vinetur

China’s fruit beer sales rose 44.7%, defying a nationwide beer downturn.

The jump contrasted with a 10.3% drop in mainstream lager sales, the category that makes up 78.2% of the tracked market.

Thursday, August 6, 2026



China’s beer market is showing a sharp split between its biggest traditional segment and a smaller group of flavored and specialty products, according to retail sales data for the 12 months ended in June.

Measured by sales value, mainstream lager-style beer, which accounted for 78.2% of the tracked market, fell 10.3% from a year earlier, while fruit beer rose 44.7%. The gap between those two growth rates reached 55 percentage points, according to figures published by First Financial and reproduced by Sina Finance, citing retail data from the provider Ma Shangying. The data were displayed on Aug. 5.

The same dataset showed declines across every Chinese region covered in the panel. Sales value fell 4.5% in eastern China, 6.9% in the south, 7.8% in central China, 7.4% in the northeast, 10.5% in the north and 18.5% in the southwest. Other traditional formats also weakened. Draft beer fell 6.1%, and fresh beer dropped 25%. By contrast, tea beer rose 23.8% and craft beer edged up 2.3%.

The figures point to a summer season that has been softer than many producers and distributors expected, even in a year with major sports events that would normally support beer sales. Industry participants interviewed by First Financial said demand did not receive the usual lift from soccer because many World Cup matches were played after 2 a.m. in China, limiting the effect on bars, restaurants and at-home drinking occasions.

The weakness is also visible in corporate results. Budweiser Brewing Company APAC said in interim results released on July 30 that in China, first-half volumes fell 6% and revenue declined 6.4%, while revenue per hectoliter slipped 0.4%. In the second quarter, which includes part of the key summer drinking season, the company said China volumes dropped 9.7%, revenue fell 8.6% and normalized earnings before interest, taxes, depreciation and amortization declined 15.9%.

Budweiser APAC’s management attributed that performance to poor weather and continued pressure in the on-premise channel, where beer is sold in bars, restaurants and other drinking venues. That explanation matches what some smaller market participants are seeing on the ground.

Li Zhou, identified by First Financial as the head of a midsize brewing company, said the market usually begins to accelerate in May and June but that this year business had been muted and total sales had fallen. Sheng Mintai, a beer distributor in Jinan, in Shandong Province, told the outlet that beer was still performing better than spirits and

wine, but that the category was also under strain, with lower channel shipments and less investment from brewers.

Official production data suggest a market that is flat at best. China’s National Bureau of Statistics reported that from January through June, beer output from large industrial enterprises reached 19.362 million kiloliters, up 0.2% from a year earlier. But output in May and June, the start of the peak season, fell 6.2% and 3.1%, respectively.

That pattern has added urgency to a debate now running through the Chinese beer business: how to find growth when total demand is no longer expanding much and price competition is intensifying. In the reporting by First Financial, industry executives described a market in which large brewers are reaching deeper into areas once left to smaller players, including private-label and customized products for e-commerce platforms, supermarket groups and distribution channels.

Li said competition in customized beer had become especially fierce this year, with major brewing groups taking private-label contracts that had previously gone to smaller partners. He cited the case of a beer once made for Meituan that was later won by China Resources Beer, saying large groups could use their scale to offer lower prices.

Independent industry commentator Xiao Zhuqing told the publication that China’s beer industry had entered a period of stable total volume, share competition and structural shifts in share, making broad market expansion difficult. In that setting, growth increasingly comes from taking business from rivals rather than from an expanding base of drinkers.

Even so, the Ma Shangying figures suggest that some growth is still available in segments that offer a different drinking experience from standard beer. Fruit beer and tea beer are starting from much smaller shares than mainstream lager, but they are moving in the opposite direction. Industry participants said those categories appeal to consumers looking for novelty, flavor variation and products that feel more tailored to specific occasions.

Zhou Qiang, founder of Baihuibide Fort Craft Brewing, told First Financial that the logic of beer consumption was changing. Consumers still care about brand, he said, but they are paying more attention to the drinking experience itself. Smaller brewers, he said, cannot match the large groups on efficiency, but they have advantages in customized flavor profiles, smaller minimum order sizes and more varied packaging.

That push toward differentiation is now becoming a broader industry theme. At the 15th T5 Beer Roundtable organized by the China Alcoholic Drinks Association, executives argued that beer makers need to avoid homogeneity and focus on innovation. Jiang Zongxiang, chairman of Tsingtao Brewery, said the industry was at a critical stage of structural reshaping and needed both product upgrades and new channels and consumption scenarios. Zhao Chunwu, chairman of China Resources Beer, said the sector still had room for innovation and that future development should rely on differentiated products.

Some companies are still posting profit gains, though the broader market backdrop has become harder. Yanjing Beer said its first-half net profit attributable to shareholders was expected to reach between 1.379 billion yuan and 1.489 billion yuan, up 25% to 35% from a year earlier, according to the company’s earnings guidance cited in the Chinese report. Even there, however, the pace of growth slowed from the prior year.

The retail sales data behind the latest market snapshot come with important limits. First Financial said the Ma Shangying figures do not include absolute yuan sales, physical volume, outlet coverage or a full description of the panel methodology. For that reason, the category and regional changes should not be automatically treated as a direct measure of the entire Chinese beer market.

Still, the direction of travel is clear across the available indicators. Traditional beer formats are under pressure in every region tracked, while differentiated products such as fruit beer and tea beer are gaining ground from a much smaller base. For brewers entering the second half of the year, the issue is no longer just how to defend volume in a weak peak season, but how to create products that stand apart in a market where growth is increasingly selective.