changes, because even if the country can be characterized as politically stable, the possibility of changes can be at the highest level, what will lead to unpredictable consequences (Newton & Bristoll, 2013).

Economic factors include inflation, tax and duties, interest and exchange rate. The company should also consider other factors as unemployment, skills, wage patterns, labor cost trends, the current cost of living and the availability of credit. These factors are very important, because, for instance, rising inflation will affect prices and purchasing power of consumers, what can lead to decrease of demand (Newton & Bristoll, 2013).

Social factors, that should be identified, are the following: age distribution, population growth rate, employment level, income statistics, education and career trends, cultural conventions. Social and cross-cultural aspects play a significant role, when the company decides to sell goods internationally and the success mostly depends on the depth of the research. Nowadays technological factors are key factors, which can have an impact on company's processes and future. Automation, improved quality of products and equipment, cost savings, use of outsourcing to control cost are the main activities, which can give a competitive advantage to the company (Newton & Bristoll, 2013).

Industry analysis gives to the company opportunity to develop the best strategy against the competitors and their acts (Spiridonova, 2009). The main key of developing a competitive strategy is to determine the origin of the competitive forces.

When companies develop their competitive strategy, they wish for long and profitable way of competing in the market. However, there is no universal strategy. The strategy based on conditions of each country, industry, company's capital and skills can be successful (Spiridonova, 2009). German marketing specialist Gunther von Briscorn (quoted by Spiridonova, 2009) characterizes the content and principles of modern market as simple scheme. The market is the sea. On the waves of the market consumers are situated. Their behavior is characterized by the set of their needs. Therefore, it means that the producer need to do their best to satisfy the needs of objective markets using different strategies of competitive advantages (Spiridonova, 2009).

At the same time, the process of maintenance of international competitive advantage is polysyllabic (Spiridonova, 2009). In addition, in most cases, the process is studied in terms of company's particularity, its goals, mission, tasks, markets, etc. However, competitive advantage determines company's position on the market. The competitive advantage is company's ability to act in one or some directions, in which the competitors do not want or do not have possibility of being in line with the level of created value or costs. Low costs show company's ability to develop, produce and sell similar product with less costs in comparison with competitors. If company sell this product at the same price as competitors, they will get profit. Differentiation is company's ability to provide unique and better value in new products, special user features or services to consumers. Competitive advantage simultaneously has to be an advantage for consumer (Spiridonova, 2009).

On international market, innovations give competitive advantage, anticipate new needs and form the market. There are the most typical examples of such innovations (Spiridonova, 2009):

- New technology (the changes in technologies can create new opportunities for the development of new goods, new marketing or logistics methods);
- New or changed consumers' needs;
- New segments of industry;

- The changes in price or the existence of production components;
- The changes of government regulation.

So how long it is possible to keep international competitive advantage? It depends on some factors. The first one is the origin of advantage. The second one is the habit of buying definite brand. The third one is fixed costs, connected with the entry to new industry. The fourth factor is the costs of new fixed assets, which should be created for new production. The fifth factor is the access to the channels of realization. The last one is possible competitor's responses (Shestopalova, 2009). To estimate competitive position of the company it is necessary to answer some important questions (Shestopalova, 2009):

1) How well is actual strategy working?

In this case, it should estimate quantitative and qualitative aspects of the strategy. The quantitative indicators include financial results which have been produces using this strategy. The qualitative indicators include completeness, internal consistency, rationale and suitability. So the better company's performance is, the less the radical changes should be done.

2) What are the company's strengths and weaknesses, external opportunities and threats?

The company should make SWOT analysis to answer on this question. This analysis helps to understand firm's situation. The most important parts of analysis are to draw conclusions about all analysis's spheres and make right decision of future development on base of them.

3) Are the company's prices and costs competitive?

It is necessary for the company to use such tools as benchmarking and value chain analysis. These tools help to determine whether the company is performing in particular of cost-effective activities, its costs are in line with rivals and which business processes should be improved. Value chain analysis shows how a company manages its value chain activities relative to competitors (Shestopalova, 2009).

To answer on all of these questions some methods will help. Nowadays there are a lot of different business analysis techniques, which are used by the companies to define their place on the market and understand the ways of development. The most popular are SWOT analysis, The Space Matrix, Value chain analysis, Core competence, Power structure, Value Perform analysis, which are presented later.

SWOT analysis is a widely used strategy analysis and the tool for strategy development. The acronym SWOT is coming from the words: strengths, weaknesses, opportunities and threats. This method is easy to understand, highly visual and applicable to many levels of the organization, although the data is based on perceptions, beliefs and personality preferences, what is one of the disadvantage of this method (Sarsby, 2016). The completion of SWOT analysis will help to determine company's position on the market against the competitors, find the best opportunities for future and highlight current and possible threats (Newton & Bristoll, 2013).

The first step of analysis is collection and evaluation of data. The second one is the distribution of collected data into four boxes (Harrison, 2010).

Strengths are internal factors, which can help the company to support its opportunities or overcome threats. They can include financial strengths (effective balance sheet, cash flow, income statements and credit rating), technological advantages and innovations, customer services (in marketing, sales) and talented, skilled, motivated people. Weaknesses are also internal factors, but they do not give possibility to take advantage from opportunities. The examples are financial weaknesses, old technologies, service weaknesses as long delivery time (Sarsby, 2016).

Opportunities are external factors and the company does not have control over them, but they are helpful for development. For instance, it can be competitors, which came out the market; new social trends, innovations. Threats are also external factors and it is impossible to have control over them, they are harmful for the organization and can lead to slowdown of the development. They are new competitors, brand damaging factors, among others (Sarsby, 2016).

Step three is the development of a SWOT matrix for each possible business alternative. Last step of the analysis means including the results into the decision-making process to define which business alternative best meets the organization's strategic plan (Harrison, 2010). There are two methods (matching and converting), which can be used by organizations during applying the results of SWOT analysis to making decisions. Matching means to correspond strengths and opportunities to create core advantage. Converting means to modify threats and weaknesses into strengths and opportunities (Newton & Bristoll, 2013).

Competition is one of the core things that can lead to failure or success of the organization. That is why it is important to determine strengths relate to its competitors. The SPACE matrix is an effective tool for analysing the competitive position of the company. The method is based on external and internal dimensions, two for each. The internal dimensions are financial strength and competitive advantage; the external ones are industry strength and environmental stability. The result will show the strategic position of the company, which can be aggressive, competitive, conservative or defensive (Radder & Louw, 1998).

The factors of every SPACE Matrix' box can be presented as follows (Gürbüz, 2013):

Financial Strength (FS) is an internal dimension, which can be characterized by return on investment, leverage, liquidity, capital, risk involved in business.

Competitive Advantage (CA) is also an internal dimension with the following factors: market share, product quality and product life cycles.

Industry Strength (IS) is an external dimension which can include growth and profit potential, financial stability, technological know-how.

Environmental Stability (ES) is also an external dimension, which can be presented by technological change, rate of inflation, price range of competing products.

The work with this method begins from evaluating of key factors under each dimension with a score between 0 and 6 for factors of Financial Strength and Industry Strength and with a score 0 and - 6 for factors of Competitive Advantage and Environmental Stability. Then the arithmetic mean for each dimension is calculated. CA and IS values are plotted on the x axis and FS and ES on the y axis. The sum of CA and IS values on one side and FS and ES values on another side will give the final *x* and *y* value of the organization's strategy type (Gürbüz, 2013).

The aggressive type of strategy is typical for an industry with stable economic conditions. In this situation, FS usually empowers a company to protect its CA. It is possible to try to increase market share, cut costs, make cash flow edge. Entry of new competitors leads to improvements and protection of competitive products (Radder & Louw, 1998).

The competitive type is common for an attractive industry but with unstable economic conditions. In this situation, the company can improve the product line, strengthen marketing program, cut costs, and invest into productivity (Radder & Louw, 1998).

The conservative type is a characteristic of a low growth, but stable market. The main focus is on FS and companies can reduce their product lines, cut costs, develop new products and try to enter more attractive markets (Radder & Louw, 1998).

The last type is defensive, that is typical for unattractive industry. In this situation, companies do not have enough financial resources and competitive products. They could try to stop producing unprofitable goods, reduce costs, minimise investments (Radder & Louw, 1998). At the Figure 1 it is presented SPACE matrix chart.

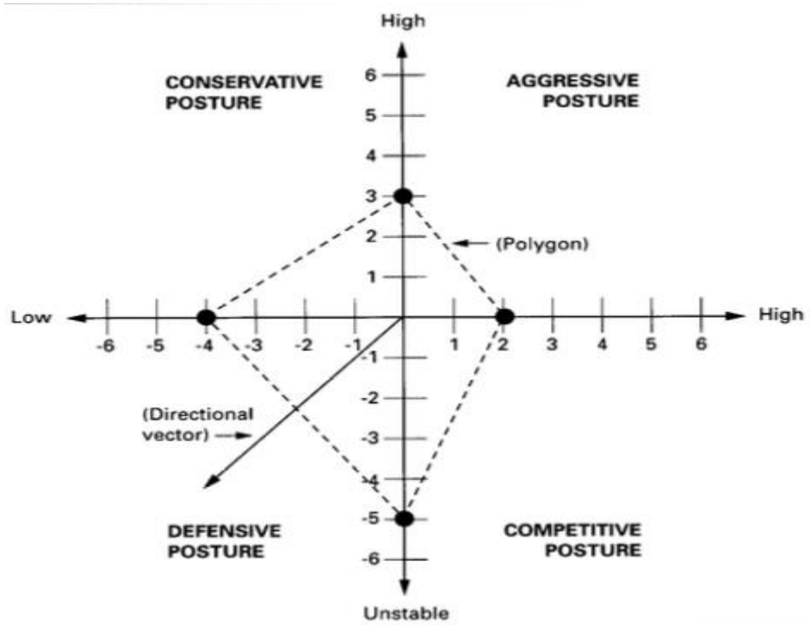


Figure 1. An illustration of SPACE matrix chart

Source: Radder & Louw, 1998, p.557.

SWOT analysis and SPACE Matrix help the company to understand its strengths and weaknesses, opportunities and threats, nevertheless just these methods cannot give whole information for building competitive strategy and understanding the competitiveness of the company. Other very important business tool is value chain analysis. This method will help to understand where the company creates value and look for ways to add more value. This analysis was discussed by Porter in his book «Competitive advantage» (Porter, 1985).

A value chain is a set of activities that the company accomplish to create value for its customers. Value Chain concentrates how inputs are changed into the outputs produces for consumers. In this situation a chain of activities common to all businesses. The activities are divided into primary and support, as presented on the Figure 2.

Figure 2. A value-chain analysis

Source: Porter, 1985, p.272.

Primary activities include the production, sale, maintenance and support of a product. The activities are the following (Porter, 1985):

- Inbound logistics consists of all the processes connected with receiving, storing, and distributing inputs internally. The relationships with the suppliers are a key factor in creating value.
- Operations include the transformation activities, which turn inputs into outputs that are sold to customers. In this case, operational systems create value.
- Outbound logistics are the activities of delivering products to customer (collection, storage, distribution systems).
- Marketing and sales are the processes, which influence on clients to purchase from the company instead of competitors.
- Service include the activities connected with maintaining the value of product, after it has been purchased (Porter, 1985).

Support activities maintain the primary functions and include the following ones (Porter, 1985):

- Procurement consists of activities to get the resources, which it needs to operate (finding suppliers and negotiating best prices).

- Human resource management are activities to recruit, hire, train, motivate, reward its workers.
- Technological development include activities connected with managing and processing information.
- Infrastructure are the functions that allow the company to support daily operations (accounting, legal, administrative, and general management) (Porter, 1985).

There are four basic steps that should be followed to use the Value Chain analysis. The step one is to understand sub-activities for each primary activity. There are three categories of sub- activities: direct activities, for instance online sales; indirect activities, for example, keeping the CRM[1] up-to-date; quality assurance, for example, editing advertisements (Porter, 2001).

The step two is to understand sub-activities for each support activity. In this step it needs to see how value support activities can create value within the primary activities using the same parameters as in step one for direct, indirect activities and quality assurance. The step three is to identify links. This step is very time-consuming. It is important for the company, when it would like to increase competitive advantage from the value chain. The last step four is to look for opportunities or solutions to optimize value chain (Porter, 2001).

Taking into account the fact that all companies have a goal of increasing their net income, because it leads to the development of the business and allows to innovate, produce new products and satisfy the requirements of the costumers, it is necessary to provide financial analysis during competitiveness analysis.

The whole picture of competitiveness on the market can be presented by Competitor Profile Matrix or Competitive Matrix. This is a tool that helps the companies identify themselves against their major competitors using the special factors. There are three steps to construct this matrix for a company. The first step is to define the main factors for the company and the weight to them according to their importance. In the step two, it is important to identify major competitors. The factors can be internal and external. Then different ratings should be given, for example, from 1 to 4 considering their importance to the organization. The same method should be applied to competitors. In the last step, the company need to multiply the weight by the rating for each factor to get a weighted score (Sohel & Rahman, 2014). The example of Competitor Profile Matrix is presented in the Figure 3.

[1] CRM (customer relationship management) is a program that companies use to manage and analyse customer interactions and data throughout the customer lifecycle, with the goal of improving customer service relationships and assisting in increasing sales growth.

Key Success Factors	Weight	Company A		Competitor 1		Competitor 2	
		Score	Weighted Score	Score	Weighted Score	Score	Weighted Score
Innovation	0.25	4	1.00	4	1.00	3	0.75
Advertising	0.20	2	0.40	3	0.60	4	0.80
Brand Name	0.20	1	0.20	4	0.80	2	0.40
Product Quality	0.15	4	0.60	2	0.30	2	0.30
Customer Service	0.10	3	0.30	2	0.20	1	0.10
Price Competitiveness	0.05	3	0.15	3	0.15	4	0.20
Techndogical Competence	0.05	3	0.15	1	0.05	2	0.10
Total	**1.00**		**2.80**		**3.10**		**2.65**

Figure 3. Competitor Profile Matrix

Source: Sohel & Rahman, 2014, p. 43.

All presented above methods are updated business tools, which are used by companies to identify their place on the market. They will be applied in this research to define the competitiveness of the Portuguese and Belarusian companies.

2. Research Methodology

2.1. Objective of the study and Research Hypotheses

The main purpose of this research is to study the situation in the International beer market in order to estimate the prospects of Belarussian and Portuguese beer companies' development and find ways of development for Belarusian company on the basis of benchmarking. In accordance to the purpose of the research, the objectives are as follows:

1. To analyse international beer market, dynamics of sales' volume and prices, as well as regulatory framework;
2. To analyse Belarussian and Portuguese beer market and to determine its prospects;
3. To analyse competitiveness of Belarussian and Portuguese breweries in the international beer market.

During conducting the research, it is intended to verify the following hypotheses:

1. Nowadays International beer market is characterized by a decrease in sale volumes;
2. Belarussian breweries have difficulties with entering foreign markets;
3. It is easier for Portuguese companies to develop and sale their products all over the world in comparison with Belarussian companies;
4. The competitiveness of Portuguese company is higher than Belarussian one.

2.2. Data and collection methods

Considering the feature of the research, the most suitable methods of collecting data are interview, content analysis and case study. Primary data should be collected by interviewing. In this research, it also be used secondary data from sources such as articles, social media, government statistics, etc. To analyse the collected data, it will be applied descriptive and exploratory methods and techniques. At the same time, it will be used vertical and horizontal analysis for comparing financial statements of different companies, using techniques based on ratio analysis and common size statements methods.

2.3. Methods and techniques of industry and company's competitiveness analysis

For the companies' competitiveness analysis, it will be applied the following methods and techniques:

- SWOT analysis is a popular method to analyse internal and external factors that influence on a company's success;

- Porter's framework helps to analyse the competitiveness level of an industry;

- The Space Matrix is an essential method for analysing the competitive position of an organization;

- PEST analysis is used to describe the environment in which a company operates (Political, Economic, Social and Technological);

- Value chain analysis - is an analysis that shows primary and support activities that add value to company's final product;

- Competitive Matrix – is the tool, that allow to define new opportunities for the company's growth thanks to comparison against the competitors.

The methodology and ways of applying the techniques to the company strategy are presented in the literature review, chapter 1.3.

ABC analysis is another well-known technique, used in the research, based on the Pareto Principle for determining which products or services should get priority in inventory management (Ravinder & Misra, 2014). During the analysis company's goods are characterized into three groups: A, B and C, for example, according to the volumes of sales. The group A includes products which annual or month consumption value is the highest (70-80% of the annual consumption value). The group C has, on the contrary, the lowest consumption value (lower than 5% of the annual consumption value). The group B is the middleclass, with a medium consumption value (15-25% of annual consumption value) (Ravinder & Misra, 2014).

Financial analysis will be provided for evaluation of companies' performance. Financial Analysis is the process of determining the financial strength and weaknesses of the company by forming relationship between elements of financial statements. This analysis can be used by managers for evaluating the operational and financial efficiency of the company; by investors for making, by lenders and creditors for determining the credit worthiness; by employee for deciding economic status of the company (Ravinder & Anitha, 2013).

There are two types of financial analysis: horizontal and vertical. Vertical one is the analysis of relationship between different individual components and also between these components. Horizontal one is the analysis of changes in the components of the financial statement over different periods (Ravinder & Anitha, 2013).

As a part of financial analysis, ratio analysis should be used. It is a useful technique that gives opportunity to understand financial results and trends over periods and provides important indicators of company's performance (Tracy, 2012). Moreover, ratio analysis provides ways for the company to compare the financial state against other companies within your industry. There a lot of available financial ratios, for this reason it is important to make right decision and choose more applicable ratios (Tracy, 2012).

It is possible to group the commonly used ratios into four categories: activity, liquidity, solvency and profitability (Lan, 2012).

Activity ratios show how efficiently a company exploits its assets. These ratios provide information for investors about the overall operational performance of a business. The following ratios are included in this group: inventory, receivables, payables and assets turnover. The activity ratios measure how many times per year inventory of other indicator is restored or receivables are collected (Lan, 2012).

Liquidity ratios are one of the most widely used ratios, probably after profitability ratios. These ratios are very important to creditors. They show a company's ability to meet its short-term obligations. It is necessary to add that vital level of liquidity varies from industry to industry, because some industries are more cash-intensive than others (Higgings, 2012). That is why the liquidity ratios of companies cannot be comparable to each other in definitely different industries. This group includes current, quick and cash ratio (Lan, 2012).

Solvency ratios show a company's ability to meet its longer-term obligations. Analysis of these ratios provides information about a company's capital structure and the level of financial leverage is used by the company. Some ratios of this group allow to understand whether a company has necessary cash flows to pay always interest payments and other fixed charges. There are such ratios as debt-to-asset, debt-to-capital, debt-to-equity ratios and interest coverage ratio (Lan, 2012).

The last group is profitability ratios. They are the most widely used ratios in financial analysis. These ratios include gross, operating and net profit margins ratios and return on assets and equity. They measure the firm's ability to earn an acceptable return. It is possible and necessary to compare them against other companies of the industry and its close competitors during analysis. Nevertheless, margins will vary among industries. For instance, companies, operating in industries where it is to produce substitutes, will typically have low margins. Industries with unique products with high barriers to entry generally will have higher margins (Higgings, 2012).

To finalize, it is possible to say that presented ratios provide useful information for the companies that can be used for comparison across industries and sectors and definition of their performance stage.

The following ratios, which have been chosen to provide the analysis of two companies, are presented in the table 1.

Table 1. Ratio analysis

Ratio	Formula	Meaning
Current Ratio	Total current assets/Total current liabilities	measures the extend to which current assets are available to meet current liabilities
Acid test Ratio	(Current assets – Inventory)/Current liabilities	measures the liquidity of a company's assets relative to its liabilities
Inventory turnover	Cost of goods sold / inventories	measures how often inventory is turned over during the year.
Days in Inventory	Inventory turnover/ trading days	measures how efficiently a company is managing its inventory
Gross Profit percentage	Gross profit/Revenue	measures company's profitability and how good it is at creating products/services
Accounts turnover receivables	Net credit sales/Average accounts receivables	shows the number of times per year that a company collects its average accounts receivable
Days sales in receivables	Accounts turnover receivables/trading days	measures the number of days that a company need to collect money from consumers
Debt Ratio	Total liabilities/Assets	says that money to pay for this amount of company's assets comes from creditors of one type or another
Debt to Equity Ratio	Total liabilities/Shareholders' equity	says that creditors supply company with such amount for every dollar supplied by shareholders
Rate of return on net sales	Net income (before interest and tax) / net sales	evaluates a company's operational efficiency
Rate of return on total assets	(Net income + Interest expense + taxes) / total assets	measures a company's earnings before interest and taxes against its total net assets
Assets turnover	Sales/Assets	measures the value of a company's sales, generated relative to the value of its assets

Source: Author's own elaboration, based on Higgins, 2012.

Presented before ratios have been used to define the performance of Belarusian and Portuguese companies in the chapter 3.2.3.

To prospect the future development of companies' sales, forecasting methods are used. Nowadays forecasting is getting important to understand how to approach in different situations and required to be able to do effective and efficient planning. To do companies' sales forecast it was used the linear regression function available in the EXCEL® software. This software allows to implement different methods to calculate a forecast, but there is one of the main limitation that EXCEL® can only bases the calculations on known data. In forecasting it is possible to look at the trends that the data have and use these trends to help forecast future values or values outside the measured data ("Microsoft

Excel”, 2010).

For forecasting Linear Regression analysis can be used. It is a statistical method for estimating the relations among variables. For example, the sales figures (y) are known for a number of periods (x), so it makes it possible to forecast sales (y) for future periods (x). In Excel the linear regression can be calculated using the Forecast, what will be applied for the data of analysed companies. The Forecast and can calculate trend, a linear forecast, or linear regression for as many future periods needed based on known actual data from previous periods (“Microsoft Excel”, 2010).

At the same moment for forecasting another function can be used – The Growth. The Growth function can calculate exponential growth and an exponential growth forecast, which is used for research data and the results are presented in the chapter 3.3.

3. Presentation and Analysis of the Results

3.1 Analysis of the Belarussian and Portuguese beer market

Nowadays global beer market faces the greatest challenge in 50 years. Different changes can be noticed such as falling consumption demand, increasing quantity of competitive products, heightening of retailers and consumers' requirements. World major beer market's trends are clear. In the USA production volumes stagnated between 2007 and 2014. Markets of such European countries as Germany, France and the UK, fell by 10% over the same period (Rutishauser, Rickert & Sänger, 2015). The reasons include demographic changes, appearance of alternative beverages like cider and health-oriented drinks, tighter regulatory and taxation measures, and global economic slowdown.

Nowadays world beer market faces different threats and opportunities. But actually threats should be understood, because stricter laws are enacted, the taxes are increased, world economy struggles different problems, and people choose health way of life. Not all these things promote the growth of sales. PEST analysis, presented in the table 2, was made to understand factors, which are opportunities or threats for world beer market. PEST analysis shows that breweries have the threats in the political and economical spheres, such as strict laws and high taxes and struggling economy and high prices on fixed costs respectfully. For example, today trend is to decrease allowed volume of beer package, what leads to modernisation of companies and requires additional financial resources. The taxes on beer or alcohol beverages were increased by government (Lithuania in 2018, for instance), so the prices on products were increased as well, what can lead to decrease in consumption.

At the same moment, brewing companies have some opportunities, which can help them to receive additional profit. Beer is very popular product and there is an area to develop it and create something new: add new flavours, mix them or choose another percentage of contained alcohol.

Table 2. PEST - analysis of world beer market

PEST	Factor	Opportunity/Threat	Analysis
Political	Strict laws	Threat	Different government restrictions, influencing on beer sales
	High taxes	Threat	Increasing of excise duties
Economical	Struggling economy	Threat	The beer market has essentially proven recession proof over time
	High prices on fixed costs	Threat	The best quality hops and equipment is expensive
Social	Popularity of beer	Opportunity	Beer is the third popular drink in the world
	Health policy	Threat	Alcohol have negative side affects
Technological	Brewing process	Threat	The extra time, man power and more money is necessary to make quality product
	New products	Opportunity	Production of innovated products

Source: Author's own elaboration

Europe is the world's second largest beer producer ("Beer Market in Europe 2016-2020", 2017). It should be noticed that in terms of revenue European beer market is growing at a Compounded Average Growth Rate (CAGR) of 1,49% and in terms of volume of 1,98% ("Beer Market in Europe 2016-2020", 2017). This growth can be attributed to the growing demand for specialty beers and non-alcoholic beers in Europe. At the same time, all over the world, craft brewers are now officially beating the big beer makers.

To analyse the competitiveness level of beer industry Porter's framework will help.

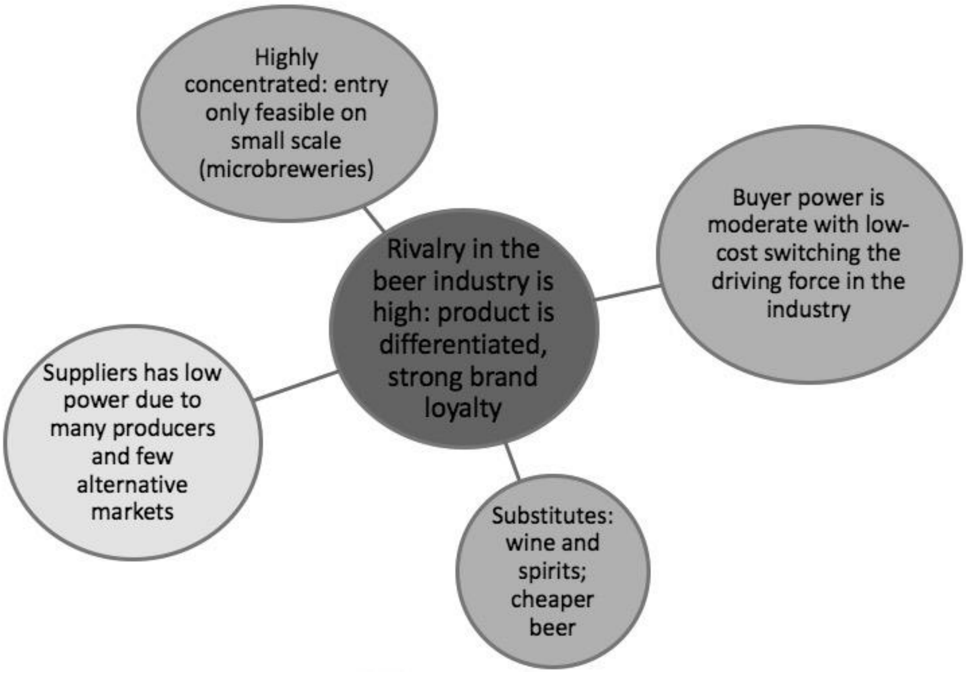


Figure 4. Porter's five strengths

Source: Author's own elaboration.

Figure 4 shows the results of Porter's five strengths analysis. The competition in this sector is high throughout the world and highly concentrated. This market characterizes with strong brand loyalty, what just helps companies who has such products and existence of substitutes (wine, spirits). At the same time, buyer´s power is getting worse and it leads to low-cost switching the driving force. The suppliers' power is low, because of many producers and few alternative markets.

Portugal and Belarus are countries situated in European part of continent, but rather far from each other, so it is important to define which trends are characteristic for them. In the next two sections it will be analysed this industry sector in Portugal and Belarus.

3.1.1 The brewery market and industry in Portugal

Portugal is among the 11 largest beer producers in Europe, and is the seventh largest European exporter of the product ("Beer in Portugal", 2016). In the table 3 the figures of beer production in Portugal is analysed.

Table 3. Beer production in Portugal from 2010 till 2016 (in 1,000 hl[2])

Country	2010	2011	2012	2013	2014	2015	2016
Portugal	8,312	8,299	7,986	7,323	7,290	6,465	6,474

Source: Author's own elaboration, based on beer statistics of "The Brewers of Europe" (2017 edition).

[2] hl - hectoliter

It should be noticed that the volumes of beer production are decreasing between 2010 and 2015 years, and only in 2016 year, the increase in less than one percent is found out. The general volume of decline over these years is 1,838 thousand hl or 22,1%. Therefore, the general trends in Portugal are characterized by growth in both volume and value terms in 2016. The beer category recorded a stronger performance than in 2015 due to the introduction of new products and the relaunch of existing ones. At the same time, consumer's perception is also improving because of premiumisation and the appearance of specific beer products.

In 2016, overall amount of active breweries in Portugal was 94 companies ("The Brewers of Europe", 2017). This quantity is the hugest from 2010, when there were only seven breweries. From 2015 the amount increases and is equal to 30 companies, mostly thanks to new craft factories (the number of microbreweries - A brewery with yearly production up to 1,000 hectolitres - was 89 in 2016) ("The Brewers of Europe", 2017). Sociedade Central de Cervejas e Bebidas (SCC) and Unicer – Bebidas de Portugal together dominate the beer category with a combined total volume share of 83%. Sociedade Central de Cervejas (SCC) was established in 1934. The aim of creation was sale of the beers produced by the former breweries (Companhia Produtora de Malte e Cerveja Portugália, Companhia de Cervejas Estrela, Companhia de Cervejas Coimbra and Companhia da Fábrica de Cerveja Jansen). In 2007, after a consortium was set up between Carlsberg and Heineken a takeover bid was made for the acquisition of the Scottish & Newcastle Group. As a result of the negotiations, the acquisition was accomplished, with Heineken taking over the control of SCC on the 29th April 2008, following the conclusion of the Consortium's acquisition of Scottish & Newcastle (S&N) ("Central de Cervejas", 2018).

SCC's beer Sagres was the leading brand with a 36% share, followed by Unicer's Super Bock with 30% in 2016 ("Euromonitor International", 2017). These two well-established brands benefited from highly innovative marketing activities, the strong negotiating power of their owners. This helps to ensure strong visibility for the brands in on-trade and off-trade ("Euromonitor International", 2017).

Table 4. Beer consumption in Portugal from 2010 till 2016 (in 1,000 hl)

Country/Year	2010	2011	2012	2013	2014	2015	2016
Portugal	5,900	5,320	4,927	4,937	4,764	4,741	4,891

Source: Author's own elaboration, based on beer statistics of "The Brewers of Europe" (2017 edition).

The analysis of beer consumption between 2010 and 2016 years, presented in the table 4, shows that the volumes have been decreasing and in 2016 it has increased in 3,1% with comparison to 2015. But the general decreasing over these years reaches the volume of 1,009 thousand hl or 17,1%.

It is important to compare the volumes of production and consumption, because it will show the country drinks more or less then it produces. In the case of Portugal, it can be noticed that the volumes of consumption are less than the volumes of production and the difference is 1,583 thousands hl in 2016. Nevertheless, the difference has decreased with comparison to 2010 year, when it has been 2,412 thousand hl. It means that the country consumes beer produced in it, imported beer and export products to other countries.

Portugal is not the main beer consumer in Europe. In 2016, Portugal is placed on 26 position among 31 countries with 47 liters of beer consumption *per capita* according to beer statistics presented by company the Brewers of Europe. Table 5 shows us the volumes of beer consumption *per capita* for several European companies to compare them with Portugal.

Table 5. Beer consumption per capita in 2016 (in liters)

Number	Country	2016
1	Czech Republic	143
2	Germany	104
3	Austria	103
4	Poland	98
5	Lithuania	88
6	Ireland	81
7-25	….	
26	Portugal	47
27	Spain	46
28	Greece	36
29	France	33

Source: Author's own elaboration, based on beer statistics of "The Brewers of Europe" (2017 edition).

The first three countries are Czech Republic, Germany and Austria, which consume an average more than 100 liters per person in 2016. The countries that consume less than Portugal are Spain, Greece and France. The difference between consumption, for example, in Czech Republic and Portugal is very high – 96 liters. The main reasons of this variance are the culture and population drinking habits.

Another very important figure, which characterize beer market of any country is sales distribution between on-trade[3] and off-trade[4]. Analysis of this information (Figure 5) shows that Portugal is one of the leader of on-trade sales. In 2016, the sales volume of on-trade is 63% and off-trade is 37%. It means that the most of beer was consumed in bars, restaurants and cafes ("The Brewers of Europe", 2017).

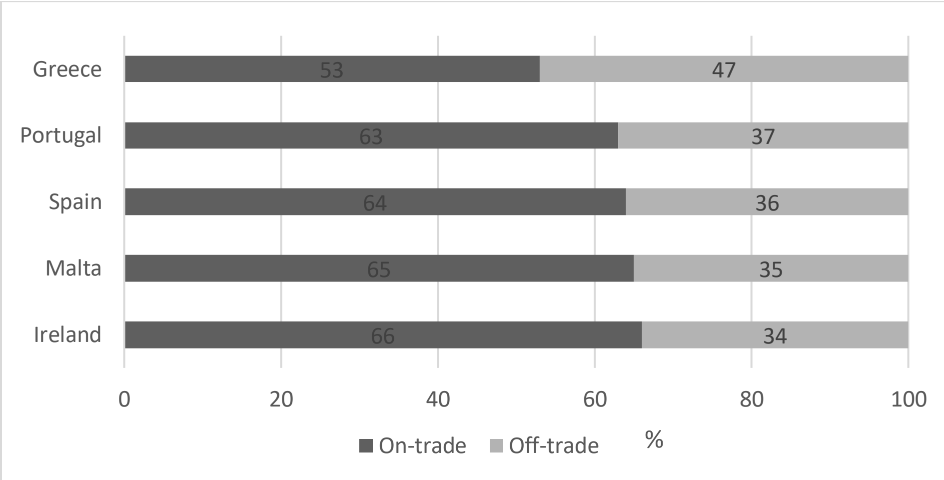


Figure 5. Sales volume on-trade/off-trade in 2016 (in %)

Source: Author's own elaboration, based on beer statistics of "The Brewers of Europe" (2017 edition).

Therefore, there has been a long-run shift towards consumption in the hotel, restaurant and café sector and a decline in overall beer consumption, partly related to a new policy restricting availability and consumption introduced in 2013 ("The brewers of Europe", 2017). There are also shifts within the market: to greater consumption of craft beer and flavoured beers.

At the same time, a tax differential with wine (which faces no excise duty and a lower VAT rate) makes it harder for the beer sector to compete, both in the relatively price-sensitive off-trade and in the on-trade where there is a higher VAT rate. Firms have responded by developing new products, catering to changing demand ("The brewers of Europe", 2017).

European market is an open market, so every country exports and imports beer from other European countries and other world ones. This helps companies to increase the volumes of sales, gain new markets and to have strong reputation. Analysis of beer production and consumption volumes in Portugal give information that there is no much import, because the production volumes are high and consumption is not more than it. The figures of all European countries' import volumes are presented in Figure 6.

[3] On-trade sales - beer sales through (licensed) pubs, clubs, bars, restaurants, etc., also called the hospitality sector.

[4] Off-trade sales - Beer sales through wholesale and retail (shops, supermarkets and other outlets).

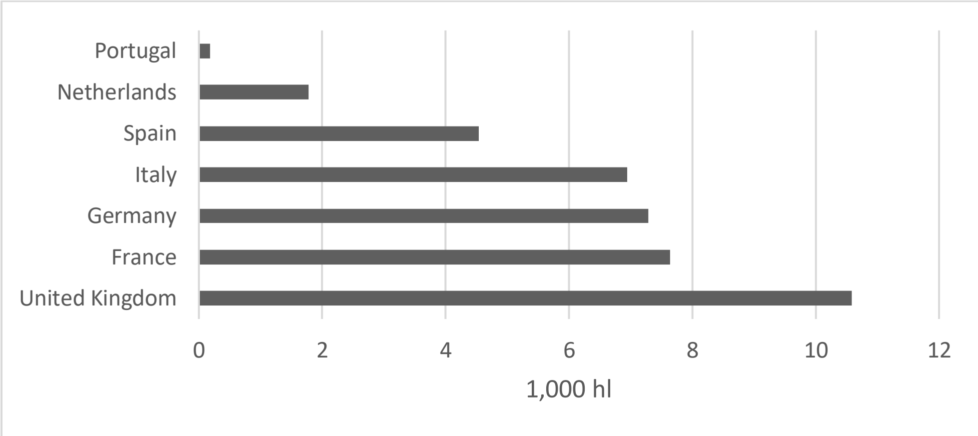


Figure 6. Import volumes in 2016 (in 1,000 hl)

Source: Author's own elaboration, based on beer statistics of "The Brewers of Europe" (2017 edition).

Therefore, the UK, France and Germany are the countries with high import volumes (see figure 3). It can notice that the difference between import volume in Portugal and, for example, the UK reaches 10,402 thousand hl according to the information presented in beer statistics by company the Brewers of Europe.

Table 6. Import volumes in 2016 (in 1,000 hl)

Country	Intra-EU	Extra-EU
Portugal	183	0

Source: Author's own elaboration, based on beer statistics of "The Brewers of Europe" (2017 edition).

The table 6 shows us that all import beer to Portugal is produced in European countries. The analysis and observation of the brands, which are placed on the store shelves, the main ones are Benediktiner and Erdinger Weissbier (Germany), Leffe Blonde and Duvel (Belgium), Magners and Guinness (Ireland), Cobra beer (the UK), Estrella Damm (Spain).

Extra-EU imports of goods are goods, which enter the territory of the European Union from a third country and are placed under the customs procedure for free circulation within the EU (as a general rule goods intended for consumption), inward processing or processing under customs control (goods for working, processing or repair) immediately or after bonded warehousing ("The Brewers of Europe", 2017).

Intra-EU imports of goods are goods which enter a Member State of the EU from another Member State for definitive import (as a general rule goods intended for consumption), inward processing or processing under customs control (goods for working, processing or repair) immediately or after bonded warehousing ("The Brewers of Europe", 2017).

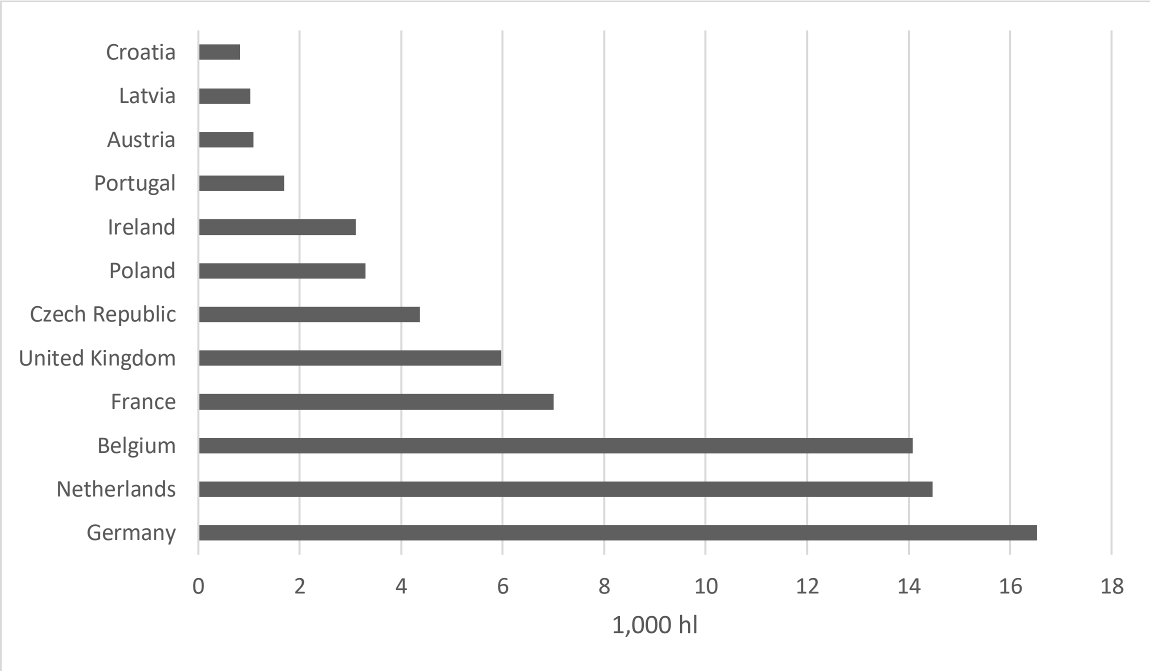


Figure 7. Export volumes in 2016 (in 1,000 hl)

Source: Author's own elaboration, based on beer statistics of "The Brewers of Europe" (2017 edition).

Figure 7 presents sales' volumes of export of different European countries. Portugal is placed on 12 position with the volume of 1,687 thousand hl. According to the fact, that the Republic of Belarus is not included in European Union, so the volumes will be presented and compared later. Table 6 helps to analysis the data of 2014-2016 years and in which region products have been sold.

Table 7. Export volumes (in 1,000 hl)

Year	2014		2015		2016	
Country	Intra-EU	Extra-EU	Intra-EU	Extra-EU	Intra-EU	Extra-EU
Portugal	0,776	1,848	0,871	0,977	0,919	0,768

Source: Author's own elaboration, based on beer statistics of "The Brewers of Europe" (2017 edition).

As can be noticed in table 7, in 2014 and 2015, the volumes of export to Extra-EU were higher than Intra-EU countries. For example, in 2014 the difference is equal to 1,072 thousand hl, but in 2016 the situation has changed: the volumes of export sales to Intra-EU countries increased and was 919 thousand hl (see table 7).

Next very important parameters for analysis are price segment (premium, mainstream) and package format (can, glass, draught). Let us define these parameters: premium price segment includes prices above usual or normal price; mainstream price segment includes usual prices on products created for ordinary consumers. The most popular price segment for consumers is mainstream (91% of total sales). Glass format takes 74%, draught 21% and can 5% ("European beer market", 2017).

Portugal has no indigenous beer styles. Everything is bottom-fermented, except for German-style wheat beers. The overwhelming majority of beer sold is pale lager. None of the beers - even ones in styles like pilsner - are very hoppy. Some *Preta*/Stouts demonstrate a firm roastiness. Strengths vary between 4.3%, for *Preta*, to 6.6% for one of the fancily-labelled amber lagers ("European beer market", 2017).

During the analysis of beer production and market, the information about quantity of employees in this sector and excise duty revenues should be evaluated in order to define how important this industry is for country. In 2016 in Portugal the number of direct employees were 2084 and the government revenues generated from excise duties on the sale of beer were 75,42 million euros ("The Brewers of Europe", 2017). By this way, the figures are not high, because this country does not have specialty in beer production. However, the largest contribution to government revenues relates to VAT in the on-trade. This reflects both Portugal's high VAT rate, relative to its excise duty rate, and the high share for on-trade consumption.

The high on-trade share in beer consumption in Portugal means that it dominates total employment, accounting for nearly 90 per cent of the total contribution to employment. Of the contributions to employment in supply sectors, that of agriculture is lower than in some other European countries, reflecting a relatively low share for domestic purchases of agricultural goods reported by the consulted breweries. The largest contributions to employment in supply sectors were in media and marketing and other services ("The Brewers of Europe", 2017).

3.1.2 The brewery market and industry in Belarus

Belarus's beer market is one of the fastest growing in Eastern Europe. The trends of developing beer market in Belarus are the same as in Europe: volume sales of beer declined for a third consecutive year due to the difficult conditions in the Belarusian economy and low disposable incomes in the country.

Nowadays many consumers do not have enough disposable income to spend on beer. In such adverse trading conditions, the Belarusian authorities are taking measures to stimulate the development of beer sales. In order to increase the profitability of the country's beer manufacturers and to improve their financial stability, the excise duty on beer remained unchanged during 2015 and 2016 and this is likely to remain the same in 2017 ("Euromonitor international", 2017). This means that the excise of BYN[5] 0.35 per litre of beer with alcohol content of between 0.5% and 7% ABV[6] is set to remain in effect. Furthermore, during 2015 and 2016, all of the leading manufacturers of

[5] Belarussian ruble (ISO 4217 code BYN)

[6] Alcohol by volume

alcoholic drinks in Belarus, including beer manufacturers, were permitted to withhold payment of excise owed to the country's treasury until after their products had actually been sold, rather than after they had been shipped to retailers. This measure was also extended into 2017 by Presidential Decree, signed on 15 August 2016. These measures are likely to ease the difficult financial situation faced by beer producers in Belarus, some of which are still burdened with debt undertaken during the review period ("Euromonitor international", 2017).

Development of Belarus brewing companies is taking place under unusually strong influence of import and export. The competition with foreign brands including them into portfolio or launching licensed production led to fluctuations of market shares and companies' output volumes. Belarus producer's performance (volumes and market share) can be measured differently ("Pivnoe delo", 2017):

1) as a subdivision of international group, considering the joined portfolio of brands produced in Belarus and imported brands (in case of Carlsberg and Heineken);
2) as Belarus producer, that sells beer in the domestic market;
3) as a business that produced a certain volume of beer, regardless of where it is sold - locally or abroad.

The main players of Belarussian beer market are five companies, on which share falls 98% of the produced beer in the country (Pivnoe delo, 2017). Some of them are managed by international investors. Therefore, the main stake of OJSC «Olivariya» - one of the oldest beer factories of the country – belongs to the Carlsberg Group company. OJSC «Lidskoye pivo» is a part of the international concern «Olvi». At the same time, two enterprises – «Krinitsa» and OJSC «Brestskoye pivo» – are under control of the state. The share of the state is 82,1% and 89,73% of stocks respectively. In 2016, state brewery "Brestskoe pivo" was put up for sale ("Pivnoe delo", 2017).

Now the share of «Krinitsa» in the Belarusian market is about 24,6%, including own brands of the company (19%). In 2016, the share of OJSC «Krinitsa» in beer production of all breweries is 32% that is showed on the Figure 8.

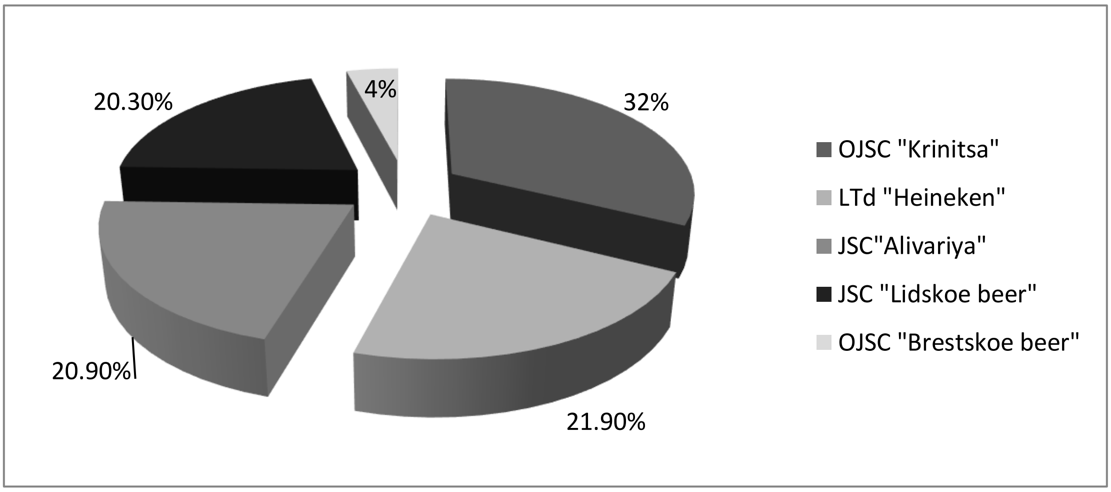


Figure 8. Distribution of beer production among enterprises of the Republic of Belarus

Source: Author's own elaboration, based on "Pivnoe delo", 2017.

JSC "Lidskoe pivo" is the only company on Belarus beer market that has been long expanding production steadily. The second stage of large-scale modernization, which the enterprise started in 2013, was finished in 2015. Finnish investor, company "Olvi", allocated 41.1 million euro for this purpose. As a result, the brewery capacity increased at the stage of water preparation, brewing house, and filling line by 45% ("Pivnoe delo", 2017). The volumes of beer production in Belarus are presented in table 8.

Table 8. Beer production in Belarus from 2010 till 2016 (in 1,000 hl)

Country	2010	2011	2012	2013	2014	2015	2016
Belarus	3,999	4,720	4,260	4,220	4,310	4,046	4,300

Source: Author's own elaboration, based on "Uniter", 2016.

The analysis of beer production dynamics shows that in 2016 the volume of beer production was 4,30 thousand hl. Over the past seven years, the average annual growth rate of production was 2%, despite its decline in 2012, 2013 and 2015. In these years, the dynamics of beer production in country was negative. The decrease in output was due to a decrease in the production capacities of the main brewing enterprises («Krinitsa» OJSC, Olivaria Brewery, Brest Beer JSC, etc.).

Table 9. Beer consumption in Belarus from 2010 till 2016 (in 1,000 hl)

Country	2010	2011	2012	2013	2014	2015	2016
Belarus	3,41	4,07	3,60	3,60	3,80	3,41	3,37

Source: Author's own elaboration, based on "Uniter", 2016.

The information presented in Table 9 demonstrates that in 2016 the volume of beer consumption remains almost at the same level as in 2015, but it is lower than in 2014 at 11,4%. The most influential factor of declining in volumes of production and consumption was the rise in prices. According to Belstat, the index of consumer prices for beer was 118.97 and 119.36 respectively. The prices were significantly boosted by excise rates for beer. Today Belarus is one of the leaders of the beer excise tax's size in Europe. At the same time, the purchasing power of the population is below the average European level ("Euromonitor international", 2017).

In 2016, beer consumption *per capita* in Belarus was 51 liters ("Uniter", 2016). So this figure is a little bit higher than in Portugal, but it is not as high as leading countries have. It is showed that Belarusian and Portugal markets have perspectives for growth.

The next question to discuss is import and export volumes. Belarus is not a country of European Union, so if it wants to supply its products to these countries, all requirements in packaging, ingredients and others should be followed. Sometimes it is difficult to implement and very expensive.

Table 10. Export and import volumes (in 1,000 hl)

Year	2014		2015		2016	
Country	Import	Export	Import	Export	Import	Export
Belarus	1,20	0,817	0,961	0,732	0,902	0,862

Source: Author's own elaboration, based on "Uniter", 2016.

Over the past three years, as can be seen in table 10, the volume of beer imports exceeded the volume of exports, but in 2016 the import of beers decreased by 6,2% and amounted to 0,902 thousand hl. At the time as exports increased in comparison with 2015 by 17,75% and was 0,862 thousand hl. So the volume exceeded but not significantly with comparison to 2014, for example.

Table 11. Export and import volumes in first 7 months of 2016 and 2017 year (in 1,000 hl)

№	Country	Export in January – July 2017, mln $*	Import in January – July 2017, mln $	Balance, in mln $	Export in January – July 2016, mln $	Import in January – July 2016, mln $	Balance, in mln $
1	Russia	24,9	14,5	+ 10,4	9,5	13,7	- 4,2
2	Ukraine	6,4	6,6	- 0,2	3,7	4,6	- 0,9
3	Lithuania	2,9	1,3	+ 1,6	2,4	0,3	+ 2,1
4	Latvia	0,1	1,3	- 1,2	0,1	0,06	+ 0,04
5	Poland	0,07	0,01	+ 0,06	0,03	0,01	+ 0,02

Note: *mln $ - million of dollars

Source: own elaboration, based on "Tomorrow of your country", 2017.

The key markets for Belarusian beer brands are countries-neighbors - Russia, Ukraine, Lithuania, Latvia and Poland (see table 11). Supplies to these countries have grown in 2017. The Russian market accounted for more than half of the total volume of Belarusian beer exports. In money, exports grew more than 2.5 times. For the first time in many years, Belarus received a surplus in beer trade with Russia at the rate of over $ 10 million.

The export of Belarusian beer to Ukraine doubled, from 116 thousand deciliters (daL) to 226 thousand daL. The import volumes increased as well, but not at this level. This allowed Belarusian producers to be almost equal to their Ukrainian competitors in beer supply ("Tomorrow of your country", 2017). The supply of Belarusian beer to the Polish market also doubled, the growth of sales to Lithuania was 20%, to Latvia - 4.3%.

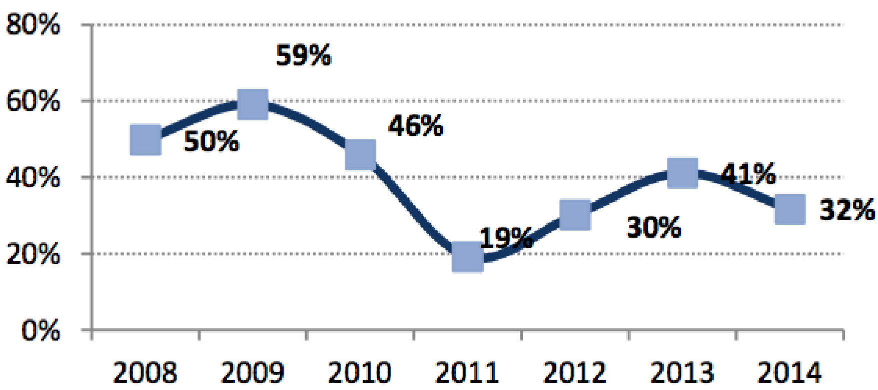


Figure 9. Share of imported beer in consumption in Belarus, %

Source: "Uniter", 2016.

Share of imported products in beer consumption began to acquire a negative trend since 2009 (see Figure 9). The sharpest decline was noted in 2011 compared to 2010, partly, due to a sharp decrease in the supply of beer from Ukraine (by 78%). After 2011, there was a steady increase in the share of imports, and in 2014, this figure reached a level of 32%. Latvian brewing companies became leaders in the dynamics of increasing beer supplies to the Belarusian market. Latvia, like Ukraine, remains a neighbor country of Belarus, with which there is a negative beer balance.

Next step of the analysis includes the defining preferences of consumers. According to retail sales data, domestic buyers prefer beer with strength of 4 to 5% alcohol - its share in the sales structure is 60%. The most popular types are light varieties that have been filtered and pasteurized - 87% in the sales structure ("Uniter", 2016).

Beer packaged in PET is the most popular among Belarusian consumers. The share of such products in the sales volume is 68%. This trend is explained by the difference in the cost of the same beer, poured into different types of containers. Beer in glass is more expensive than beer in PET in 40-60%.

The analysis of Belarusian and Portuguese beer markets has shown the following results:

1) The volumes of production and consumption in Portugal are higher than in Belarus (50% and 45% respectively);
2) Export volumes in Portugal are higher than in Belarus, but import volumes in Belarus are much higher than in Portugal;
3) The structures of on-trade and off-trade sales are different for Portugal and Belarus. In Belarus the channel of on-trade is not so popular due to high prices on alcohol and dishes in bars, restaurants and etc.
4) The perceptions of consumers in Portugal and in Belarus are the same concerning to the taste of beer: lager is the most popular type of beer, but the perceptions of packaging are different. Portuguese people prefer glass bottles, Belarusians prefer PET-bottles. These differences are explained by cultural values, prices and forbiddance of pet-bottles in Portugal.

It is important to gather information about the regulation of beer sales for these markets and how easy it is to distribute products for export. Portugal is the member of European Union, so the regulation norms will be similar for these countries.

The vast majority of European Union member states have put several restrictions especially focused on the protection of minors. Several European Union countries have also introduced legislation related to minimum pricing, health warnings or packaging. In Slovenia, for instance, labels of alcoholic beverages must include a warning that they are not suitable for children. While in France and Lithuania all alcoholic beverages should carry a warning indicating the risks for pregnant women (Michalopoulos, 2017). On the other hand, in the UK, the industry has found a voluntary agreement with the government to display health warnings. Moreover, the alcohol industry itself has launched campaigns to promote responsible drinking among students (Michalopoulos, 2017).

The main labeling requirements for European Union are ("IARD", 2018):

- Volume and alcohol content - must be indicated with words and numbers, and may additionally be expressed by means of pictograms or symbols. The actual alcoholic strength by volume of beverages of higher than 1.2% ABV by a figure to not more than one decimal place followed by the symbol '% vol.' and preceded by 'alcohol' or 'alc'.
- Ingredients and contents - regulation (EU) No 1169/2011 establishes the legal framework for the provision of food information to consumers. It sets down the general principles, responsibilities and requirements for achieving clear, comprehensive, comparable and legible information for all foods and beverages. Ingredients must be listed in descending order of weight. Nutrition information must be provided per 100ml for all beverages. The Regulation does however oblige any producer voluntarily providing this information to do so in full accordance with the above rules. With regards to nutrition information, alcoholic beverages over 1.2% ABV can list the energy values alone or list all seven nutritional values ("IARD", 2018).
- Original and retain information – name or business name and address of the food business operator; country of origin, place of provenance, protected designation of origin; instructions for storage and use where necessary, date of minimum durability or 'use by' date; beverages of 10% ABV or higher are exempt from the last.
- Presentation requirements - mandatory information shall appear in a language easily understood by the consumers of the Member States where a food is marketed. Within their own territory, the Member States may stipulate that the particulars shall be given in one or more languages from among the official languages of the Union.

The Republic of Belarus has the following labeling requirements:

- Volume and alcohol content - alcohol by volume and net content must be presented.
- Ingredients and contents - ingredients list and statement or symbol indicating genetically modified ingredients if applicable.
- Original and retain information - name of beverage, type of beverage, name and address of manufacturer or importer, date of manufacture and date of expiry, storage instructions and instructions for use if any.
- Presentation requirements - labels shall be both in Russian and in the state language(s) of the Customs Union Member State; information pertaining to the name of location of foreign manufacturers may be in the state language (languages) of the country of the manufacturer's location provided the name of the country is indicated in Russian.

Subsequently, it can be remarked that requirements in Belarus are not similar to those in European Union, it means that export sales of Belarusian companies require more serious preparations, resources and expenses for adaptation the products for the EU consumers.

3.2 The competitiveness of the companies in the international market

In previous chapter the markets, their volumes and conditions were discussed, but it does not show real possibilities and prospects of companies to sell their products in domestic market and abroad. For this reason, the analysis of competitiveness of existing brewing companies should be done and it is presented in next subchapters. Two biggest companies of Belarus and Portugal have been chosen: OJSC «Krinitsa» (Belarus) and UNICER - Bebidas de Portugal, SGPS, S.A.

3.2.1 The competitiveness of OJSC «Krinitsa» (Republic of Belarus)

Open Joint Stock Company (OJSC) «Krinitsa» is established according to the direction of Constituent Assembly of December 29, in 2000 year by transformation of rent enterprise of beer production and non-alcoholic beverages «Krinitsa» in appliance with the legislation of joint-stock companies, privatization of state ownership in the Republic of Belarus. Founders of OJSC «Krinitsa» are Minsk city executive committee of management of the state property and group of employees of rent enterprise of beer and non-alcoholic beverages production «Krinitsa». OJSC «Krinitsa» was reorganized on the basis of the decision of general shareholder meeting of March 23, 2006 by accession of OJSC «Polotskoe beer» to him.

The history of brewery «Krinitsa» begins from 1975, when the first beer was produced. Every year the enterprise improved a compounding, upgraded the equipment and created new sorts of beer and now OJSC «Krinitsa» is the largest enterprise of brewing branch of the Republic of Belarus. The large-scale modernization of production begun in 2003 and finished in 2010. It was consisted of three stages. The most serious reconstruction of the enterprise is allowed to come to new level and produce high-quality beer.

The goal of the enterprise is to provide leadership in the market of the Republic of Belarus based on high quality products, available prices, attractive package, and satisfaction of customer's requirements.

Nowadays the range of products produced in OJSC «Krinitsa» consists of five product groups: beer, kvass and food concentrates, soft drinks and water. The company produces beer in a branded glass bottle of 0.5 liters, an aluminum can of 0.5 liters and a PET bottle with a volume of 1, 1.5 and 2 liters. For cafes, bars and restaurants, the company produces beer in KEG[7] (www.krinitsa.by).

In 2017, the company created beer line “Beer card” known as “craft” beer. This line includes four types of beer, and one of it was created with the cooperation with small craft brewery.

One of the company’s aim is to increase volumes of export sales and widen the geography of sales. To realize this policy OJSC «Krinitsa» have representatives and subsidiaries in different countries (see table 12), which help to sell products and carry out marketing activities. At the same time, it

[7] A KEG is a small barrel, constructed of stainless steel. It is commonly used to store, transport, and serve beer.

allows to have control over the territory and avoid price games between several companies.

Table 12. The subsidiaries and representatives of OJSC «Krinitsa» in foreign countries

Contacts	Adress
LLC "Krinitsa-Trade"	Russian Federation, 109052, Moscow city, Nijegorodskaya str. 104/3
LLC "Krinitsa-Draft"	Russian Federation, Moscow city, Entyziastov str. 25
UAB «BENNET DISTRIBUTORS»	Vilnius, LT-02190, Metalo str. 2B
Mercus Agnieszka Soltysiak	Poland, Zombki city, Ks. Skorupki st. 13 A
SIA «Mamas D»	Latvia, Daugavpils city, Dzirnavy str., 22
D.C. «Consalcom» S.R.L.	Moldova, Kishinev city, Yziliner str., 2

Source: Author's own elaboration, based on www.krinitsa.by.

There are two representatives in Russia, which divide type of products between themselves. LLC "Krinitsa-Trade" sells only bottled beer and LLC "Krinitsa-Draft" sells draught beer on all territory of Russia.

The corporate goals (www.krinitsa.by) are as follow:

1) To conquer of customer's dedication - Provide products and services of high quality, as well as improve the service level, getting their loyalty and respect.

2) To increase of income - Achieve income level, that will be enough to finance company's growth, provide profitability of our shareholders investments and give resources for achieving other goals.

3) Leadership retention - Grow by means of constant delivery of useful and necessary products and services on the covered markets and at the same time enter new markets using our technologies, capacity and clients' interest.

4) Providing growth - To consider changes on the market as opportunity for growth; to use our profit and our development ability and produce innovative products, services, which satisfy customer's requirements.

5) Social security - To help workers share company's success. Provide growth opportunity on the basis of their work, to create safe, interesting and meaningful work conditions, in which we appreciate individuality and personal contribution, as well as to help them to receive feeling of self-satisfaction of their work.

The type of organizational structure in OJSC «Krinitsa» is called linear-functional. This organizational management structures have merits of both linear and functional. Main disadvantages of the linear-functional structure are a violation of the principle of one-man management, difficulties in making and implementing agreed managerial decisions. The rigid division of labor contributes to strengthening the interest of each management body in performing only its "own" function, which is typical for functional units. Therefore, when new, non-standard, complex, inter-functional tasks arise, there is a need for frequent coordination of draft decisions at the highest level of management.

As the structure shows, the Department of Foreign Economic Affairs is an independent structural subdivision (see figure 10). The employees of the department obey the Deputy of general manager on commercial questions. His aim is to define the economic efficiency of future foreign trade transactions of the enterprise and make decisions on contracts with foreign organizations. The head of the department performs direct management of the department and organize the work of his employees, who perform their functions in accordance with the job descriptions of the OJSC “Krinitsa”. The main function of the department is export sales (documentation of the company).

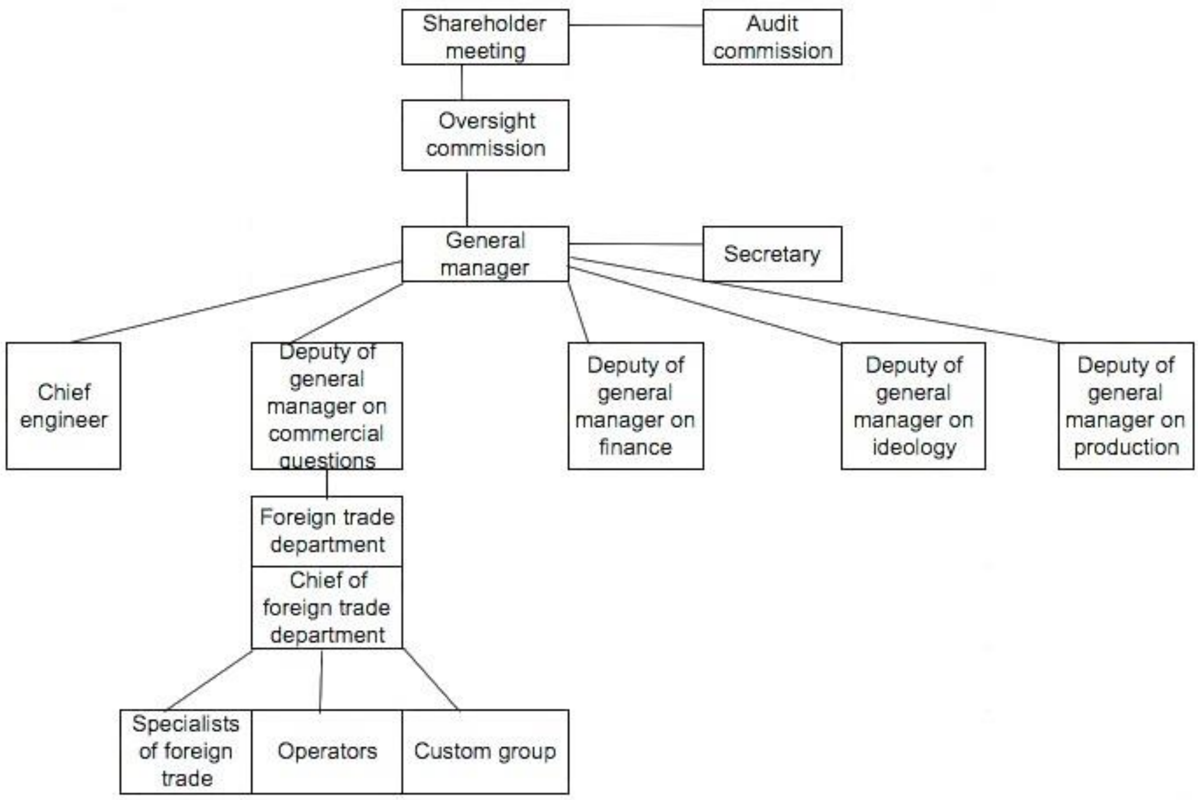


Figure 10. The structure of OJSC «Krinitsa»

Source: Author’s own elaboration, based on OJSC «Krinitsa» documentation.

The next step of analysis is defining export volumes of the company. The volumes of export sales of OJSC «Krinitsa», presented in the table 13, in 2015 and 2016 are almost the same, but in 2016 there was a growth of 14,84 thousand Euro. At the same time the structure of sales to Intra- and Extra-CIS countries changed: the sales volumes to countries included in CIS grew in 7,2% or 348,31 thousand Euro.

Table 13. Export volumes of OJSC «Krinitsa» in 2015 and 2016 year (in 10^3 Euro)

Product	Export volume					
	2015			2016		
	In total	Intra-CIS[8]	Extra-CIS	In total	Intra-CIS	Extra-CIS
Beer	8363,93	4856,75	3507,19	8378,77	5205,06	3173,71

Source: Author's own elaboration, based on OJSC «Krinitsa» documentation.

To understand the reasons of such decline the geographical structure of sales should be discussed. The data presented in table 14 shows that in 2016 the company discontinued to supply beer to China and Kazahstan, but at the same time began to sell products to Germany and Israel.

Table 14. Geographical structure of export volumes of OJSC «Krinitsa» in 2015 and 2016 year (in 10^3 daL and Euro)

Country	Export volume			
	2015		2016	
	In 10^3 daL	In 10^3 Euro	In 10^3 daL	In 10^3 Euro
China	5,692	24,08	-	-
Arménia	1,094	3,53	0,00412	0,14
Kazahstan	20,755	28,46	-	-
Moldova	10,608	39,48	12,206	38,47
Lithuania	1787,37	3 263,94	1 759,13	2 971,98
Estonia	9,984	19,43	7,987	15,91
Germany	-	-	1,765	3,94
Poland	9,388	41,82	14,077	47,76
Latvia	62,217	129,45	58,4	116,18
Russian Federation	2 007,12	3 370,90	2 060,5	3 292,11
Ukraine	476,62	1 442,84	1122,72	1 874,49
Israel	-	-	7,622	17,70

Source: Author's own elaboration, based on OJSC «Krinitsa» documentation.

The volumes of sales to Russia (the main partner) increased a bit in natural figures, but decreased in value figures due to changes in exchange rates (see table 14). Lithuania is the main partner too,

[8] CIS – Commonwealth of Independent States - an association of former Soviet republics that was established in December 1991 by Russia, Ukraine, and Belarus to help ease the dissolution of the Soviet Union and coordinate interrepublican affairs. Most of the former Soviet republics are members.
Intra-CIS figures include sales between countries – members of association
Extra-CIS figures include sales with countries, which are not members of association

but in 2016 the volumes of sales to this country decreased in both cases, but the decreasing in money reaches higher level (9% against 1,6%). The increase of sales volumes to CIS countries happened because of increasing of supply to Ukraine more than twice. It is important to say that in 2017 the first supplies of beer were realized to the USA (3000 daL) and the volume of sales to Germany reaches 4000 daL.

To determine the names of products, which are sold better and are the main elements of revenue growth, it is necessary to conduct the ABC analysis on the export market. It can be concluded that the largest share of the sales volume is taken by the beer "«Krinitsa» Classic", poured into a PET[9]-package of 1,5 and 2 liters. This data touches information of 2015 and 2016. The same results cannot be gained in 2017, because of forbiddance of sales of beer in PET-package of 2 liters in Russia.

As the result of the analysis of the whole group A, it can be seen that the main place in the sales takes beer, poured into a package of large volumes (1.5 and 2 liters). Group B mainly includes the most popular beers, poured into a glass bottle of 0.5 liters. These names include "Kult wheat", "«Krinitsa»Svetloye", "Zhigulevskoe" and "Porter". Group C, which includes the least important goods, includes the names of beer bottled in a 0.5 liter can: Alexandria, Stara Pivnice light and Urban beer. The table with all products is presented in Appendix (Table A.1).

To conduct competitive analysis financial data should be presented. As it can be observed on table 15, in 2016 sales revenue increased in 5063,65 thousands Euro or 15,9% in comparison with 2015 year, so this figure shows that company sales grew. However, it is necessary to analyse which factors influenced on the changes: price or volumes of realization. To understand this sales revenue was presented in comparable prices, so the growth is equal to 2749,09 thousands Euro or 8,6%.

[9] PET - polyethylene terephthalate - is the most common thermoplastic polymer resin of the polyester family and is used in fibres for clothing, containers for liquids and foods, thermoforming for manufacturing, and in combination with glass fibre for engineering resins.

Table 15. Economic indicators of OJSC «Krinitsa» activities in 2015 and 2016 year

Name of indicators	2015	2016	Difference (+/-)	Change rate, %
1	2	3	4	5
Sales revenue - in current prices, 10^3 Euro - in comparable prices[10], 10^3 Euro	 31 796,82 31 796,82	 36 860,47 34 545,91	 5 063,65 2 749,09	 115,9 108,6
Cost of goods sold, 10^3 Euro	20 383,45	23 927,01	3 543,56	117,4
Gross profit - total, 10^3 Euro - in % to revenue, %	 11 413,37 35,89	 12 933,46 35,09	 1 520,09 - 0,8	 113,3
Sales costs - total, 10^3 Euro - in % to revenue, %	 4 941,86 15,54	 5 187,93 14,07	 246,07 -1,47	 105
Profit from the sale of products, goods, - total, 10^3 Euro - in % to revenue, %	 4 432,25 13,81	 5 536,68 15,02	 1 104,43 1,21	 126,1
Income from investment activities, 10^3 Euro	1,25	42,4	41,15	340
Expenses from investment activities, 10^3 Euro	9,14	49,88	40,74	545,5
Income from financial activities, 10^3 Euro	2 203,45	224,46	-1 978,99	10,2
Expenses from financial activities, 10^3 Euro	5 775,27	5 024,58	- 750,69	87
Loss on investment and financial activities, 10^3 Euro	3 579,72	4 807,18	1 227,46	134,3
Tax loss, 10^3 Euro	65,26	177,07	111,81	271,3
Net income (loss), 10^3 Euro	0,83	15,8	14,97	1900
Average number of employees, per.	1195	1052	-75,0	94,1

Source: Author's own elaboration, based on balance sheet and income statement of OJSC «Krinitsa» of 2017.

Comparable prices are prices with correction on consumer price index in the Republic of Belarus. The table 16 presents the inflation rate for goods for the period under analysis.

Table 16. Consumer price index for alcohol beverages from 2013-2016

Year	2013	2014	2015	2016
1	2	3	4	5
Consumer price index for alcohol beverages	139,3	122,1	109,9	106,7

Source: Author's own elaboration, based on www.belstat.gov.by.

Cost of goods sold also increased in 3543,56 thousands Euro or 17,4%. It can be explained by sales growth, but the difference between these indicators is important. As seen the enlargement of cost of

[10] Comparable prices mean prices with correction on consumer price index.

goods sold is higher than of sales revenue. It means that the prices of raw materials raised as well and their increase cannot be covered by product sales. For this reason, in 2016 gross profit was higher than in 2015, but the percentage of this indicator to revenue almost remained at the same level.

Sales costs of OJSC «Krinitsa» in 2017 was on the increase and was 5187,93 thousands Euro, what is higher the figure of 2015 year in 246,07 thousands Euro or 5%. It is necessary to notice that the share of sales costs in sales revenue decreased in 1,47%. At the same time profit received from goods' sales increased in 2017 in 26% or 1104,43 thousands Euro and the share of it in sales revenue increased as well. It is an affirmative moment of company's development. One of the most important indicator of company's activities is income, so it should be noticed that, in 2017 year, the income increased in 19 times and was 15,8 thousands Euro. Nevertheless, it is necessary to notice that it is very small volume for big brewing company.

Value chain analysis shows primary and support activities that add value to company's final product. Primary activities of OJSC «Krinitsa» are presented in figure 11.

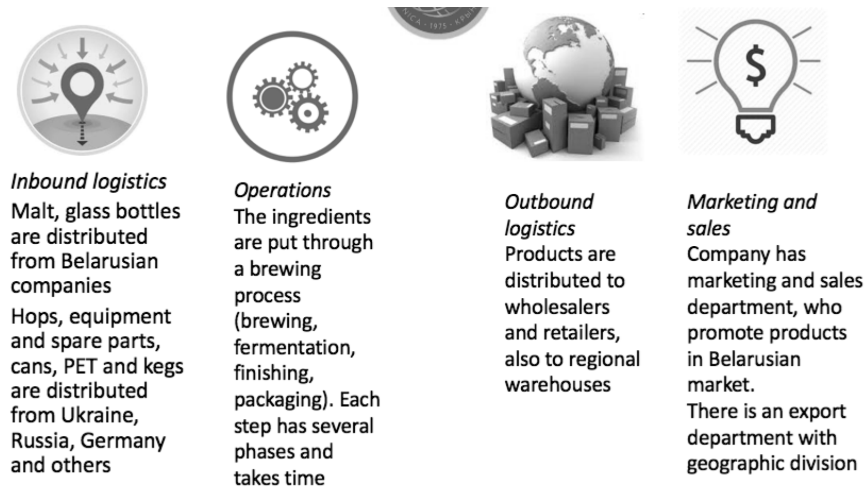


Figure 11. Value chain of OJSC «Krinitsa» (primary activities)

Source: Author's own elaboration, based on company's documentation.

As seen the main activities of company are production of goods, distribution and marketing and sales. The disadvantage is lack of marketing activities on foreign markets. Secondary activities of OJSC «Krinitsa» are presented in figure 12.

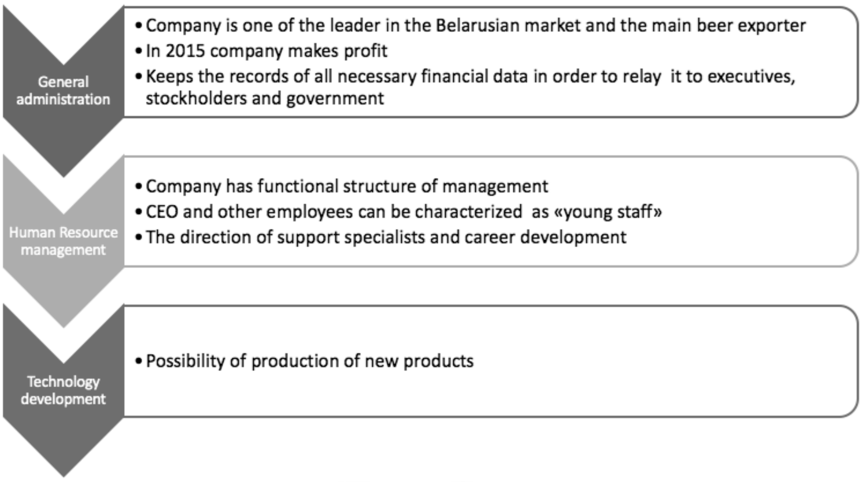


Figure 12. Value chain of OJSC «Krinitsa» (secondary activities)

Source: Author's own elaboration, based on company's documentation.

SWOT analysis, presented in table 16, is one of the most popular method to analyse internal and external factors that influence on a company's success. For OJSC «Krinitsa» the following main strengths can be highlighted: high capacity of beer production, what allows to the company to produce products under private label and license; at the same time «Krinitsa» is the only producer of beer in cans in Belarus, it helps to receive additional income due to the service of beer pouring for another companies. The main weaknesses for Belarusian companies are financial aspects, which include low profit margins and high account receivables. These factors lead to lack of financial resources for launch of new products, marketing and development of the company in general.

The market and industry give to the company some opportunities, which can lead to opening of new paths for company. First, it is the increasing of consumption of non-alcoholic beverages and OJSC «Krinitsa» has experience of producing such products. Some years ago non-alcoholic beer Aleksandrya was produced, but due to small volumes of sales, the production was stopped. Nowadays the trend of non-alcoholic beer is growing, so the company should analyse this possibility. The threats also play an important role. One of the main threat of the industry is increasing of excise duties. It leads to price growth and decreasing of beer consumption and sales. Another threat that does not give possibility to sale more products on international market for the company is need to adapt packaging for sales to Europe and other countries. This requires many financial resources, setting of the equipment, time and human resources.

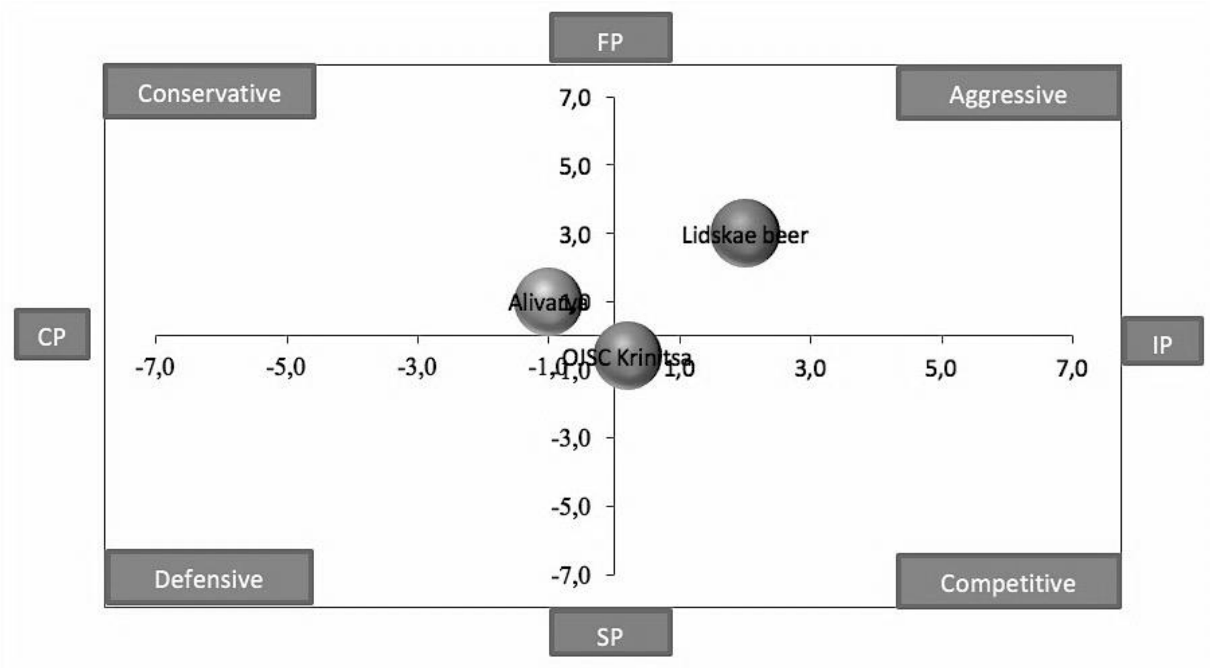
Table 17. SWOT analysis for OJSC «Krinitsa»

Strengths	Weaknesses
1. The capacity - 240 million liters of brew 2. Experience of brewing different types of beer, cooperation with microbreweries 3. The opportunity of bottling in cans 4. The opportunity of producing products under private label and license 5. Variety of goods	1. Lack of marketing plan for foreign markets 2. Low profit margins 3. Decline of capacity due to old parts of equipment 4. High accounts receivables 5. No definition of products which bring the most amount of profit
Opportunities	**Threats**
1. Increasing of consumption of non-alcoholic beer 2. Holding various competitions and exhibitions all over world	1. Seasonal factor 2. Decreasing of beer consumption 3. Increasing of excise duties 4. Popularity of healthy life 5. Need to adapt packaging for sales to Europe and other countries

Source: Author's own elaboration.

Therefore, the main inferences after making up SWOT analysis are the following (see the table 17): OJSC «Krinitsa» should determine correct and considered marketing plan (promote brand as quality Belarusian products in international market), optimize assortment using information of profit, participate in different exhibitions and forums and define the ways of receiving additional financial resources.

To analyse competitive position SPACE matrix should be used. The results for OJSC «Krinitsa» are presented in figure 13. Next deductions can be made: OJSC «Krinitsa» places almost in the center of diagram, but strategy type can be named as competitive. At the same time the company Lidskae beer has aggressive type of strategy.



Note: FP – Financial Position; IP – Industry Position; SP – Stability Position; CP – Competitive position

Figure 13. SPACE Matrix of OJSC «Krinitsa»

Source: Author's own elaboration.

These results of SPACE Matrix were gained after providing analysis, in which different indicators were presented and evaluated according to its strength for financial and industry position from 1 (worst) till 7 (the best) and for stability and competitive position from 1 (best) till 7 (worst) in the figure 14.

Internal Analysis:		*External Analysis:*	
Financial Position (FP)		**Stability Position (SP)**	
Profit	3	Rate of Inflation	-5
Reliables	2	Technological Changes	-2
Volume of sales	5	Price Elasticity of Demand	-3
Working Capital	2	Competetion	-4
Investment	1	Barriers to Entry into Market	-2
Financial Position (FP) Average	**2,6**	**Stability Position (SP) Average**	**-3,2**

Internal Analysis:		*External Analysis:*	
Competitive Position (CP)		**Industry Position (IP)**	
Market Share	-3	Growth Potential	5
Product Quality	-5	Financial Stability	3
Customer Loyalty	-4	Ease of Entry into Market	2
New products	-3	Volumes of production	6
Control over Suppliers and Distributors	-4	Profit Potential	4
Competitive Position (CP) Average	**-3,8**	**Industry Position (IP) Average**	**4,0**

Figure 14. Indicators for SPACE Matrix of OJSC «Krinitsa»

Source: Author's own elaboration.

After providing all analysis for OJSC «Krinitsa» the activities of Portuguese company UNICER will be discussed.

3.2.2 The competitiveness of UNICER (Republic of Portugal)

UNICER, as the leader in the beverage industry in Portugal, particularly in the beer and (still and sparkling) bottled water business, and with a portfolio of strong global brands, has 126 years' experience under its belt. UNICER is also present in the wine and soft drinks segments, and plays a key role in the production and marketing of malt. In November 2017, UNICER rebrands as Super Bock Group company.

The majority of the company is Portuguese-owned, 56% owned by the VIACER Group (Violas (46.5%), Arsopi (28.5%) and BPI (25%) and 44% by the Carlsberg Group. The goal of the company is to provide what the market deserves ("UNICER management report", 2016).

The headquarters plant is located in Leça do Balio, but UNICER has other plants and is gaining momentum across a wide geography to meet the needs of the business in a client, attuned manner and serve the markets effectively and with quality ("UNICER management report", 2016).

In recent years, UNICER has committed itself to a continued strategy of strengthening its national distribution network. In order to align the vision of the company with the operations of distributors, an information systems platform was created, called UNIDIS. Distributors gain important support for their business processes, benefitting from a set of technological solutions in accordance with industry best practices. By the end of 2016, UNIDIS already included the overwhelming majority of UNICER distributors, which are presented in the table 18 ("UNICER management report", 2016).

Table 18. The subsidiaries and representatives of UNICER in Portugal and in foreign countries

Establishment	Management
Leça do Balio	Auditing | Management Control and Planning | Purchasing | Financial | Legal Department | Project Management | Marketing | Communication | Logistics | Personnel | Beer Production | Operational Planning | Quality | Information Systems | Sales
Santarém	Logistics | Production Soft drinks* and other alcoholic beverages | Sales * The production of soft drinks and other alcoholic beverages in Santarém ceased at the start of 2016, in the context of the company's readjustment process
Melgaço	Capture and bottling of Natural Mineral Water
Vidago	Tourism
Lisboa / Miraflores	Marketing | Sales| Tourism | Purchasing
Palmela	Malt Production
Faro	Technical Support | Domestic Market Sales
Madeira and Azores	Domestic Market Sales
England, France, Angola, Mozambique, Switzerland, United States of America, Luxembourg, Spain, Germany, Cape Verde, and China	Sales
Lisboa / Tojal	Finance | Logistics | Domestic Market Sales | Technical Support | Risk Management | People

Source: "UNICER management report", 2016.

The company has chosen R&D strategy for working and developing. The purpose of this strategy is to add value to the company and contribute to its evolution in the national and international markets. It is focused on creating new, more efficient products and disruptive processes that raise the state of the art of the beverage industry (www.superbockgroup.com).

Nowadays innovation is one of the most important driver on the market. For this reason, UNICER advocates a culture of selective and careful innovation to ensure relevance, without letting down the expectations of consumers when it comes to the quality of products (www.superbockgroup.com).

UNICER has adopted a simple organizational structure, showed in the figure 15 client- and consumer-focused, and mindful of our people. It allows to the company to monitor every activity, brand and product of the company.

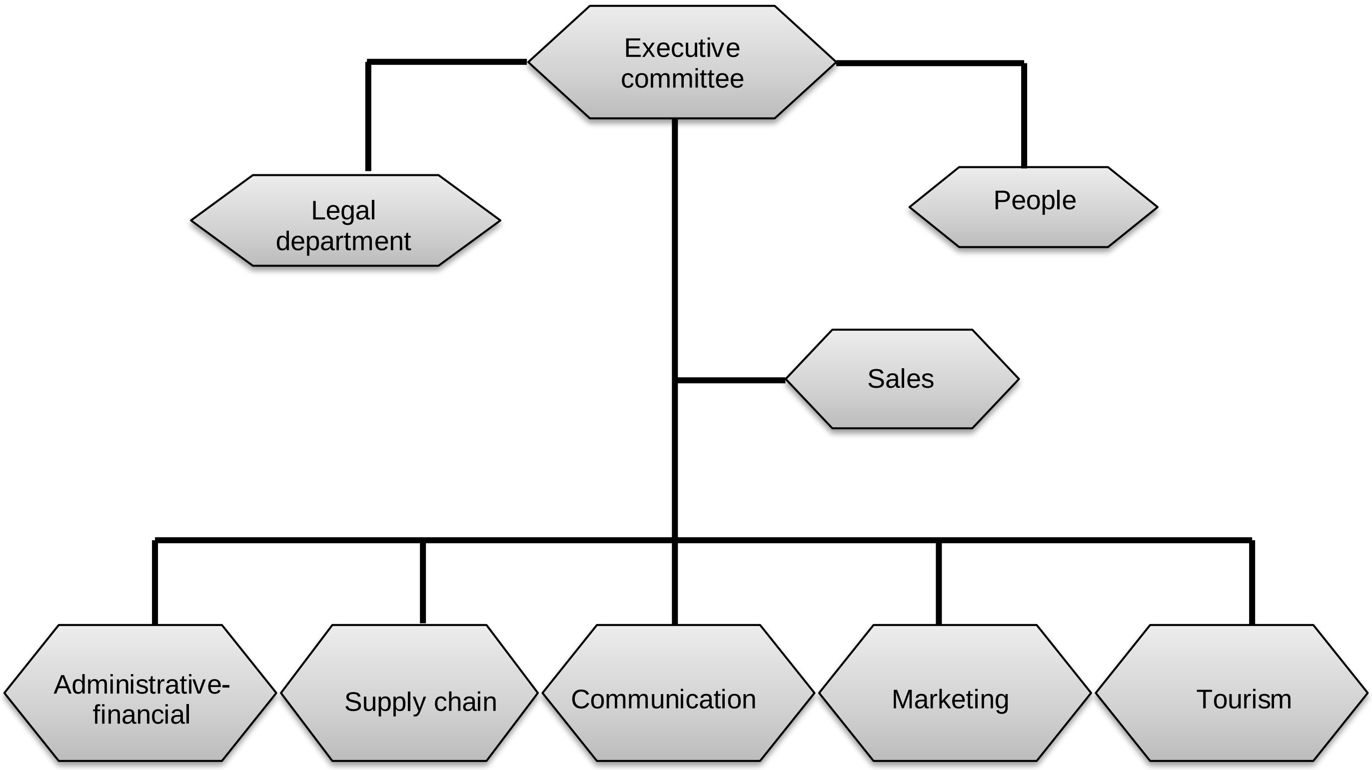


Figure 15. The structure of UNICER

Source: "UNICER management report", 2016.

UNICER is concerned about its value chain, presented in the figure 16, engaging employees and business partners in the optimization of resources, the recovery of raw materials, product quality and safety and the monitoring of the packaging life cycle.

Figure 16. Value chain of UNICER

Source: “UNICER management report”, 2016.

UNICER has once again prevailed in admittedly competitive segments of the beverage industry. Super Bock, Pedras and Somersby were Olympic brands, the first to cross the finish line in 2016. Super Bock was again leader of the domestic market, with a 45.2% share in value. In the imported beer market, Carlsberg securely maintained its leadership, affirming its international premium image (“Beer in Portugal”, 2016).

To analyse financial situation in the company it is necessary to estimate economic indicators of UNICER, presented in the table 19. In 2016 the sales of UNICER was 451254 thousand Euro, but this result was lower on 2364 thousands euro or 0,5% with comparison to 2015. And this trend can’t be named as positive one, but at the same time gross margin increased in 2,3% to 2015 year. It could happen when cost of goods sold decreased and this trend is positive for company and its development. It is necessary to notice that profit on ordinary activities and profit on ordinary activities after taxes increased on 46,2% and 45,4%, respectively. These results are affirmative and shows that management of company chooses right direction. Data on table 18 also exhibit that Net profit showed the same trend: in 2016 net profit was 38397 thousand euro and it’s more than in 2015 on 12067 thousands euro or 45,8%. The number of employees in 2016 was 1332 and it is necessary to notice that it decreased in 87 people.

Table 19. Economic indicators of UNICER activities in 2015 and 2016 year

Name of indicators	2015	2016	Difference (+/-)	Change rate, %
1	2	3	4	5
Sales, 10^3 Euro	453618	451254	- 2364	99,5
Gross margin, 10^3 Euro	203758	208396	4638	102,3
Operating profit/loss, 10^3 Euro	56707	59744	3037	105,4
Profit/Loss on Ordinary Activities, 10^3 Euro	36615	53537	16922	146,2
Profit/Loss on Ordinary Activities after Taxes, 10^3 Euro	26935	39152	12217	145,4
Net Profit/Loss excluding Min. Interests, 10^3 Euro	26330	38397	12067	145,8
Salaries and employees benefits, 10^3 Euro	50142,35	48579,32	-1563,03	96,88
Payments to equity suppliers, 10^3 Euro	26362,69	26092,1	-270,59	98,97
Payments to the State, 10^3 Euro	12405,39	13588,41	1183,02	109,5
Investment in the community, 10^3 Euro	326,76	326,2	-0,56	99,8
Economic value distributed, 10^3 Euro	380371,54	371428,94	-8942,6	97,65
Economic value accumulated, 10^3 Euro	45121,86	48774,9	3653,04	108,1
Average number of employees, per	1419	1332	-87	93,87

Source: Author's own elaboration, based on "UNICER management report", 2016.

The next step of analysis is review of export sales volume in general and separately between countries. UNICER produces more than 3 million hectoliters of beer annually with exports to more than 50 countries worldwide. 30% of the company's turnover is generated in export ("UNICER management report", 2016).

Table 20. Export volumes of UNICER in 2015 and 2016 year (in 10^3 Euro)

Product	**Export volume**					
	2015			**2016**		
	In total	Intra-EU	Extra-EU	In total	Intra-EU	Extra-EU
Beer and etc.	102 168,85	23 852,74	78 316,11	73 229,18	25 006,09	48 223,09

Source: Author's own elaboration, based on INFORMA documentation.

In the table 20 the information of export sales of UNICER are presented. In 2016 the volume decrease was equal to 28939, 67 thousand euro or 28,3%. The proportion of sales to European Union and other countries is almost the same: more products are sold abroad. Although the decline of sales is due to decreasing of sales to extra-EU countries.

In 2016, Super Bock showed its unbeaten nature and established itself in China. The promotion plan based on high premium materials was developed through a network of reference points of sale and more extensive image distribution. In parallel, the digital ecosystem was developed with activation on the main Chinese social networks (WeChat and Weibo) and the establishment of the bases for the launch in eCommerce, a channel of great relevance in this market. The strategy was successful and the results indicate the great importance of the Orient route for UNICER ("UNICER management report", 2016).

The African continent experienced a difficult economic climate in 2016. Angola continued to suffer from the global oil crisis. Mozambique witnessed runaway currency devaluation and consequent in inflation, with repercussions on the population's standard of living. Despite the major adversities, UNICER as resilient and found solutions to maintain operations for the two countries together. Furthermore, it has built its own marketing and distribution operation in Mozambique. Through investment in the creation of a local unit with more than 40 employees, UNICER Mozambique has injected new dynamism into the market. Super Bock Mini Saca-Fácil (easy ring pull) remained a good focus, for which the "Pull a Beer that is worth Gold" concept has been developed. However, the brand went further and there, as here, made the territory of music its own. With Super Bock Super Rock On Tour, it took a reference festival on tour, offering Mozambicans a unique line up of music and culture ("UNICER management report", 2016).

In other regions, UNICER made its opportunities and continued to grow, reaching 6% in beer (with the exception of Angola). Good performance in Cape Verde and São Tomé and Príncipe was decisive for this result. As a result, UNICER maintained a solid leadership position in the global African market in 2016, taking the top spot with 77% market share of Portuguese beers on the continent ("UNICER management report", 2016).

In Europe UNICER continued the growth trend despite the stability of the global market. The main reasons of that is the strong connection and presence among the Portuguese communities, positive sentiment of Europeans regarding Portugal, the consequent appetite for Portuguese products and the plan to activate the Super Bock brand ("UNICER management report", 2016).

The sale volumes of brand Super Bock increased in competitive and dynamic markets such as France, Switzerland, Germany, England and Belgium. In France, UNICER's largest European market, sales volumes and market share were strengthened in the two main categories (beers and sparkling water). The investment in brands activation at three major moments - European Football Championship, Return from holidays and Christmas, in the on and off trade channels, produced volume increases of 2% in beer.

In Germany, Europe's largest brewing market, UNICER continually looked for ways to cement the presence focusing on brand activation, the development of the Super Bock barrel (UNICER management report, 2016). Spain remains one of the markets of focus for internationalization strategy. The program "Drink to believe" helps to communicate Super Bock Negra Sin, a variant that has been a sales success in Spain, especially in Galicia, since its launch in 2012. Super Bock reinforced its closeness to Galician consumers, including joining forces with the concert of the British duo The Chemical Brothers, in Santiago de Compostela ("UNICER management report", 2016).

2016 year was the first full year of the new UNICER logistics center, following the changes made and reallocations of operations resulting from the investment in the automatic warehouse at Leça do Balio (“UNICER management report”, 2016).

SWOT analysis for UNICER is presented in table 21. The main strength of the company is financial resources, which give opportunity to implement new solutions, analyse market and manage brands. At the same time the company faces with problems connected with High marketing expenses associated with entering new markets.

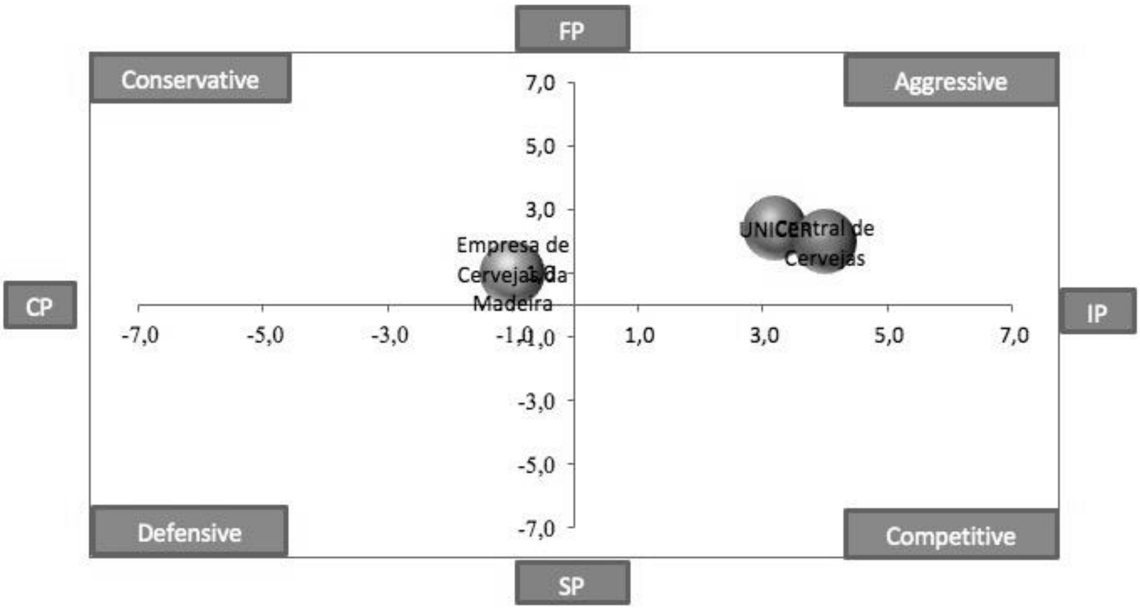
Table 21. SWOT analysis for UNICER

Strengths	Weaknesses
1. Market diversification 2. Brand management 3. Analysis of key stakeholders 4. Implementation of solutions generating competitiveness and sustainability for both parties’ business 5. Encouraging dialogue to establish partnership relations with official authorities and universities	1. Variety of produced goods and services 2. High marketing expenses associated with entering new markets
Opportunities	**Threats**
1. Increasing of consumption of non-alcoholic beer 2. Holding various competitions and exhibitions all over world	1. Seasonal factor 2. Decreasing of beer consumption 3. Increasing of excise duties 4. Popularity of healthy life 5. Need to adapt packaging for sales to other countries

Source: Author’s own elaboration.

Analysing table 21, SWOT analysis of UNICER shows that the company has more strengths than weaknesses. The main strengths, which help to improve their positions on the market, are analysis of key stakeholders, generating sustainability and establishing partnership relations with official authorities and universities. At the same time, opportunities (increasing of consumption of non-alcoholic beer and holding various competitions and exhibitions all over world) and threats (seasonal factor, increasing of excise duties and popularity of healthy life) are the same for both companies. Nevertheless, it is necessary to notice that the question of package adaptation for sales in different countries is not the same for Belarusian and Portuguese companies due to the fact that Portugal is an European Union country and the company has similar regulations with other countries (format, glass and can bottles and etc.).

To analyse competitive position SPACE matrix should be used. The results for UNICER are presented in figure 17. Analysis of the matrix shows that UNICER has aggressive strategy type as the company “Central de Cervejas” has. At the same time the company Empresa de Cervejas da Madeira has conservative type of strategy.



Note: FP – Financial Position; IP – Industry Position; SP – Stability Position; CP – Competitive position

Figure 17. SPACE Matrix of UNICER

Source: Author’s own elaboration.

The results of SPACE Matrix (see figure 14) were gained after providing analysis, in which different indicators were presented and evaluated according to its strength for financial and industry position from 1 (worst) till 7 (the best) and for stability and competitive position from 1 (best) till 7 (worst) in the figure 18.

Internal Analysis:		*External Analysis:*	
Financial Position (FP)		**Stability Position (SP)**	
Profit	6	Rate of Inflation	-2
Reliables	4	Technological Changes	-3
Volume of sales	7	Price Elasticity of Demand	-4
Working Capital	4	Competetion	-3
Investment	5	Barriers to Entry into Market	-2
Financial Position (FP) Average	**5,2**	**Stability Position (SP) Average**	**-2,8**

Internal Analysis:		*External Analysis:*	
Competitive Position (CP)		**Industry Position (IP)**	
Market Share	-2	Growth Potential	5
Product Quality	-3	Financial Stability	5
Customer Loyalty	-1	Ease of Entry into Market	7
New products	-5	Volumes of production	6
Control over Suppliers and Distributors	-2	Profit Potential	6
Competitive Position (CP) Average	**-2,6**	**Industry Position (IP) Average**	**5,8**

Figure 18. Indicators for SPACE Matrix of UNICER

Source: Author's own elaboration.

The main objective of the research is to identify the competitiveness of the two companies. The first part was fulfilled in previous chapters: gathered information about markets and companies, analysed their performance. In next chapter other techniques will be used and conclusions of the research will be made.

3.2.3 The comparison of the performance of the two companies UNICER and «Krinitsa»

Business models of Portuguese and Belarusian companies are almost the same (key activities, resources, cost structure), because of the brewing specificity. Key partners of brewery are suppliers of resources (malt, hops, water), suppliers of equipment and distributors and representatives in foreign countries. Business model of two companies differ in the question of value propositions due to different management and marketing strategies. Moreover, UNICER has its own marketing and distribution operation in Mozambique. OJSC «Krinitsa» does not have financial possibility to organize such kind of distribution. Key activities of companies are production, wholesaling and retails. Key resources are natural, human and financial resources, packaging materials, factory and equipment. Cost structure includes fixed and variable costs. Fixed costs are capital equipment, salaries of administrative staff, maintenance, and depreciation on assets, sales and marketing. Variable costs are distribution costs, raw materials, salaries of working staff and services.

Customer segments of companies are mass-market, mainstream and premium.

To compare the performance of the companies it is necessary to define their financial figures and ratios, presented in table 22.

Table 22. Ratio-analysis for UNICER and OJSC «Krinitsa» in 2016

Indicator	OJSC «Krinitsa»	UNICER
Current Ratio	0,65	0,96
Acid test Ratio	0,35	0,5
Inventory turnover	25,76	19,28
Days in Inventory	14,17	18,9
Gross Profit percentage	35,09%	46,18%
Accounts turnover receivables	4,18	5,89
Days sales in receivables	87,32	61,97
Debt Ratio	52,7%	61,9%
Debt to Equity Ratio	111,4%	162,6%
Rate of return on net sales	0,0004	0,085
Rate of return on total assets	0,067	0,087
Assets turnover	0,71	0,99

Source: Author's own elaboration.

In 2016, OJSC «Krinitsa» could finance 0,65 times its liabilities with its assets. The figure shows that the company did not have enough assets to pay for their liabilities. Company could finance 0,35 times its liabilities with its assets without inventories. UNICER could finance 0,96 times its liabilities with its assets. The result of this indicator is better than the Belarusian company had, but it means that it has not enough money to finance all current liabilities.

Acid test Ratio shows that in 2016 «Krinitsa» can finance 0,35 times its liabilities with its current assets without inventories and for UNICER this indicator is equal to 0,5. The performance of UNICER is better, because the indicator is higher and it means that the company has more current assets that can be spent for covering liabilities.

OJSC «Krinitsa» sold more than 25 times its average level of inventory during 2016 year. In comparison with Belarusian company UNICER sold more than 19 times its average level of inventory, that means that the performance of Portuguese one is worse, because the higher the indicator is, the better it is. At the same moment, the average number of inventory was held 14,17 times by the company «Krinitsa»and 18,9 times for UNICER. This indicator is opposite one for the previous. The less days company needs for holding her assets, the better is.

In 2016, Belarusian company got for every Euro of sales 35 eurocents of profit. This indicator for UNICER is equal to 46,18%. It means that the company got for every euro of sales 46 eurocents of profit. OJSC «Krinitsa» collected 4,18 times its average accounts receivables from customers in 2016 and it needed 87 days for collecting money. This result is very high, especially for brewing company whose products don't have long period of shelf time. UNICER collected 5,89 times its average accounts receivables from clients and it needed 62 days for collecting money. This indicator is higher for UNICER and it means that the performance of the company is better.

Debt ratio says that in 2016 Belarusian company financed 52,7% of its assets with debt, at the same time Portuguese company financed 61,9% of its assets with debt. The comparison shows that this indicator is worse for UNICER, because the bigger this indicator is, the higher financial risk is and it is more expensive to borrow money.

In 2016 «Krinitsa» financed 111,4% of its equity with debt, at the same time UNICER financed 162,6% of its equity with debt. The comparison shows that this indicator is worse for Portuguese one, because the bigger this indicator is, the worse for the company it is.

The company «Krinitsa» had 0,04 eurocents of profit from each 100 Euro of sales. At the same time UNICER had 8,5 cents of profit from each 100 euros of sales. The bigger the indicator is, the better the performance is, so it should be noticed that the performance of UNICER is better. In 2016 the company «Krinitsa» received profit of 6,7 Euro of every 100 euros of assets. UNICER received profit of 8,7 euro of every 100 euros of assets. The performance of Portuguese company was better, because the indicator is higher.

Assets turnover of «Krinitsa» shows that with 1 Euro of assets the company generated 71 eurocents of net sales. At the same time UNICER with 1 euro of assets the company generated 99 cents of net sales. So the results of Portuguese company's work was finer that Belarusian one.

Concerning information about requirements to labels and necessary information on them, Portuguese company has more possibilities to sell their products in European countries without any changes. It is not so easy for Belarusian company. It means that new labels should be developed and produced separately from products for Belarusian or other export market. It is time-consuming and does not allow producing products for all consumers on time.

Another advantage of performance for UNICER could be noticed – opportunities of logistics. One of the most important things is that Portugal has access to the sea. It allows transporting products by sea without using of intermediaries (train, car). It decreases transportation costs, which play significant role in price fixing on foreign markets. For this reason, the transportation costs are very high, what leads to high final price and declining of Krinitsa's competitiveness. One solution to get around this transportation problem is to produce products regionally. This concept requires a huge amount of financial resources, which have the largest world-known breweries as Carlsberg, Heineken, AbInBev. However, this opportunity is not available for Portuguese and Belarusian companies.

Another question of performance on international market is delegating services, sales and marketing to another company in each country it does business in. That is a common approach for production companies that are starting to expand internationally. The problem is that company cannot do all tasks in a perfect way, and it is understandable that the exporting company might do those tasks better itself, but it requires investment. According to information presented before OJSC «Krinitsa» works with wholesalers and distributors in all countries, except Russian Federation, where the subsidiaries exist. This fact can be analysed from positive and negative sides. On one hand, it is good to have trustful representatives in the country, which are responsible for sales and marketing.

On the other hand, Russia is a very big country and it is impossible to provide sales across all territory. For this reason, it is better to have many wholesalers in different regions. UNICER as «Krinitsa» works with wholesalers, but at the same time it has own distribution center in Africa, which decides questions about sales and marketing.

Another problem that exists in case of products' export is fluctuation in the exchange rate. It appears when the company decides to sell products to country with another currency. For example, for Belarusian company is a real problem due to two factors: fluctuations in the exchange rate of national currency against foreign one and making the right decision of currency for cooperation with other companies. At the same time, the image of local country places significant role. Portugal has more strong position in this case, because in many situations people in the world even do not know that Belarus as a country exists.

Last technique, that can be used to sum up all results, is the Competitor Profile Matrix. It is made for OJSC «Krinitsa» and UNICER to estimate the competitiveness in the international market according to critical success factors and presented in the table 23.

Table 23. Competitor Profile Matrix for OJSC «Krinitsa» and UNICER

Critical success factor	Weight	OJSC «Krinitsa»		UNICER	
		Score	Weighted Score	Score	Weighted Score
Location	0,09	2	0,18	3	0,27
Brand Reputation	0,05	2	0,1	3	0,15
Product Quality	0,12	3	0,36	3	0,36
Marketing	0,15	1	0,15	4	0,6
Product Range	0,07	3	0,21	3	0,21
Price	0,1	3	0,3	3	0,3
Financial position	0,13	1	0,13	3	0,39
Global presence	0,08	2	0,16	3	0,48
Sales distribution	0,11	1	0,11	3	0,33
Experience	0,03	4	0,12	4	0,36
Management	0,07	2	0,14	3	0,42
Total	1	-	1,78	-	3,87

Source: Author's own elaboration.

The results of the Competitor Profile Matrix are the following: UNICER has higher competitiveness on the international market than OJSC «Krinitsa» with the result 3,87 taking into account all critical success factors.

All factors discussed before confirm the hypotheses of the research that it is easier for Portuguese companies to develop and sale their products all over the world in comparison with Belarussian companies and the competitiveness of Portuguese company is higher than Belarussian one.

3.3 The prospects of development for Belarusian and Portuguese company

The analysis presented in previous chapters shows that the companies have many differences in their competitive position. The Portuguese company is one of the leader of domestic market and producer of well-known brand on foreign markets. Beer "Super Bock" is the best-selling Portuguese beer in the world ("Beer in Portugal", 2016). It is more developed, has financial resources for marketing and entering new markets and less difficulties during these actions.

OJSC «Krinitsa» is the leader of domestic market as well, but financial resources and opportunities of the company limit its export sales, in general.

At the same time, the prospects of beer industry open the same doors for the companies. One of the main trends of recent years is the increasing of craft beer production and consumption. The global craft beer market is expected to reach 502.9 billion $ by 2025 ("Grand View Research", 2017). Craft means that things are made by hand. If it is applied to beer, it means beer created in a small brewery with a distinctive character, taste and superior quality (Nachel & Ettlinger, 2012).

It should be noted that a new consumer has appeared: a more concerned, aware and educated, for whom innovation and quality are fundamentals. This new consumer is more demanding, unsettled with a common and ordinary product, constantly seeking for new experiences and different possibilities to satisfy the same need.

In connection with these factors the companies should begin or continue to cooperate and produce craft beer for on-trade and off-trade sales.

OJSC «Krinitsa» began such project in 2016 and during these years launched 5 new "craft" types of beer for Belarusian market: American pale ale, Indian pale ale, Stout, Dubbel and Carte Blanche. These products became popular among consumers because of two reasons: new tastes on the market and not high price in comparison with the prices on products of small beer craft breweries. For instance, the bottle of beer produced by OJSC «Krinitsa» costs around 2 BYN or 1 Euro and the volume of 0,5 l of craft beer in the pub costs 4,5 BYN or 2,2 Euro. The difference for ordinary consumer is appreciable.

UNICER is also betting on the craft beer market. In 2013, the brand launched two new family members of Limited Edition 1927 Selection, one to be enjoyed in the summer and the other to celebrate the Christmas season, Premium American Lager and Belgian Christmas Ale were their names. The offer was indeed very limited, since only 6 thousand bottles of Premium American Lager and 10 thousand bottles of Belgian Christmas Ale were available. With a cork stopper and a special glass, the Lager was "ideal to match the lightness of summer cuisine, as salads, seafood or sushi" and the Ale was "the perfect combination to Christmas dishes" according to UNICER. Super Bock 1927 Selection Premium American Lager and Belgian Christmas Ale were two craft beers introduced with a price of 4.99€ and an alcoholic content of 5.6% and 8%, respectively ("UNICER's Press Release", 2013). Nowadays UNICER has four types of craft beer: Munich Dunkel, Bengal Amber IPA, Czech Golden Lager, Bavaria Weiss.

Another prospect for the company is increasing of consumption of low-alcoholic and no alcoholic beverages. UNICER has noticed this trend earlier as well as about craft beer and launched a line of cider and non-alcoholic beers. For example, UNICER produces cider Somersby, non-alcoholic beer Super Bock pilsner and dark one and beer Green with lemon. At the same time, OJSC «Krinitsa» stopped producing non-alcoholic beer several years ago due to non-existing demand on domestic market.

Another thing that will help OJSC «Krinitsa» to increase sales on the international market is to set up new equipment for producing beer in more suitable for European Union and other countries packages (glass bottle or can of 0,33 l.) as UNICER does. This step is required by trends on the market (forbiddance of sales PET-packages and healthy life-style of consumers).

As it was mentioned above UNICER is promoting its products during sport events, Belarusian company should take this factor into account too. In 2018 World Cup will be in Russia, what leads to increasing of beer consumption and amount of tourists. OJSC «Krinitsa» should use this event as opportunity to promote their products as quality and tasty.

The main question of prospects is increasing or decreasing sale volumes next year. Using several methods, it is possible to define it for both companies separately. The results of trend for OJSC «Krinitsa», presented in figure 19, looks great, because the increasing is shown due to constant growing previous years. The volume of sales will be equal 44753 thousands euro according to linear and predictable functions of program Excel. The growth will be 9,7% in comparison with 2016 year. At the same moment, it is important to note that the situation will be positive in case of positive trends on the world market (without changes in taxes, limitations of package volumes and others) and good weather.

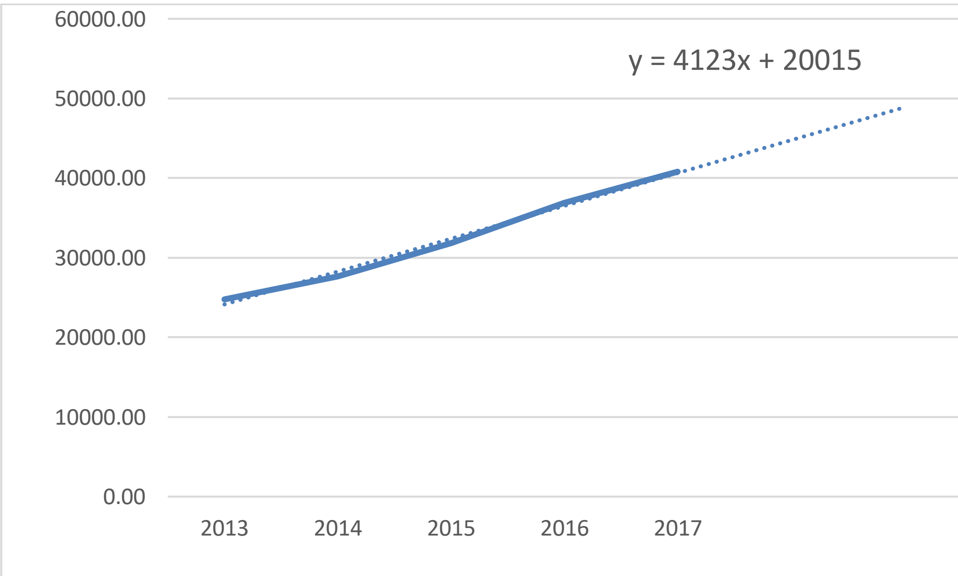


Figure 19. The trend for sales of OJSC «Krinitsa» in 2018

Source: Author’s own elaboration.

The method used the function Growth in the program Excel shows another number as 46826,2 thousand Euro, what is even more than previous calculations in 2073,2 thousands euro. At the same time if the increase is just because of prices, it will not lead to development of the company and its products.

The results of trend for UNICER, presented in figure 20, are not positive according to calculations linear, predictable and growth functions of Excel program. All of them show the decreasing of sales. The first two functions give the result of 440849,2 thousands of euro in 2018, what is less on 10404,8 thousands of Euro in 2015.

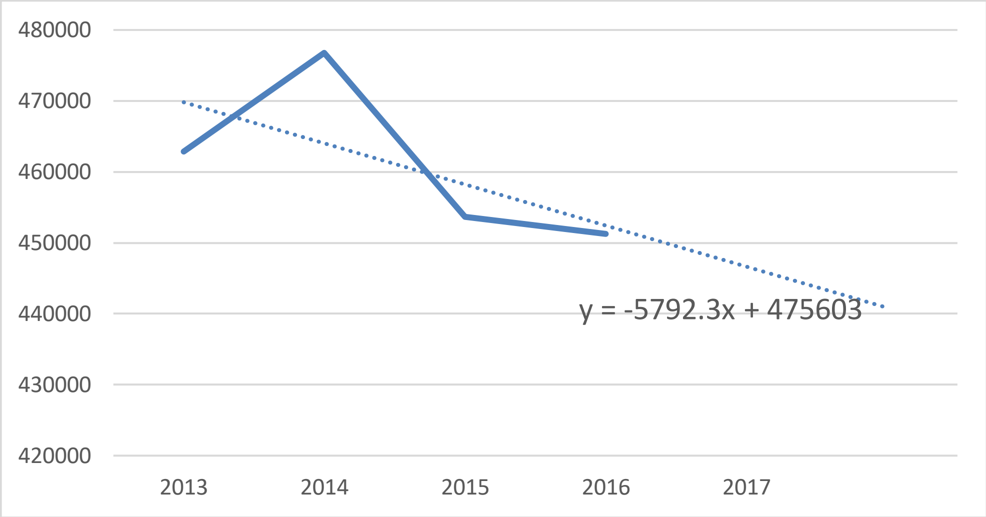


Figure 20. The trend for sales of UNICER in 2018

Source: Author’s own elaboration.

It should be concluded that the companies have absolutely different trend of dynamics in volume sales from 2013 till 2017 years. The trend of OJSC «Krinitsa» is slight, increasing and without valuable changes. The situation of UNICER looks in another way: in 2014 the growth can be noted, after the decrease for next both years.

In previous diagrams the trend for all sales of company was presented. However, according to the topic of the thesis it is important to define possible ways of changes of export sales.

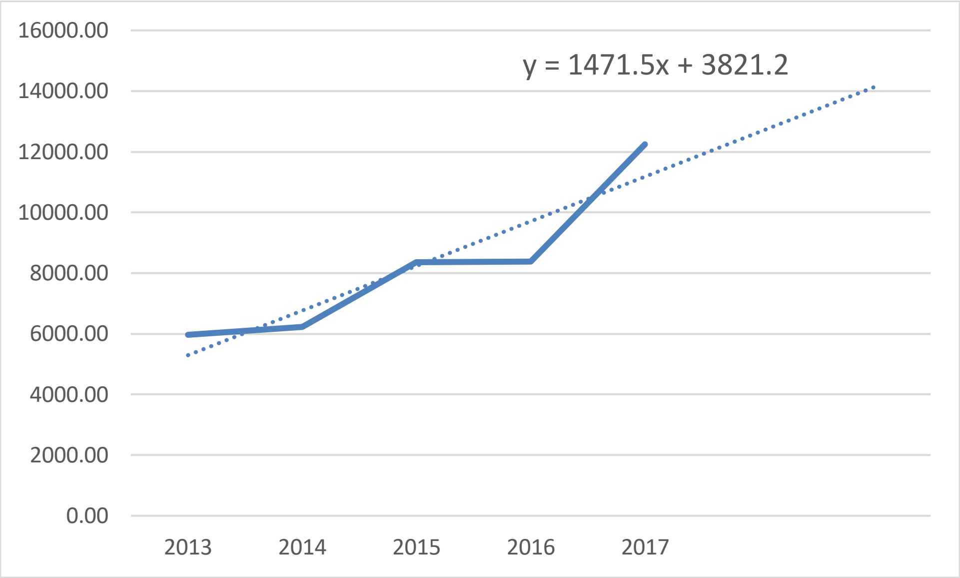


Figure 21. The trend for export sales of OJSC «Krinitsa» in 2018

Source: Author's own elaboration.

According to figure 21 the volumes of export sales are going to increase in 2018 and will be 12650,2 thousand euro, what is more than in 2017 in 3,3% or 404,06 thousand euro. This result was received through linear and predictable functions in program Excel. The method used the function Growth in shows another number as 13390,13 thousand Euro, what is even more than previous calculations in 739,93 thousand euro.

The calculations for the same parameters of UNICER are presented in the figure 22. According to these calculations, the decline is estimated. In 2018 the volume of export sales will be 33390,04 thousand euro, what is less on 45% than in 2016, estimated by linear and predictable functions of program Excel. The result received with function growth is more positive and equal to 46693,4 thousand euro.

In most cases, the increasing or decreasing of export sales depends on consumer ability, economic conditions in other countries, appearance of new beverages and changes in consumer behavior.

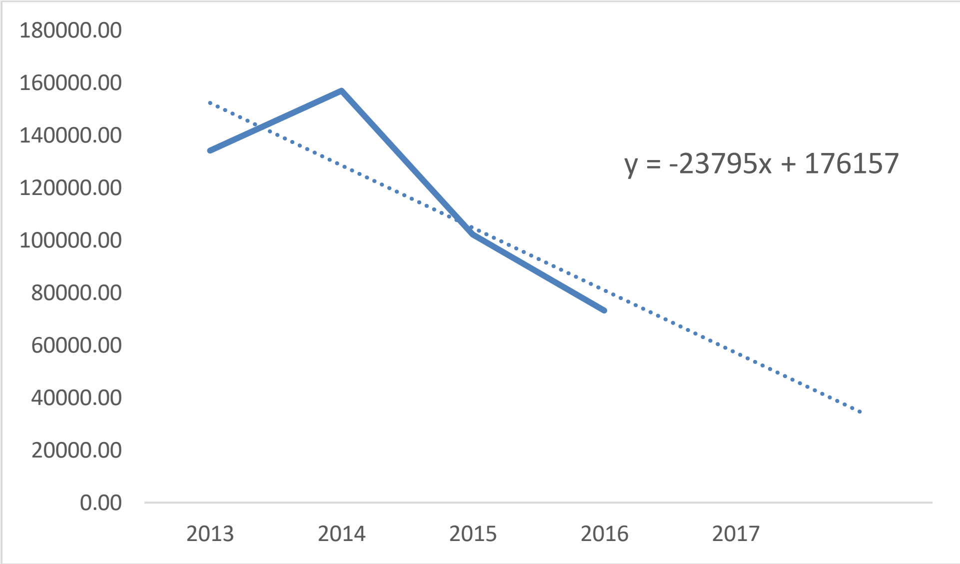


Figure 22. The trend for export sales of UNICER in 2018

Source: Author's own elaboration.

The results of trend, presented before, are completely varied for both companies, but the difference of sales volume is significant (around 10 times). It means that OJSC «Krinitsa» is developing company and has space for growth. At the same moment, UNICER is a big European developed company with variety of produced goods. The trends show the decreasing of sales. Although, the market in Portugal is growing and Portuguese company is more competitive than Belarusian one. So the trend does not show the real situation what can happen. Moreover, it is necessary to add that these methods of forecasting have one serious limitation – they build the trend according to previous results. For this reason, it should be noted that if economy grows up, purchasing power of the consumers will increase and the sales of the company will also be higher than predictions.

Nowadays, in most cases, the development of the companies depends on external factors in accordance with crisis, political changes and consumer behavior. Therefore, the main ability that can help to go further is to be flexible.

Conclusions, Limitations and Future Research Lines

Nowadays international trade is the most important aspect of world existing. One country does not have possibility to produce all goods, which it needs and at the same moment, it has too many other products. International trade helps to solve these problems. However, there are many companies, which produce and sell the same products on the same markets. In this case, the consumers have choice and the companies try to promote their products in more effective way. Nevertheless, firstly, they should estimate the advantages and disadvantages of the products and define how to improve the performance. For this reason, there are a lot of tools and techniques, which help business to understand their place on the market: Porter's five forces, SWOT analysis, SPACE Matrix, etc. These methodologies were presented in the literature review and applied for analysis of the companies.

Beer is a consumer product and very popular among young people and male population. For this reason, it was interesting to identify the trends on this market and performance of breweries.

At the beginning of the research some hypotheses have been stated. First one is that nowadays International beer market is characterized by a decrease in sale volumes. This fact has been verified with using information of forecasts of different companies and opinion of interested parties, but of course, overall decline cannot happen. For example, Portuguese market is characterized by growth in both volume and value terms in 2016. For example, in 2016 the volumes of consumption have increased in 3,1% with comparison to 2015. It is impossible to note the same for Belarusian market, because in 2016 the production was increased on 6,3% and the consumption decreased on 1,2% due to price growth.

The second hypothesis said that Belarussian breweries have difficulties with entering foreign markets. This fact is connected with the differences in "consumption of beer" culture in Belarus (or it is better to name all CIS countries) and in Europe, the USA, China and different requirements for packages and labels of the product. The requirements for information on labels of Belarus are not similar with European Union, so it means that export sales for Belarusian company needs more actions and resources for adaptation.

The third hypothesis said that it is easier for Portuguese companies to develop and sale their products all over the world in comparison with Belarussian companies. This situation can be proved with the results of financial analysis that shows that UNICER has more financial resources to develop, implement and sell products all over the world.

The last hypothesis stated that the competitiveness of Portuguese company is higher than Belarussian one. The results of used methods and techniques show that it is true due to better conditions of logistics, management and distribution strategy, used currency. The Competitor Profile

Matrix shows that UNICER's competitiveness is much higher than OJSC «Krinitsa» according to weight and score of all critical success factors.

The main aspects, which influence on the better performance of Portuguese company, are opportunities of logistics. Portugal has access to the sea, what allows transporting products by sea without using of intermediaries and decreases transportation costs; good developed marketing program for external markets; almost absence of the problem of fluctuations in the exchange rate; the image of the country; good financial performance, what has been approved by horizontal and ratio analysis.

The results of trend for sales and export sales are completely different for Belarusian and Portuguese companies – increasing and decreasing respectively. Although, UNICER is more competitive in the market and Portuguese beer market begins to grow, so the trend can not show exactly what can happen in 2018. Moreover, these methods of prediction have one serious limitation and, for this reason, it should be noted that the development of the companies will depend on the economic conditions in the countries and in the world.

The main limitation of the research is the absence of all necessary information about companies, their strategies and plans of development due to impossibility to have interview with the representatives of Portuguese company.

Future research lines can be connected with the elaboration of marketing plan for OJSC «Krinitsa» and making up business plan of new equipment' purchase and setting it up. From another side the continuation of the research line can be connected with using other methods of forecasting sales for next years, for instance autoregression model, Monte Carlo simulation, scenario analysis among others, which allow to receive different possible ways of companies' development.

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Table A.1. ABC – analysis of «Krinitsa»' products

№	Name	Package	Sales volume in July 2016	Share, %	With accumulative sum	Group
1	Krinitsa Classic	PET 2,0 l	28800,00	20,64	20,64	A
2	Krinitsa Classic	PET 1,5 l	18028,8	12,92	33,56	
3	Krinitsa Light	PET 2,0 l	12480,00	8,94	42,50	
4	Aleksandriya	PET 1,5 l	10656,00	7,64	50,14	
5	Krinitsa Light	PET 1,5 l	8121,60	5,82	55,96	
6	Krinitsa Classic	PET 1,0 l	7862,40	5,63	61,59	
7	Krinitsa Strong	PET 1,5 l	6278,40	4,50	66,09	
8	Krinitsa Export	Glass 0,5 l	6229,00	4,46	70,56	
9	Krinitsa Classic	glass 0,5 l	5364,00	3,84	74,40	
10	Krinitsa Strong	PET 2,0 l	4992,00	3,58	77,98	
11	Krinitsa Light	PET 1,0 l	4485,60	3,21	81,19	B
12	Aleksandriya	PET 2,0 l	4070,40	2,92	84,11	
13	Kult weisbeir	glass 0,5 l	3492,00	2,50	86,61	
14	Krinitsa Light	glass 0,5 l	3024,00	2,17	88,78	
15	Zhigulevskoe	glass 0,5 l	1980,00	1,42	90,20	
16	Porter	glass 0,5 l	1944,00	1,39	91,59	
17	Kult weisbeir	PET 1,0 l	1864,80	1,34	92,93	
18	Aleksandriya	glass 0,5 l	1764,00	1,26	94,19	
19	Krinitsa Strong	PET 1,0 l	1612,80	1,16	95,35	
20	Aleksandriya	PET 1,0 l	1411,20	1,01	96,36	C
21	Stara Pivnice light	glass 0,5 l	1404,00	1,01	97,36	
22	Krinitsa Classic	can 0,5l	1360,80	0,98	98,34	
23	Krinitsa Strong	glass 0,5 l	1008,00	0,72	99,06	
24	Aleksandriya	can 0,5 l	378,00	0,27	99,33	
25	Stara Pivnice light	can 0,5 l	302,40	0,22	99,55	
26	Krinitsa Export	PET 1,0 l	252,00	0,18	99,73	
27	Urban beer	can 0,5l	226,8	0,16	99,89	
28	Zhigulevskoe	glass 0,5 l	115,20	0,08	99,97	
29	Krinitsa Starazhitnoe	glass 0,5 l	36,00	0,03	100,00	
	Sum:		139544,20			

Source: Author's own elaboration, based on «Krinitsa»' documentation.