

HD Japan's Kirin to tap **Chinese** thirst for **milk**

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TOKYO -- Kirin Holdings will start offering **milk** in **China** as early as June to capitalize on the country's growing demand for high-quality **dairy** beverages.

The Japanese **company** will sell ultra-high-temperature processed **milk**, or long-life **milk**, which can sit on store shelves for up to nine months -- the top-selling type at **Chinese** grocery stores now.

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The product will be shipped from a factory of Australian subsidiary Lion and **sold** at several hundred stores run by beverage retailer **China** Resources Enterprise, a local partner.

The **milk** will sell for around 25 yuan (\$4.02) a liter, more than twice what **milk** from **Chinese** companies costs. Kirin will market it as a high-quality alternative to locally produced **milk** to woo middle- and upper-class consumers in Shanghai and other metropolitan areas.

Kirin has a nonalcoholic-drinks joint venture with **China** Resources Enterprise, which operates some 4,500 retail shops, including upscale supermarkets. The two firms will introduce the Australian **milk** to more locations depending on how it sells.

Growing ranks of **Chinese** and Southeast Asians are consuming high-quality **dairy** beverages and products. Demand is racing ahead at a particularly fast pace in **China**, where people traditionally did not consume much **milk**. "Annual demand exceeds supply by 6 **million** kiloliters, which is more than the size of the Japanese beer market," says a Kirin official.

Kirin also plans to launch sales of non-refrigerated **milk** and **milk**-based drinks in Vietnam and other parts of Southeast Asia later this year. Vietnamese subsidiary Interfood is expected to obtain a license as an importer.

Kirin seeks to develop **milk** and **dairy** products into a third core income source after beer and soft drinks. Australian unit Lion boasts high **brand** recognition and is situated in an ideal location as an export base for **China** and Southeast Asia.

(Nikkei)

CO krnbrw : Kirin Holdings Co, Ltd | winld : China Resources Enterprise Ltd | krnbvr : Kirin Beverage Company Limited | chires : China Resources (Holdings) Co Ltd | crncor : China Resources National Corporation | rclch : China Resources Company Limited

IN i41 : Food/Beverages/Tobacco | i427 : Brewing | i428 : Soft Drinks | i8396 : Diversified Holding Companies | ialco : Alcoholic Beverages/Drinks | ibcs : Business/Consumer Services | ibevrg : Beverages/Drinks | icnp : Consumer Goods | inonal : Non-alcoholic Beverages/Drinks

RE china : China | jap : Japan | austr : Australia | apacz : Asia Pacific | asiaz : Asia | ausnz : Australia/Oceania | bric : BRIC Countries | chinaz : Greater China | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | easiaz : Eastern Asia

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