



Are we ready for the impending 'candemic'?

Clever, I get it - but do we really need a new global challenge?

A number of factors are impacting the world-wide supply of aluminium and you guessed it - the availability of cans. With a consumer drive to more at-home drinking occasions - thanks Covid - and customer and retailer preference being for beer in cans, as opposed to the bottles of the past - the demand for aluminium is not expected to change in the foreseeable future.

Let's not even talk about the predicted increase in the market of other alcohol and non-alcohol beverages in cans - thanks RTDs and water?? Yes, there is even talk of water being produced in cans to decrease single use plastics. Oh my ... come at us ... from all sides!

What's more, aluminium production is also becoming more expensive due to rising gas prices and our good friends in China, who are also the largest producer and consumers of aluminium, now have a decarbonisation policy. In order to reach the targets of which, the country must significantly decrease aluminium production.

Similarly, Russian producers, Rusal, who were the world's largest producer of Aluminium until recently when a Chinese company took over, are feeling the effects of political pressure to no longer be supplied with the raw products from the Western world. Australia provides Rusal with 20% of their alumina and bauxite demand input. Whilst we stand by this important political positioning - it does have a trade off for world wide demand and pricing.

Ok, so those are the facts about supply and demand - and of course that means the cost is predicted to rise by 17% annually before inflation - ok stop - we get it - the outlook is dim.

So what do we do?

While the alternative to revert back to glass will suit some breweries, particularly if you are marketing to the restaurant sector, this will only ease some of the reliance on cans.

Possible solutions could be to stockpile when we can, start using less popular can sizes, revert to promoting growler fills. We hate to even mention it, but in the US they have been seeing a popular response to 'capri-sun' type pouches for alcoholic beverages, beer included. Portable, light-weight - yes, but is that how we want to send our beer out into the world?

And with the use of cans as packaging supports many breweries' environmental impact by being the most recyclable packaging alternative - it is unavoidable - breweries are reliant on can supply. Knowing the 'candemic' is coming is one thing, preparing for it will be the key to surviving it.

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