

Press release

26 April 2017

FMCG Monitor: 12 weeks period ending 26 March 2017

The FMCG market springs up in the 1st quarter of 2017

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

Key Indicators

GDP Q1 grew at the slowest pace in three years coupled with high CPI due to the increase in medicine and healthcare services. Vietnam's GDP in Q2 is forecasted to expand 5.6 – 6.3% and CPI in April is also predicted to rise to a higher level than March. Much more efforts needed to reach the 2017 target of 6.7% and control the CPI under 4%. Despite the slower GDP growth, retail sales of consumer goods still maintain strong growth in the 1st quarter.

FMCG Growth

Urban 4 key cities FMCG market keeps going up, hitting the highest growth in 3 years. Meanwhile, continuous improvement is observed in Rural FMCG market during the first 3 months of this year. Hence, the market is expected to strengthen its growth in the end of 2017.

Most of sectors are growing well in Urban 4 cities, except for Dairy due to the decline in purchased volume. In Rural, key drivers - Dairy and Beverage sectors are getting their momentum back, reaching double-digit growth thanks to the rebound in volume consumption. It shows positive signals for Rural market's recovery in the long term.

Hot Category

Sauces and paper products are emerging in Urban 4 cities and Rural respectively. Zoom into each region; spending for sauces has increased in Urban areas, the market become more sophisticated as Urban consumers start to try new sauce products such as Mayonnaise and Ketchup. In Rural areas, a noticeable expansion in shopper base has taken place in paper products market. By reaching more new buyers, Table napkins and Toilet tissue are two outstanding categories among them. Are people changing their eating and cleaning habits?

Retail Landscape

Medium-sized street shops, Mini-stores (minimarkets and convenience stores) in Urban 4 cities and small street shops in Rural are still key drivers of growth. By expanding shopper base and getting more traffic, mini-stores remain the fastest growing channel. While Hyper & Supermarkets are expected to return to growth as they achieve better performance in Q1 versus last year, mostly thanks to Tet.

Spotlight of the Month

Consumers are more skeptical of the influencing factors around them as it seems they want to seek more information themselves to really make a decision. This implies it's harder to gain consumers' trust & more challenges for new launches!

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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