

# CONSUMER TRENDS DRIVING CONSUMPTION

*– An FMCG Perspective*

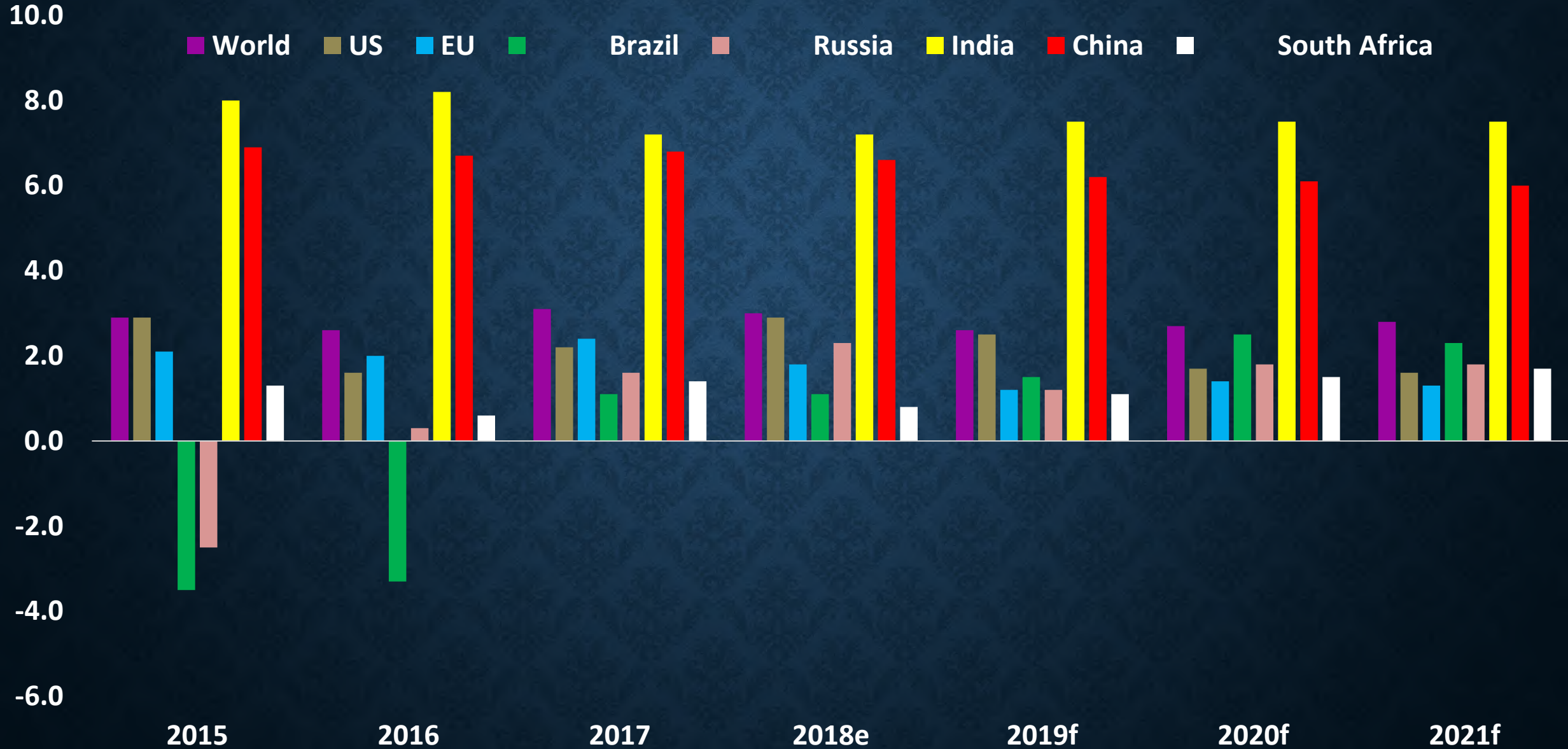


**Presented by : Mr. Somnath Chatterjee**

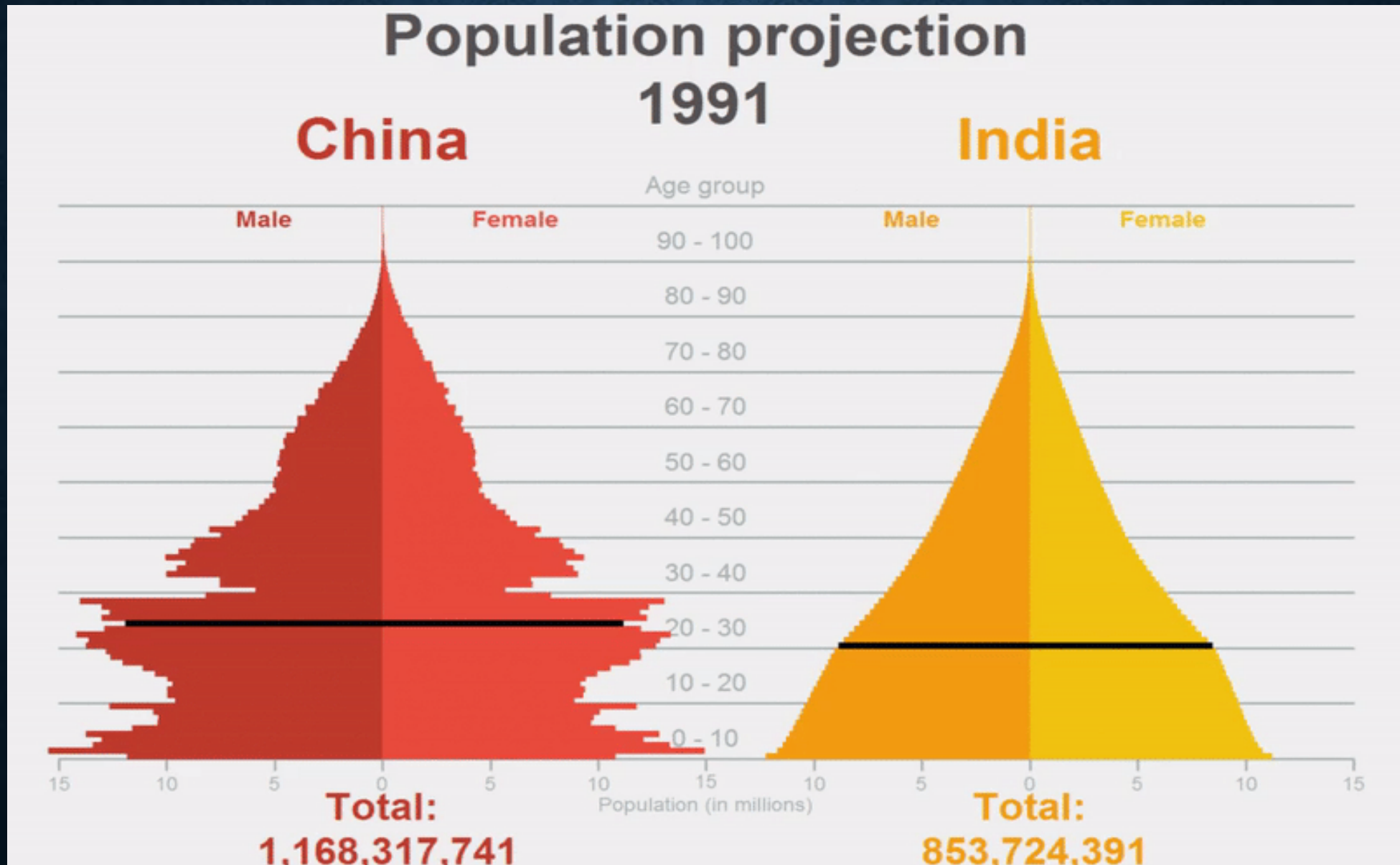
**Head Procurement & Logistics : ITC Ltd (Foods Division) India**

**MALAYSIA – INDIA Palm Oil Trade Fair & Seminar 30<sup>th</sup> July 2019, Mumbai - INDIA**

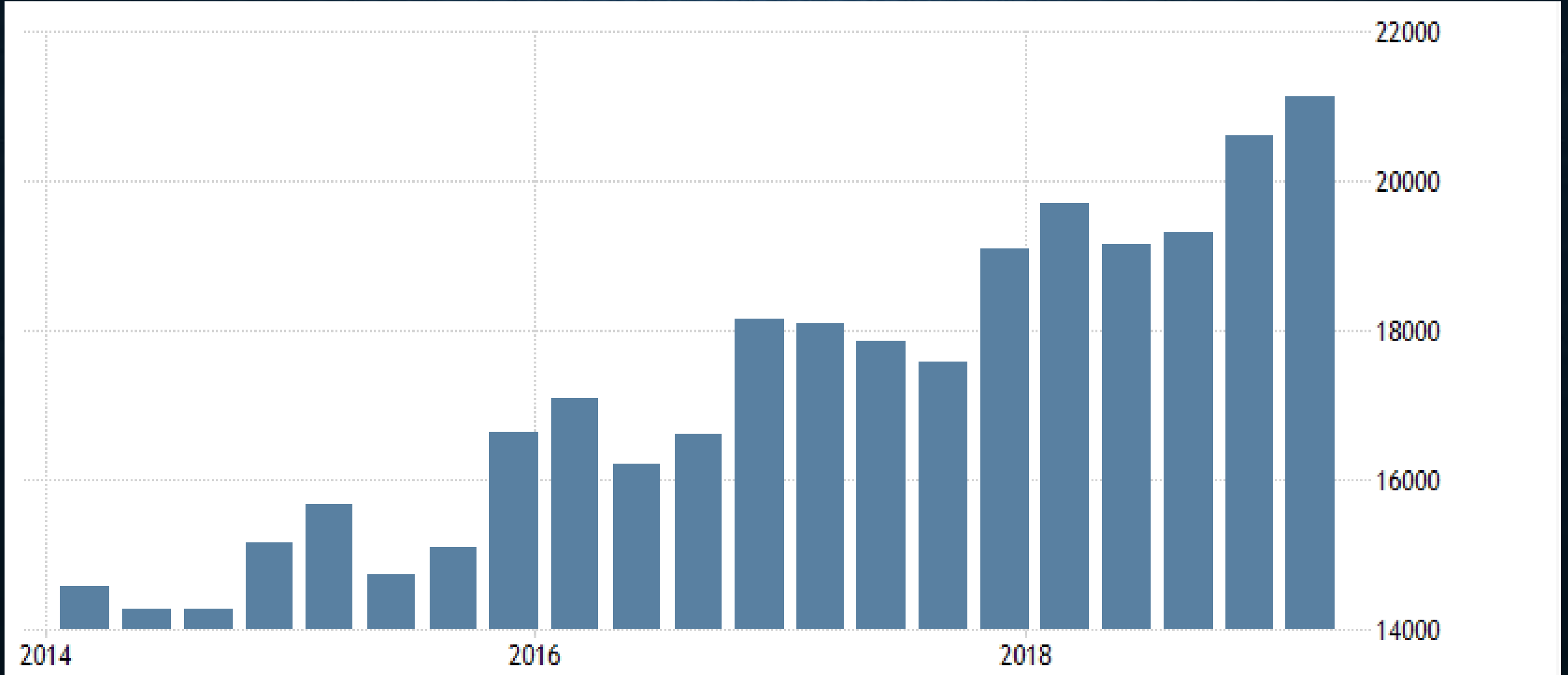
# India Growth Story : World Bank GDP Forecast (%)



# Population Growth with Median Age (1991-2050)

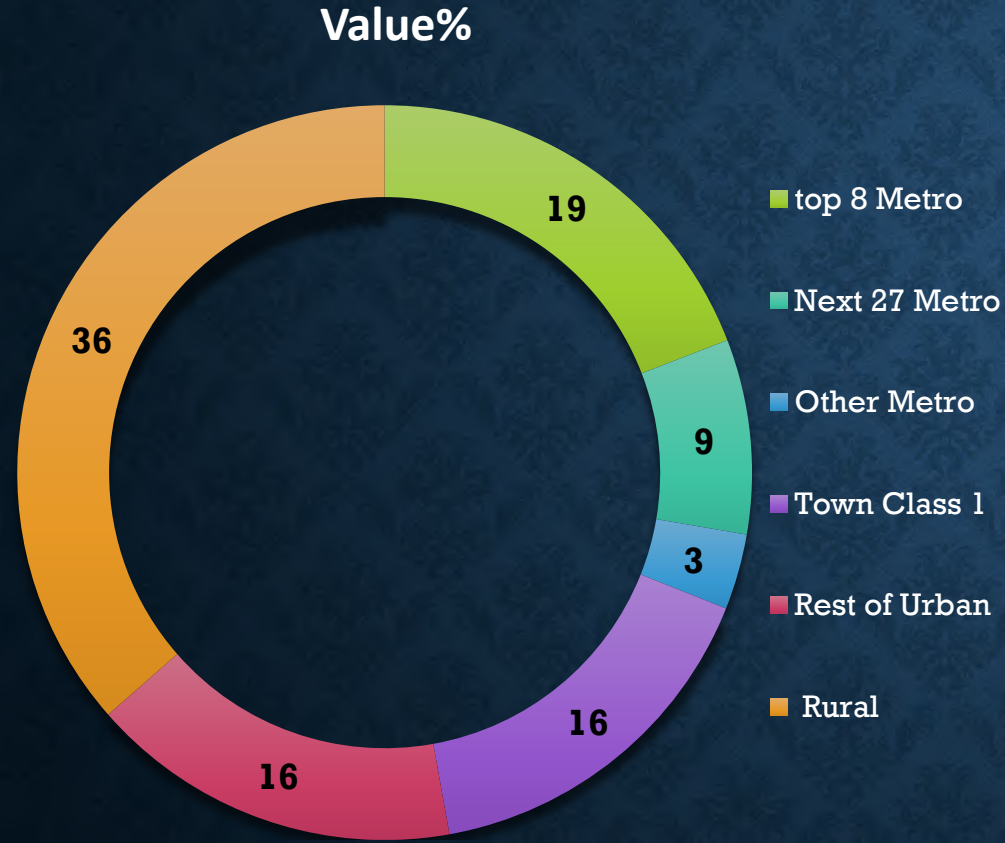


# India Consumer Spending : INR Billion



Consumer Spending in India averaged 11259.27 INR Billion from 2004 until 2019, reaching an all time high of 21111.41 INR Billion in the first quarter of 2019

# Smaller towns & Rural driving FMCG Growth

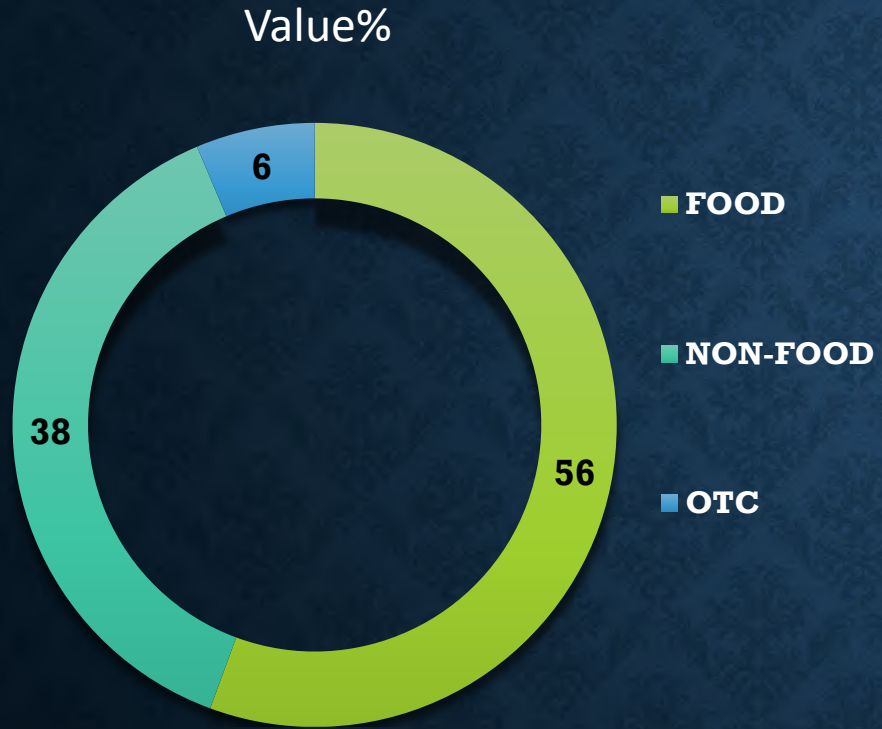


Base : Rs. 409,641 Cr.

Market	Growth %	Store Contr. %
<b>All India</b>	<b>14.20%</b>	<b>100%</b>
<b>Top 8 Metro</b>	<b>8.70%</b>	<b>7%</b>
<b>Next 27 Metro</b>	<b>13.10%</b>	<b>5%</b>
<b>Other Metro</b>	<b>17.10%</b>	<b>2%</b>
<b>Town Class 1</b>	<b>17.10%</b>	<b>11%</b>
<b>Rest of Urban</b>	<b>12.90%</b>	<b>15%</b>
<b>Rural</b>	<b>16.60%</b>	<b>60%</b>

Store Base : 10.2 Million Stores

# Branded Food Industry more than 2 Lakhs crores & Growing the fastest

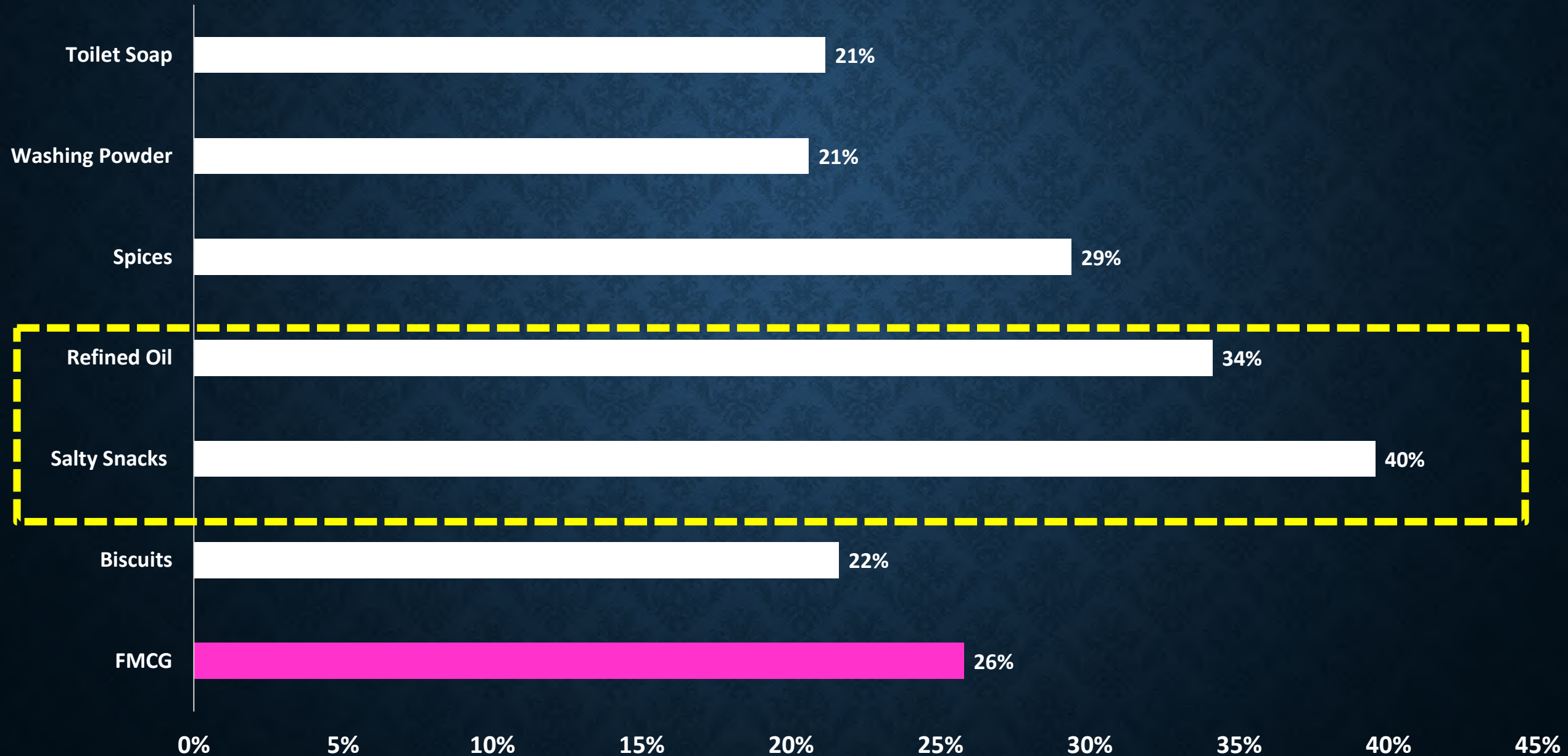


Mar'19 FMCG: Rs. 409,641 Cr.

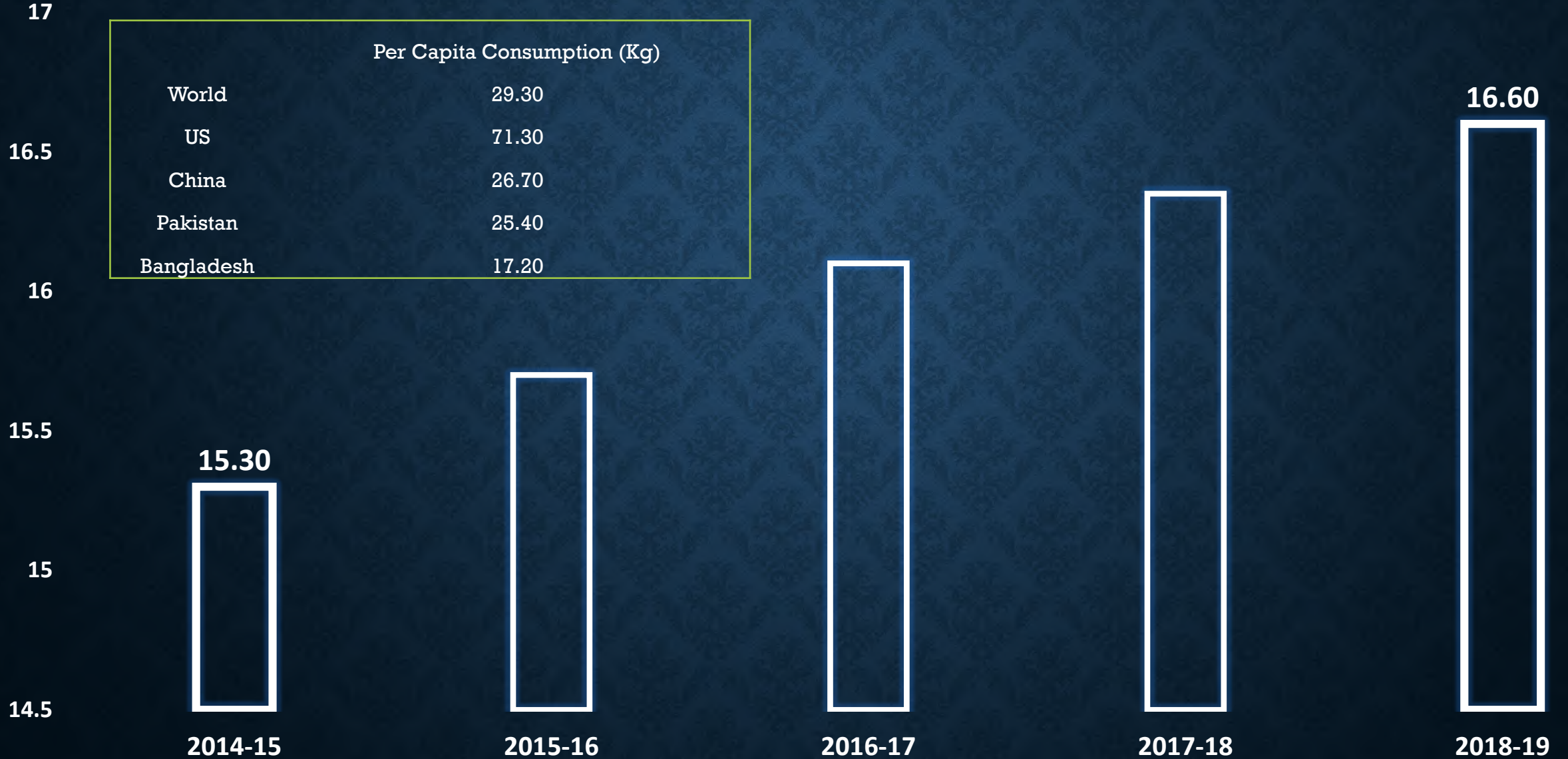
Food : Rs. 227,859 Cr

Market	Growth %	GAGR over MAT 2017
FMCG	14.20%	13.90%
FOOD	15.60%	15.00%
NON FOOD	12.20%	12.50%
OTC	14.10%	13.00%

# FMCG Segment Growth : 2018-19 vs 2016-17



# India Per Capita Consumption of Edible Oil (Kg)





# CONSUMER TRENDS ARE EVOLVING...



## **BUSY LIVES - CONVENIENCE SEEKING ON THE RISE.**

Consumers seeking out products and services that either help facilitate their busy lifestyles or help free up time on less enjoyable tasks



## **PERSONAL SPACE & TIME**

Consumers seeking out products that offer moments of escapism and comfort, and encourage them to step back from the pressures of everyday life



## **HEALTHY LIVING**

Consumers are becoming increasingly skeptical of product claims and conscious about the traceability of products and want manufacturers to address these issues



## **VALUE WORTHINESS**

Consumers becoming more discerning and showing a willingness to trade-up or trade-down if they feel an alternative product offers better value for money



## **EXPERIENCE SEEKING**

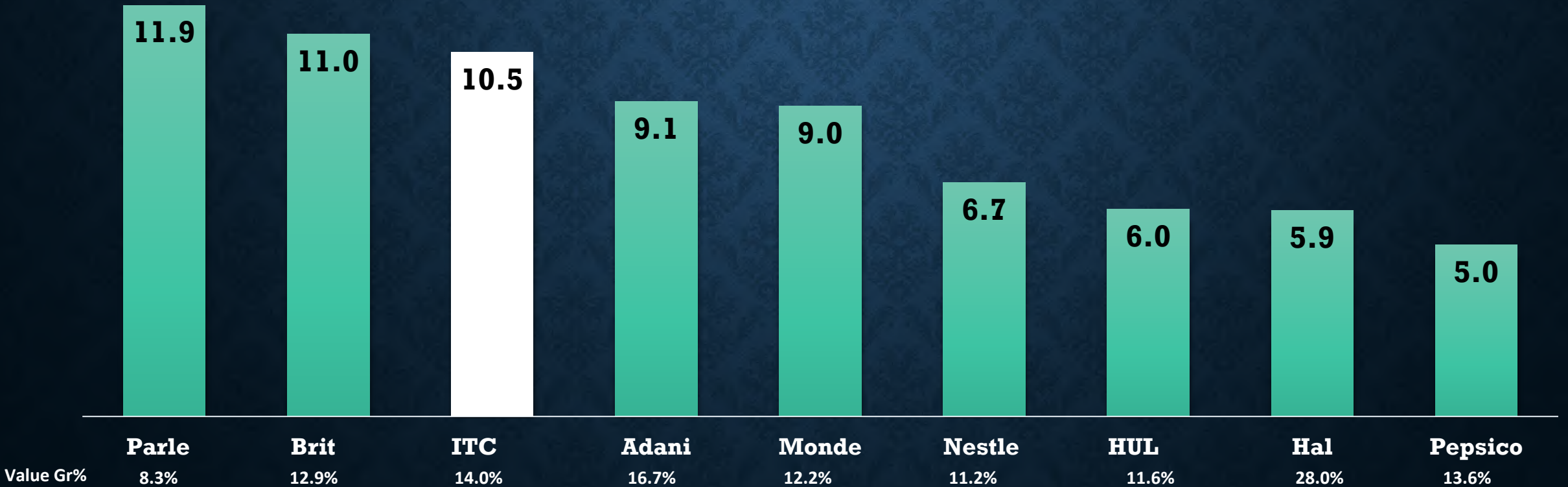
Consumers seeking out products that are novel and unusual, even when buying everyday groceries such as exotic flavours or unique packaging



## **TRUST & AUTHENTICITY**

Focus on full disclosures, ingredients and process information. Building trusted & reliable brands.

# ITC The Third Largest Food Company



Food : Rs. 227,859Cr. YA Growth 15.6%

# ITC Foods: Third largest packaged foods business in the country



**15** Operating F&B categories



**9** Power Brands



**14.7cr** Households use our products



**51 lac** outlets reached

# **Disruption : India's famous consumption story could hit a roadblock...**

*Approx 65-70% Palm Oil consumed Out of Home (OOH)*

## **FSSAI plans colour-coded label for packaged food with high fat, sugar, salt**

Alarmed by rising rates of obesity and diabetes, India has been planning rules from as early as two years ago, requiring food manufacturers to display fat, sugar and salt content on their labels.

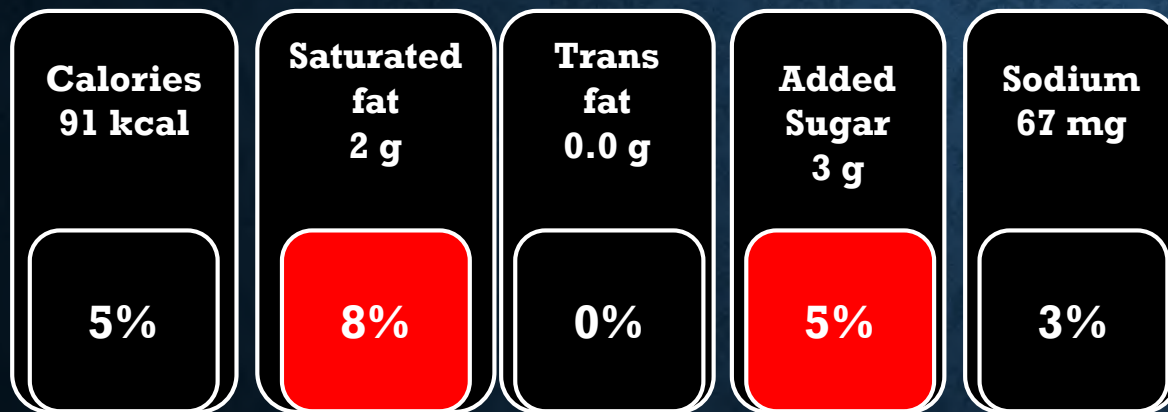
**FSSAI calls for colour-coded labels on products with high fat, sugar content**



# FSSAI : New Regulation: Red Colour Coded HFSS Labelling

“**high fat, sugar, salt (HFSS) food**” means a processed food product which has high levels of saturated fat or trans fat or added sugar or sodium.

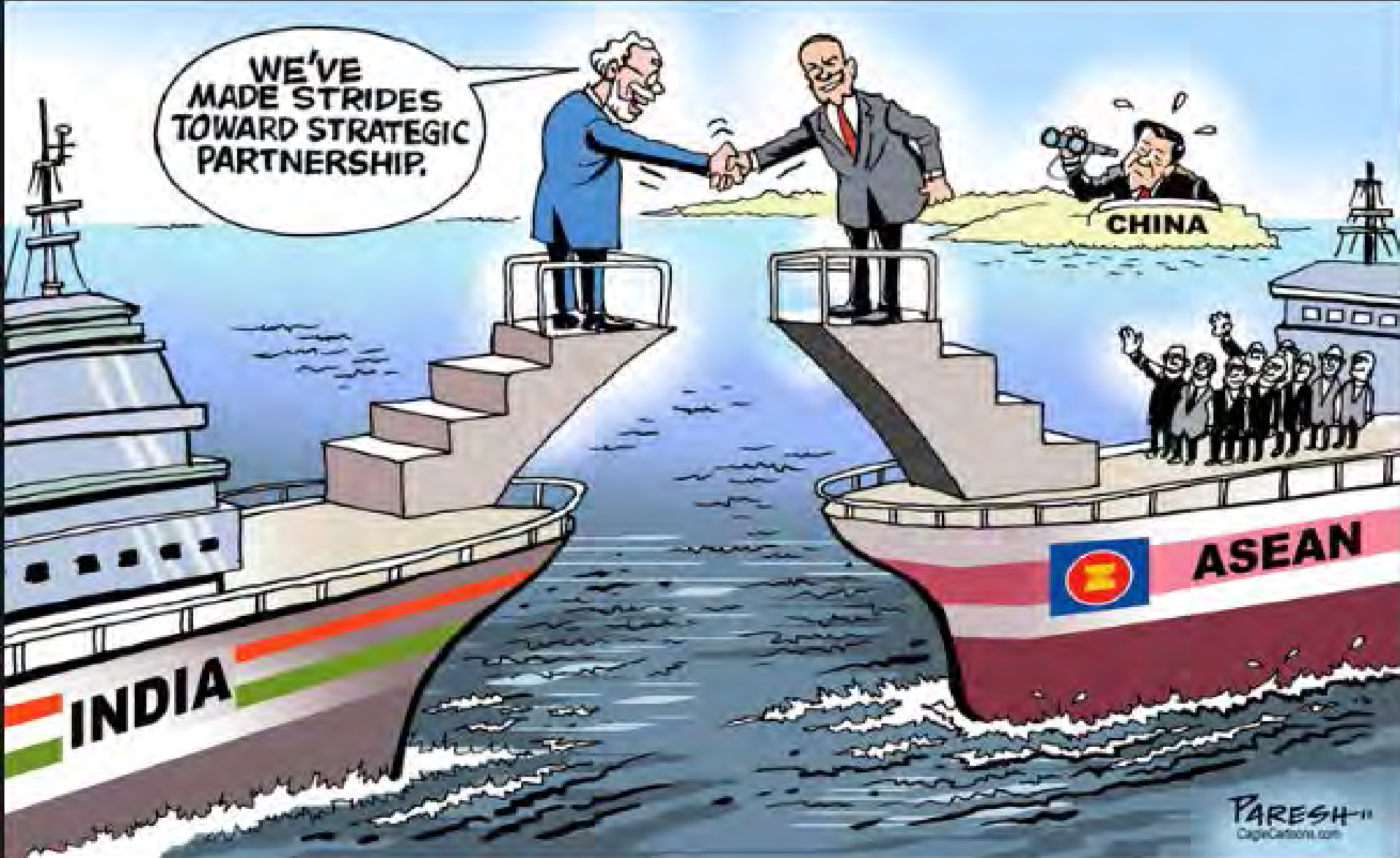
The declared values of these ingredients are such that the product; does not satisfy the value of energy (kcal) from added sugar less than 10 % of total energy, or energy from trans fat less than 1 % of total energy; or has saturated fat or sodium above the thresholds specified.



Calculated based on reference daily energy intake value of 2000 kcal

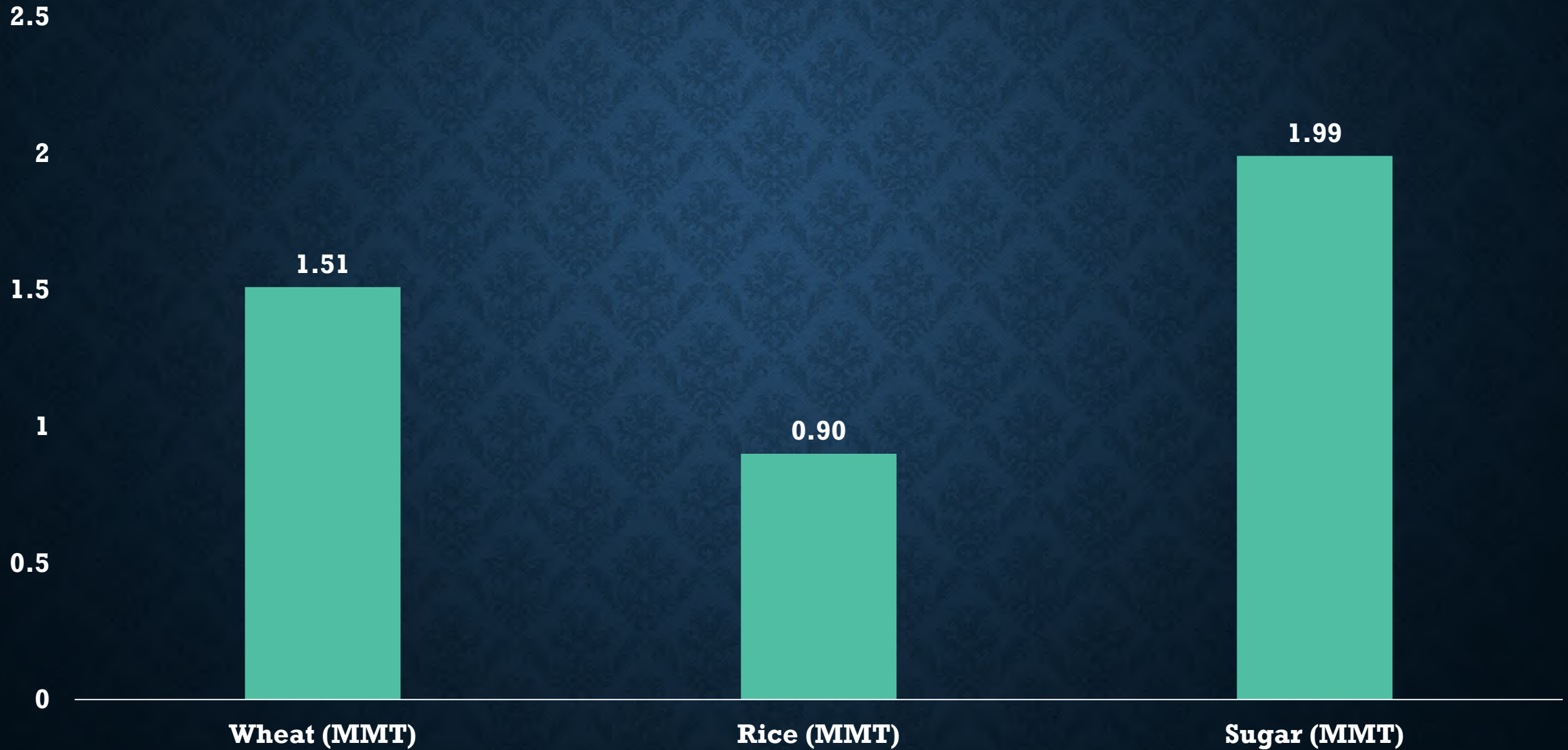
- ❖ Food Authority may introduce **colour coding system in addition to marking of foods as 'Red'**.
- ❖ In premises where the food with red mark is served, message on healthy eating shall be displayed/screened in a manner as may be specified by the Food Authority.
- ❖ HFSS foods **shall not be advertised to children** in any form.

# Balancing the Trade Imbalance





## Imports of Key Commodities in Malaysia (Wheat, Rice & Sugar (MMT))





Wheat  
exporting  
countries to  
Malaysia



Rice  
exporting  
countries to  
Malaysia



Sugar  
exporting  
countries to  
Malaysia





- **Towards Inclusive Growth**
- **India can be potential exporter of Wheat & Sugar to Malaysia**
- **India cannot be considered dumping ground for excess production for palm oil**
- **Sugar Refineries in Malaysia & India Edible Oil Refineries can benefit (Raw Sugar & Crude Palm Oil)**

**THANK YOU**