FMCG Monitor

4 weeks period ending 21 April 2013
(4 w/e P4/13)

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FMCG Monitor

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EXECUTIVE SUMMARY

- The Vietnam economy continues to face headwinds as **slow reforms** are clouding growth outlook. The IMF lowers its forecast for Vietnam's growth in 2013 to 5.2% from 5.8%, the largest reduction, after Singapore, among ASEAN countries.

- FMCG market maintains a value growth at +8.3% in Urban and +12% in Rural. In **Urban, Personal Care** enjoys the strongest growth of +15% compared to last year while in **Rural, Beverages** and **Dairy** lead the growth at +25% and +24% respectively.

- Most key channels witness a **moderate growth** due to an overall slow-down in FMCG market. Continued economic downturn is making shoppers become **more prudent**. They are demanding greater value for money as they turned to **private label** products for better price offers. Beside heading for value-for-money options, shoppers also find hyper/supermarket less appealing as **fewer switching** occasions **from Street Shops to Hyper/Supermarket** are observed among Urban consumers.

- **Rice Soup in Urban** and **Beer in Rural** are the hottest categories during the month with an exceptional surge in volume consumption at +61% and +49% respectively compared to the same period last year.

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KEY INDICATORS

#CloudyGrowthOutlook

The IMF lowers its forecast for Vietnam's growth in 2013 to 5.2 percent from 5.8 percent previously as slow reforms are clouding the economic growth outlook.

#FMCGStagnantGrowth

Despite a slight uplift in short term, the FMCG market has not yet reversed its long-term slow-down.

+4.9%

GDP

Quarter 1/2013 vs. year ago

+6.6%

CPI

April 2013 vs. year ago

+8.3%

FMCG GROWTH, URBAN 4 CITIES

4 weeks ending 21 April 2013 vs. year ago
(4 w/e P3/13 vs. YA)

+12%

FMCG GROWTH, RURAL

4 weeks ending 21 April 2013 vs. year ago
(4 w/e P4/13 vs. YA)

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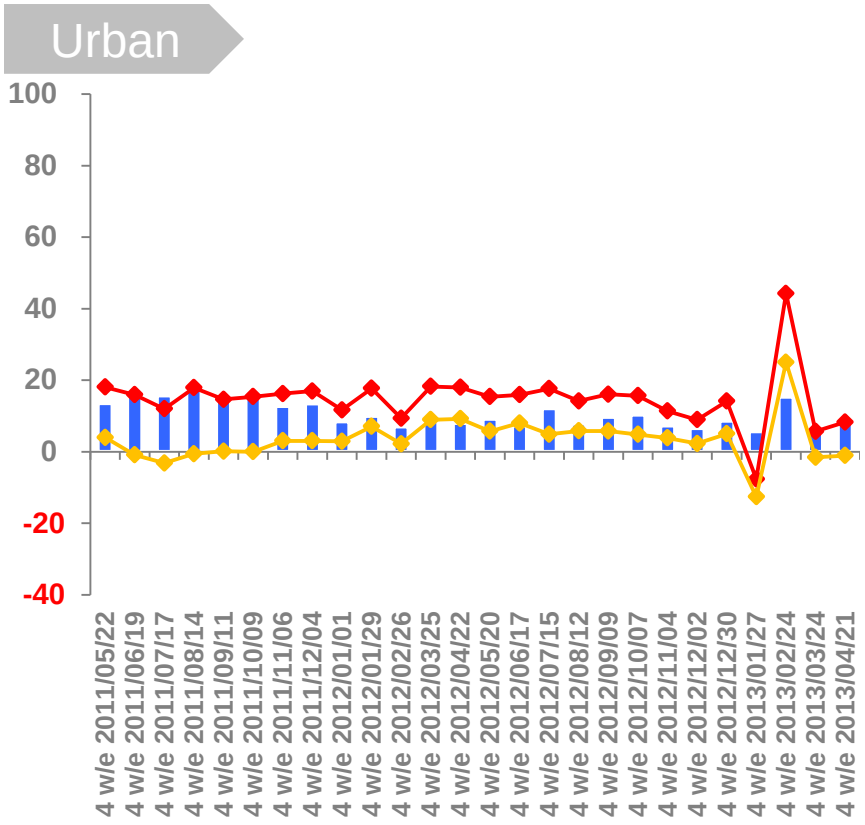
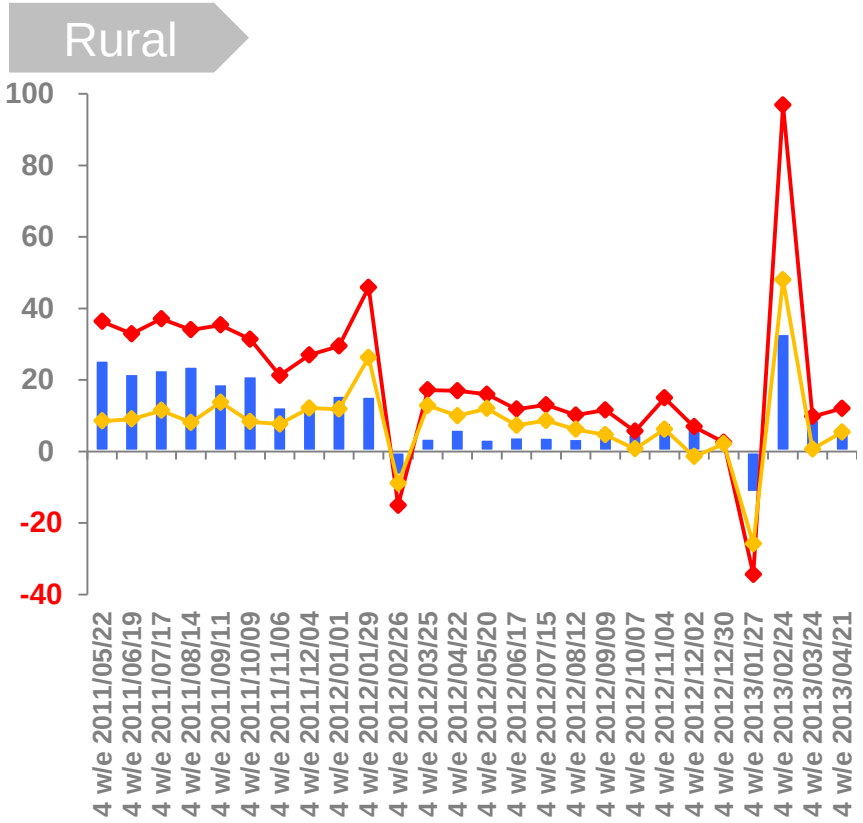
FMCG – 4 WEEKLY YEAR-ON-YEAR CHANGE (%)

Despite a slight uplift in short term, the FMCG market has not yet reversed its long-term slow-down.





% change:

Avg. Price per pack — Value — Volume (packs)

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

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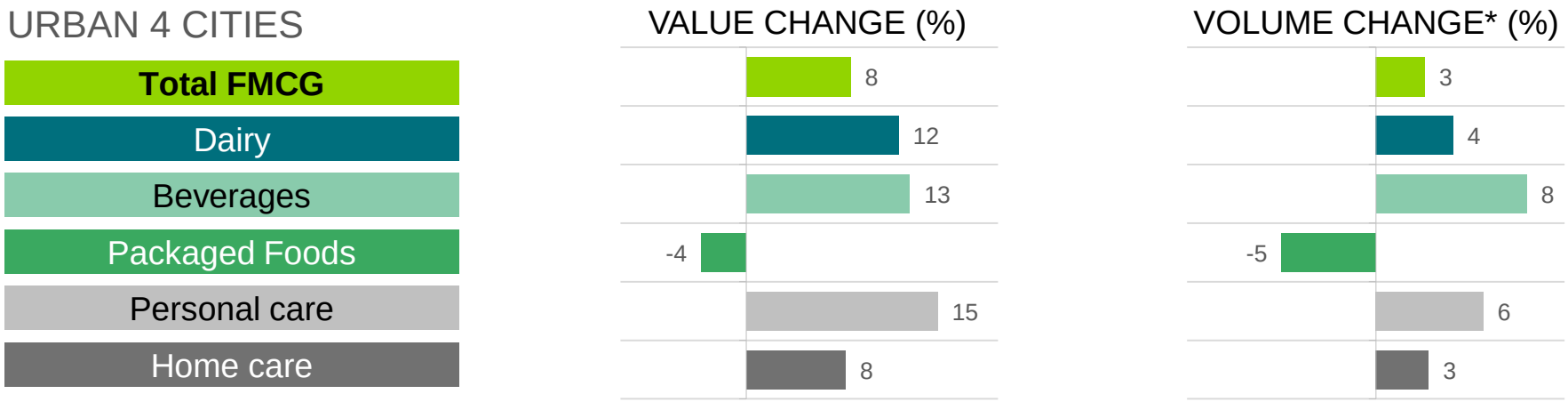
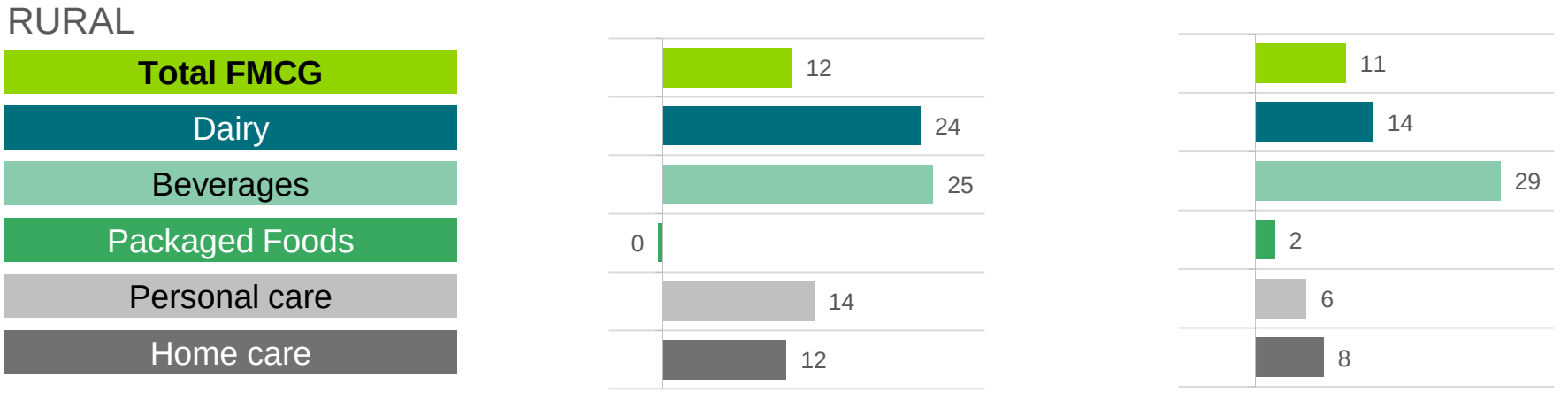
FMCG BASKET TRENDS

In Urban, Personal Care enjoyed the strongest growth while in Rural, Beverages and Dairy are leading the FMCG market.





4 weeks ending P4/13 vs. YA

*: Volume change % of market/sector is the average of volume change (%) in kilogram/litre of each belonging category, weighted by its value contribution to total market/sector within the previous period.
Source: Kantar Worldpanel – Households Panel – Total FMCG excluding Gift

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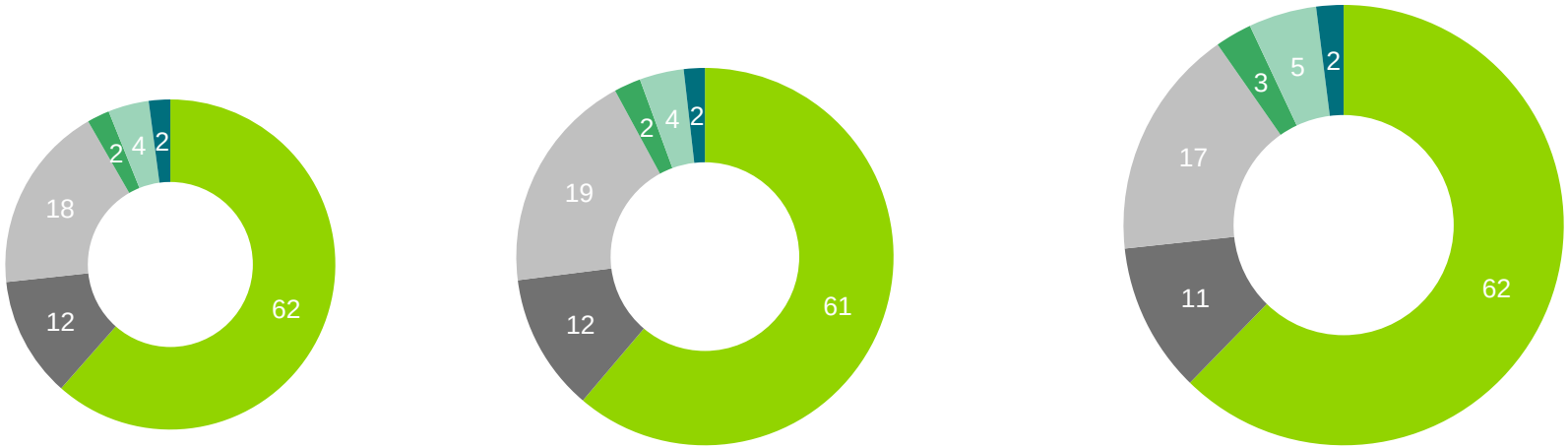
RETAILER SNAPSHOT – URBAN

% Value



4 w/e P4/11 | 4 w/e P4/12 | 4 w/e P4/13

Street shops | Wet market | Modern Trade | Direct sale | Specialty | Others

VALUE CHANGE %	4 w/e P4/12 vs. YA	4 w/e P4/13 vs. YA
Street shops	Growth >15%	5% ≤ Growth ≤ 15%
Wet market	Growth >15%	-0.5% < Growth < 5%
Modern trade	Growth >15%	Growth ≤ -0.5% (-4%)
Direct sale	Growth >15%	Growth >15%
Specialty	5% ≤ Growth ≤ 15%	Growth >15%

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

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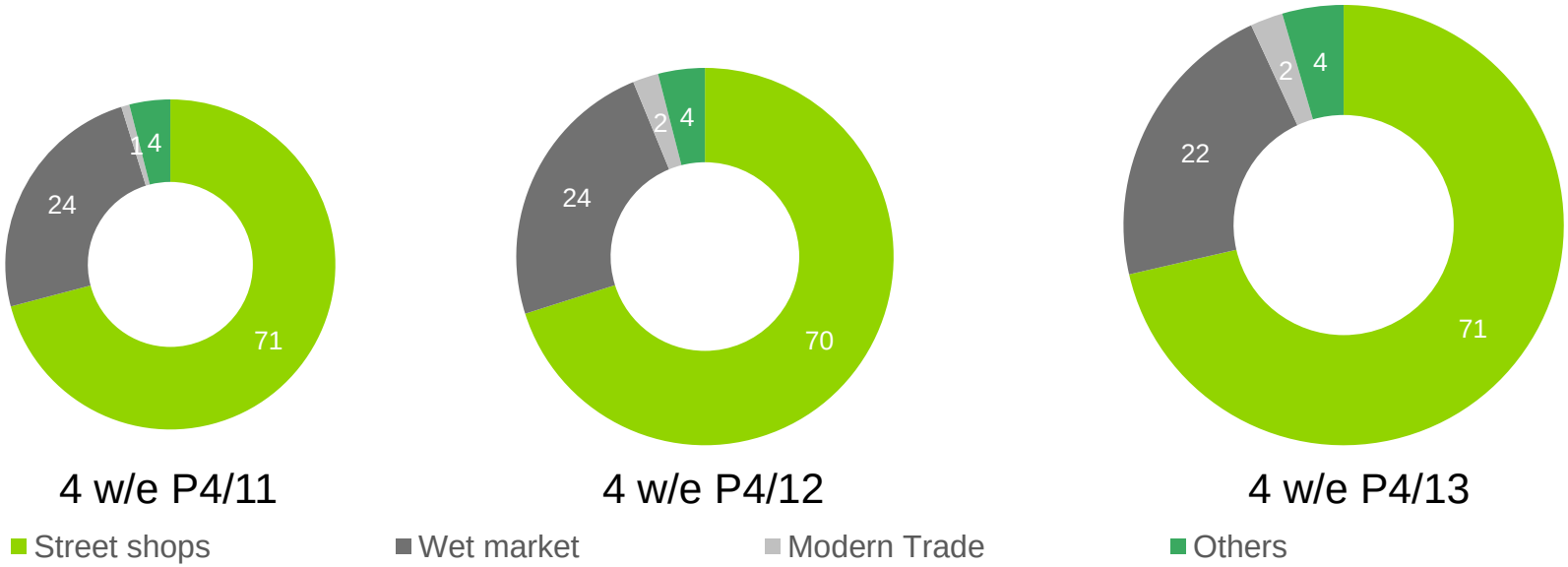
RETAILER SNAPSHOT – RURAL

% Value



VALUE CHANGE %	4 w/e P4/12 vs. YA	4 w/e P4/13 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

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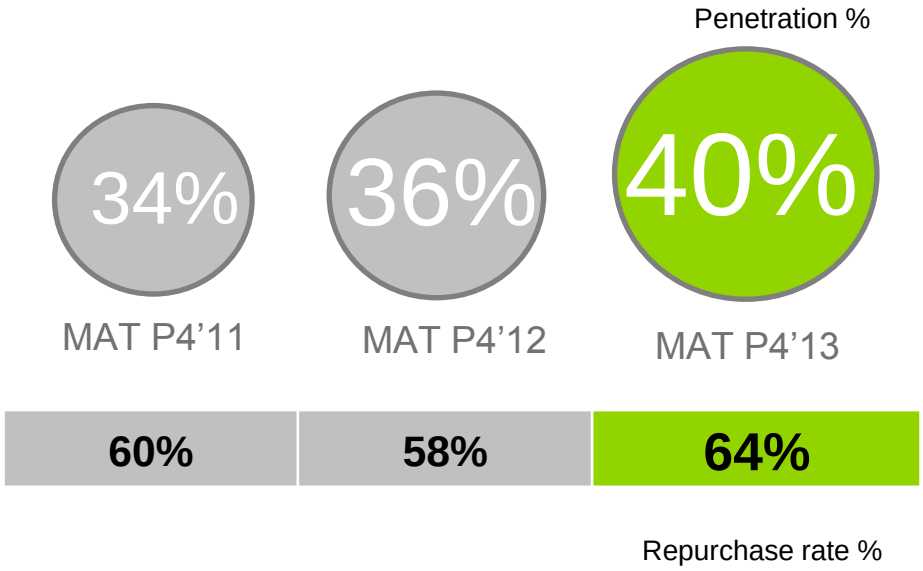
URBAN SHOPPERS REACT TO ECONOMIC DOWNTURN

Pragmatic behaviour is observed in short term. Consumers are demanding greater value for money as they turn to private label products and switching to H+S* becomes less appealing.

1 VALUE-FOR-MONEY OPTIONS?

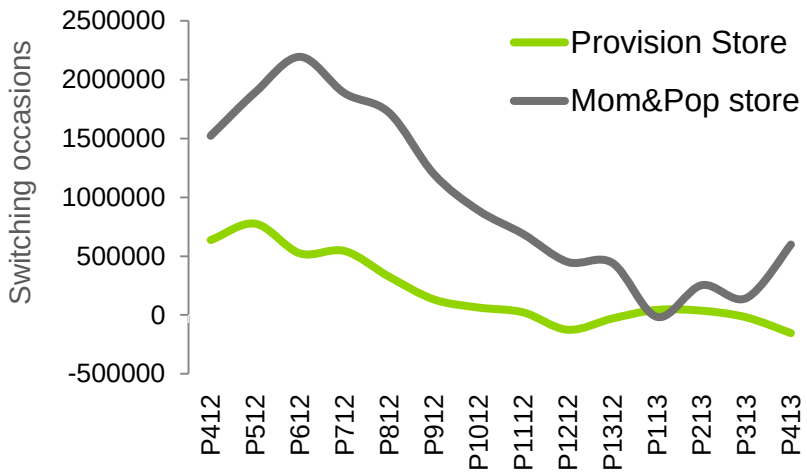
Private label is gaining ground



2 CHANNEL SHIFTING?

Slowing down shifting trend from Street Shop to Hyper/Supermarket.

Switching trend from Street shop to H+S - Rolling MAT YOY trend



(*) H+S: Hypermarket + Supermarket
Source: Kantar Worldpanel – Households Panel– Urban 4 Key Cities – Total FMCG excluding Gift

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HOT CATEGORIES

URBAN 4 CITIES

Rice Soup

VOL CHANGE %
+61%

4 w/e P4/13 vs. YA

+1.7pt
Penetration
Incremental of 470,000 households

+21%
Average volume per buyer
Increase volume purchase by 21%

RURAL

Beer

VOL CHANGE %
+49%

4 w/e P4/13 vs. YA

+3.6pt
Penetration
Incremental of 640,000 households

+16%
Average volume per buyer
Increase volume purchase by 16%

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

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KEY MESSAGES

1. SLOW REFORM CLOUDS GROWTH OUTLOOK
2. FMCG GROWS SLOW RECENTLY IN BOTH URBAN AND RURAL
3. MODERATE GROWTH ACROSS KEY CHANNELS. MODERN TRADE SHRINKS IN VALUE.
4. PRAGMATIC SHOPPERS: RISING PRIVATE LABELS & FEWER SWITCHES FROM STREET SHOPS TO H+S
5. HOT CATEGORIES: RICE SOUP IN URBAN & BEER IN RURAL

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About Kantar Worldpanel

Kantar Worldpanel is the world leader in consumer knowledge and insights based on continuous consumer panels. Its High Definition Inspiration™ approach combines market monitoring, advanced analytics and tailored market research solutions to deliver both the big picture and the fine detail that inspire successful actions by its clients. Kantar Worldpanel's expertise about what people buy or use – and why – has become the market currency for brand owners, retailers, market analysts and government organisations globally.

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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