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Energy Drink Market in Afghanistan

Report Categories:

Beverages

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Report Highlights:

Historically, Afghanistan has been a lightly caffeinated, tea-drinking country. Few Afghans drink coffee, but in recent years, many have developed a taste for energy drinks. Energy drinks are sold everywhere – from street vendors to grocery stores to the finest restaurants. More than two dozen brands of energy drinks are found in urban Afghan markets. The tariff rate for non-alcoholic energy drinks entering Afghanistan is 20 percent.

Market Overview

Historically, Afghanistan has been a lightly caffeinated, tea-drinking country. Few Afghans drink coffee, but in recent years, many have developed a taste for energy drinks. Today, Afghans consume energy drinks everywhere and at all hours of the day: during the morning commute to work, in wedding halls, and at private dinners.

Energy drinks are sold everywhere – from street vendors to grocery stores to the finest restaurants. Exact sales figures and just how big the market is remains unknown. However, it is clear that the market for energy drinks is growing rapidly, and that a large number of new brands are competing for customers.

More than two dozen brands of energy drinks are found in urban Afghan markets, catering to a broad range of consumers. Most Afghans like energy drinks, a trend that started with young, upwardly mobile Afghans in urban areas buying the drinks, but quickly spread to all sectors of society. Red Bull, the Austrian-made drink, costs about \$1.50 and is popular among young, urban consumers, while the Thai-made Carabao, which costs roughly half that amount, is favored among the working class.

During the winter of 2011/2012, Big Bear energy drink, bottled in Germany, was one of the major sponsors of Afghanistan's most popular reality television show, *The Afghan Star*, which is the country's version of *American Idol*. Big Bear commercials ran throughout the program and the company took advantage of opportunities for product placement amongst the host, judges, and participants. Anecdotal evidence suggests that sales of Big Bear energy drink increased following the marketing effort. In a November 2012 interview with Germany's FOCUS Online, Ghulan Ghous Nikbeen, who works on marketing of Big Bear products in Afghanistan, said that "the demand is growing every day."

Import Requirements

The tariff for non-alcoholic energy drinks entering Afghanistan is 20 percent. Afghanistan does not require any specific certifications or documents prior to shipment, but the products must be accompanied by the following upon arrival at customs:

- Contractual agreement between exporter and importer or a business license
- Bill of lading
- A certificate or document from the energy drink manufacturer containing information such as the manufacturing and expiry dates

After products arrive to customs the following is required:

- The Afghan Ministry of Public Health will issue a health certificate after an inspection at customs i.e., a review of the products to ensure they are not expired and in good condition

- The Directorate of Food and Drug Quality Control will collect two or three samples at customs to verify the product is not expired and gone bad
- A declaration of shipping for the transportation of goods
- ASYCUDA Declaration Form: ASYCUDA is a computerized customs management system developed by the United Nations Conference of Trade and Development (www.asycuda.org).

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