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Food Processing and  
Packaging Machinery

## drinktec 2022

# Latin America: Rising beverage consumption drives investments

*The market potential for the supplier industry in the Central and South American markets is positive. This is how the German Engineering Federation (VDMA) assessed the prospects at the online press conference for drinktec 2022 on 7 April 2022. Consumption of beverages is growing at an above-average rate.*

*The VDMA represents the largest group of exhibitors at drinktec and is a supporting partner of the organizer Messe München in market-relevant matters.*

**Frankfurt am Main, 7 April 2022** – According to the VDMA Food Processing and Packaging Machinery Association, the global sales volume of soft drinks will increase by 19 percent to 848 billion litres by 2026. The mechanical engineering association refers to data from the British market research institute Euromonitor International. VDMA further reports that in respect to alcoholic beverages, the market researchers at Euromonitor International expect the global volume sales to also grow by 10 percent to almost 270 billion liters in 2025\*.

In Latin America, soft drink sales are expected to increase by 14 percent to 107 billion liters over the period 2021 to 2026. Carbonated beverages account for the largest share of sales, followed by bottled water. The highest growth momentum – even though starting from a low level – is seen in reduced-sugar beverages with health benefits, such as tea-based drinks, energy drinks and coconut water.

According to Euromonitor International, the share of bottled water in total sales is also growing. Soft drink consumption will be driven by three external factors in the coming years: rising incomes, demographic changes with lower birth rates particularly in the large countries of Brazil and Mexico and increasing health awareness as well as health policy measures in the context of a high prevalence of diet-related obesity.

Within the Latin America region, Mexico, Brazil and Argentina are the most important individual markets. They account for around two-thirds of soft drink sales. They are followed in order by Colombia, Chile, Guatemala, Peru, Ecuador, the Dominican Republic and El Salvador.

Sales of alcoholic beverages are expected to increase by a total of 20 percent to 46 billion liters by 2025, according to Euromonitor International. Beer accounts for around 90 percent of alcohol consumption. Sales of wine and spirits are expected to increase by 21 and 14 percent respectively by 2025. The highly populated countries of Brazil and Mexico are also the largest markets for the consumption of alcoholic beverages.

According to VDMA estimates, the rising consumption of soft drinks and alcoholic beverages will result in further investments in machinery and equipment to establish and expand production capacities.

In the period from 2019 to 2021, machinery and equipment for food processing and packaging worth more than 2 billion USD was supplied to Latin America from Germany alone. Mexico, Brazil, Chile, Colombia and Argentina were the strongest markets for German mechanical engineering companies in 2021 and also in previous years.

Total Latin American imports of machinery and equipment for food processing and packaging have amounted to 3.5 up to 4 billion USD per year in recent years. Together with the USA and Italy, Germany is the most important trading partner for most countries in the Latin America region.

\* Data for sales of alcoholic beverages are currently only available up to and including 2025.

Do you have any questions? Beatrix Fraese, will be happy to answer them: 069 6603 1418, [beatrix.fraese@vdma.org](mailto:beatrix.fraese@vdma.org).

The VDMA represents more than 3,400 German and European companies of the mechanical engineering industry. The industry stands for innovation, export orientation and medium-sized businesses. The companies employ around four million people in Europe, more than one million of them in Germany. Mechanical and plant engineering represents a European turnover volume of around 800 billion euros. With a net value added of around 270 billion euros, it contributes the highest share of the entire manufacturing sector to the European gross domestic product.