KANTAR WORLDPANEL

Taiwan FMCG Market Dynamic

2018 Q2

Data source：Kantar Worldpanel Household panel

Key Trends in 2018 Q2 Taiwan FMCG Market

Key Indicators

Taiwan economic remained stable in GDP, CPI, and unemployment rate. Retail trade service and food service grew 4.7% which were driven by mid-year sale, Dragon Boat Festival, FIFA world cup, and peak season of ice and beverage.

FMCG Trends

Total market sales value grew by 3.6%, and was contributed by food categories, while non-food stayed stagnant.

Category Evolution

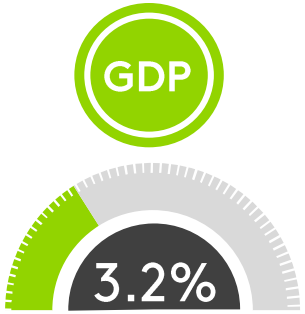
Health, convenience, and fun are still the opportunities that food manufacturers should capture. As for non-food, manufacturers can keep working on products that express personal charm, such as cosmetics, perfume, and hair dye.

Retail Landscape

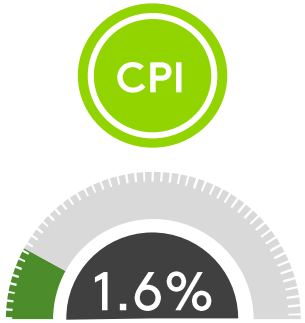
E-commerce continues to build strong momentum in both food and non-food. The growth of Costco and PX Mart are driven by food-related products. And a rebound in sales is observed in both food and non-food in Carrefour and RT Mart.

2018 Q2 Key Economic Indicators

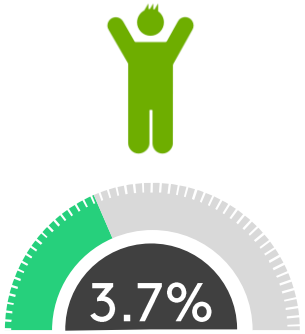
GDP in Taiwan maintained growth above 3% for 4 consecutive quarters. CPI and unemployment rate performed stable. Both retail trade and food service demonstrate noticeably growth in the first half year by mid-year sale, Dragon Boat Festival, FIFA world cup and peak season of ice and beverage products.



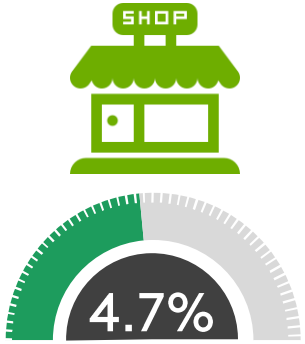
GDP YTD2018Q2



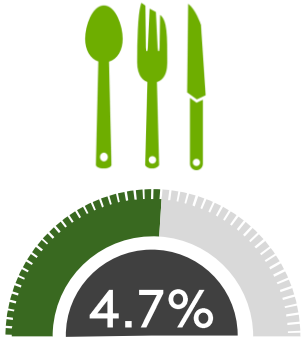
CPI YTD2018Q2



Unemployment rate YTD2018Q2



Retail trade service sales value growth YTD2018Q2

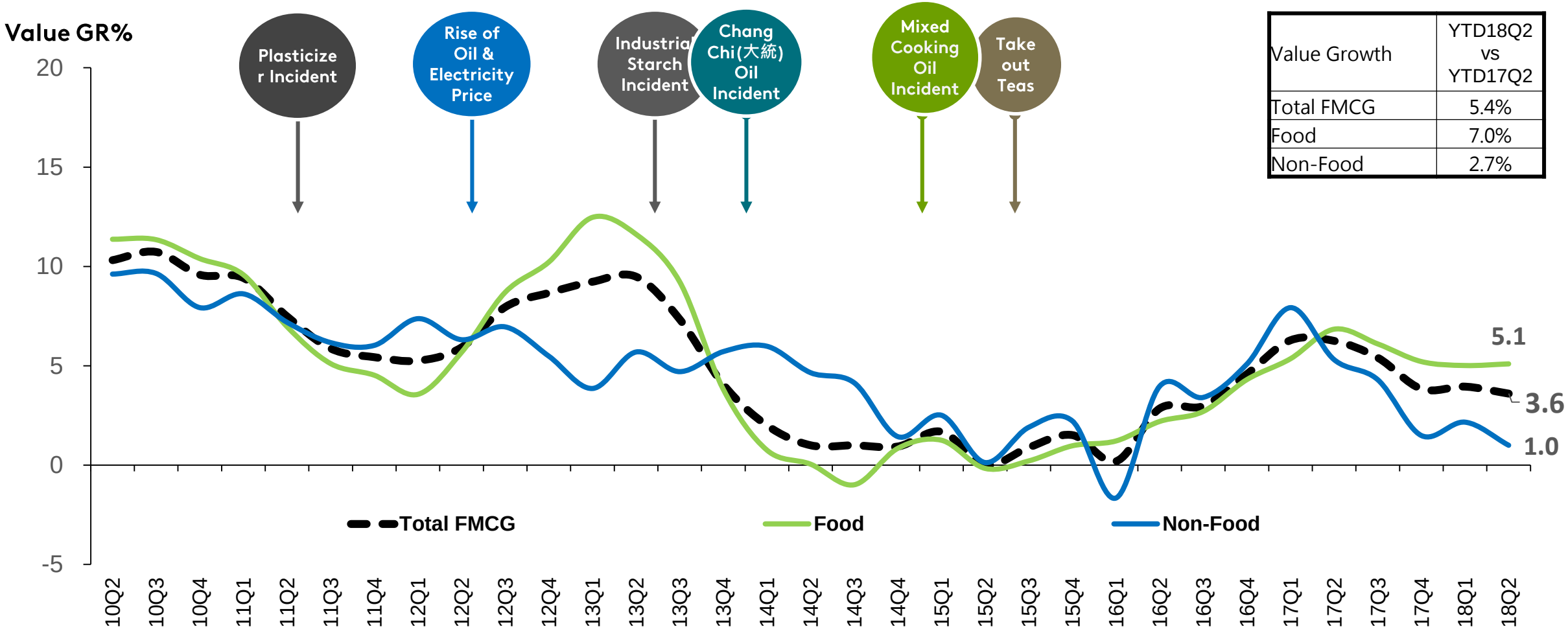


Food service sales value growth YTD2018Q2

Data source: Executive Yuan, Accounting and Statistics

Taiwan Total FMCG Market 52 w/e rolling trend

Food categories perform positive growth in 3 consecutive quarters, however non food categories remain sluggish and not regain its momentum.



Value Growth	YTD18Q2 vs YTD17Q2
Total FMCG	5.4%
Food	7.0%
Non-Food	2.7%

Data source：Kantar Worldpanel Household panel

FOOD

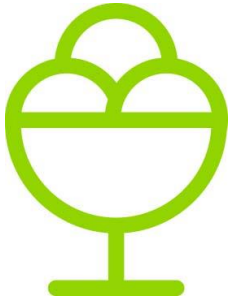
- Food is the main driver for market growth. Health, convenient, and happy atmosphere are still what Taiwanese consumers pursue.
- Health food, sugar-free yogurt, tea bag, RTD tea have performed well.
- Products that provide convenience, such as fast-cooked noodles, instant noodles, and frozen food, can avoid complex cooking process are in the booming trend.
- Summer is the peak season for ice cream, retailers and manufacturers actively work on this category. Both local and imported brands show significant growth by the stimulation of promotions, new flavors, and new package.

Healthy

- Health Food
- Solid Yogurt
- Tea

Convenient

- Fast-cooked noodles
- Instant noodles
- Frozen food



Happy

- Ice Cream

Data source：Kantar Worldpanel Household panel

NON FOOD

- Non-food remained stagnant due to the weak performance of household cleaning and personal care.
- The premiumization trend in laundry detergent continued, while promotion led the momentum slowed down.
- In oral care, functional toothpaste was losing its growing engine, whereas products with basic function performed better. Toothbrush declined because consumers had stocked up and hadn't returned to the market yet.
- The performance of feminine hygiene products might not recover in the short run since Taiwan population decreases.
- Although performance of household cleaning and personal care slowed down, Taiwanese consumers didn't cut their expense on pursuing their own beauty. Products that enhance personal image and self-confidence, such as cosmetics, hair dye, and perfume, showed strong momentum as before.

Beauty

- Cosmetics
- Hair dye
- Perfume

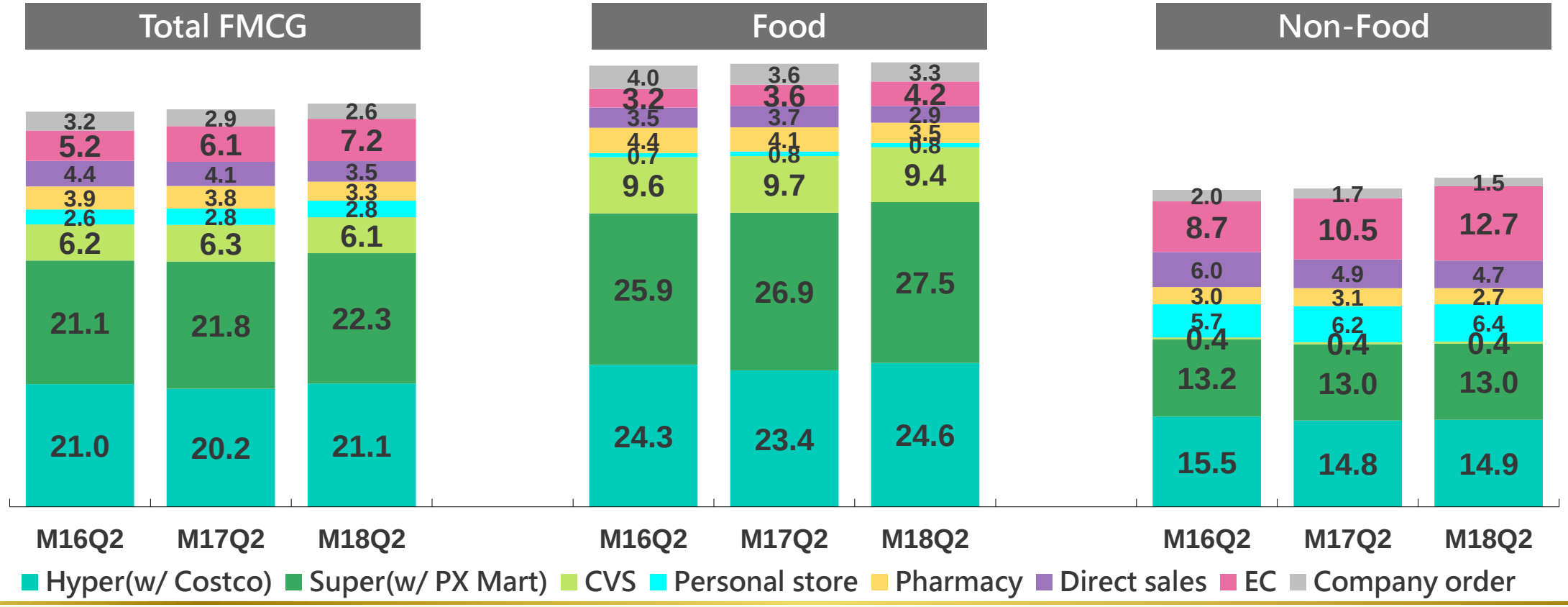
Household Cleaning / Personal Care

- Laundry detergent
- Oral care
- Feminine hygiene products

Data source：Kantar Worldpanel Household panel

Channel Landscape– sales value %

- The performance of supermarket slow down was affected by PX Mart. Hyper and e-commerce grew faster than other channels. Carrefour and RT Mart recovered in both food and non-food categories. The growth of Costco was attributed by unique food categories and successfully increased shopping trips.
- E-commerce maintained strong momentum in food and non-food (household paper products, diapers, household cleaning, personal care), and we also expected that market share of EC in non food will surpass supermarket in the third quarter of this year.



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