FMCG Monitor

12 weeks period ending 01 December 2013
(12 w/e P12/13)

EXECUTIVE SUMMARY

- In Quarter 4, Vietnam's economy expanded at an annual rate of **+6.04%**, an improvement if compared with the previous quarters, indicating that growth is picking up. Yet, the recovery is still far from sustainable, as there remains various threats that could potentially undermine macro stability.
- It is a tough ride to gain 2-digit growth in **Urban** as FMCG consumption is struggling hard to sustain growth at **+9%**. Meanwhile, **Rural** is stepping up firmly for a recovery, posting **+14%** value growth during the last 12 weeks ending December 1st.
- Key channels in urban including Street Shops, Wet Market and Modern Trade are suffering from moderate growth. In rural, Street Shop is expanding fast while Wet Market and Modern Trade remains stagnant.
- Over the review period, **Snack & Nuts** has excellently earned a **+26%** increase in volume compared with the same period last year by attaining a robust expansion of **+103,000** new buyers and achieving **+13%** growth in average volume consumption. In Rural, **Facial Cleanser** is the most outstanding category among the leading Personal Care with **+79%** uplift in value consumption.
- Spending on FMCG **nearly doubles** during Tet period. Beverages are the key beneficiary of the spending spree brought on by Tet, particularly in 'cans', 'boxes' or premium presentations. During Tet 2013, **Confectionery**, **Soft Drinks** and **Cooking Additives** are the top growing categories with exceptionally **3-digit growth** in volume consumption! Among FMCG items, **Beer** and **Biscuits** are the **most common gifts** with 35% of urban households received beer/biscuits as gift during Tet 2013.

KEY INDICATORS

#BrighterMacroOutlook
In Q4, Vietnam's economy expanded at an annual rate of 6.04%, a strong improvement if compared with the previous quarters.

#DifferentFMCGPictures
It's a tough ride to gain 2-digit growth in Urban while Rural FMCG market is speeding up firmly.

+6.04% — **GDP**
Q4/2013 vs. year ago

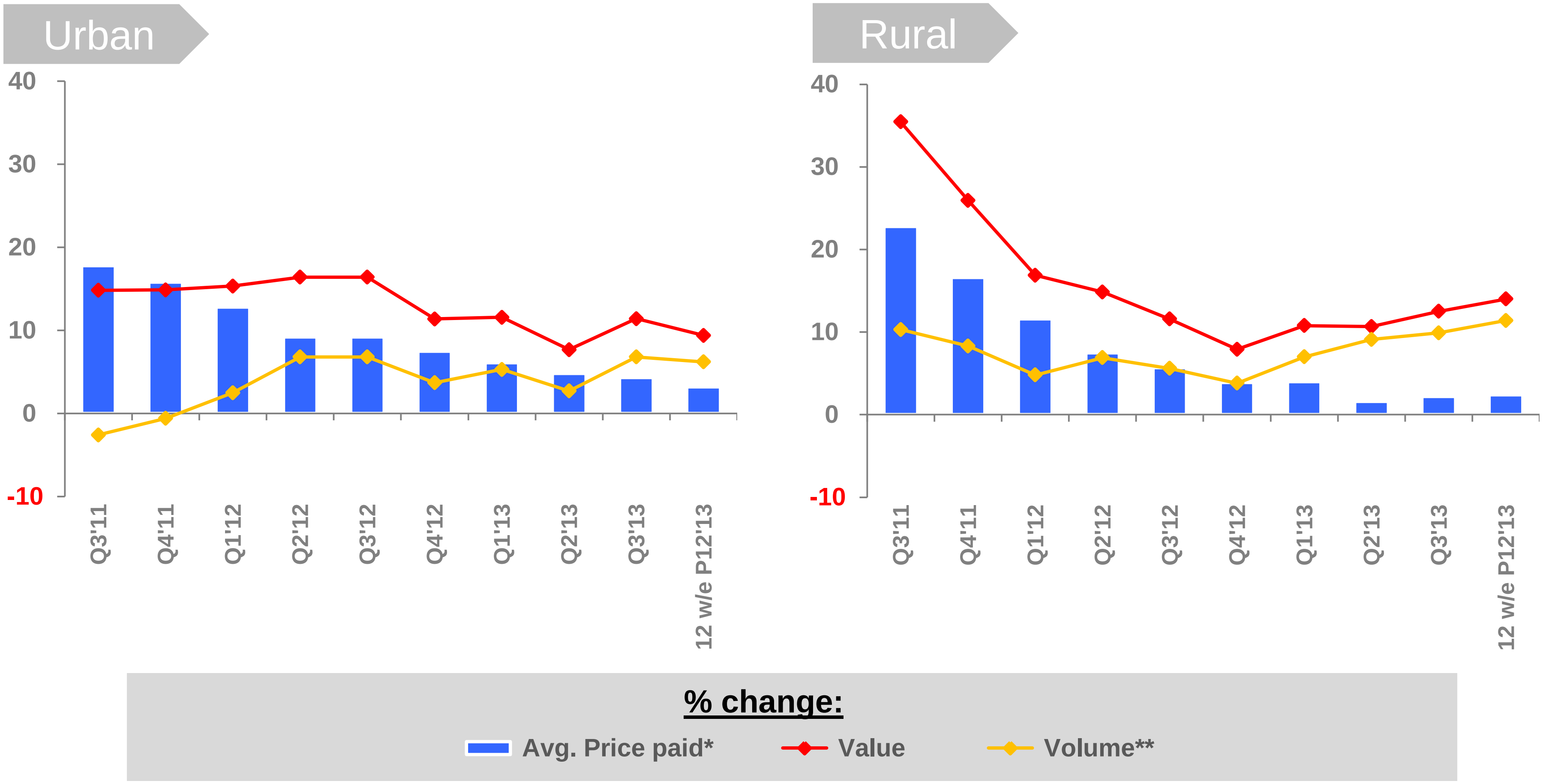
+6.04% — **CPI**
December 2013 vs. year ago

9.4% — **FMCG GROWTH, URBAN 4 CITIES**
12 weeks ending 1 December 2013 vs. year ago
(12 w/e P12/13 vs. YA)

+14.0% — **FMCG GROWTH, RURAL**
12 weeks ending 1 December 2013 vs. year ago
(12 w/e P12/13 vs. YA)

FMCG – 12 WEEKLY YEAR-ON-YEAR CHANGE (%)

Urban market is struggling hard to sustain growth while FMCG consumption in Rural is stepping up firmly for a recovery.



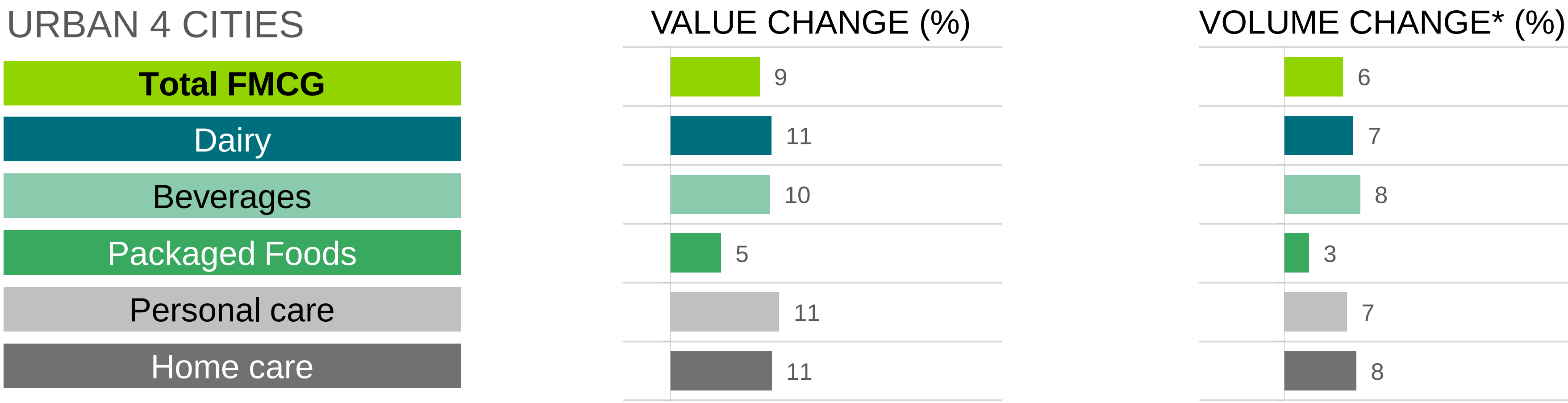
*: To calculate **FMCG price paid change**, we calculate how much price contributes to the value change for each category, sum up these contributions and relate to value YA

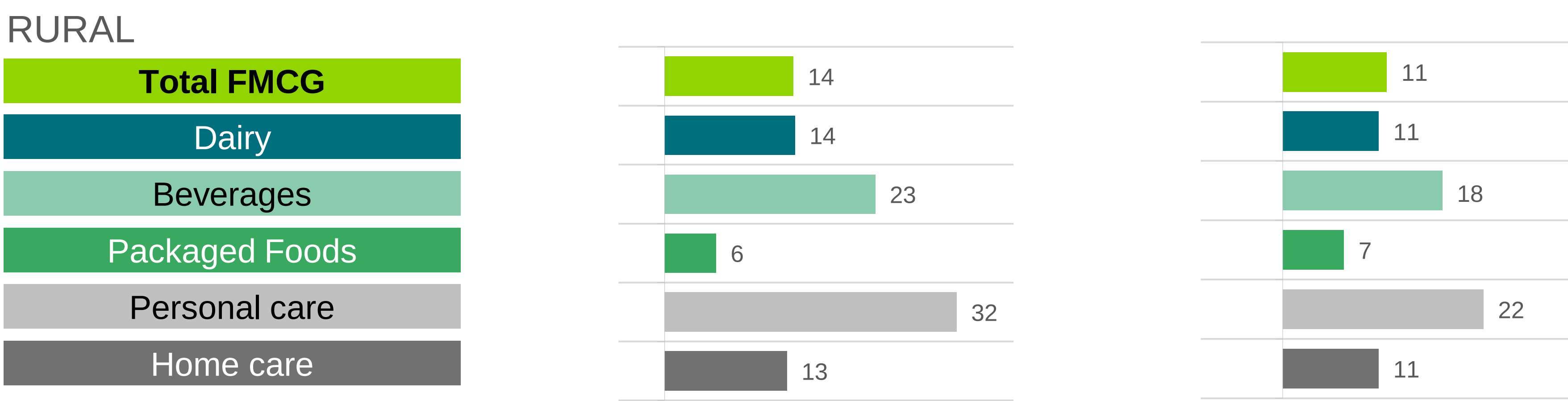
: To calculate **FMCG volume change, we calculate how much volume contributes to the value change for each category, sum up these contributions and relate to value YA (this results in an average category change in volume)

Source: Kantar Worldpanel – Households Panel – Total FMCG excluding Gift

FMCG BASKET TRENDS

All sectors reports growth of 2 digits, except Packaged Foods which is hardly making any progress through 2013.





*: To calculate **FMCG volume change**, we calculate how much volume contributes to the value change for each category, sum up these contributions and relate to value YA (this results in an average category change in volume)
Source: Kantar Worldpanel – Households Panel – Total FMCG excluding Gift

12 weeks ending P12/13 vs. YA

HOT CATEGORIES

URBAN 4 CITIES

Snack & Nuts

VOL CHANGE %
+26%

12 w/e P12/13 vs. YA

+2.7pt **Penetration**
Incremental of 103,000 households

+13% **Average volume per buyer**
Increase volume purchase by 13%

RURAL

Facial Cleanser

VAL CHANGE %
+79%

12 w/e P12/13 vs. YA

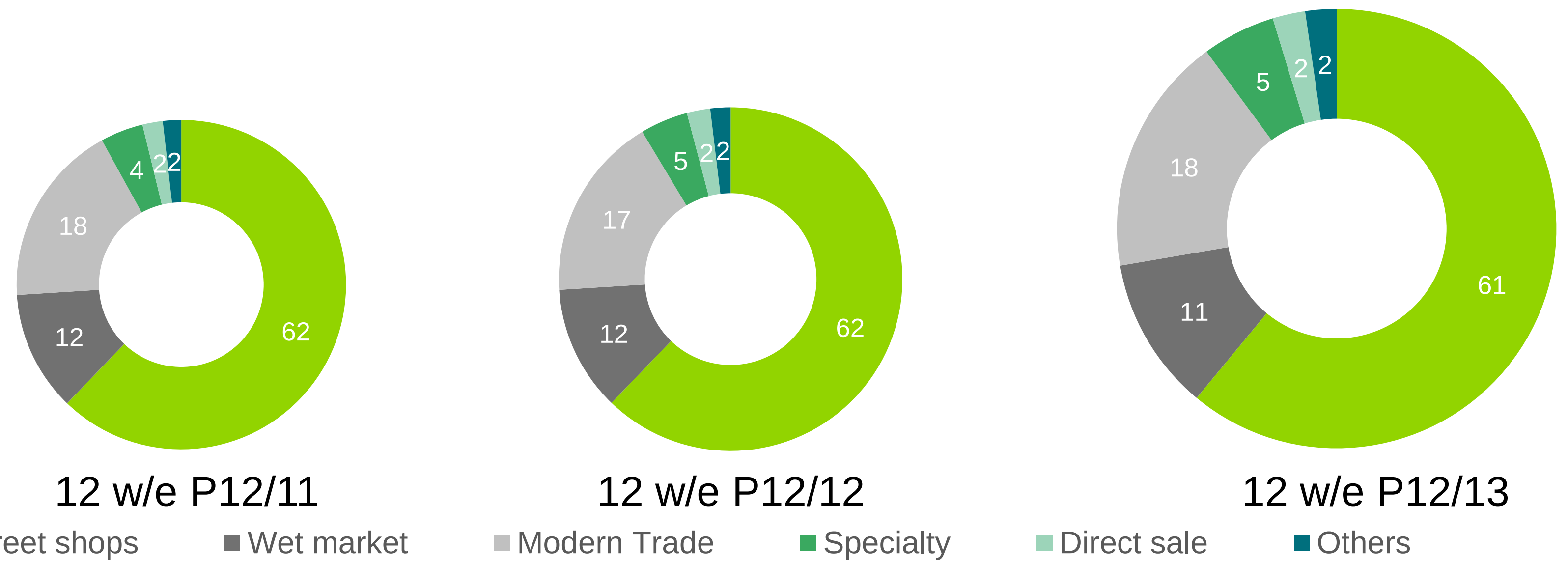
+2.5pt **Penetration**
Incremental of 443,000 households

+40% **Average value per buyer**
Increase value purchase by 40%

Source: Kantar Worldpanel – Households Panel – Total FMCG excluding Gift

RETAILER SNAPSHOT – URBAN

% Value

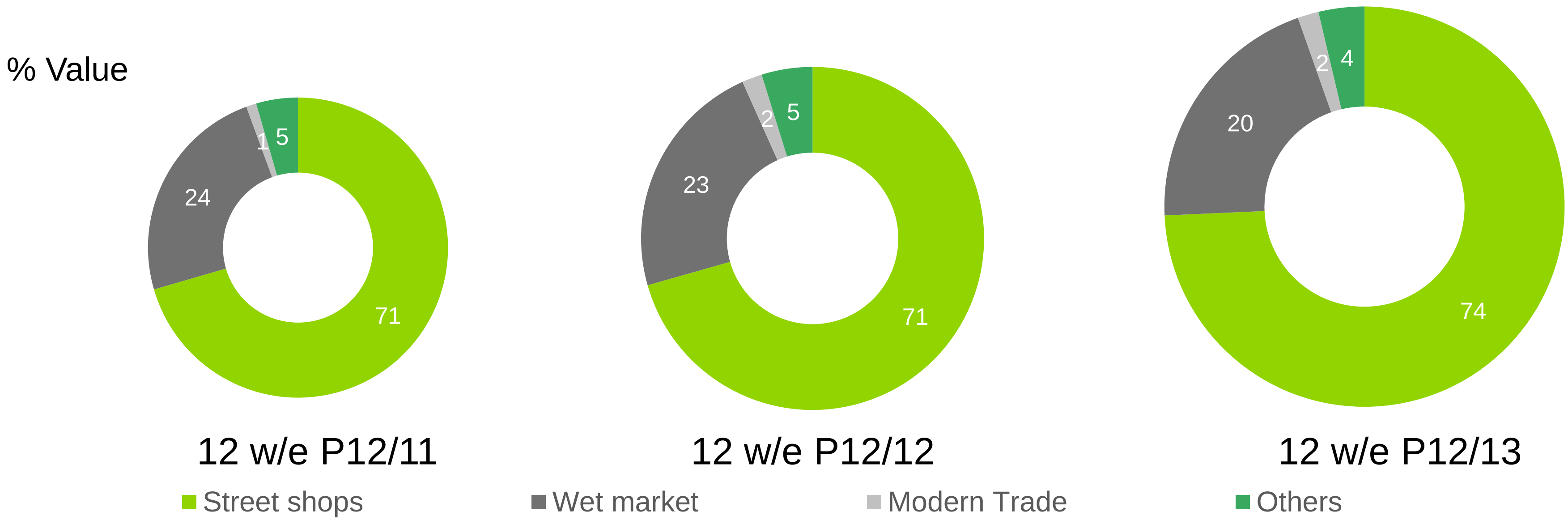


VALUE CHANGE %	12 w/e P12/12 vs. YA	12 w/e P12/13 vs. YA
Street shops		
Wet market		
Modern trade		
> Hyper/Supermarket		
> Ministores		

Growth ≤ -0.5%　-0.5% < Growth < 5%　5% ≤ Growth ≤ 15%　Growth >15%

Source: Kantar Worldpanel – Households Panel – Vietnam 4 key urban cities – Total FMCG excluding Gift

RETAILER SNAPSHOT – RURAL



VALUE CHANGE %	12 w/e P12/12 vs. YA	12 w/e P12/13 vs. YA
Street shops		
Wet market		
Modern trade		

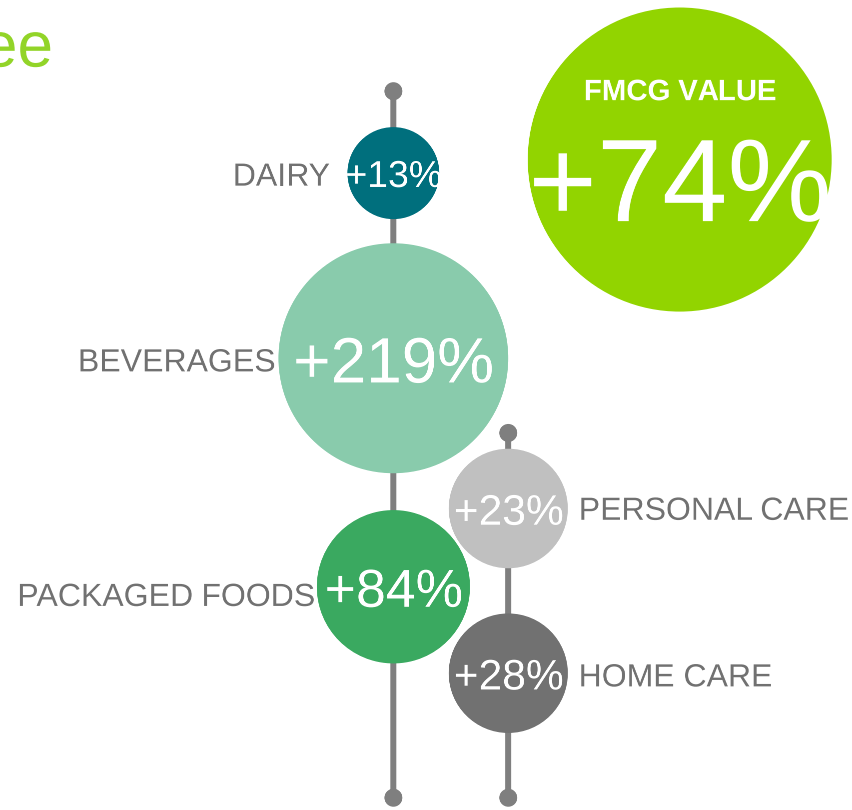
Growth ≤ -0.5% -0.5% < Growth < 5% 5% ≤ Growth ≤ 15% Growth >15%

Source: Kantar Worldpanel – Households Panel – Rural Vietnam – Total FMCG excluding Gift

Tet - Explore the Spending Spree

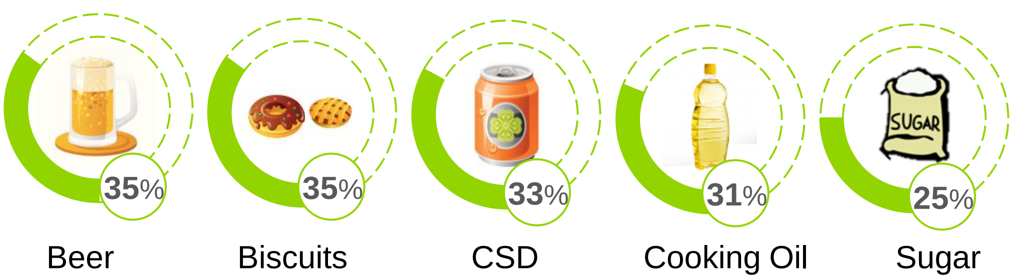
Top growing categories in Tet

% Volume Growth



Common Tet Gifts

by % of households receiving Gifts in Tet period



Tet 2013 period: 4 weeks before the 1st day of Lunar New Year (i.e. 4 weeks ending 10/02/13)

Pre-Tet 2013 period: 4 weeks ending 13/01/13

Source: Kantar Worldpanel – Household Panel – Urban 4 Key Cities – Including Gifts – Tet vs. Pre-Tet 2013

Link to Previous Issues

KEY MESSAGES

1. BRIGHTER MACRO OUTLOOK WITH IMPROVED GDP GROWTH
2. FMCG MARKET IN URBAN STRUGGLES HARD TO SUSTAIN GROWTH WHILE RURAL MARKET SPEEDS UP FIRMLY
3. HOT CATEGORIES: SNACK & NUTS IN URBAN & FACIAL CLEANSER IN RURAL
4. MODERATE GROWTH ACROSS KEY CHANNELS IN URBAN, STREET SHOPS ARE EXPANDING FAST IN RURAL
5. TET: FMCG SPENDING NEARLY DOUBLED!

About Kantar Worldpanel

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With over 60 years' experience, a team of 3,500, and services covering more than 55 countries directly or through partners, Kantar Worldpanel delivers High Definition Inspiration™ in fields as diverse as FMCG, impulse products, fashion, baby, telecommunications and entertainment, among many others.

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