KANTAR WORLDPANEL

Taiwan FMCG Market Dynamic

2018 Q3

Data source：Kantar Worldpanel Household panel

Key Trends in 2018 Q3 Taiwan FMCG Market

Key Indicators

Taiwan GDP slows down in 18Q3 with +2.3% growth rate, however, the CPI and unemployment rate are steady. The retail and food service trade performs promising by the ghost festival、moon festival holiday and department store annual sales.

FMCG Trends

Food reaches highest growth rate since 2014(food scandal), while non food remains stagnant.

Category Evolution

Fresh milk and yogurt with health concept are popular. Snack and cereal attract consumers' attention by launching/importing new products. Ground coffee performs well despite takeaway is growing. In non food categories, hair dye and perfume show growing trend.

Retail Landscape

The momentum of supermarket slows down, however EC and hyper demonstrate better performance. Costco leads the growth of hypermarket. EC will become the leading channel in non food category in the near future.

2018 Q3 Key Economic Indicators

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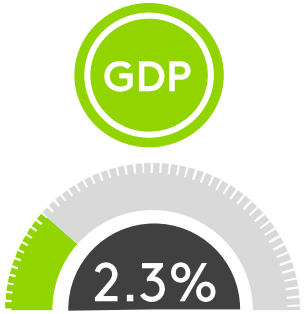
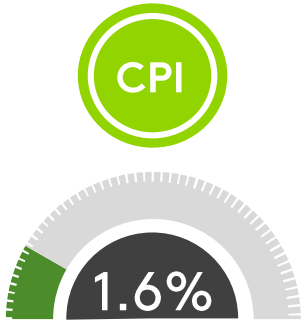
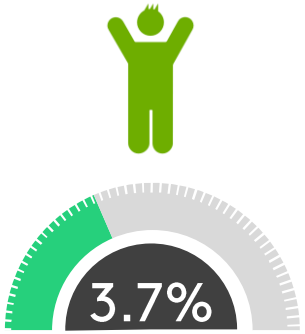


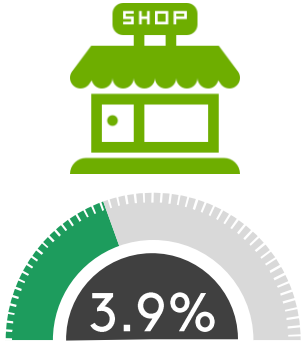
GDP 2018Q3



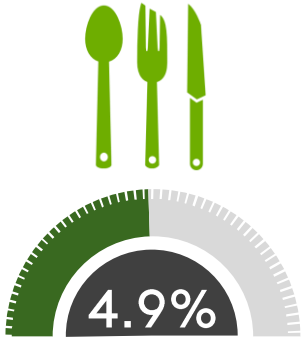
CPI YTD2018Q3



Unemployment rate YTD2018Q3



Retail trade service sales value growth YTD2018Q3

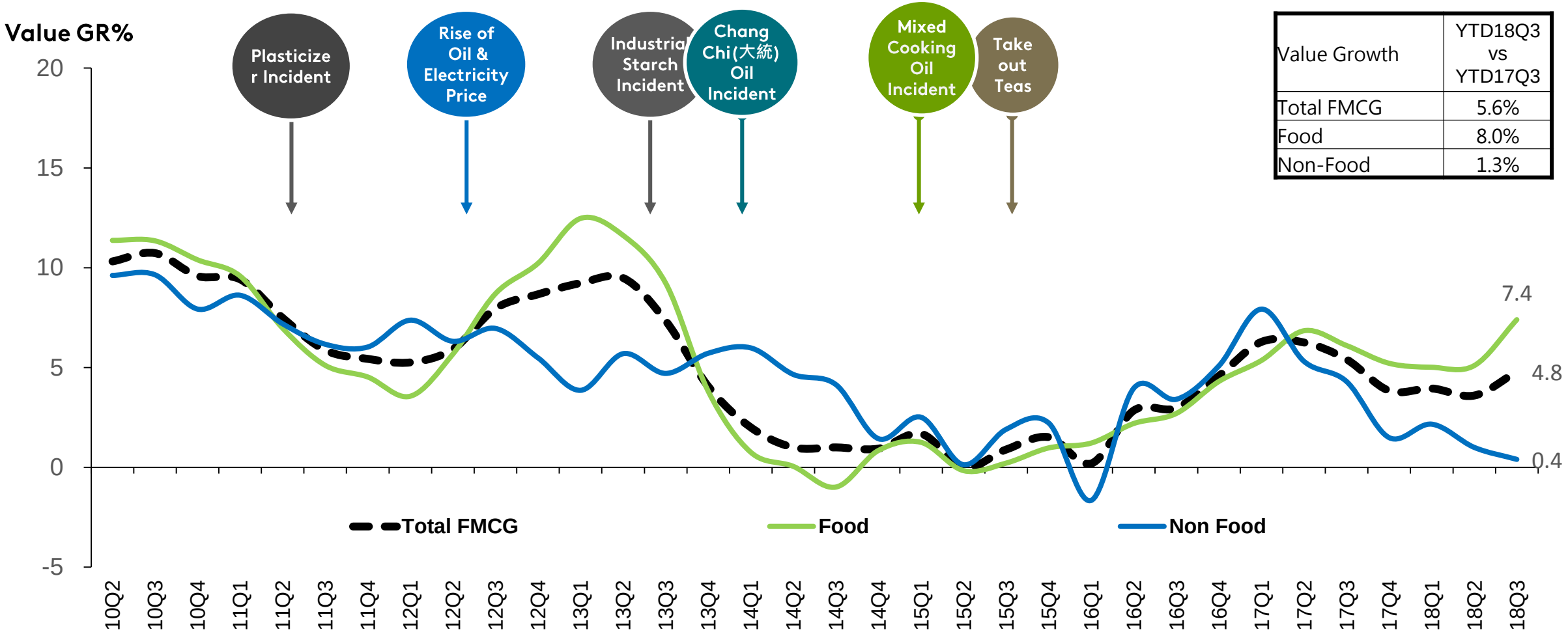


Food service sales value growth YTD2018Q3

Data source: Executive Yuan, Accounting and Statistics

Taiwan Total FMCG Market 52 w/e rolling trend

The growth of FMCG is contributed by food category, and the non food is stagnant.



Value Growth	YTD18Q3 vs YTD17Q3
Total FMCG	5.6%
Food	8.0%
Non-Food	1.3%

Data source：Kantar Worldpanel Household panel

FOOD

- Healthy and convenient trend continues in Taiwan, sugar free yogurt and fresh milk perform well.
- Not only breakfast cereal has more players in the market, like Calbee and Quaker, there are 263 new products in snack category this year. Besides lay's, local manufactures like Kuai Kuai(乖乖)、Cadina(卡迪那) and Koloko(可樂果) also launch numerous new products/flavors to attract consumers' attention.
- Ground coffee can show personal taste and life style. Despite the takeaway coffee shows significant growth in Taiwan, consumers didn't cut down their spending on ground coffee.

Healthy

- Fresh milk
- Yogurt

Convenient

- Instant noodles
- Frozen food

Innovation

- Snack
- Breakfast Cereal

Life style

- Ground Coffee

Data source：Kantar Worldpanel Household panel

NON FOOD

- Non-food has not showed recovery, the performance is sluggish.
- Beauty is what consumers pursue in Taiwan, hair dye and perfume outperform than other non-food categories.
- Household cleaning and personal care remain stagnant, basic function (cheaper) performs better in toothpaste and toothbrush is not growing due to stock up.
- Laundry detergent is in premiumization trend, consumers are willing to buy high tier products. Manufactures should capture the opportunity.

Beauty

- Hair dye
- Perfume

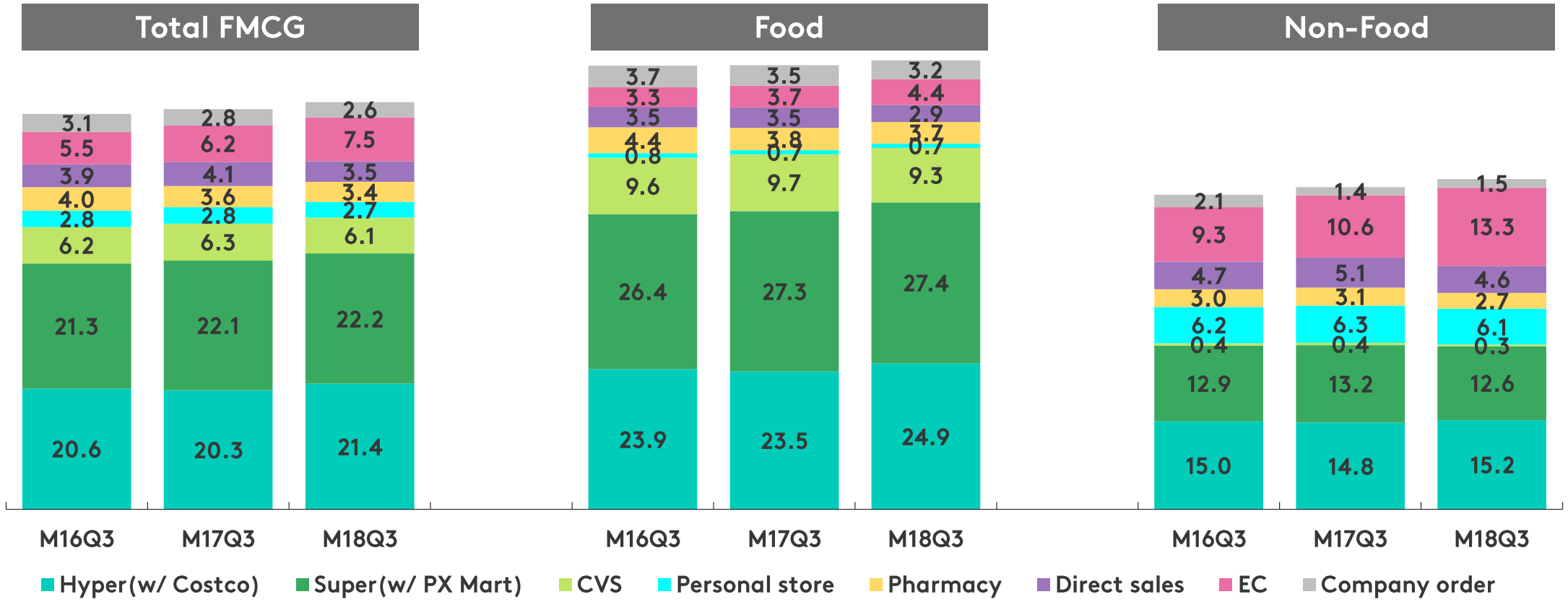
Household Cleaning / Personal Care

- Laundry detergent
- Oral care

Data source：Kantar Worldpanel Household panel

Channel Landscape– sales value %

- EC and hyper outperform in food and non food category. The growth engine of hyper is from food, and EC is mainly from non food. EC surpasses supermarket and become the second channel in non food category. From our observation, EC could be a leading channel in non food category in the near future.
- Supermarket faced sever challenge, especially food was used to be their growing engine. If they kept losing momentum in food, they will eventually lost share in the market.



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