

## Press release

02 August 2017

FMCG Monitor: 12 weeks period ending 18 June 2017

# Rural FMCG market now surpasses Urban in Q2 growth rate

Key market **highlights** in June 2017 issues:

### Key Indicators

Vietnam economy sees positive improvements in Quarter 2, compared to the same period last year and the quarter 1. However, the GDP growth of the 1st half just reached 5.73%, which forces the rest of the year to grow higher than 7% - a big challenge to fulfill.

### FMCG Growth

Both Urban and Rural market grow at the same pace. The growth is mainly driven by the paid price increase. In short term, though the FMCG market slows down in Quarter 2, the growth rate of Rural now surpasses that of Urban 4 cities.

Despite the market slowdown in short term, non Food sector continues enjoying impressive growth and growing faster than Food sector in both Urban 4 cities and Rural. Dairy and Packaged Foods are the only sector showing negative performance in Urban and Rural respectively. Within these sectors, big categories (high value contribution to total FMCG) such as Milk Powder (Urban), Fish Sauce, Cooking Aids, Instant Noodle (Rural) have been dropped volume consumption in this quarter.

### Hot Category

Liquid Detergent is the most outstanding category among Home Care sector. The category is doing well in terms of both attracting more new shoppers and also increasing volume consumption. Is this led by the rising washing machine ownership which now accounts for 83% (+4.5 percentage points versus year ago) in Urban 4 cities and 28% (+4.0 percentage points versus year ago) in Rural Vietnam? These numbers show huge potential to tap into this market.

### Retail Landscape

Modern Trade channels remain to grow ahead of the market at double digit pace in Urban areas thanks to gaining more traffics. Most of key retailers in Hyper & Supermarket are recovering. With a good performance during the first 6 months, modern retail is expected to keep its momentum and achieve greater growth by the end of 2017.

**Spotlight of the Month** - Amazon acquired Whole Foods: What are implications? Is there any impact on the grocery market?

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### About Kantar Worldpanel

Kantar Worldpanel is the global expert in shoppers' behavior.

Through continuous monitoring, advanced analytics and tailored solutions, Kantar Worldpanel inspires successful decisions by brand owners, retailers, market analysts and government organizations globally.

With over 60 years' experience, a team of 3,500, and services covering 60 countries directly or through partners, Kantar Worldpanel turns purchase behavior into competitive advantage in markets as diverse as FMCG and baby products, among many others.

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