KANTAR

ASIA PULSE

ASIA'S FMCG MARKET AT A GLANCE

Issue 2 | June 2021

Worldpanel Division

KEY HIGHLIGHTS ACROSS ASIA

CHINESE MAINLAND

#FastRecoveringEconomy
The National Bureau of Statistics released year-on-year GDP growth figures of 18.3% for the first quarter of 2021. With the pandemic under effective control and the economy getting stronger, the FMCG market has been recovering very well.

#StrongGrowthinFMCGMarket
In Q1 of 2021, the FMCG market grew by 10.5% year-on-year, which is a 3.1% increase compared with the same period in 2019 – before the COVID-19 outbreak.

#EmergingOOHMarket
The out-of-home FMCG market grew rapidly by 38.9% year-on-year in Q1 of 2021, on a par with the growth rate during the same period in 2019. This indicates that Chinese Mainland's out-of-home consumption has made a strong recovery.

TAIWAN

#EconomicVshapeRecovery
Taiwan's GDP is forecast to grow more than 8% between 2021 and 2023 – a new 10-year high. In Q1 of 2021 FMCG growth remained stable at 2.7%.

#NewHeightsforEcommerce
In Q1 of this year ecommerce powered up to become the channel with the third highest FMCG value share in the market, with spend growing 13% after a double-digit rise in the total number of online shops. This indicates that Taiwanese shoppers are getting used to purchasing FMCG products online.

#CleansingSustainsGrowth
In the first quarter of 2020 sales growth in home care came mainly from the panic-buying of paper products. This year, only the household cleansing category managed to sustain growth, with a 1% increase in spend.

SOUTH KOREA

#SlowPaceofRecovery
Korea's economy grew by 1.8% compared to the previous year, with the CCSI (Composite Consumer Sentiment Index) slowly recovering and reaching 100 for the first time since January 2020.

#ChangesinWaysofShopping
Confirmed cases of COVID-19 continue to increase, driving a change in shoppers' purchase patterns. Some are buying more from nearby supermarkets and online, while others prefer to buy products in bulk at club hypermarkets such as Costco.

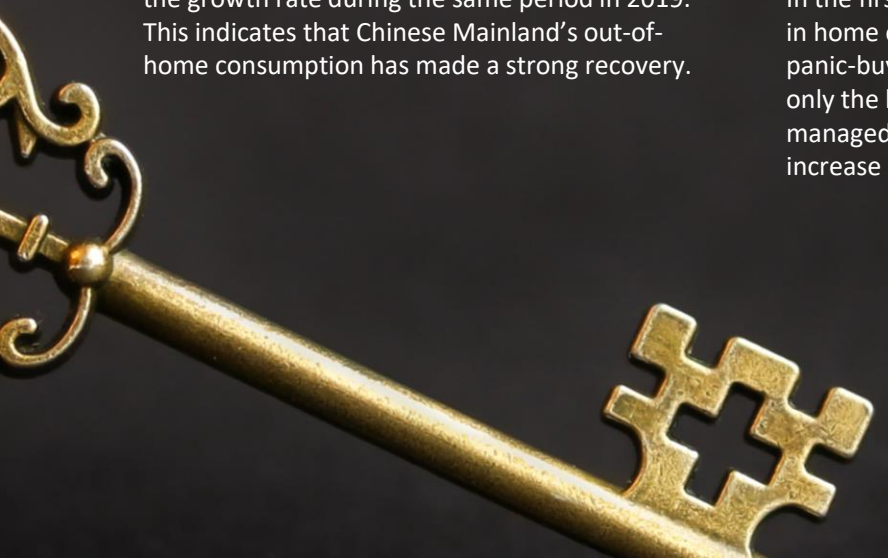
#ShiftinConsumerNeeds
The pandemic has also led to changes at a category level. Shoppers have spent more on home-cooking categories, such as cooking oil and sesame oil, with major growth coming from the online channel. In contrast, the cosmetics market is declining, mainly driven by the decrease in both frequency and volume per trip as people wear less make-up.

INDIA URBAN

#Down-trading
It is estimated that India's GDP will decline by -7.5% for FY 20-21, mainly due to the adverse impact of COVID-19. However, household spend on FMCG has surged due to an increase in in-home consumption.

#PositivePerformance
Food and dairy have reported strong growth, as an effect of consumers working from home and staying in. Households are also concerned about hygiene, resulting in increased spend for home care and personal care.

#ChangingShopperBehaviour
FMCG companies made bigger packs easily available to households who were spending more per shop across channels in order to avoid multiple trips during the pandemic.



ASIA PULSE

KEY HIGHLIGHTS ACROSS ASIA

SAUDI ARABIA

#TheSurgeinFMCG
While families are spending more on FMCG due to COVID-19 and the increase in VAT, they are trying to balance their household budget by purchasing lower volumes.

#DifferencesinConsumerBehaviours
There are significant differences in the way people from different ethnicities have reacted to these stringent times. Locals and more affluent families are spending more and making fewer shopping trips, while expat Asians and less affluent households are purchasing smaller baskets.

#ProximityMatters
Lower trade channels have held their ground despite a loss in footfall, due to bigger basket sizes – indicating that proximity matters to shoppers. Modern trade is now gaining market share back from wholesale.

UNITED ARAB EMIRATES

#FMCGBasketShrunk
The overall FMCG basket has shrunk in terms of both spend and volume, as families try to balance their household budget.

#ShopLessOften
Fewer shopping trips are a common trend across all ethnicities and levels of affluence, and bigger basket sizes have been unable to compensate for the loss in spend.

#CuttingSpend
Most retailers, barring LuLu, have seen spend drop due to shoppers making fewer trips, as well as a decreasing buyer base.

INDONESIA

#SignsOfRecovery
Indonesia's GDP continued to contract in Q1 of 2021, but we are seeing signs of recovery. Household consumption is also recovering, in parallel with a rise in consumer confidence and increased mobility.

#RationalisedSpending
Shoppers are rationalising their FMCG spend, while maintaining the same number of shopping trips. With continued restrictions on outdoor activity, households are opting for higher in-home consumption and bigger packs to manage their budgets.

#SpotlightOnOnline
Despite being small, the online market in Indonesia is gaining in importance and is expected to grow further in the future in line with what we are seeing in other South-East Asian markets.

MALAYSIA

#SentimentsImproved
The Consumer Sentiment Index improved to reach 98.9% in Q1 of 2021 as the national immunisation programme got underway. However, there are still growing jitters over rising prices.

#IncreasedInhomeOccasion
FMCG continues to grow year-on-year as the COVID-19 pandemic stretches on. All sectors grew at a faster pace than in 2020, particularly packaged groceries, due to more in-home occasions.

#ChangingChannelLandscape
Online and supermarkets have been the biggest winners during the pandemic. But while online gained from an increase in number of trips and penetration, supermarkets mainly benefited from higher spend per trip, in addition to increased penetration.

ASIA PULSE

KEY HIGHLIGHTS ACROSS ASIA

THAILAND

#GovernmentSubsidy
Since the last quarter of 2020 the government has launched various subsidy programmes designed to provide Thai shoppers with more financial support. This is encouraging them to spend more, which helped the take-home FMCG market to grow by 2.9% in Q1 of this year.

#ChannelShift
Thai shoppers have shifted to shop at provision stores and local supermarkets/CVS as they are able to use the funds provided through government subsidy programs at these outlets. This has led to a decline in hypermarkets' share of FMCG spend.

#Selective&StockUp
Fewer shopping trips with bigger basket sizes continues to be the trend. Thai shoppers are not only selective about where they buy but also what category/brand they buy. Winning each basket becomes more challenging for both retailers and brands as there are fewer chances for them to be selected.

PHILIPPINES

#ChallengedEconomy
COVID-19 has brought the Philippines to its longest recession in more than 20 years. Although the decline has slowed, GDP continues to contract, and recovery might still be more challenging than expected.

#CautiousSpending
Filipinos continue to reduce their in-home FMCG spending. However, the food sector remains resilient as shoppers' top priority.

#Omnishoppers
As quarantine measures ease up, shoppers are now able to access more channels. Traditional stores are starting to revive as well.

VIETNAM

#EconomicOverview
Economic growth has recovered during Q1 of 2021, coupled with an improvement in consumer confidence.

#SlightDeclineinFMCG
The FMCG market posted in a slight decline in Q1 of 2021 compared with the peak of Q1 2020, which was driven by COVID-19. However it still shows strong growth compared to the same period in 2019, pre-pandemic.

#OnlineBooming
The online channel is increasing its share of retail value, outstripping more established channels in both urban and rural areas.

Q1 2021 | Summary Asia

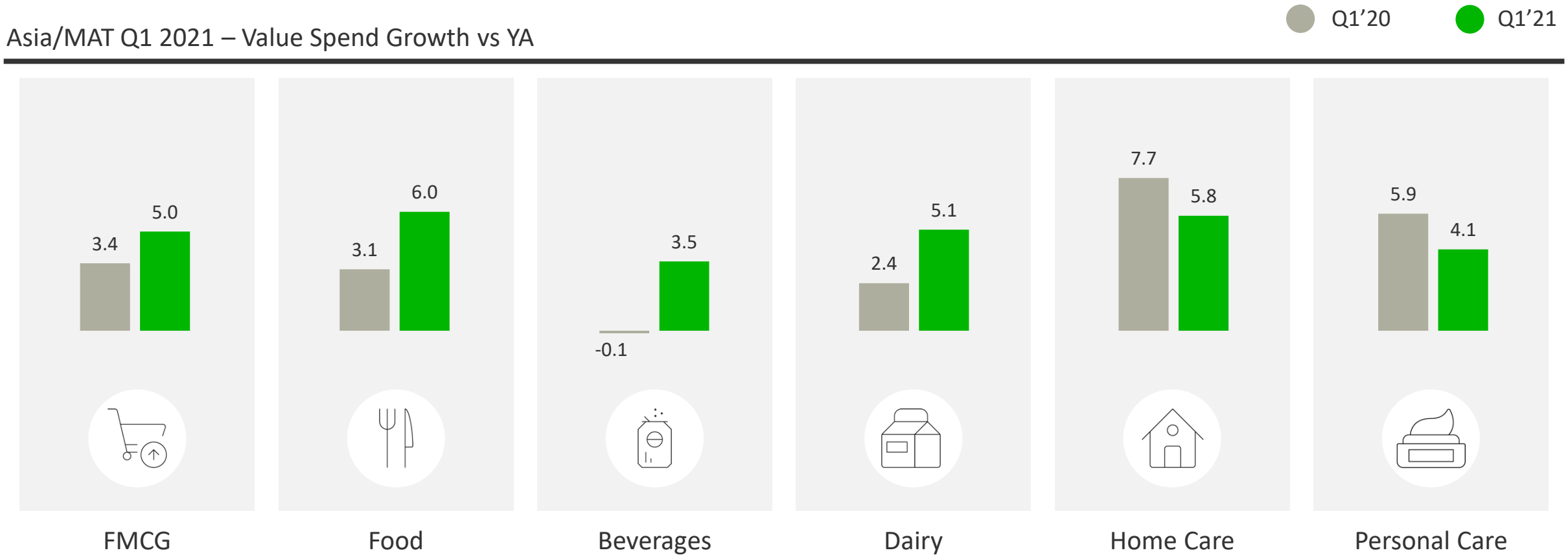
% Value Change FMCG – MAT Q1 2021 vs. Year Ago

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

	Asia		Northeast Asia			West & South Asia				Southeast Asia				
	Total	Chinese Mainland	Taiwan	South Korea	India (Urban)	Saudi Arabia	UAE	Indonesia	Malaysia	Thailand	Philippines	Vietnam (Urban)	Vietnam (Rural)
FMCG Total	5.0	4.8	2.7	7.1	9.8	11.6	-2.1	7.7	11.4	2.9	-9.4	6.5	7.5
Food	6.0	2.5	6.0	15.9	8.6	15.6	-0.3	12.5	19.5	6.5	-4.4	10.6	9.8
Beverages	3.5	3.3	4.8	11.7	4.4	13.2	-10.4	5.5	7.3	6.5	-10.9	6.1	0.2
Dairy	5.1	5.7	1.9	6.1	25.4	11.2	3.4	7.0	10.4	-1.0	-7.5	4.4	8.8
Home Care	5.8	8.3	-3.2	4.7	11.9	3.0	-3.8	2.9	1.7	3.4	-14.2	2.5	8.1
Personal Care	4.1	6.6	-0.9	-8.7	11.9	6.5	-5.0	3.8	2.2	-0.8	-17.9	7.4	15.5

FMCG Growth in Asia: YOY

Asia/MAT Q1 2021 – Value Spend Growth vs YA



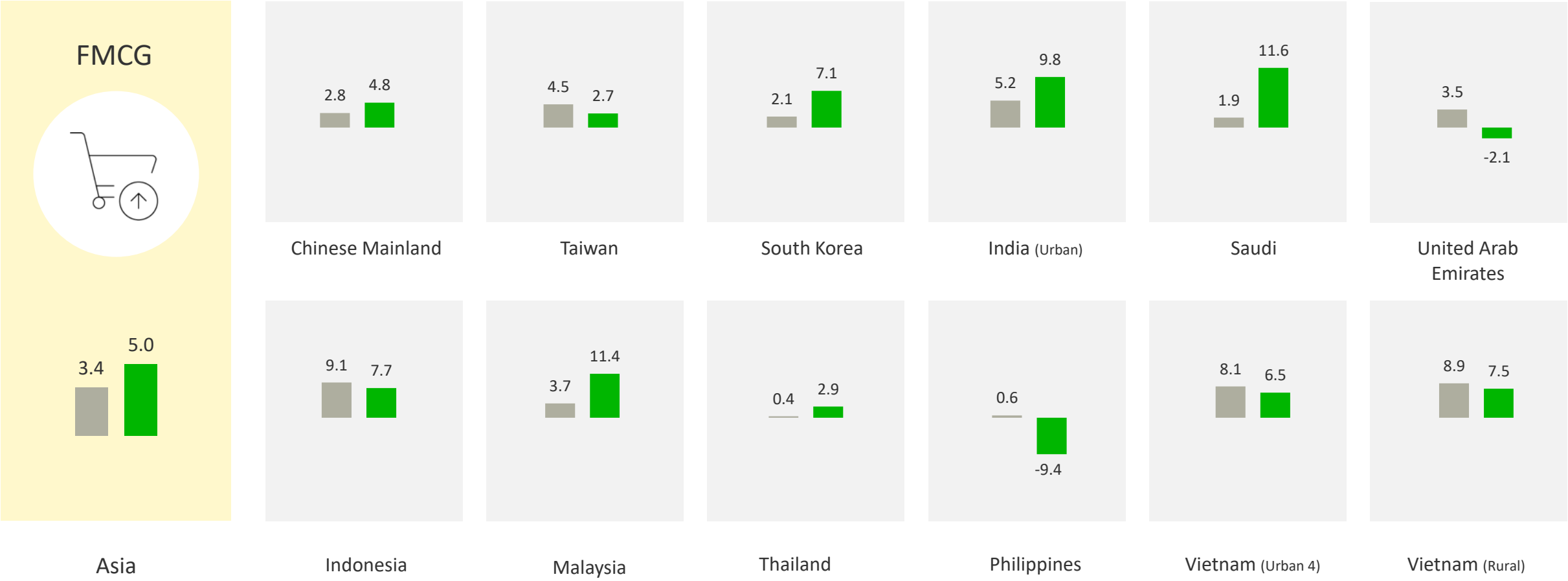
FMCG Growth in Asia: YOY

Asia/MAT Q1 2021– Value Spend Growth vs YA

FMCG

Asia/MAT Q1 2021 – % Value Growth vs YA

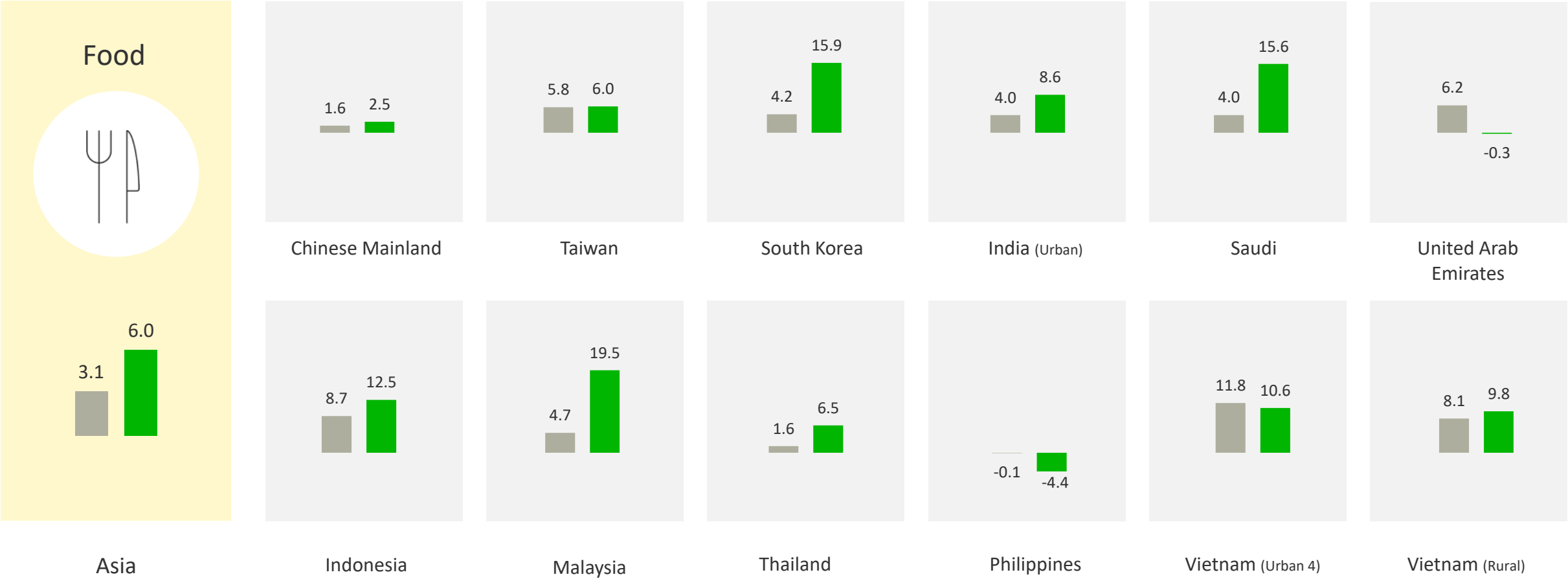
Q1'20 Q1'21



Food

Asia/MAT Q1 2021 – % Value Growth vs YA

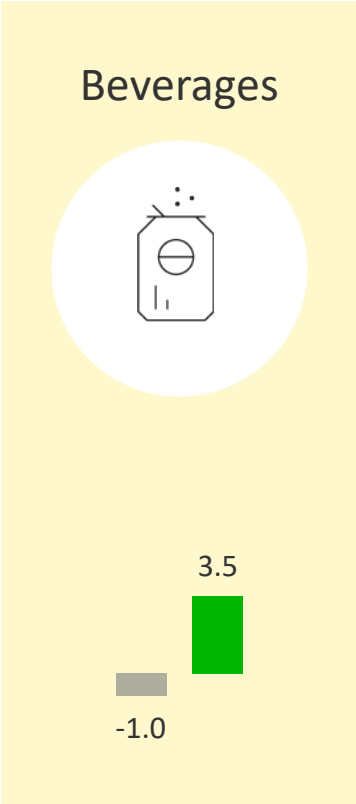
Q1'20 Q1'21

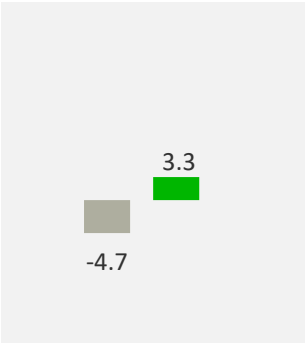


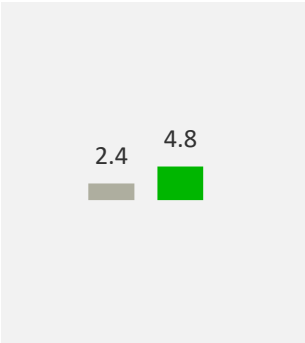
Beverages

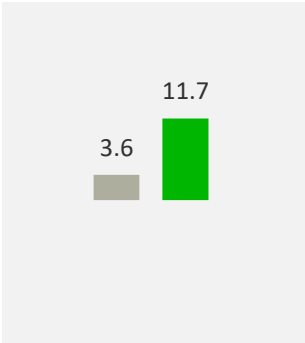
Asia/MAT Q1 2021 – % Value Growth vs YA

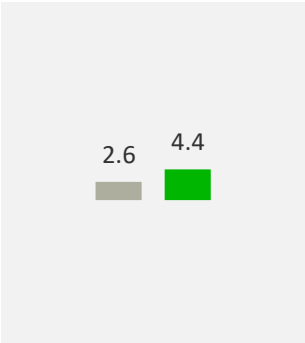
Q1'20 Q1'21

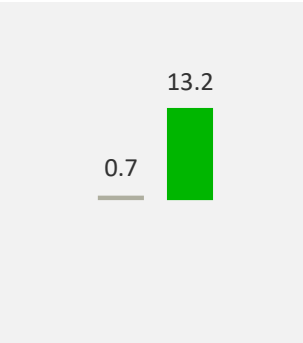


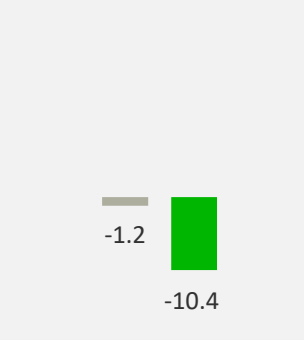


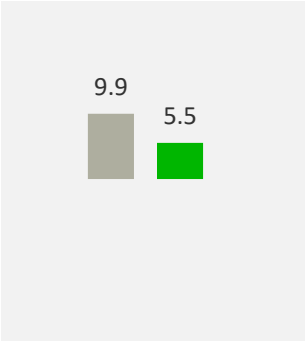


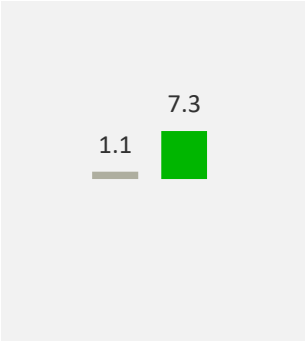


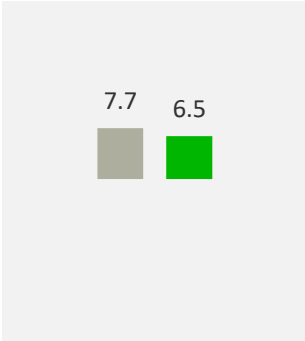


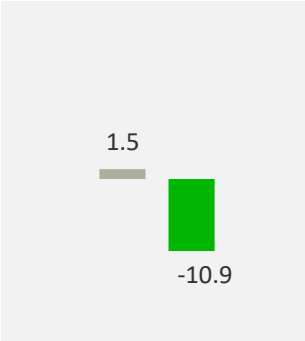


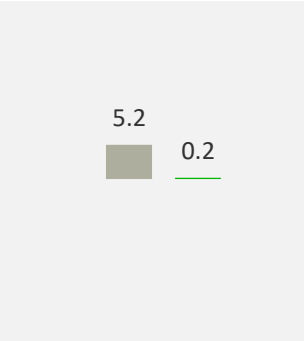












Dairy

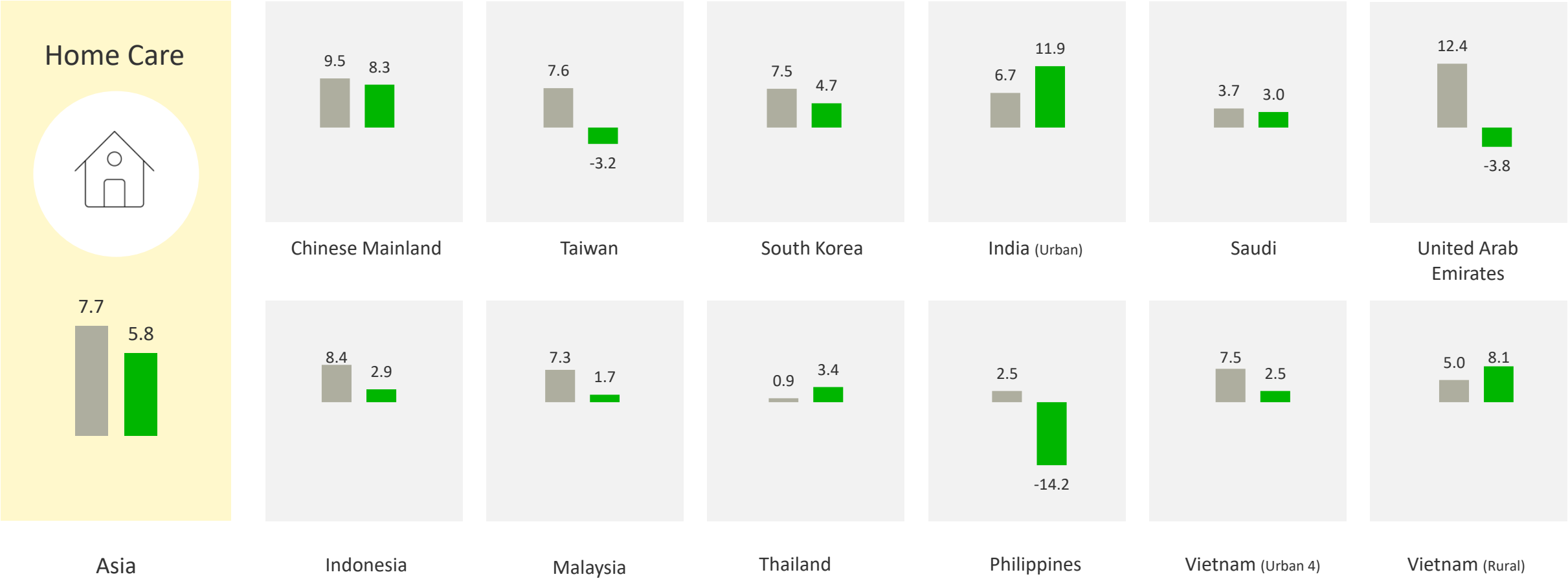
Asia/MAT Q1 2021 – % Value Growth vs YA

Q1'20 Q1'21

Home Care

Asia/MAT Q1 2021 – % Value Growth vs YA

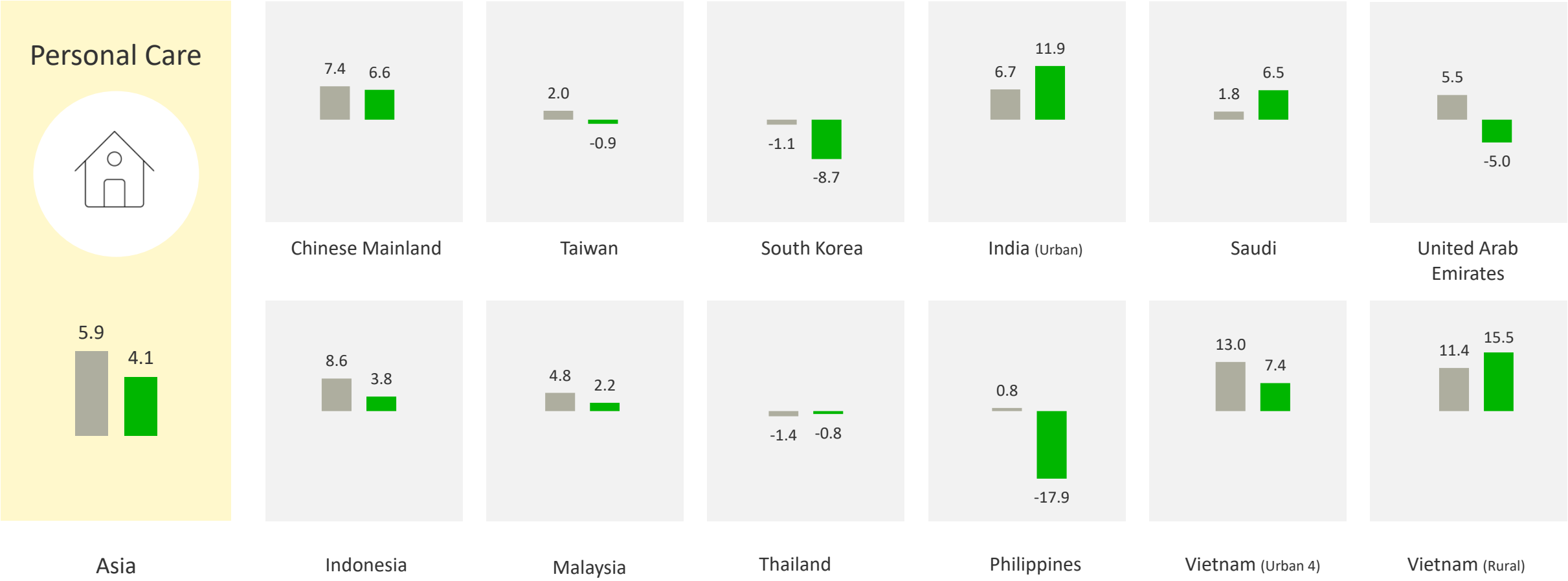
Q1'20 Q1'21



Personal Care

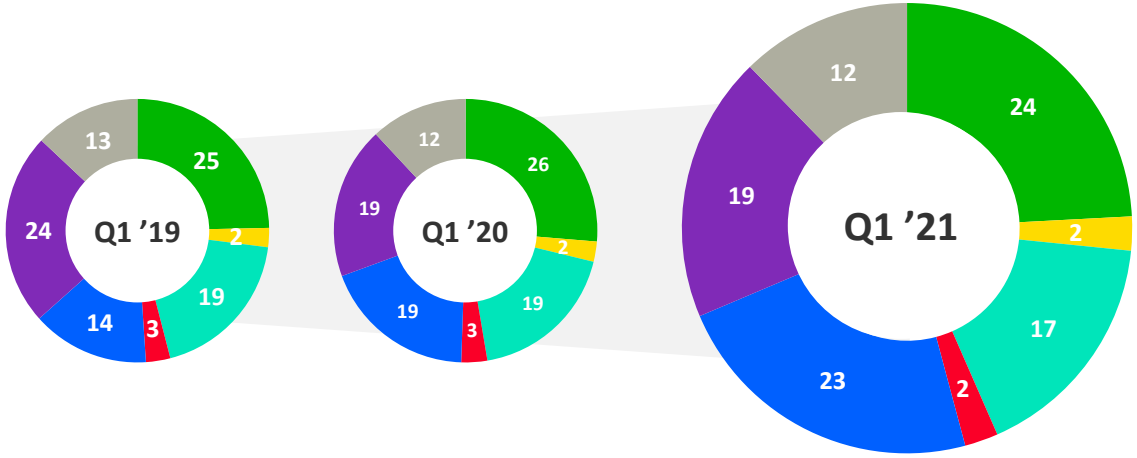
Asia/MAT Q1 2021 – % Value Growth vs YA

Q1'20 Q1'21



Chinese Mainland

Channel Importance – % Value

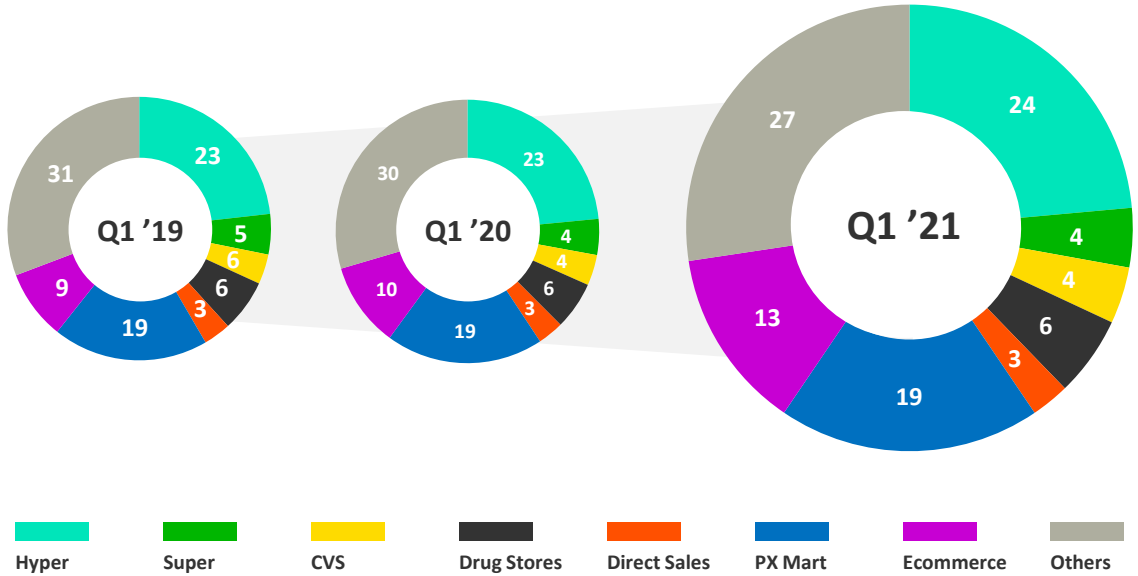


MAT Q1'21 vs Q1'20

	Shopping Occasions	Spend/Trip
Super	2%	-2%
CVS	8%	-3%
Hyper	-6%	1%
Grocery	-9%	-6%
Ecommerce	51%	-9%
Work Unit/Gift	5%	-9%

Taiwan

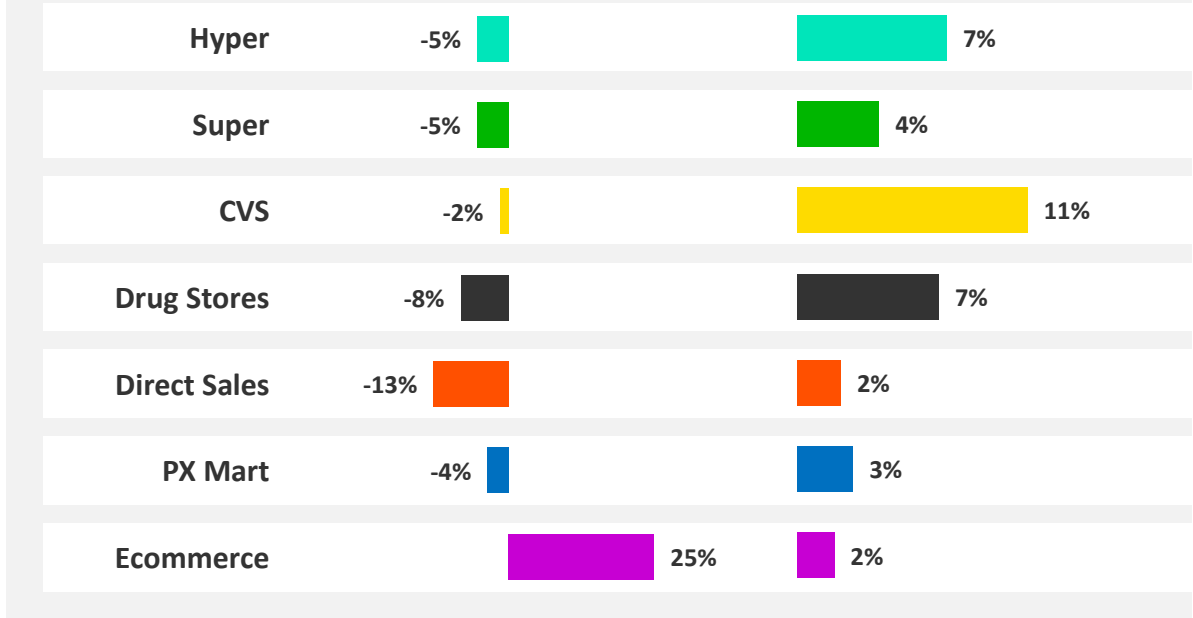
Channel Importance – % Value



MAT Q1'21 vs Q1'20

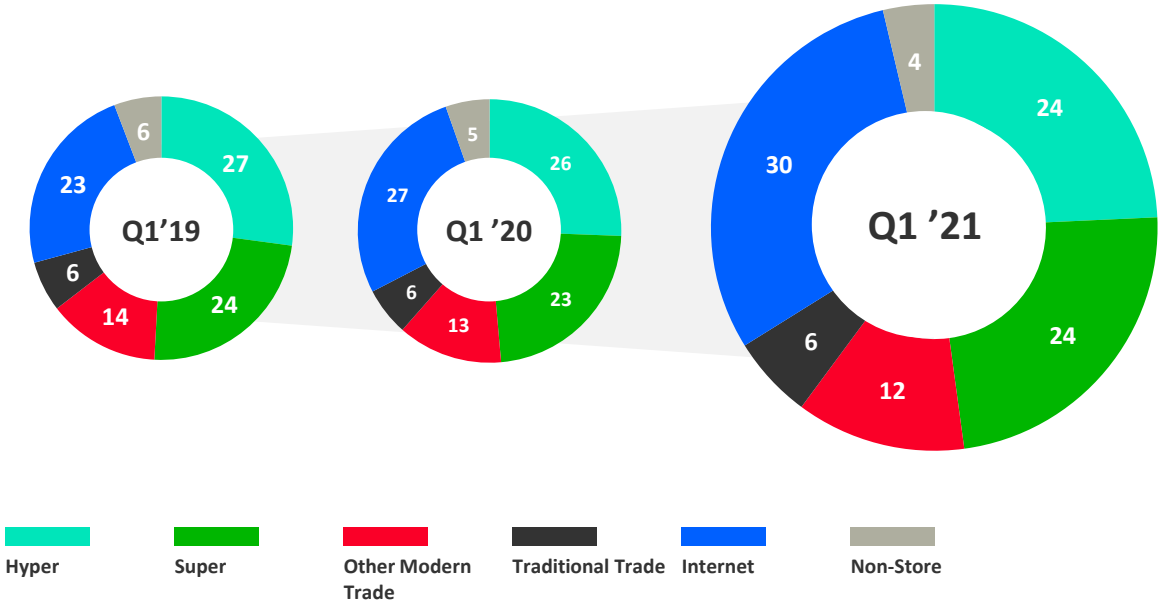
Shopping Occasions

Spend/Trip



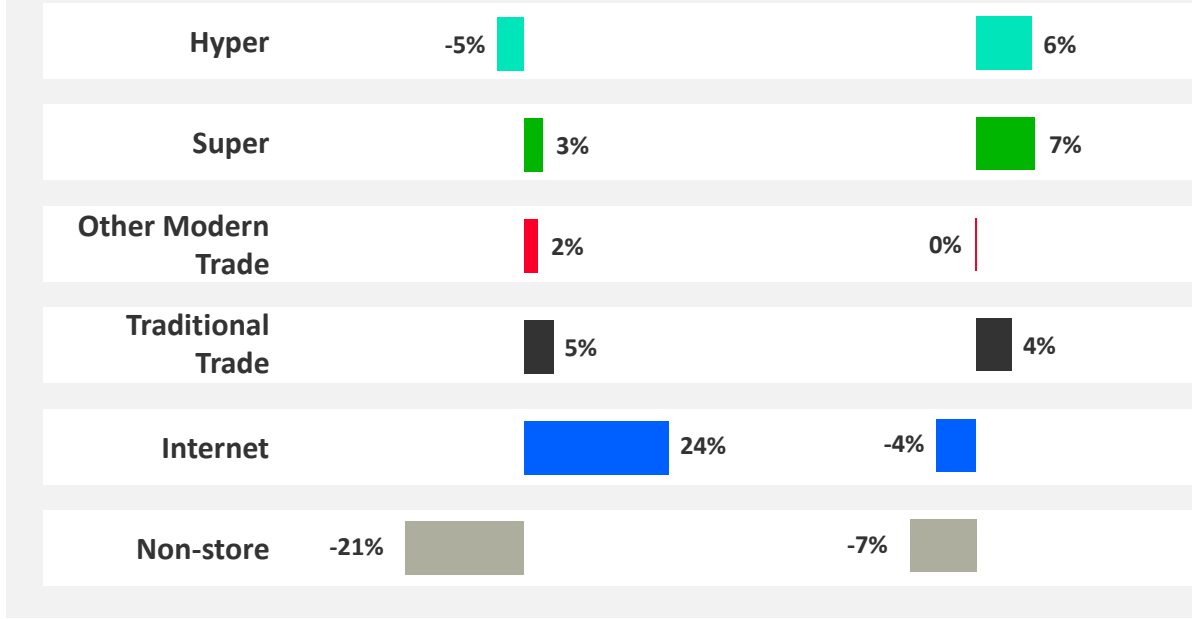
South Korea

Channel Importance – % Value



Shopping Occasions / Spend/Trip

MAT Q1'21 vs Q1'20



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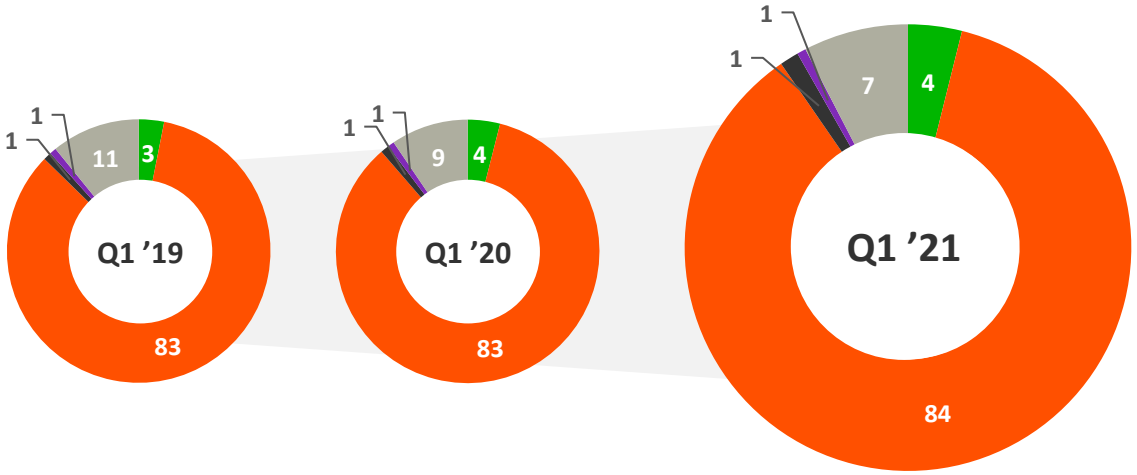
Hypermarkets: Non Club Hyper (Emart, Homeplus etc) & Club hyper (Costco etc)
Supermarkets: Franchise Supermarket & Small Supermarket,
Online: Open market, social commerce, hypermarket online etc
Non store: Direct sale, tv/homeshopping/catalog, delivery
Modern Trade: Outlet, department st, cvs, drugstore, health&beauty shop, organic store, food mart, pharmacy, duty free shop
Traditional: Mom&pop, agency, traditional market, butcher's, side dish market, hair salon

India (Urban)

Channel Importance – % Value

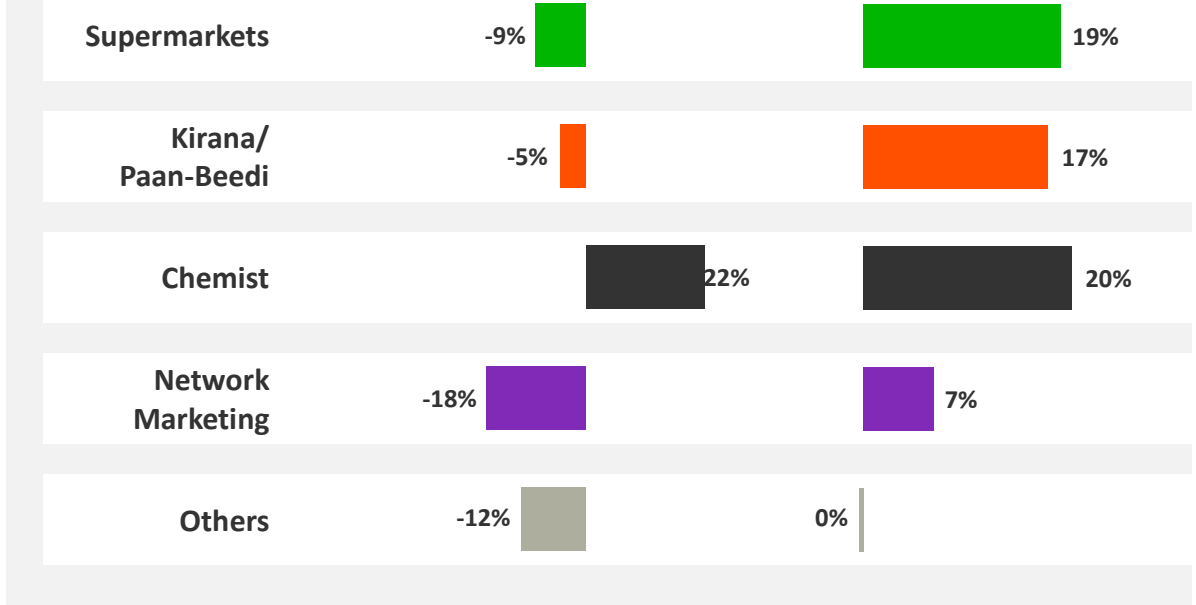


Supermarkets | Kirana/ Paan-Beedi | Chemist | Network Marketing | Others

MAT Q1'21 vs Q1'20

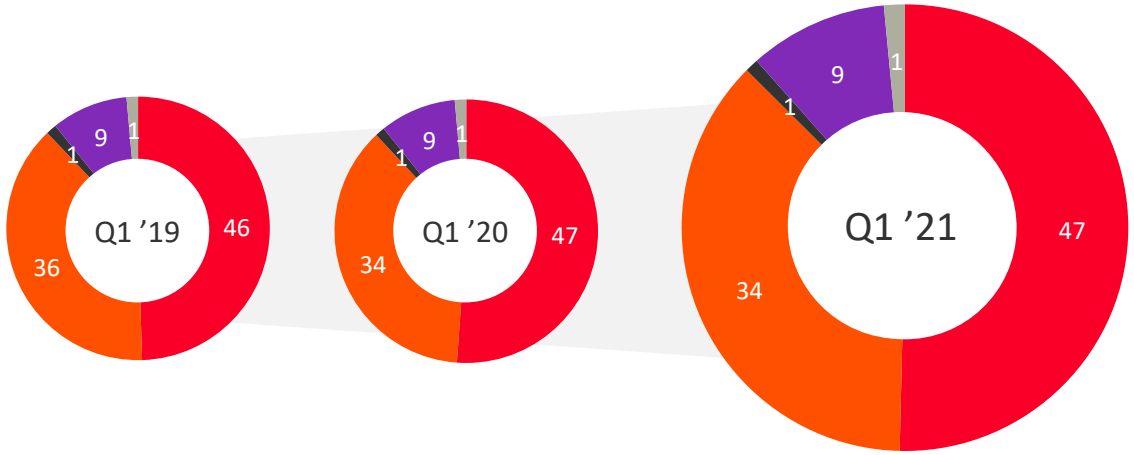
Shopping Occasions

Spend/Trip



Saudi Arabia

Channel Importance – % Value

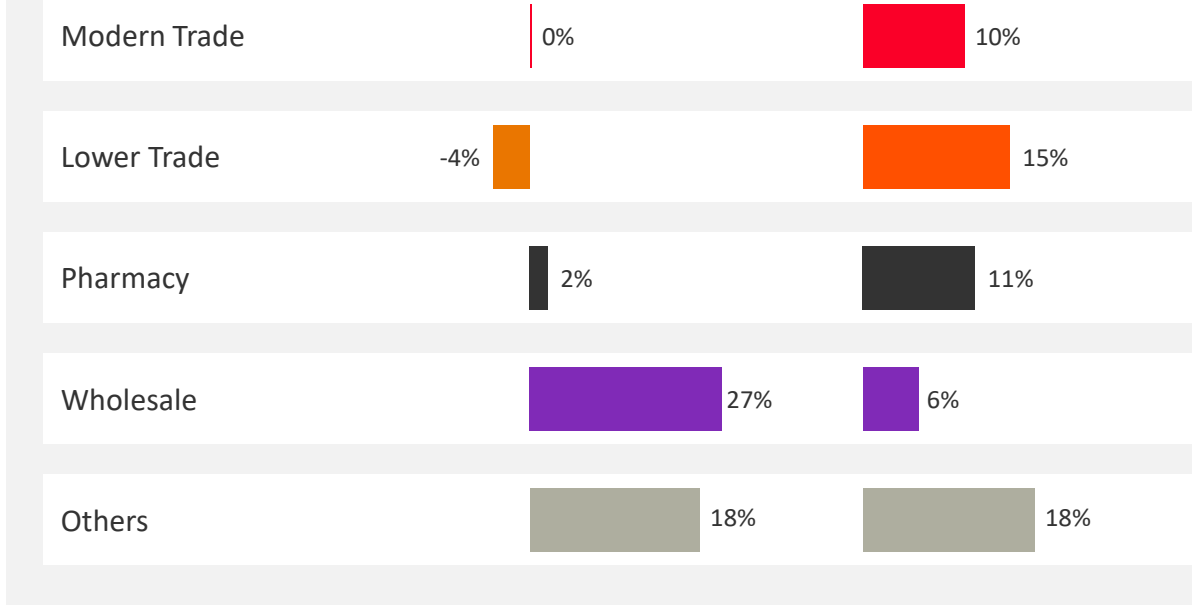


Modern Trade | Lower Trade | Pharmacy | Wholesale | Others

MAT Q1'21 vs Q1'20

Shopping Occasions

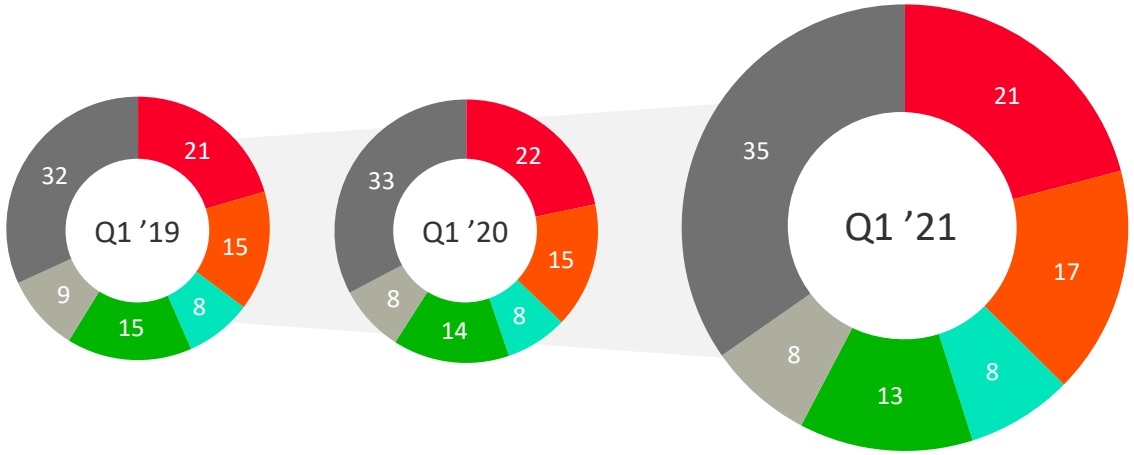
Spend/Trip



*Modern Trade - Supermarkets, hypermarkets and minimarkets that are part of an organised retail chain (e.g. Panda, Othaim, etc.).
Lower Trade - Baqalas and minimarkets that are not part of organised retail chains and have 1 - 2 check-out counters.
*Pharmacy - Store selling healthcare products and medicines, offering both OTC and prescription medication.
*Wholesale - Shopping channels mainly meant for bulk purchases, selling mostly to small retailers.
*Others - Stores dealing in some specific categories like Chocolate (e.g. Patchi), Juice Parlours, Roastery (Coffee), Honey, Poultry Shops, etc.

United Arab Emirates

Channel Importance – % Value



Total Carrefour | Total Lulu | Key Named Hypermarkets | Key Named Supermarkets | Key Named Cooperatives | Others

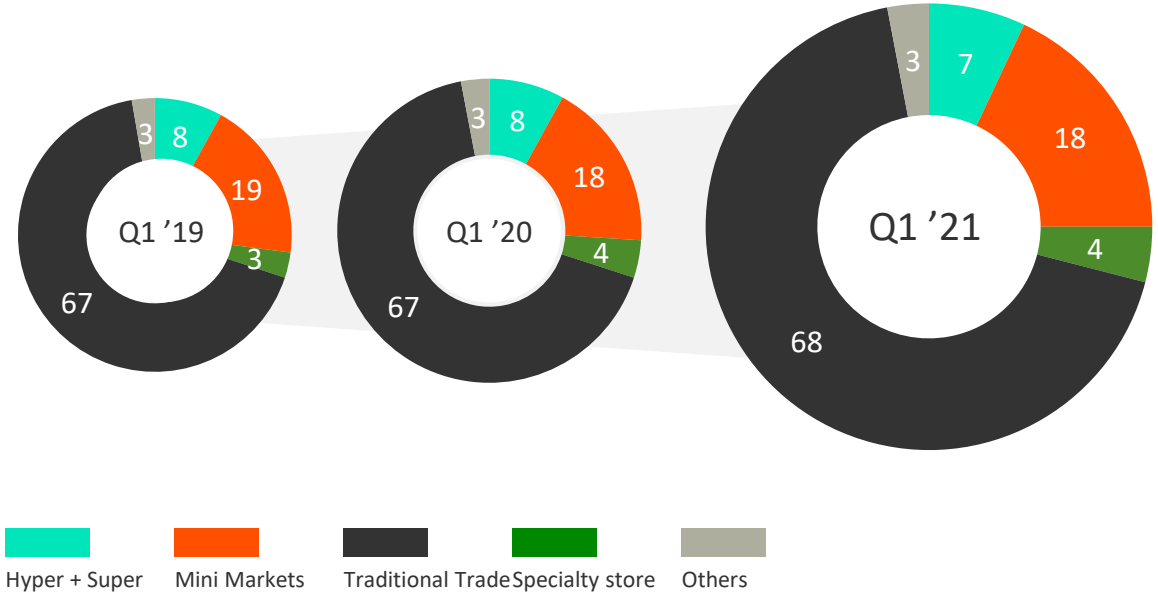
MAT Q1'21 vs Q1'20

	Shopping Occasions	Spend/Trip
Total Carrefour	-19%	21%
Total Lulu	-5%	13%
Key Hypermarkets	-14%	18%
Key Supermarkets	-11%	4%
Key Cooperatives	-2%	8%
Others	-6%	10%

*Key Hypermarkets - Nesto Hypermarket, Safeer/Al Safeer Hypermarket, K.M.Trading, Mega Mart, Big Mart Hypermarket
*Key Supermarkets - Al Madina Supermarket, Al Maya, West Zone, Choitrams, Talal Supermarket, Spinneys, Al Manara Supermarket
*Key Cooperatives - Union Coop. Society, Abu Dhabi Coop. Society, Sharjah Coop. Society, Emirates Coop. Society, Al Mushrif Coop. Society, Al Ain Coop. Society, Bani Yas Coop. Society
*Others – Baqalas/Minimarkets, Newly added stores (e.g Viva, Shaklan, Big Bazar) and Remaining stores (Pharmacies, Specialty Stores and Others)

Indonesia

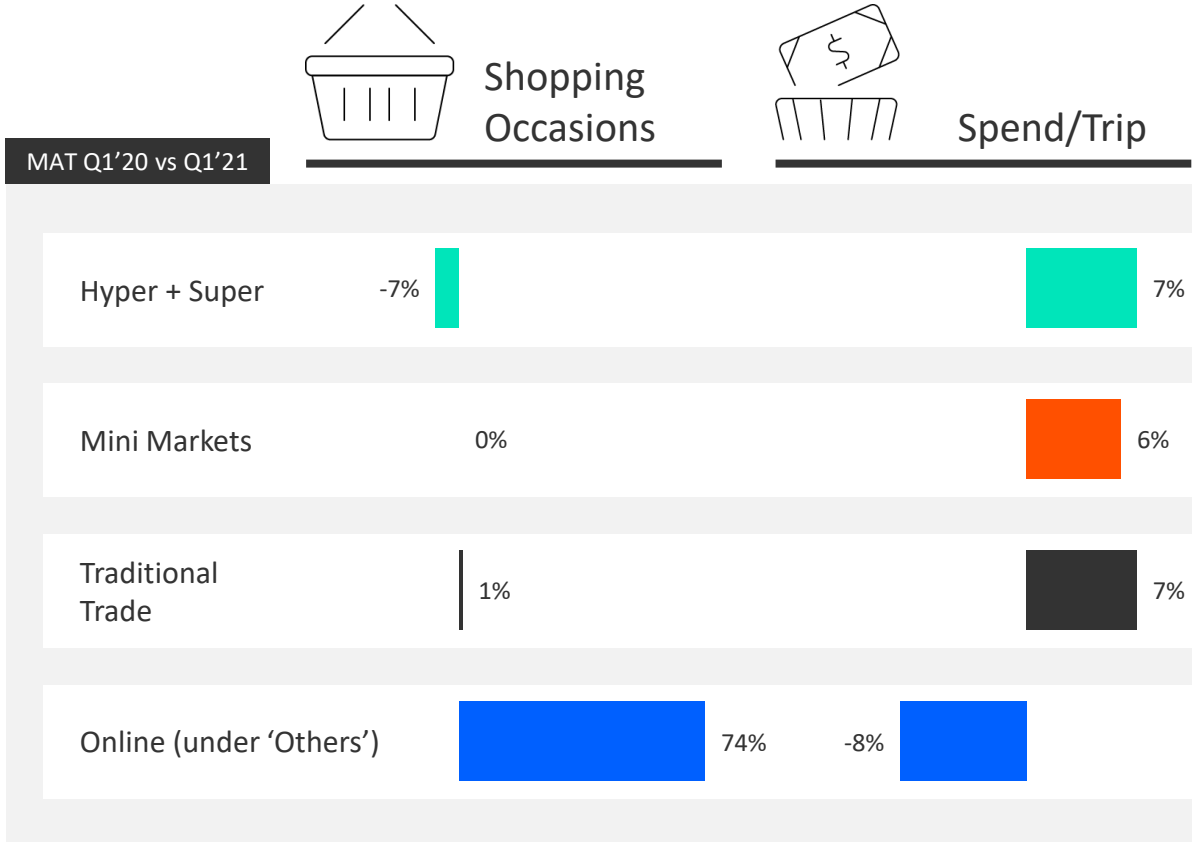
Channel Importance – % Value



MAT Q1'20 vs Q1'21

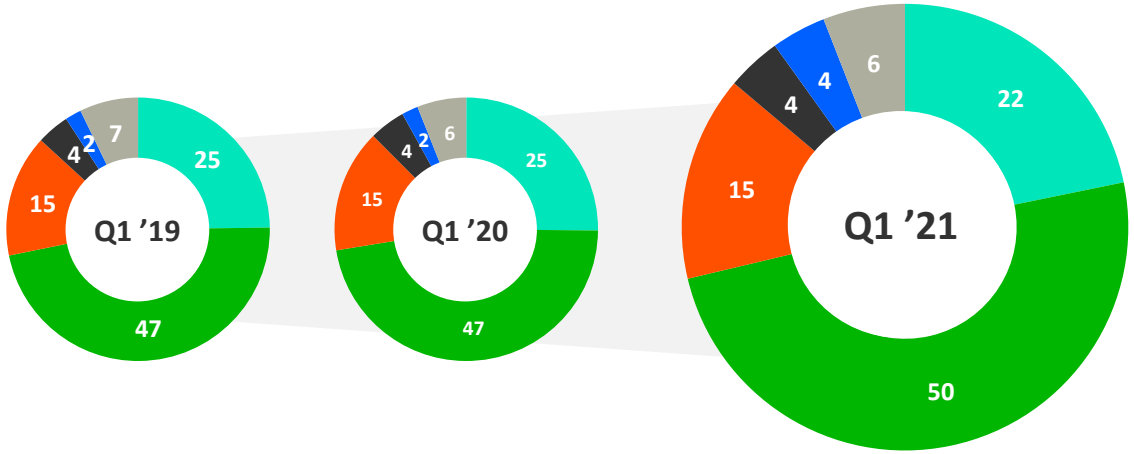
Shopping Occasions

Spend/Trip



Pen. Malaysia

Channel Importance – % Value (MAT)

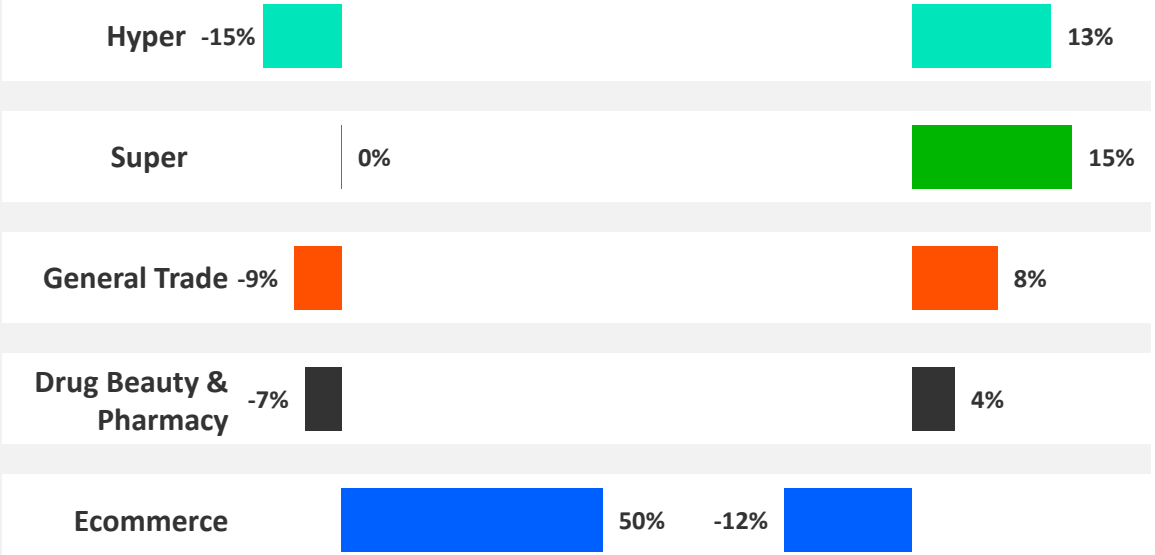


Hyper | Super | General Trade | Drug Beauty & Pharmacy | Ecommerce | Others

Shopping Occasions

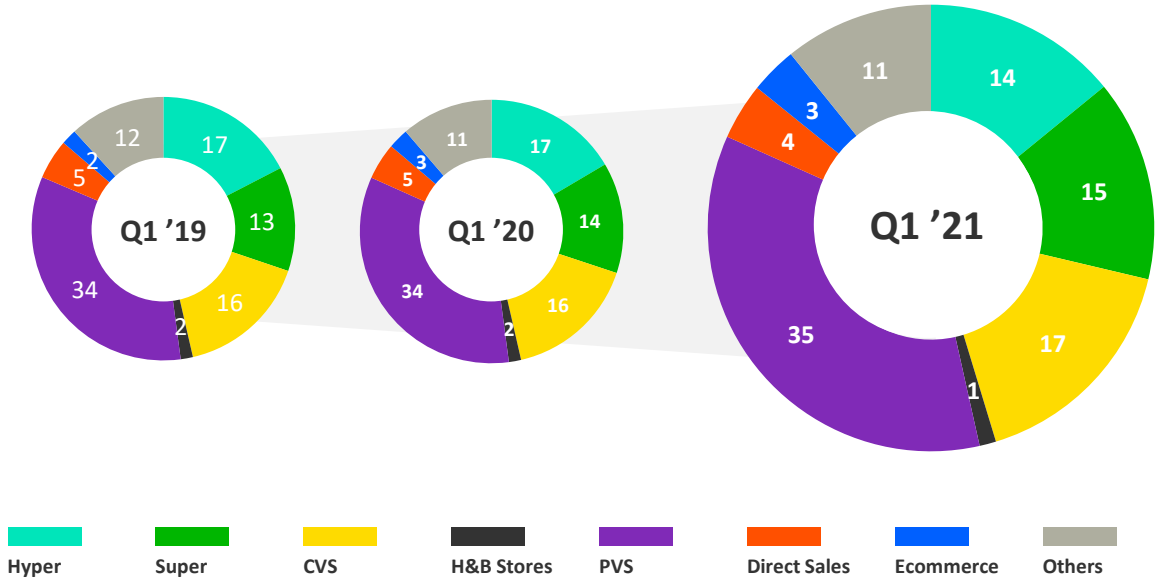
Spend/Trip

MAT Q1'20 vs Q1'21



Thailand

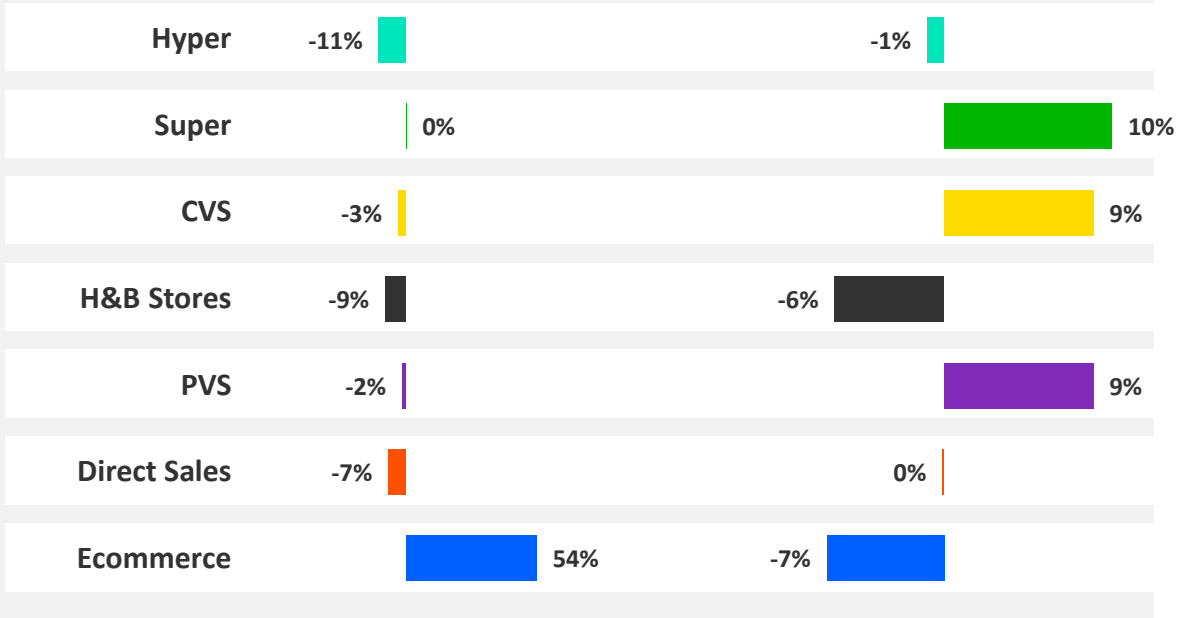
Channel Importance – % Value



MAT Q1'21 vs Q1'20

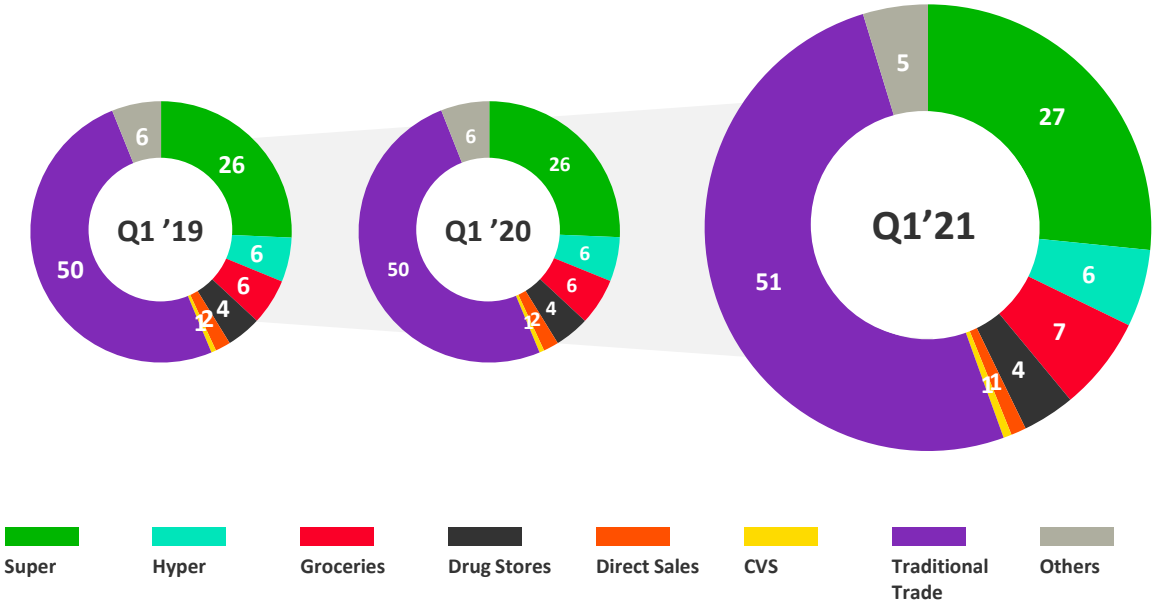
Shopping Occasions

Spend/Trip



Philippines

Channel Importance – % Value

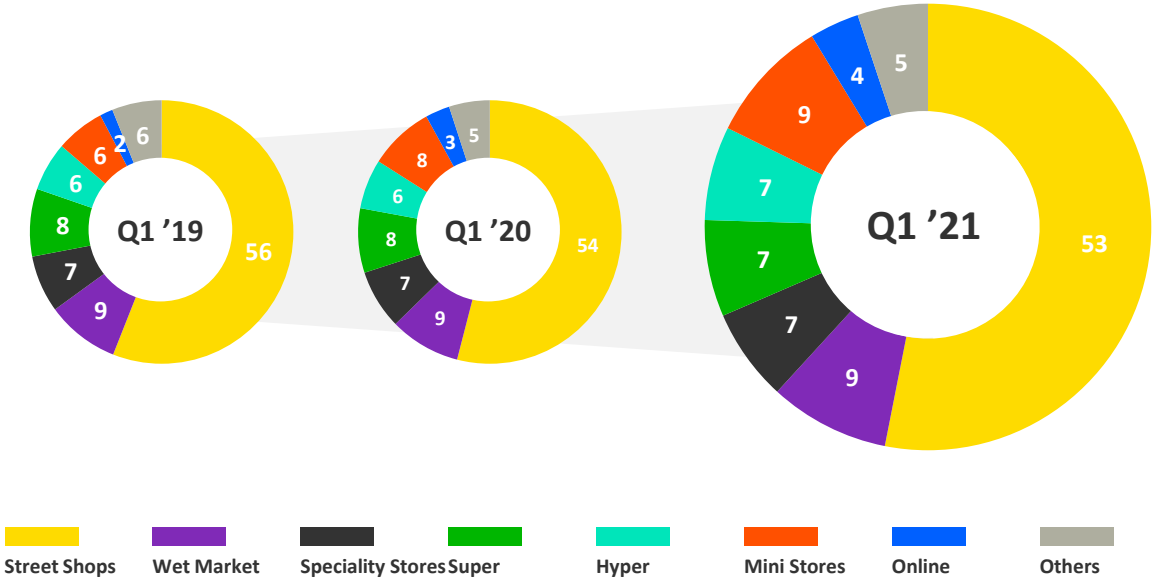


MAT Q1'21 vs Q1'20

	Shopping Occasions	Spend/Trip
Super	-19%	16%
Hyper	-21%	18%
Groceries	-16%	26%
Drug Stores	-34%	22%
Direct Sales	-49%	5%
CVS	-31%	35%
Traditional Trade	-13%	5%

Vietnam (Urban 4 cities)

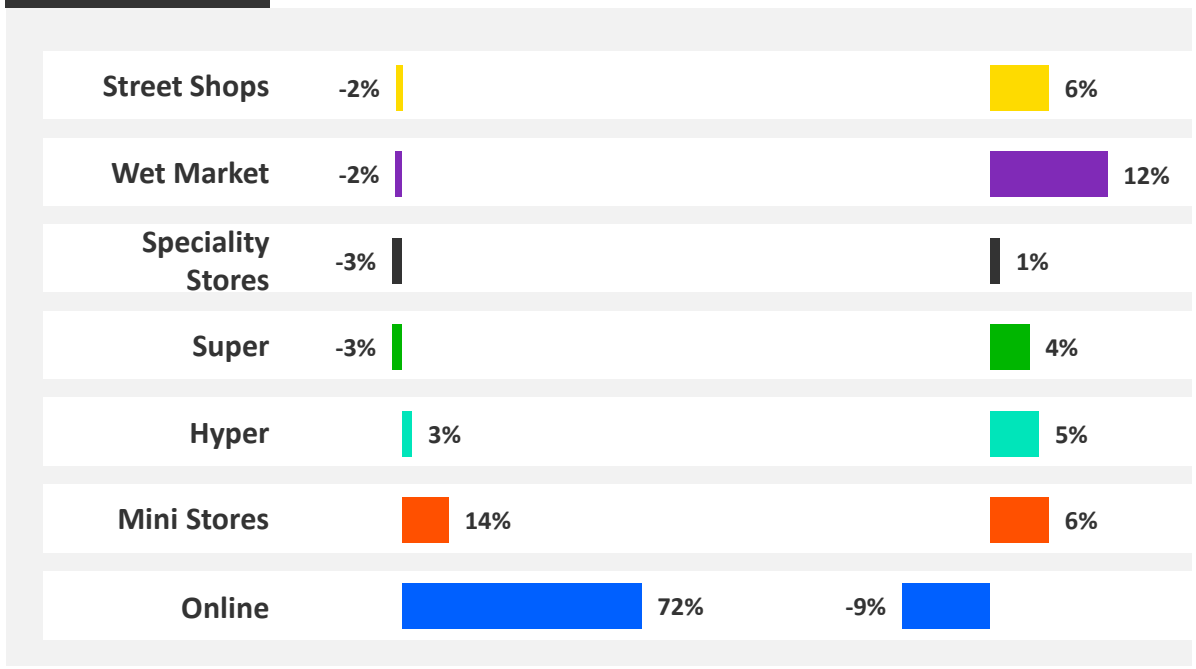
Channel Importance – % Value



MAT Q1'21 vs Q1'20

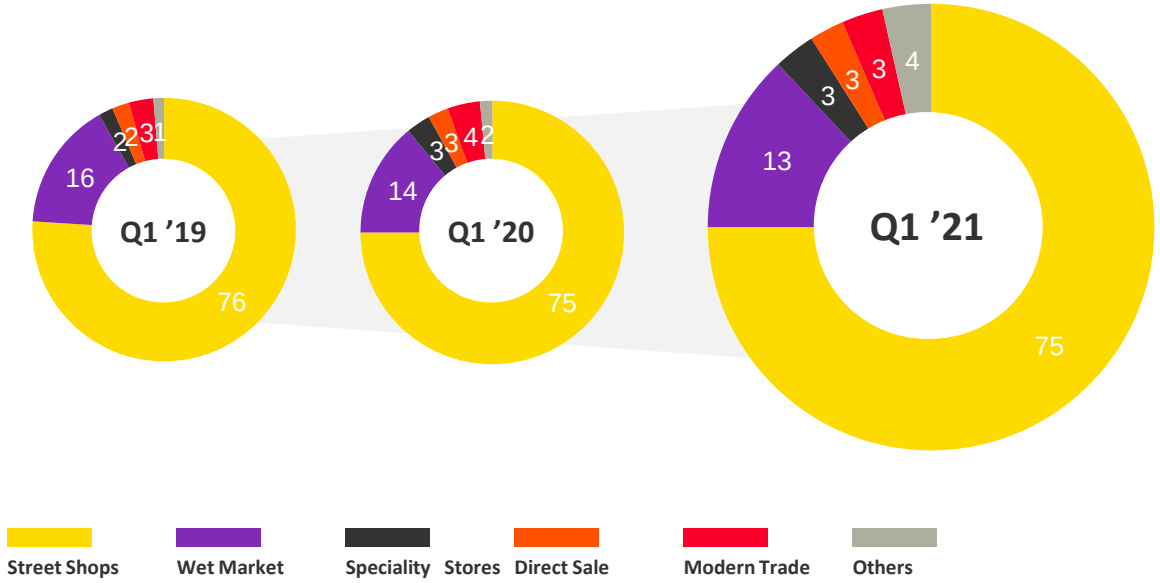
Shopping Occasions

Spend/Trip



Vietnam (Rural)

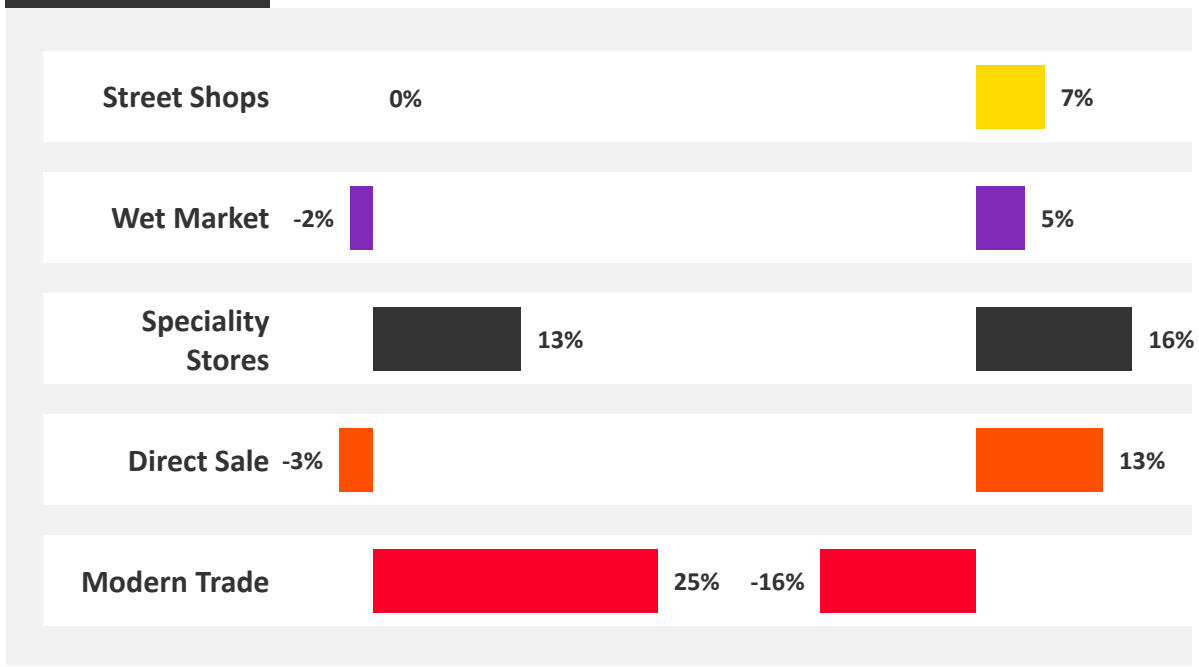
Channel Importance – % Value



MAT Q1'21 vs Q1'20

Shopping Occasions

Spend/Trip



KANTAR

Thank you

For further information please contact:

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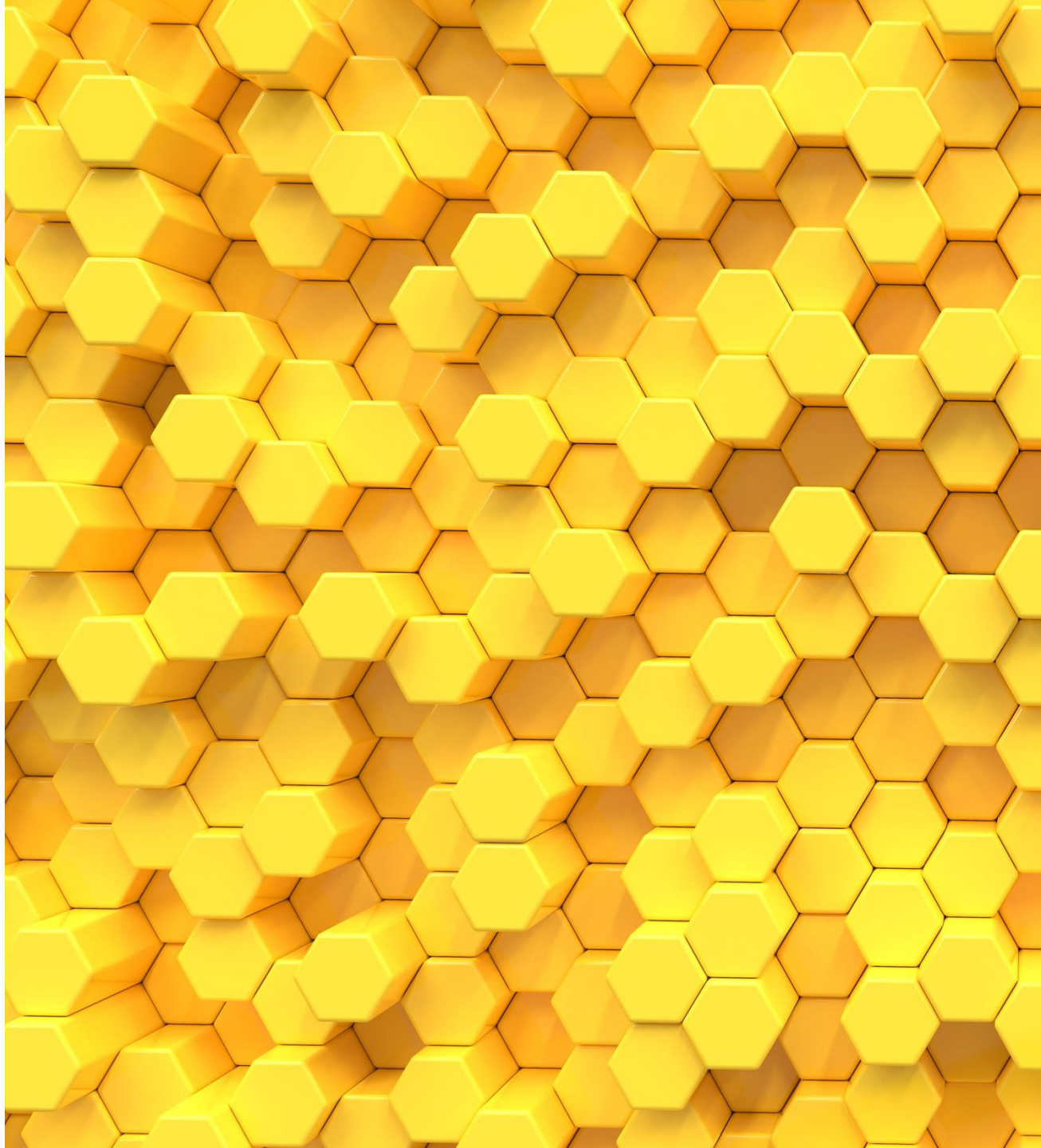
NhuNgoc.NguyenThi@kantar.com