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Brazilian brewers enter year-end with weak demand despite the World Cup

Ambev’s beer volume rose just 0.5% in the third quarter, leaving brewers reliant on holiday sales, wary of 2027 tax changes

Wednesday, November 11, 2026



Brazilian brewers are heading into the final stretch of the year with weaker-than-expected demand, betting that fourth-quarter sales can improve results after even this year’s World Cup failed to give beer consumption a meaningful lift. Company results

and industry comments show a market still struggling with soft volumes, colder weather in key regions and concern about how a major tax overhaul will affect prices and profitability from 2027.

Ambev, the largest brewer in Brazil, said its beer volume in the country rose just 0.5% in the third quarter from a year earlier. The company reported net income of R$4.366 billion for the period, down 10.2% from the same quarter a year earlier, reflecting the absence of nonrecurring tax effects booked in 2025. Adjusted for those items, net income was R$4.393 billion, up 14.3%.

Carlos Lisboa, Ambev's chief executive, said the company had gained market share despite higher prices and argued that its brand portfolio was in a strong position. He said premium brands were a focus in the quarter, while more traditional labels were flat. Lisboa also said years with unusually favorable weather, especially 2024, were exceptional and should not be treated as the normal benchmark for beer volumes. He added that demand recovered late in December and continued into mid-January in the prior year, which he said showed the underlying strength of the industry.

Even so, investors have been pressing Ambev over what they see as weak beer volumes. The company's comments suggest that, for now, pricing and mix are helping offset part of the demand problem, but not enough to remove concern about the pace of recovery in its core market.

Heineken also pointed to a fragile backdrop in Brazil, even as it reported some improvement. The brewer said its volumes in the country returned to growth in the third quarter. Together with better performance in Mexico, that helped lift volumes in the Americas to 23.6 million hectoliters, up 2.1% from a year earlier. For the first nine months of the year, however, volumes in the region were still down 1.6% at 69.3 million hectoliters.

In Brazil, Heineken said the Heineken brand posted double-digit growth and Amstel delivered high single-digit growth. Harold van den Broek, the company's chief financial officer, said he remained cautious about fourth-quarter beer volumes in both Brazil and Mexico. He cited unfavorable weather conditions, particularly the colder-than-usual climate in southeastern Brazil, as a major obstacle for the industry. He also pointed to

inflation and broader macroeconomic risks.

Rafael Oliveira, Heineken’s new chief executive, recently visited Brazil and said there was still some economic tension in the market. Van den Broek also highlighted strong currency volatility in Brazil after the presidential election result. He said he was conservative in his outlook for the Americas because he did not yet see a clear turn toward sustainable growth.

The weak demand matters beyond quarterly sales. Brazil is one of the world’s biggest beer markets, and slower consumption can affect pricing decisions, margins and investment plans across brewers and their suppliers. For the broader beverage sector, the combination of soft demand and a tax transition could influence how companies manage product mix, capital spending and price increases in one of the industry’s most important markets.

At the same time, brewers said they saw some relief in the first published guidelines for Brazil’s new selective tax, part of the country’s tax reform. On Tuesday, November 10, the industry welcomed the release of a provisional measure that gave the market more clarity on the transition to 2027. Under the reform, current taxes on consumption will gradually be replaced by a new model. For beverage companies, the main change will be the selective tax, often described in Brazil as a “sin tax,” which will apply to products such as alcoholic beverages starting in 2027. That is also when the federal levy known as CBS will begin replacing PIS/Cofins. The broader transition is scheduled to run through 2033.

The National Beer Industry Union, known as Sindicerv, said the provisional measure brought an important degree of predictability to the process. Helena Romeiro de Araújo, the group’s new chief executive, said the sector would continue working with the federal government to preserve tax neutrality under the reform. She said brewers had been approaching the debate on a technical basis and were pushing for rules that maintained competitive balance. “We will work on tax neutrality,” she said. “We are one of the sectors that pay the most taxes.”

Araújo took over on November 2, replacing Márcio Maciel, and became the first woman to lead the group in its 78-year history. Sindicerv represents 12 brewers, including Ambev and Heineken, the country’s two largest. The association says Brazil is the world’s third-largest beer producer, behind the United States and China, and that the industry supports about 2.5 million direct, indirect and induced jobs while paying roughly R$50 billion in taxes each year.

Analysts at Bradesco BBI and Citi said the tax reform should have a broadly neutral initial effect on the beer industry, with no clear sign of meaningful additional pressure on prices from 2027. They also said major uncertainties remain, especially over the selective tax rates to be defined from 2028 and over later adjustments through 2033.

For now, brewers are still looking to the final quarter for support, but their own comments suggest the recovery depends on factors that remain outside their control, including weather, consumer spending and the shape of the new tax system.