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Brewing the Global Shift: Variegated Capitalism, Firm Strategies, and the Restructuring of the Southeast Asian Beer Industry

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ABSTRACT

Asia has become the world's largest beer-consuming region, and Southeast Asia sees the strongest growth in demand. While the Asian beer industry attracts investments from global and regional capital and is undergoing significant restructuring, there has been little academic attention to these transformations. In this article, the focus is on Vietnam, Myanmar, and Thailand to analyse how global and regional lead firms adapt to changing competition and increasing demand in Southeast Asia. A combination of theorisations of variegated capitalism with embeddedness and symbolic value is used to explain firm strategies on accessing markets, managing risk and building stronger brands. This analysis demonstrates how regional and global production networks co-exist and interact, and how regional lead firms struggle to challenge global lead firms in accessing the Southeast Asian beer market. The findings show how regional and global capital to a limited extent dissociate from established networks when representing a reputational risk and illustrate how firms co-create the demand for beer. The analysis gives a strong account of the role of embeddedness for expanding market access, and how lead firms seek to strengthen their position through buying up local competition to profit from their established reputation, and territorial and societal embeddedness.

KEY WORDS

Beer; embeddedness; global production networks; regional competition; southeast asia; variegated capitalism

Since 2007, Asia has emerged as the world's largest beer-consuming region and accounted for one third of the global beer market in 2018 (Kirin Holdings 2019). While China is the world's largest beer market, demand has declined there in recent years. In contrast, Southeast Asia has one of the fastest growing beer markets in the world, which makes the region highly attractive to regional and global capital.[1] By volume, three transnational corporations (TNCs) of Western origin, AB InBev, Heineken, and Carlsberg, held 48% of the

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global market share for beer in 2019 (Statista 2021). These industry giants continue their expansion into new regions. While these general trends are clear, less is known about how the large beer companies secure new markets and approach the challenges of cultural barriers and competition from firms of regional origin. Some attention has been given to the global beer industry in academic literature (see, for example, Howard 2014; Török, Szerletics, and Jantyik 2020; Legun, Comi, and Vicol 2022). However, little attention has been given to the ongoing transformations in the Asian industry, and in Southeast Asia more particularly.[2] Southeast Asia thus makes for an interesting study of the encounter between regional and global actors as increasing shares of global trade are directed to markets in emerging economies.

This article analyses how global and regional lead firms adapt to changing competition and increasing demand in Southeast Asia, focusing on Vietnam, Myanmar, and Thailand. The framework used for this analysis draws on Peck and Theodore (2007) attention to "variegated capitalism" (VC) to capture how capitalist logics of expansion and accumulation interface with local institutions and cultural structures (see also Kenney-Lazar and Mark 2021). This is combined with notions of embeddedness from the Global Production Networks (GPN) approach, in order to analyse how companies use existing positions and networks, and in different ways seek to expand their local standing to gain market access. Specifically, firm strategies in terms of market access, risk management and branding processes are studied to explain the different positioning of global and regional firms in the Southeast Asia beer market.

The starting point is the global shift in consumer markets to regions outside Europe and North America, and in particular eastern parts of Asia and the implications of this shift for competition, market access and firm strategies (see, for example, Horner and Nadvi 2018; Barrientos 2022). Indeed, Gregson and Ferdous (2015, 244) argue that accounting for this shift poses trouble for the "meta-theoretical framings" underpinning many chain and network approaches, since in these accounts "consumers are of the Global North, by virtue of their position at the apex of global value chains." Moreover, research on global value chains (GVCs) and production networks has usually focused on how suppliers from low and middle-income countries are included in networks with transnational or Western lead firms, and how governance structures and forms of embeddedness co-shape opportunities for further upgrading and increasing value capture (see Pasquali and Alford 2022). However, recent research has started to analyse how emerging markets alter configurations of chains and networks. For instance, scholars have focused on changing governance structures, standards, and product specifications in production networks with lead firms from low and middle-income countries serving markets in these countries, and the consequent implications for firm upgrading, consumer safety or labour standards (Murphy 2012; Barrientos et al. 2016; Pasquali 2021). Several studies have concluded that a shift towards consumer markets in low and middle-income countries can make upgrading possibilities more challenging for firms originating there (see Barrientos et al. 2016; Horner and Murphy 2018; Pasquali and Alford 2022). However, changing ownership structures may also lead to competitive advantage for such firms, for example, due to established networks and more in-depth market knowledge in specific regions and stronger buyer-supplier trust (Sinkovics et al. 2014; Perri and Buchan 2018). Moreover, it has been argued that investors from the low and middle-income countries could be better prepared to enter markets with higher risks, being more used to uncertainties and less transparency, and thus more willing to enter conflict-ridden countries (World Bank 2018, 12).

The research mentioned above has made great strides in taking account of changing lead firms and end markets and recognising the increasing importance of regional production networks in the global economy. It shows that configurations of global and regional networks may overlap, but also that the degree of overlap may differ by industry and institutional and societal context (see, for example, Pasquali and Alford 2021; Barrientos 2022). In addition to sector and product properties, cultural proximity, norms and values, and regulations that are globally, regionally, and nationally intertwined in such trade regimes, investment regimes and labour regimes may affect network configurations and possibilities of upgrading for producers and workers (see Alford 2016; Barrientos 2022). However, knowledge is still lacking regarding the "interactions and coexistence" of regional production networks with global networks (Krishnan 2018, 240), whether and how regional lead firms actually challenge global lead firms (Sinkovics et al. 2014), and the role of demand in this context. Relatively little research has looked into how these dynamics play out in the Southeast Asian beer sector.

By focusing attention on competitive strategies of and division of labour between global and regional firms in the beer market, the aim is thus to shed light on how such dynamics play out in Southeast Asia and how businesses strategies are co-shaped by national particularities and "nonfirm actors in different political–institutional and sectoral contexts" (Loginova et al. 2020, 423). More generally, the beer industry and beer market are of interest because of how the large TNCs fight hard for their own production in emerging markets and not only for the role of co-ordinating and controlling the value chain. The findings may thus inform further studies of regionalisation of production in other sectors and contexts. Given that all industrial beer production in Southeast Asia depends on import of most ingredients through global supply chains, the focus of analysis is on the links between the manufacture of the end product and its markets. In doing this, the aim is also to contribute to explaining how global and regional firms co-shape demand in low and middle-income countries and thereby also create space for regional firms to develop and grow.

The focus is on Vietnam, Myanmar, and Thailand because of their different positions in the Southeast Asia beer market. Thai companies are among the most important actors in the region, also operating in Vietnam and Myanmar. ThaiBev, which is a large and expanding company of Southeast Asian origin, has recently declared its intention to become a regional market leader (*Bloomberg*, December 17, 2017). Vietnam has attracted much attention from investors and is home to both a large beer industry and one of the highest annual per capita beer consumption rates in the region at 43.6 litres (SMPP Legal 2020). In Myanmar, beer consumption has been low, and remains among the lowest in the region at 6 litres per capita (*Myanmar Times*, January 30, 2018; SMPP Legal 2020). Unsurprisingly, it is singled out as a market to watch with rising beer consumption particularly among younger generations (Kirin Holdings 2018). In considerably wealthier Thailand, domestic consumption is about half of Vietnam's at 19.5 litres per capita (SMPP Legal 2020). In all three countries, craft beer is increasing in popularity, although currently holding less than 1% of the Southeast Asian market (Beverages Ingredients 2020). As discussed in more detail below, all three countries are home to hybrid forms of capitalism with different versions of relatively strong state involvement, which in different ways contribute to shaping the local beer industry. The different political and institutional contexts allow us to understand the interplay between capitalist variegation and firm restructuring. At the empirical level, we ask how global and regional firms adapt to changing competition in the Southeast Asian region, and what changes in consumption mean to the competition, consolidation and "division of labour" between local, regional, and global firms in Vietnam, Myanmar, and Thailand. A basic scalar logic is used to separate these three. The three TNCs of Western origin, Ab InBev, Heineken, and Carlsberg, are global lead firms. Other global firms with strong presence in Southeast Asia include the Japanese beer companies Kirin, Sapporo, and Asahi. Firms of Southeast Asia origin, such as the Thai-based ThaiBev and Boon Rawd Brewery, are understood as regional firms. Domestic breweries and small-scale micro-breweries are local firms. The distinction is useful to discuss how different forms of embeddedness may affect business strategies.

The following section outlines the methods used in this study, before moving on to explaining the conceptual framework, combining VC with embeddedness and symbolic value. This is followed by a discussion of the restructuring of the beer industries in Vietnam, Myanmar, and Thailand, discussing variegated forms of capitalism, the beer markets in the three country cases and regulations that may influence firm strategies. Finally, specific firm strategies for gaining market access are analysed, and how different firms manage risk and forms of branding and breeding of demand, before considering the implications of the study's findings.

Studying Beer in Southeast Asia: Methods and Theoretical Frame

This analysis is primarily based on secondary sources, combining academic literature on the beer industry with triangulation of data from company websites and newsletters, beer industry websites, consultancy reports, and digital newspapers. Through the data collection process, the focus was particularly on the development of the beer industry in Southeast Asia, history of company location of production and trade in Southeast Asia and country cases, market shares, competitive strategy, vision statements, and branding. Access to interviewees in the industry has been challenging with a number of rejects, most probably because of strong competition in the industry and fear of revealing information that may harm the relationship to the state and other stakeholders. Our secondary data is thus the main source of data, supplemented with information obtained from semi-structured interviews with the management of two major beer companies in Vietnam, as well as representatives of two craft breweries and regional beer industry experts and industry representatives in Vietnam and Thailand. Also used is previously collected data, primarily ethnographic research in Vietnam in 2017 and 2018, including observation and 25 interviews with middle-class households focusing on food and drinking practices. The households were recruited through purposive sampling with the aim of recruiting a variety of households within the broad middle-class category, including interviewees of different age groups (the youngest 26 years old, the oldest 65) and members from the lower to the upper ends of the middle-class income spectrum. Half of the household interviews were conducted in Vietnamese with an assistant translator, the other half in English (see Hansen 2022). Our study is also informed by a large number of informal conversations with brewers, bartenders and beer consumers, in Vietnam between 2010 and 2019 and in Thailand between 2017 and 2020.

Conceptual Framework

As already discussed, the conceptual framework combines a VC approach with insights from the distinct but overlapping GVC and GPN approaches from economic geography (see Bair 2008). Both VC and GVC/GPN offer a multi-scalar and multi-actor framework for understanding dynamics in the global economy (Coe and Yeung 2015; Peck and Theodore 2007). However, the VC framework has been criticised for being somewhat silent about the theory of the firm and its particular place in the analysis (Dixon 2014). Hence, the chain and network approaches allow a better operationalisation of the more abstract VC approach concerning accumulation strategies; that is, firm strategies and institutional contexts through the embeddedness concept.

Coe and Yeung (2015,1-2), define a GPN as "an organizational arrangement, comprising interconnected economic and non-economic actors, coordinated by a global lead firm, and producing goods and services across multiple geographical locations for worldwide markets". Arguably, this does not fully capture the emergence of "regional lead firms trading within a single world region, such as a country or continent as opposed to trading globally" (Krishnan 2018, 239). In this study, origin is of particular interest when a firm from the region establishes and forms new networks in the same region. Such firms may gain advantage of more intimate market knowledge than foreign firms, and their innovations may be more suitable to the local environment (see Gereffi 2014, 22). In the same vein, international business researchers speak of an increasing "fight for the middle" income segment between "emerging and advanced country multinational companies" in emerging economies. Advanced country multinational companies then face "a liability of outsidership" when they downgrade capabilities for the middle market but lack a deep understanding of local institutions, structures, culture, and values (Sinkovics et al. 2014, 677). Additionally, firms in low and middle-income countries can be more willing to enter small and nearby economies as a stepping stone to globalise and achieve economies of scale, and be better prepared to enter higher risk markets, such as conflict-ridden countries (see World Bank 2018, 11). This said, cultural proximity, as well as personal and political relations, may also mitigate uncertainties and poor transparency. These are all relevant aspects in examining regional firms' increasing engagement in Southeast Asian beer production. In addressing firm strategies of branding the focus is on symbolic value and branding processes of association and disassociation.

Variegated Capitalism

The variegated capitalism approach builds on and criticises previous attempts to distinguish between variations in capitalist development. Among the latter, Hall and Soskice's (2001) "Varieties of capitalism" framework, differentiating between liberal and co-ordinated market economies, led to a surge of research investigating how national institutional configurations co-shape firm organisation and behaviour. However, this approach has been criticised for favouring the national scale with a consequent inability to accommodate change processes at other scales (Dales, Coe, and Hess 2019, 93). The framework was first challenged by research on business systems in East and Southeast Asian economies (see, for example, Walter and Zhang 2012; Zhang and Whitley 2013; Witt and Redding 2014). While important for expanding the understanding of institutions, political contexts, and economic processes in these regions, the national scale remained prioritised (Dales, Coe, and Hess 2019, 93-94). Hence, Peck and Theodore (2007) developed the VC approach, to better understand the dialectical relationship between global and regional production networks and the particularities of national contexts. In this, connections across scale are equally important as national varieties, and the approach explicitly stresses the need to go beyond methodological nationalism and theorise across scales (Peck and Zhang 2013, 56). Peck and Theodore (2007, 760-62) consider capitalist systems as constantly undergoing restructuring due to connections and interdependencies both within distinct locales and across scales. In these systems, agents are embedded in institutional settings and inter-firm and extra-firm networks (see Dales, Coe, and Hess 2019).

Following Dales, Coe, and Hess (2019, 92), the national beer markets in Thailand, Myanmar and Vietnam can be considered as "distinct sectoral modes of variegated capitalism that are simultaneously traversed and altered by globalised networks and reproduced by the political, economic, and institutional contexts in which these networks are embedded." In this article the focus is on how the dynamic relations between firms and regulatory structures produce distinct markets where market accessing strategies take shape, recognising that markets do not arise naturally out of supply and demand but represent "a system of action and practice" (Knox-Hayes 2010, 195). As argued by Dales, Coe, and Hess, regulation may have important implications for market structure and long-term development, and political-institutional environments in specific national economic systems impact firm strategies. This approach allows us to analyse how fundamental capitalist logics of accumulation and expansion develop in the encounter with local politics and institutions, and thus how host economic systems may lead global, regional, and local firms to adopt specific, variegated accumulation strategies. To further explore the interconnections between context and firm strategies, the VC approach is supplemented with the concept of embeddedness.

Embeddedness and Competitive Advantage

The embeddedness concept is developed within the GPN framework to explain how economic activities are shaped by social and cultural processes; that every element of the network is grounded in a specific location – materially, through fixed production assets, but also more abstractly through social relationships, local institutions, and cultural practices (Coe, Dicken, and Hess 2008, 279). The concept can be divided into societal, network and territorial embeddedness. Societal embeddedness refers to the cultural, historical and institutional origin of the firms, described by Hughes, Wrigley, and Buttle (2008, 348) as the "genetic code" of firm (or non-firm) actors. It is shaped by the social and institutional contexts from which they originate, which in turn mould their actions globally. Network embeddedness refers to the degree of functional and social cohesion of the specific production network (see Hess 2004). The point is that institutional arrangements and governance structures in networks are co-produced and not only surrounding the firm (Neilson and Pritchard 2009; Coe and Yeung 2015). Territorial embeddedness refers to the particular resources that firms depend on in the location where activities take place. More specifically, it refers "to the kinds of geographically extended relationships that provide a foundation and 'anchor' firms within legal, regulatory and economic interactions within a region" (Morris, Plank, and Staritz 2016, 1249). For instance, Pasquali and Alford (2022) have found that in the Kenyan leather industry societal and territorial embeddedness of firms from the COMESA Free Trade Area and India are sources of trust formation smoothening the value chain operations. In our analysis, territorial embeddedness is employed to understand the interaction between global and regional firms in the Southeast Asia context, and how business strategies are co-shaped by market dynamics and consumption patterns. Societal embeddedness further allows us to highlight how cultural and geographical proximity influence business strategies and competitive advantages.

Symbolic Value and Branding

The role of consumption has received limited empirical attention in research on global chains and networks beyond studies of corporate social responsibility and how consumer groups and civil society may pressure for more ethical production and workers' social upgrading (see, for example, Coe and Yeung 2019). Less focus has been on how consumption patterns may influence business strategies in particular contexts, or the relationship between global production networks and local demand. Notable exceptions are Thomsen and Hess (2022) who have studied spaces of valuation, trade and retail in the gemstone and jewellery sector, and Barrientos and colleagues (2016) who have studied diversification strategies and downgrading of African suppliers amid increasing demand in local vis-à-vis global markets. This article seeks to expand the understanding of consumption by accounting for the dual role of companies in both responding to and "breeding" demand, through the use and impact of symbolic value (see Rinkinen, Shove, and Marsden 2020; Ibert et al. 2019, 2019b). While still not engaging fully with the complexity of the geographies of consumption, this is an important step towards sophisticating the understanding of consumption within these approaches.

Value has generally been employed as synonymous to sources of profits such as different types of economic rent (see Coe and Yeung 2015, 35-36). More recent contributions have sought to connect cultural and economic geography by highlighting "symbolic value", created "with the help of relational work that mobilises meaning inscribed in historically contingent 'ethico-political complexes'" (Ibert et al. 2019, 45). Hence, value is not inherent in products, but contingent on purposefully created and socially constructed value through branding processes where firms cater to demand shaped by different social, cultural, political, and commercial understandings in various geographical contexts. Indeed, the creation of brands and processes of branding are value-adding activities distributed unevenly within chains and networks of production. Branding is a way of "creating and articulating meaning through use and especially symbolic value creation, circulation and valorization" (Pike 2013, 319). For instance, such branding processes make it possible for companies to demand premium prices in exchange and sales (Pike 2013, 319).

Producers seek to distinguish their products from competitors by making sure that branding narratives align with consumer experiences by associating products with forms of non-monetary quality markers such as authenticity, beauty, originality, creativity, reliability, safety, or tradition, and simultaneously dissociating them from negative markers such as risks, distrust, unhealthiness, and exploitation. Both positive and negative markers are highly dependent on the normative valuations in the context of interest (Ibert et al. 2019, 49). The literature has been particularly focused on dissociation, connected to broader debates of inclusionary biases within economic geography, and been important for bringing attention "to the many ways in which certain product and production attributes are made visible while others are hidden, and to the actors who create these 'orders of worth' and normalise specific kinds of sense-making" (Havice and Pickles 2019, 74). Processes of association and dissociation are central to demand, as the associations used in branding have to cater to specific "normative valuations" of the consumer group or market segment in question, in turn embedded in existing cultural and political-institutional contexts (Ibert et al. 2019, 49).

Inspired by Thomsen and Hess (2022), branding is understood as value creating processes where dialectics of association and dissociation play out. Branding strategies based on association with local brands and the symbolic value of consuming international brands are well known in the beer industry. There is, however, less attention to branding based on dissociation for ethical and human rights considerations, which may prevent negative markers and declining demand. Understanding the nature and impact of dissociation is particularly relevant in the "variegated capitalism" of Myanmar where the military earns considerable income from the beer industry. The variegated capitalism perspective and embeddedness concept are applied in this study to understand the room for manoeuvre for branding by factors such as geo-political considerations, historical legacies and common norms and values. Thus, as will be discussed, the overall accumulation targets of firms remain the same, but the particular business strategies are co-shaped by both local institutions and consumer cultures.

Changing Southeast Asian Beer Markets amid Variegated Forms of Capitalism

The international beer industry has gone through a period of intensive restructuring in recent decades. Between 2000 and 2009 the market share of the top five companies in the industry, AB InBev, SABMiller, Heineken, and Carlsberg, increased from 25.5% to 46.3% by volume (Pedersen, Madsen, and Lund-Thomsen 2013, 22). After SABMiller became a division of AB InBev in 2015, it held a global market share of 22%, making it by far the world's largest beer corporation (Török, Szerletics, and Jantyik 2020). AB InBev, Heineken, and Carlsberg are headquartered in Western Europe, but are each involved in production in other regions of the world making it somewhat misleading to characterise them as European. For instance, AB InBev's precursor firms are of Brazilian origin and include early acquisitions of Chinese and Mexican firms (Howard 2014, 159; AB InBev n.d.). SABMiller's precursor firms were headquartered in South Africa and expanded in many African markets already during the 1950s and 1960s (Howard 2014, 159; Stack, Gartland, and Keane 2016, 63-64). Moreover, Heineken has a long history of internationalisation, from colonial expansion through Asia and Africa from the 1930s, to Eastern Europe after 1989 (see Sluyterman and Bouwens 2015). In Southeast Asia, these global corporations have been battling for market shares investing in domestic breweries and establishing their own majority-owned breweries.

The political economies of Thailand, Myanmar, and Vietnam represent variegated forms of capitalism that involve different forms of state presence in the economy. Vietnam's "socialist market economy" involves a form of "market-Leninism" where the state is not directly driving the economy, but where the communist party's Leninist orientation permeates all economic activity and the business elites fundamentally depend on political connections (see Bekkevold, Hansen, and Nordhaug 2020; London 2020). Myanmar's "state-mediated capitalism" shares with Vietnam the fundamental characteristic of a powerful state gatekeeper, but with the military instead of the communist party occupying this role. State-mediated capitalism consists of "a state-linked business class and crony capitalism, and the emergent symbiosis between big business and the state" (Jones 2014, 145). Thailand is an upper middle-income country, and also displays the symbiosis between big business, politics and state found in the other two countries. But Thai capitalism is largely built around relatively few and extremely powerful families, the upper echelons of its capitalist class that Hewison (2021) refers to as "Crazy Rich Thais." These different arrangements of state-capitalist constellations are crucial for understanding the dynamics of the beer industry. In the following discussion of the beer industry in these countries, the focus is on market trends, institutional context, and the historical and contemporary division of labour between firms.

Thailand: State Protection, Conglomerates, and Regional Market Expansion

Boon Rawd Brewery and ThaiBev were founded in 1933 and 2003 respectively, the latter after a consolidation of 58 beer and spirits enterprises. Both companies developed with strong state support. Boon Rawd, for instance, was established with a contribution from King Vajiravudh and benefitted from tax concessions for several years (Hewison 1989, 46-47).

With long experience from the liquor industry and good connections with relevant politicians and bureaucrats, Chang Beer and ThaiBev have taken particular advantage of the taxation system (Nualnoi 2008, 145-146, 151). The companies are owned by two of Thailand's richest families, the Bhirombhakadi family (Boon Rawd Brewery) and the Sirivadhanabhakdi family (ThaiBev). With popular beer types Chang (ThaiBev), and Leo and Singha (Boon Rawd), the companies dominate the mid-range market for beer in Thailand, accounting for 51% and 42% respectively of the national brand owners' volume of beer sales, in 2018.[3] Thai Asia Pacific Brewery (TAP), which brews and markets Heineken and Tiger in Thailand, and where Heineken holds a minority share, held just a 5% of the market share. San Miguel Beer Thailand and "Other" account for the remainder. The figures include the companies' own brand, what they produce under licence, and the brands that they distribute (Euromonitor International 2019; Heineken Company 2021.; TAP 2020). According to Flanders (2020, 4), Thai craft beers and imported beers only account for some 0.5-1% of the volume of beer sales.

The current duopoly of Boon Rawd and ThaiBev can largely be explained by government protection of the domestic beer industry with high import duties on beer and a licensing system favouring big capital while simultaneously challenging new entrants to the market. The 2000 decree by the Ministry of Finance on breweries and distilleries requires 51% of issued shares to be held by Thai nationals. Hence, foreign companies depend on forms of territorial embeddedness to enter Thai markets. Additionally, large scale brewers must have the ability to produce a minimum 10 million litres of beer annually and must have at least 10 million baht (US$320,000 in April 2021) in capital, and small-scale producers must have a production capacity of 100 000 litres and below 1 million litres (Wanna 2019). The production and capital requirements may not deter large TNCs. Although the capacity requirements were relaxed for small brewers in November 2022, specific laws and regulations aimed at restricting alcohol consumption have made it even more difficult for new players to enter the Thai market (USDA/GAIN 2020, *Thai PBS World*, November 11, 2022).

Heineken and Carlsberg entered beer production in Thailand in the 1990s through joint ventures with local partners (Carlsberg Group 2021a; Heineken Company 2021). Hence, they could get behind protection barriers and benefit from advantages of the licensing system (Interview, market specialist, Bangkok, February 4, 2020). After breaking with local partner ThaiBev in 2004, Carlsberg re-entered in 2012 through a joint venture with Boon Rawd to take up competition with Heineken. Heineken entered Thailand through the joint venture Asia Pacific Breweries. Asia Pacific Breweries established the Thai Asia Pacific Brewery in 1993, in which a Thai life insurance company owned the majority share. Since 2013, Asia Pacific Breweries has been fully owned by Heineken. Both Carlsberg and Heineken aim at the premium market segment but also combine this with engagement in the lower segments (*Bangkok Post*, July12, 2015; Carlsberg Group 2021a). In the mid-range market, ThaiBev and BoonRawd have sought to strengthen their reputation through association with the English Premier League and specific football clubs such as Everton, Leicester City and Chelsea, with Premier league being hugely popular in Thailand (Interview, market specialist, Bangkok, February 4, 2020).

Nonetheless, Thai consumption of beer by volume is relatively flat. The increase in value has been much stronger, attributed to higher preferences for premium beers and the reduction on tax on higher priced beers in 2017 (Euromonitor International 2019). Imported beer has only a small part of the overall market. This is due to government protection of domestic production, as mentioned above. The government has also been restrictive of domestic craft brewing (Rabo Research 2018). Hence, compared to the relatively flat growth in the mid-range and economy segments of beer in 2017, premium beer fared much better (Wanna 2019). Due to the regulations on scale of production, craft beer is mainly imported to Thailand from Vietnam and Cambodia (*Asia-Pacific Food Industry*, September 15, 2019; Interview, craft beer brewer, Bangkok, February 4, 2020). Moreover, the low expectations for future growth of mainstream beers are exacerbated by government measures seeking to restrain consumption of "harmful beverages." Consequently, Thai producers are seeking an even stronger market presence in the region and overseas (Wanna 2019). The fact that the Association of Southeast Asian Nations (ASEAN) zone accounts for 80% of the export value of Thai alcoholic beverages implies that producers have sought to expand their distribution networks in the region (Wanna 2019).

Myanmar: Military Interest and Joint Ventures

Myanmar is the most challenging country to operate beer production and distribution in the region, due to both the military's all-encompassing role in the economy and to powerful interests among armed groups and local authorities to protect the local brands from competition (Interview, market specialist, Bangkok, February 4, 2020). After the military coup in February 2021, the relationship to the military and pressure from interest groups and consumers have become even harder (see below).

Legal beer market entry in Myanmar requires local partnerships to ensure both brewing and distribution capacity (*Nikkei Asia*, September 11, 2016). Hence, the largest company in the industry, Myanmar Brewery, was initially set up in 1995 as a joint venture between Myanmar Economic Holding Limited (MEHL) and Asia Pacific Breweries, a joint venture with Heineken and the Singapore-based Fraser & Neave. Heineken pulled out in 1997 and ThaiBev increased its investment in Fraser & Neave in 2012. In 2015, MEHL split with Fraser & Neave, allegedly because the latter had defaulted some of its obligations, with Fraser & Neave selling its operations. Myanmar Brewery then became a joint venture between MEHL and Kirin Brewery (*Nikkei Asia*, April 27, 2018). Together with its investment in Mandalay Brewery in 2017, Kirin Brewery came to control more than 80% of the beer market in Myanmar. The intention was to expand Myanmar Brewery into one of its largest breweries globally and Myanmar to become Kirin's Southeast Asia moneymaker (*Nikkei Asia*, April 27, 2018). To MEHL, a profit-seeking conglomerate owned by the military, serving as "a main source of off-budget revenue for the military and a main employer for retired soldiers," partnering with Kirin was lucrative (McCarthy 2019, n.p.).

In 2013, Heineken and Carlsberg established majority owned joint ventures with local companies, Heineken Myanmar, and Myanmar Carlsberg (Carlsberg Group 2021a; *Bangkok Post*, July 12, 2015). At this time, there were signs of political liberalisation in the country and high expectations for a growing market (*Bangkok Post*, July 12, 2015; *Deutsche Welle*, July 13, 2015). Meanwhile, ThaiBev became re-involved in the Myanmar beer industry through its ownership in Fraser & Neave, which established Emerald Brewery in a joint venture in 2017 with Lwin Aye Yar Industrial Production and Construction Company, which is part of Shwe Thanlwin Company, a crony business group (*The Irrawaddy*, July 26, 2023). Emerald Brewery brews ThaiBev's beer Chang (*Frontier*, January 18, 2020). Overall, the production of beer in Myanmar more than doubled from 2010 to 2017, before plummeting after the Rohingya crisis in 2018 and then the military coup in 2021 (Statista 2020, 2023).

In Myanmar, while the import of beer is illegal, with exceptions for duty free shops and hotels, illicit imports from China and Thailand still capture considerable parts of the market. According to Euromonitor International, around 30% of all beer sold in the country in November 2017 was smuggled, about 80% from Thailand (cited in *Frontier*, January 18, 2020). Both ThaiBev's Chang and Boon Rawd's Singha and Leo are smuggled into Myanmar. Evading local taxes, smuggled beer becomes 35% cheaper than locally-brewed beer and even cheaper if smugglers buy directly from factories. The smuggled beer is attractive among price-sensitive and low income consumers, and the general belief that Thai products are superior to the domestic product suggests that Thai companies have been successful in branding their beer in ways that create a strong symbolic value for consumers. However, the illicit trade represents a major challenge to those producing beer legally in Myanmar. Apparently, ThaiBev has not made attempts to stop the smuggling, and thereby dissociate from it, as doing so could mean losing market share to smuggled beer from Boon Rawd (*Frontier*, January 18, 2020). ThaiBev may also benefit from the visibility and market penetration created through smuggled Chang.

Myanmar is also home to a growing craft beer market. The first craft brewery in the country opened in 2016 (see *The Irrawaddy*, April 9, 2019), which in 2020 arranged an international craft beer festival were participating regional breweries brewed their beer in Myanmar to get around import bans (Kean 2020).

Vietnam: Privatisation, Foreign Capital, and Increasing Competition

After the reunification of Vietnam in 1975, the two large state-owned companies, Saigon Alcohol Beer and Beverage Joint Stock Corporation (Sabeco) and Hanoi Beer Alcohol and Beverage Joint Stock Corporation (Habeco), played a dominant role in the country's beer industry. Both companies originate from breweries founded by French nationals in the late 1800s. The predecessor of Habeco became a fully state-owned enterprise in the late 1950s after Vietnam's independence from France, followed by the predecessor of Sabeco in 1977 (see Knutsen and Do 2020, 154). Several smaller regional breweries have now been bought by global TNCs. For example, Da Nang Brewery, famous for its Larue beer, is now owned by Heineken, and Hue Brewery, famous for Huda beer, is owned by Carlsberg. Heineken and Carlsberg both entered Vietnam in the early 1990s where they now operate their distribution offices and breweries (Carlsberg Vietnam 2021; Heineken Company 2021).

As part of the Vietnamese Government's policy to "equitise" state-owned companies, Sabeco and Habeco were turned into joint stock companies in 2008 with Heineken and Carlsberg as minority shareholders (Knutsen and Do 2020,156).[4] Already in 2007, Habeco selected Carlsberg as strategic partner for joint investments in brewery projects. Carlsberg referred to this as "…an important strategy to develop our business in Asia through partnerships and investment in market leading companies" (Carlsberg Group 2007). As a strategic partner to Habeco and having its own brewery in Vietnam, Carlsberg both co-operates and competes with Habeco. In 2021, Heineken's market share (in terms of value) was 44%, followed by Sabeco at 34%, Carlsberg at 9% and Habeco at 7%. (Statista 2022). Fierce competition characterises the Vietnamese beer market, combined with rapid growth in the craft beer segment, although still comprising a very small share of the market (Beverage Ingredients 2020).

In the five-year plan 2016-2020, the Government decided to fully divest in several state-owned enterprises, including breweries. This was part of a large programme to upgrade enterprises and attain financial muscles for public investments to become an upper middle-income country by 2035 (Knutsen and Do 2020, 142, 150, 152). ThaiBev, seeking to become a leading regional player, used this opportunity to acquire majority share in Sabeco through Vietnam Breweries Ltd in 2017, at an extraordinary high price, beating out AB InBev. This investment complements Charoen Sirivadhanabhakdi's other investments in Vietnam, including in convenience stores. Vietnam's beer industry is of interest because, unlike Thailand, it is a growing local beer market, with lower production costs facilitating profitable exports.

The above analysis shows how variegated forms of capitalism shape the Southeast Asian beer industry. In Vietnam's socialist market economy, state-owned enterprises Habeco and Sabeco have until recently dominated the country's beer industry and remain powerful actors, Sabeco now with significant shares owned by foreign capital. In Myanmar's military dominated regime, the military owns large shares in the main breweries and are powerful actors in the industry. In Thailand, the industry is dominated by a few enterprises owned by extremely wealthy families that retain strong links with the state. Despite different political and institutional contexts, similarities are also striking. In all three countries, consolidation processes driven by the monopolising tendencies of global capitalism co-exist with a recent development of small-scale craft breweries. Still, in all three countries global and regional capital have become increasingly dominant in the beer industry and engage in fierce competition for market shares. In the following the different firm strategies employed in the three countries are analysed.

Firm Strategies: Market Access, Risk, and Branding

Getting Access

In Thailand the licensing system and import protection have to some extent stimulated foreign direct investments (FDI), illustrative of how host government regulation co-shape company strategies. Getting behind regulatory barriers, and thus access to production and import licences, are highly valuable to the big companies in the beer industry (Interview, market specialist, Bangkok, February 4, 2020). Like Heineken, Carlsberg sees potential for its premium brands in Thailand together with expansion of markets and sales in the ASEAN (*The Nation*, October 2, 2012). The Singha Corporation of Boon Rawd distributes Carlsberg in Thailand and uses Carlsberg's plant in Russia for production of Singha to the European market (*Bangkok Post*, February 4, 2013). This division of labour between Carlsberg and Singha shows how business strategies for Southeast Asia and Central Asia and Europe can entwine and more generally, how global and regional business strategies entangle in so-called "domestic" product offerings. It parallels a similar notion of intersecting global and regional value chains found in the horticulture sector in Africa (Barrientos et al. 2016). It also underscores that global and regional firms not only compete, but also collaborate.

Since legal market entry in Myanmar requires local partnerships, a common strategy of global companies is to combine production of local brands and economy beers with their own brands. Heineken Myanmar produces the global Heineken brand for the premium market segment, the regional brands Tiger and ABC Stout for the mid-range market, together with the local brands Regal Seven and Bawdar for the economy market (Heineken Myanmar, 2021). Myanmar Carlsberg also produces the global Tuborg brand for the premium market, and the local Yoma brand for the mid-range segment (*Myanmar Times*, September 22, 2014). The joint venture between Kirin Brewery and Mynamar Brewery produced both Andaman Gold and the popular local brand Myanmar

Beer for the economy market, and the global brand Kirin Ichiban for the premium market (Kirin Holdings 2018). Similar to how joint ventures have developed in Thailand, this illustrates the need to enhance network embeddedness to secure market access, in turn shaped by local regulative frameworks. In response to the military coup, Kirin Brewery decided to withdraw from Myanmar Brewery in February 2022, a process that was completed in January 2023 when Kirin's shares had been transferred to Myanmar Brewery (*Businesswire,* March 23, 2023).

In Vietnam, Heineken lost its bid on Sabeco to ThaiBev and decided to reduce its equity share to 4.32% in 2019 (*Vietnam Express International*, November 15, 2019). This means that Heineken holds stakes in Sabeco *and* competes fiercely with Sabeco to be the number one brewer in Vietnam. In addition to revenue, a stake in Sabeco may be an important source of information for Heineken's overall strategic planning. AB InBev, which started production in Vietnam in 2015, also wanted to invest in Sabeco but withdrew its bid because it could not compete with ThaiBev's offer. In 2021, however, following in the footsteps of the global parent firms, AB InBev Vietnam and SAB Beer Production Vietnam merged into AB InBev Vietnam for improvements in scale, quality, and productivity and a larger share of the market in Vietnam and Southeast Asia (*Vietnam Investment Report*, January 28, 2021). In 2009, Carlsberg and Habeco signed a memorandum of understanding for Carlsberg to increase its ownership in Habeco from 16% to 30%, incorporating Habeco into the Carlsberg group. The share of Carlsberg has still not increased to 30%, despite the Vietnamese Prime Minister urging Carlsberg to increase its stake in Habeco, and Carlsberg's interest in acquiring majority shares (*Reuters*, September 13, 2018; Carlsberg Group 2021b). Allegedly, the price of the shares is considered too high (*Hanoi Times*, March 18, 2018). In contrast, ThaiBev's investment in Sabeco depicts a regional player's willingness to take risks, reflecting both societal *and* territorial embeddedness. ThaiBev brings with it experiences in how to operate in a complex regulatory context and benefits from proximity to Vietnam concerning norms and values more generally which strengthens their societal embeddedness. These factors together with several other Thai investments in Vietnam over time further anchor ThaiBev's business operations in Vietnam, as in territorial embeddedness. Societal and territorial embeddedness are important for assessing possible investment opportunities, for understanding market potential, and for being able to shape the market, although having a "crazy-rich" owner also facilitates such a financial manoeuvre.

The various company strategies discussed above demonstrate how investments in the beer market are shaped by variegated forms of capitalism in both destination and origin countries, and how differences in societal embeddedness lead to separate market-seeking strategies and risk assessments. Beyond cultural barriers against alcohol consumption, local and domestic beer brands are often sources of considerable national pride. The TNCs have continued to rely on the central strategy of buying up local competition in Vietnam and Myanmar and profit from their territorial and societal embeddedness. In terms of business strategy, the global players benefit from their ability to combine competition in their signature "premium" global brands with products tailor-made for the local market. They thus compete on combinations of ostensible "quality" and willingness to pay high prices, *and* more affordable prices and well-known treasured tastes for the mid- and economy segment.

Despite the power and reach of the three dominating TNCs in the beer industry, the findings from Vietnam and Myanmar demonstrate that global lead firms of Western origin still encounter strong competition from Asian capital, mainly from Thailand and Japan. AB InBev was not able to successfully compete with ThaiBev for Sabeco, and

Heineken decided to reduce its share in Sabeco when ThaiBev became majority owner. Similarly, Carlsberg is eager to attain majority share in Habeco. With ThaiBev's generous offer for Sabeco, however, Vietnamese government expectations for price are higher than Carlsberg can accept. Not only does ThaiBev's competitiveness relate to the flexibility of belonging to a wealthy Thai whose conglomerates are claimed to be "insulated from economic crises" (*ASEAN Today*, February 11, 2021), but through its many investments in Vietnam, ThaiBev benefits from both network embeddedness and territorial embeddedness. It further benefits from societal embeddedness through close knowledge of the Vietnamese regime of regulation and accumulation and established political and private relations. Moreover, both its financial room for manoeuvre and knowledge of Vietnam may have stimulated a higher tolerance for risk. A variegated capitalism lens unveils how the particularities of Thai capitalism made ThaiBev both more willing and better equipped to make large investments in Vietnam's market-Leninist economy. Still, although ThaiBev is strong in the regional market, global firms also compete well both in the segment for premium brands and local brands. Together with the competition and co-operation between global and regional firms this suggest that the global firms in our study do not suffer much of the "outsider liability" conceptualised in international business research (see Sinkovics et al. 2014).

Managing Risk: Myanmar

Managing risk is key to firm strategies anywhere, and particularly in potentially volatile contexts such as those presented by the institutional settings in the three case countries discussed here, and specifically in the case of Myanmar. Already in 2018, the UN fact-finding team investigating the Rohingya genocide claimed "that doing business with MEH[L] posed 'a high risk of contributing' to human rights violations" (*BBC*, February 5, 2021). Hence, Kirin has faced much international criticism for its partnership with the military regime, but no final decision was made to pull out of the partnership until the military coup in February 2021 (*BBC*, February 5, 2021). Although Kirin stopped paying dividends to MEHL by April 2021, it did not file for dissolution of the joint venture with Myanmar Brewery until late November 2021. According to the application for dissolution, the joint venture was "unable to pay its debts" (*Financial Times*, April 12, 2021; *Myanmar Now*, November 24, 2021). The dissociation from MEHL and Myanmar Brewery is thus framed as an economic necessity rather than an attempt to create symbolic value by "doing good," underscored by how Kirin expressed its wish to remain in Myanmar after stopping to pay dividends. That said, Kirin has also expressed that it is deeply concerned about the actions of the military (*Frontier*, April 17, 2021).

Myanmar Brewery has been hit hard by a mass boycott launched by activists against military-linked products, and many consumers have shifted to brands like Tiger, ABC Stout and Chang, benefitting Heineken and ThaiBev (*Frontier*, April 17, 2021). The change of brands represents consumers' wish to dissociate from the military (Ibert et al. 2019). Even so, total sales of "non-military brands" do not seem to have increased markedly as political turmoil continues to disrupt commerce, with closed shops and roadblocks (*Frontier*, April 17, 2021). Apart from company-specific economic considerations, Kirin's long drawn-out attempt to find a solution and stay in Myanmar can be understood in light of broader Myanmar-Japan relations. Post World War II, Japan has maintained political and economic relations with both the military and civilian governments, with Japan's regional interest being in an independent Myanmar, which it seeks to support through economic co-operation and "patient" support of economic development "conducive for eventual democratisation" (Watanabe 2021). When Kirin ultimately decided to withdraw from Myanmar Brewery, the joint venture faced big losses. The military regime had been internationally sanctioned soon after the coup and Kirin was under observation for possible exclusion from the Norwegian Government Pension Fund, one of its investors (*Businesswire*. March 23, 2023)

ThaiBev, in turn, has remained silent on the coup. This reflects a strategic choice by ThaiBev *vis-a-vis* their local partner and its relations with the military regime and fits well with Thailand's military-backed government's friendly diplomacy with the Myanmar military. The two countries' militaries have close ties and Thailand remains one of Myanmar's largest investors (*Reuters*, April 2, 2021).

Territorial and societal embeddedness provide insights and connections important to branding by symbolic value. At the same time, the cases of Kirin and ThaiBev illustrate how such embeddedness can restrain dissociation. Especially in the case of Kirin, which is highly visible with its dominant position in the beer industry in the country, it has affected symbolic value and demand negatively. Meanwhile, ThaiBev seeks to profit from its dealings with the military regime, planning for expansion and a new brewery in Myanmar (*Bangkok Times*, July 27, 2023).

Like ThaiBev, Heineken has decided to continue operations but has requested a tax deferment not to sponsor the military (*Wall Street Journal*, March 21, 2021). Carlsberg too will remain in Myanmar but is reducing its production capacity due to declining demand (*Inside Beer*, April 2, 2021). In practice, the three companies have paid huge amounts in tax to the military junta. From December to October 2021, the amount equalled US$27.6 million (Justice for Myanmar 2023). This means that dissociation from the military regime is modest in the cases of Heineken and Carlsberg too, but ThaiBev, Heineken, and Carlsberg nonetheless benefit from larger market shares when activists dissociate from Kirin. Boycotters have not reacted the same way to companies with crony partners and tax paying private companies. It is direct revenue streams and military-owned businesses that are under attack. People still drink beer and prefer Heineken, Carlsberg and Thaibev to beer from Myanmar Brewery, to the extent that Heineken struggles to meet customer demand (*Frontier Myanmar*, May 10, 2023).

Human rights abuse, the Rohingya genocide, and the 2021 military coup are factors that have accentuated public pressure on breweries in Myanmar. Close ties to the military represent risks both to the companies' reputation and income, as profits may suffer from a bad reputation and social upheaval. However, in the case of the 2021 military coup it was found that the regional and global firms have acted in similar ways to protect economic interests. So far, the regional firms have not exposed considerably higher risk acceptance than the global firms, contrary to notions raised in World Bank (2018, 12).

Branding and breeding Demand: Heineken in Vietnam

As is clear from the above analysis, governments play an important role in shaping beer consumption through regulations of alcohol production and consumption. Firms, while attracted to the strong demand for beer in the region, both shape and create demand. Here, the focus is on Heineken's operations in Vietnam to show how a global lead company operates in one of the most attractive beer markets in the region.

As elsewhere, alcohol has many important social and economic functions in Vietnamese society (see Gillen 2016; Lincoln 2016). While rice wine and other alcoholic drinks remain popular, beer has replaced other forms of alcohol in a range of social practices and events. Heineken has played an active role in some of these processes. For example, in his ethnography of food in Hoi An in central Vietnam, Avieli (2012, 171-172) recounts how in the early 2000s "*Heineken và cua*" weddings became popular. Such events were held by rich overseas Vietnamese at large hotels and restaurants, who served Heineken and crab, representing the most expensive food and drink you could get at the time. Today, Heineken has fierce competition from a range of premium beers, including craft beer and other foreign beers. In addition to its flagship brand, Heineken has met this competition through investing in some of the most popular beer brands in the country. Tiger is among the strongest brands in the region, highly popular among both tourists and locals, and promoted as "Asia's No.1 International Premium beer". According to Heineken websites, "Tiger is one of the biggest beer brands in the world, and nowhere is it loved more than in Vietnam" (Heineken Vietnam 2021a). Heineken has also invested heavily in economy brands. The most successful is probably Larue, from the Da Nang Brewery, which in the 2010s went from a local beer in central Vietnam to expand into all parts of the country.

Heineken uses different strategies for "breeding" demand by increasing the symbolic value of their products. Advertisement is the obvious way this has been done. For its 60-year anniversary in 2020, Tiger was promoted through the story of how they had developed a fresh and high-quality lager in the tropics against all odds. One advertisement made the clearly spurious claim: "Brewing in the tropics was impossible until we did it", ignoring that brewing in Vietnam dates back to the 1890s. Another advertisement focused on Tiger as a "bold" beer. Further advertising simply showed a selection of different versions of Tiger beer in front of a painted roaring tiger and the words "*vẫn một vị bia bản lĩnh*," basically "still a brave beer." Such framings contribute to associating Tiger products with established masculine ideals, responding to the dominance of male beer consumers in Vietnam and the region. Similarly, Heineken also used "bold" when releasing their lighter Heineken Silver in 2019, the commercial saying "*Nhẹ êm mà. Đậm chất*" or "light and smooth. Bold." This beer is brewed in Vietnam and was targeted specifically at younger market segments. A year later it was launched in China before being sold in 19 European markets from April 2022. For the launch in Vietnam, Heineken staged a large concert with international and Vietnamese artists at the iconic Independence Palace in Ho Chi Minh City, illustrating association strategies of both popular culture and historical events. Moreover, Heineken has proved to be able to respond relatively quickly to changes in the market. For example, in December 2019, in collaboration with the National Traffic and Safety Committee, and as part of their broader "When you drive, never drink" campaign, Heineken launched what they called a social media movement against drunk driving (Heineken Vietnam 2019). In January 2020 the government launched a major crackdown on drunk driving, and in March 2020 Vietnam became the 58th market for their alcohol-free Heineken 0.0. Moreover, Heineken have adapted advertisements to special occasions, like the Larue commercial before the lunar New Year (*Tết*) with the picture of a case of Larue and of Larue Special with the text "*Tết đến rồi. Nhà bạn có Larue chưa,*" or "Tet is coming, does your home have Larue yet?" Moreover, building on the strong passion for football in the country, Tiger Beer launched a collaboration with former Manchester United and England star Rio Ferdinand to "spread the message of 'uncaging your courage' among Vietnamese football fans," alongside a range of competitions and prizes, during the FIFA World Cup 2022 Qualification and the UEFA Euro 2020 finals (Heineken Vietnam 2021b). Additionally, Heineken invest heavily in sponsoring sports and cultural events.

Like many international brands, Heineken advertises the fact that their brews only contain malt, in contrast to local brews that often include rice as well, signifying forms of dissociation. In other words, all ingredients are imported, except water. In general, international companies advertise their foreignness, but they also, as the case of Tiger shows, build on the history of regional breweries, stressing the localness of the beer. Beer brands frequently use marketing tools that focus on sociability and enjoyment, but also status. For example, Heineken have understood both the tendency to trust foreign technologies and brands more than Vietnamese and the position of alcohol in Vietnamese society in how they present Larue on their websites: "With its attractive color and refreshing aftertaste thanks to its fine ingredients and European brewing process, Larue has proven its quality since 1909. Biere Larue is perfect for building friendships and connections" (Heineken Vietnam 2020). Heineken also presents itself as central to Vietnam's development success the past decades, for example through promoting that they alone represent 0.9% of Vietnam's GDP. This is summarised in the slogan of "*30 năm phát triển cùng Việt Nam*," which directly translates to 30 years of developing with Vietnam.

All of these are familiar examples of branding, with the ultimate goal of strengthening the symbolic value of products by associating with quality markers connected to their foreignness such as reliability, safety, taste, and with traits central to Vietnamese drinking culture like masculinity and boldness, while simultaneously dissociating from local brewing practices. In general, the case of Heineken in Vietnam shows the different strategies employed to reach as many segments as possible in a large and growing market.

Conclusions

The analysis above shows some of the ongoing restructuring dynamics in the Southeast Asian beer market. Most obviously, it shows the reach and power of TNCs in the industry. Mirroring developments in other parts of the world, the three big global actors have, through mergers and acquisitions, integrated into local markets producing their own products. They also contribute to the development of existing and new local brands. In many ways these processes represent a "re-globalisation" of the industry as Western TNCs buy breweries established by Europeans during colonial times. This is the case in both Vietnam and Myanmar. Moreover, these processes represent a continuation of the dominant global breweries' internationalisation strategies, who in turn are able to draw on long experience in other emerging markets (see, for instance, Howard 2014). Thus, although Thailand and Thai capital represent an exception, the findings of this study demonstrate how regional capital may struggle to challenge global lead firms in the beer sector. In other words, these findings indicate that the possible advantages of regional partnerships and networks are not necessarily sufficient to undermine the regionalising efforts of the big global players. That said, regional capital, and in this case especially ThaiBev, with seemingly endless access to capital, has the potential to grow and become much more powerful in the beer industry. "Re-globalisation" notwithstanding, it has been seen how global and regional companies both compete and cooperate, and how their networks may entwine.

The analysis in this article shows how the widely different forms of capitalism found in Thailand, Vietnam, and Myanmar lead to context-specific developments in the beer industry, such as the role of the state and state-owned enterprises in Vietnamese beer industry, the military in Myanmar, and wealthy families in Thailand. Although beyond the scope of this article, local drinking cultures and political regulations of alcohol consumption also differ significantly in our three case countries. However, they share fundamental features of capitalist development, similar "processes and forms of uneven development within … late capitalism" (Peck and Theodore 2007, 763). Crucially, as shown in this article, this includes the importance of FDI in joint ventures, mergers and acquisition, and the power of TNCs both in terms of their strong position in production networks and in the symbolic value of their products. Furthermore, the beer industries in these countries serve as examples of the cross-scalar connectivity embedded in global capitalism, illustrated for example by the adaptation of TNC's accumulation strategies to both local investment regulations (such as forming joint ventures with state-owned enterprises) and markets (combining local, regional and global brands). Studying how such connectivity plays out in different sectors and across different contexts could represent an important avenue for further research, combining a global orientation with sensitivity to local contexts (see, for example, Barrientos et al. 2016).

This analysis furthermore demonstrates firm strategies to access markets, manage risk and build stronger brands. The embeddedness concept has been used to illustrate the importance of local connections in attaining this, such as through acquisitions that allow global capital to benefit from an already established foothold. But it has also been shown that both regional and global capital to a limited extent dissociate from established networks when these represent a reputational risk, such as in the case of the Myanmar military following the Rohingya crisis and the military coup in 2021. Indeed, it took a long time after the coup before Kirin, with the strongest ties to the military, pulled out of Myanmar Brewery. Finally, how firms respond to and are part of creating demand was considered. The case of Heineken in Vietnam demonstrated how the firm entered early in the emerging beer market and established a position in higher-end segments of consumers. The company has invested heavily in branding processes, both for its premium beer and for its regional and local variants. It has clearly sought to meet the demand of increasingly affluent middle classes, but importantly have also contributed to shaping and "breeding" this demand through targeted campaigns building symbolic value.

Overall, the Southeast Asian beer industry shows some of the dynamics involved when the accumulation strategies of global firms meet regional competition, but more research is needed on how regional firms in low and middle-income countries compete with global capital, both within and beyond the beer sector. More generally, the analytical framework of combining theorisations of variegated capitalism with embeddedness and symbolic value would be useful to uncover associating and dissociating practices in branding and explain competition between global and regional lead firms in other sectors and contexts beyond beer in Southeast Asia. A central theoretical challenge in such an endeavour is to engage deeper with the dynamics of consumption and the social creation of demand. The global shift towards consumer markets in low- and middle-income countries, particularly in Asia, is likely to lead to further restructuring. The role of these consumers, and of regional and global capital in meeting and breeding demand for a range of products, could be a central part of a new research agenda within economic geography and political economy. Building on chains and network approaches combined with research on the geographies of consumption, such research could bring important new insights into how dynamics of demand and supply change as part of the global shift.

Notes

1. Capital may refer to both values being invested and the companies doing the investments. In this article, the focus is on the companies investing, where regional capital refers to firms of Southeast Asia origin.
2. A new book edited by Chambers and Nithi (2023) addressing the development of the beer industry in East Asia was published after this article was accepted.
3. The different segments in the markets are often conceptualised as premium, mid-range, and economy. The division of beers into different market segments cum "quality levels" is rather fuzzy, especially the extent to which "premium" beer is based on alcohol contents, price level or other factors (see *Morning Advertiser*, August 30, 2016).

4. Equitisation, or "privatisation with Vietnamese characteristics," means that enterprises are turned into private joint stock companies in which the state, workers, and private investors hold shares. The state usually has the majority shareholding.

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