

Understanding Packaged Food Trends In Asia Pacific

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Presentation Outline

Euromonitor - An introduction

Food Product Coverage

Asia Pacific - Country Coverage

Emerging Food Trends

Food - A Global Overview

Packaged Food Market



Understanding Euromonitor International & It's Definitions

- An Introduction
- Packaged food sectors
- Asia Pacific countries



Euromonitor - An Introduction

Business info provider & analyst since 1972

Regional Offices in London, Chicago, Singapore, Shanghai

Global network of researchers (70+ countries)

Independent & privately owned

Hardcopy report, directories & online systems

Client-driven consultancy projects

Client base:

**International FMCG manufacturers, Retailers,
Packagers, Ingredient suppliers, & Banks/ Consultancies**

Product Coverage - Packaged Food

19 Packaged food categories, 250 sectors:

- Baby Food
- Bakery Products
- Canned Food
- Chilled Food
- Confectionery
- Dairy Products
- Dried Food
- Frozen Food
- Ice-Cream
- Meal Replacement Drinks
- Noodles
- Oils & Fats
- Pasta
- Ready Meals
- Savoury Snacks
- Snack Bars
- Soup
- Spreads
- Sauces, Dressings, Condiments



Country Coverage - Asia Pacific

12 major countries + 33 minor countries:

- China
- Hong Kong, China
- India
- Indonesia
- Japan
- Malaysia
- Philippines
- Singapore
- South Korea
- Taiwan
- Thailand
- Vietnam

NB. Euromonitor has covered Australia & New Zealand separately under Australasia. For list of minor countries, please approach us after conference.

Emerging Trends in Packaged Food in Asia Pacific



1) Convenience

Packaging plays a huge role

- ⇒ Increasing hectic lifestyles
- ⇒ Consumers seeking convenience in all forms (e.g. Shopping habits, Clothing, F&B etc)
- ⇒ Increasing number of individual portions packaged to be consumed on the move or outside the home
- ⇒ Increasing need for packaging that are easy to open and can be re-sealed



Easy to prepare

- ⇒ Rise in easy to prepare food products
- ⇒ Instant soup, greater variety in cup noodles

2) Health



Emphasis on Functional/Fortified Food

- ⇒ Rising consumer health consciousness
- ⇒ Gum fortified with vitamin supplements such as multi vitamins (8 types), royal jelly, blue berry extract, amino-acid
- ⇒ Instant noodles/soup fortified with collagen



Emphasis on ingredients & traceability

- ⇒ Result of food scandals & health crisis
- ⇒ Organic, all natural, additive free
- ⇒ Food safety is a priority

3) Taste

Products with poor taste will not sell

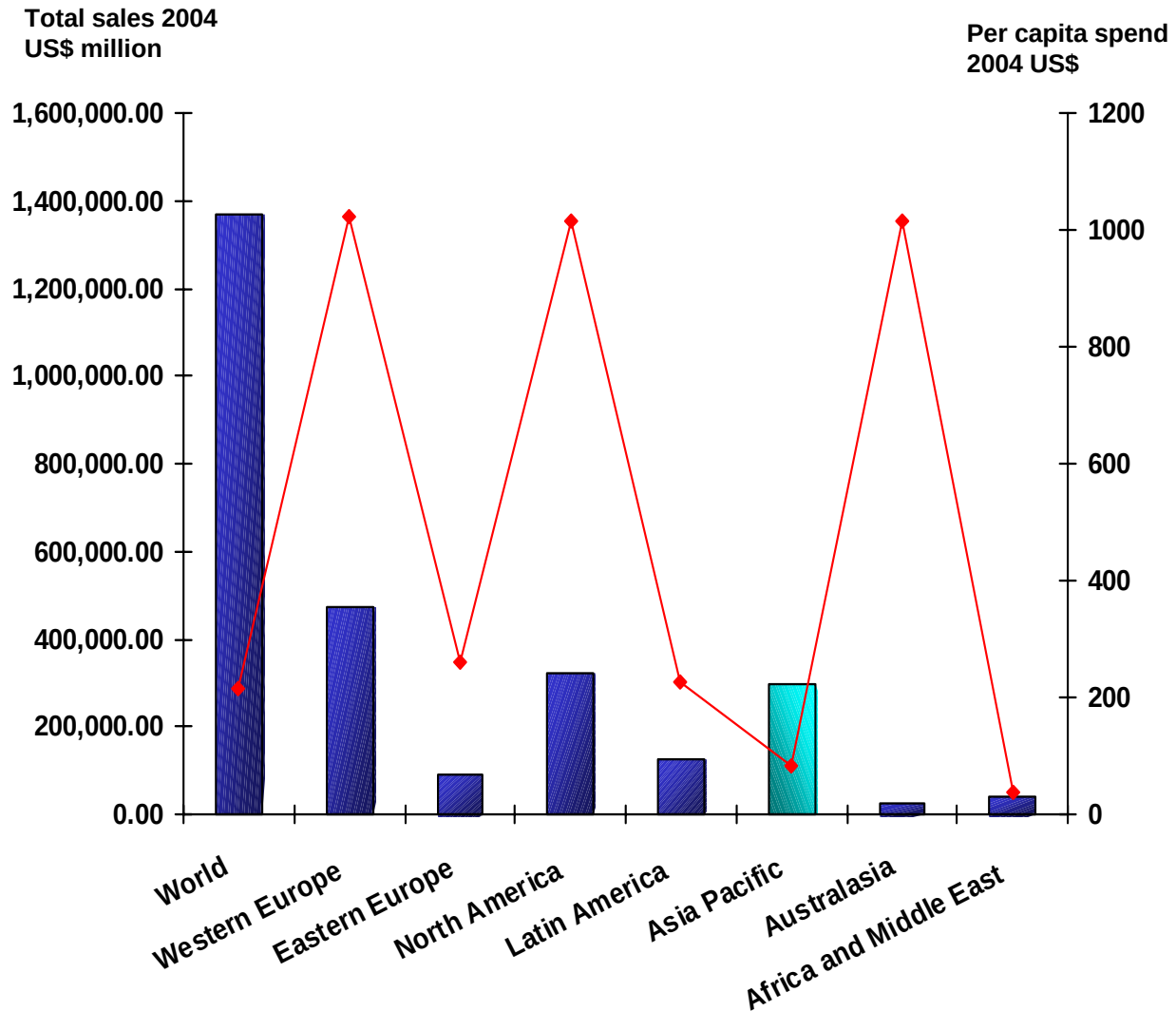
- ⇒ Manufacturers receive support from ingredient suppliers
- ⇒ New flavors developed to make end-product > attractive
- ⇒ Exotic flavors successful as people travel more & want to try new cuisine at home
- ⇒ Adult-oriented flavors play a greater role



Packaged Food Trends In Asia Pacific

- Biggest Sectors
- Strongest Growth
- Key Growth Drivers

Global Packaged Foods Retail Sales 2004



Leading global players:

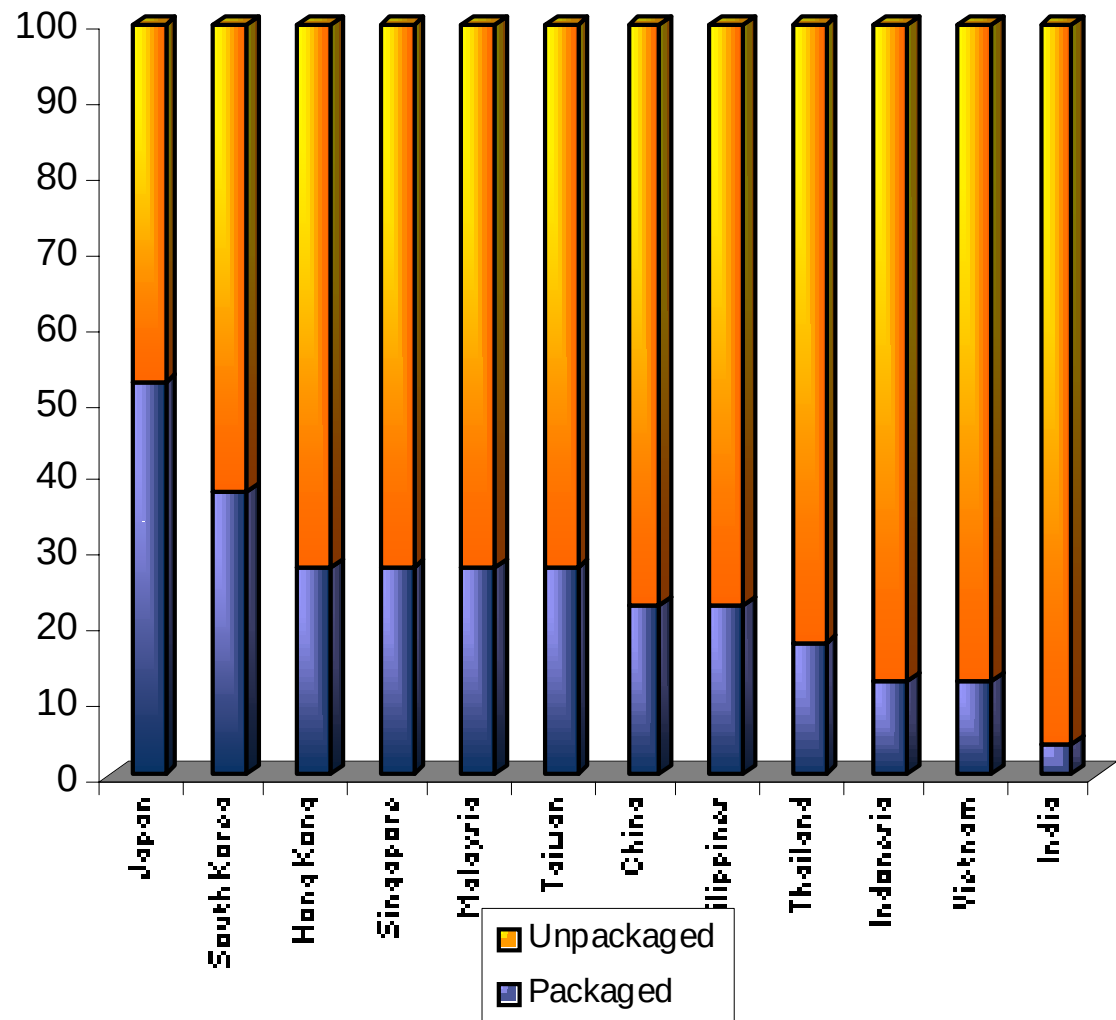
1: Nestlé SA

2: Unilever Group

3: Kraft Foods Inc

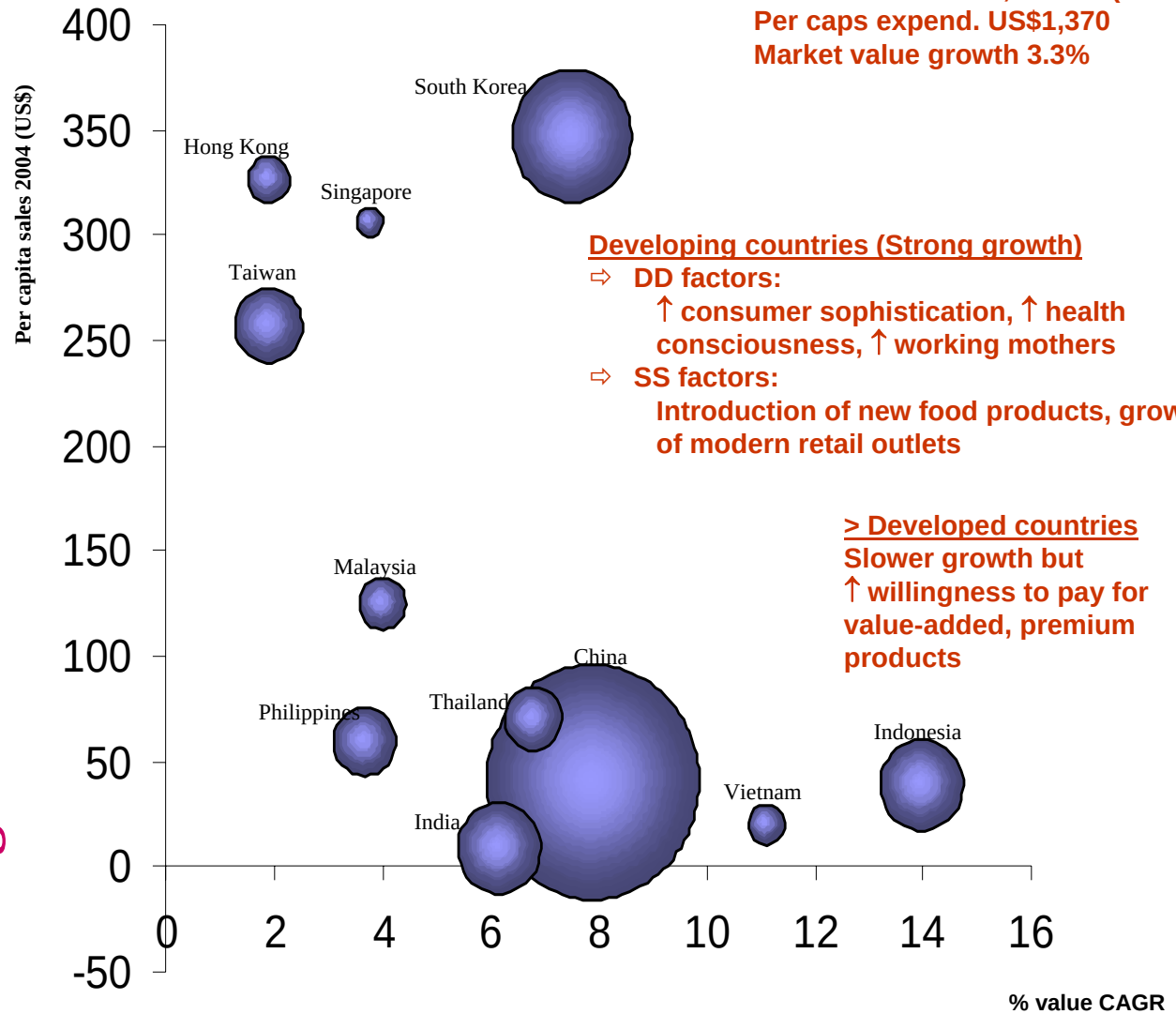
Asia Packaged vs Unpackaged Foods Sales

%value sales



Asia Packaged Foods Sales 2004

Total sales
(US\$ mn) - Retail

Japan:

Total sales US\$170,000 mil (2004)
Per caps expend. US\$1,370
Market value growth 3.3%

Developing countries (Strong growth)

⇒ DD factors:

↑ consumer sophistication, ↑ health consciousness, ↑ working mothers

⇒ SS factors:

Introduction of new food products, growth of modern retail outlets

> Developed countries

Slower growth but
↑ willingness to pay for value-added, premium products

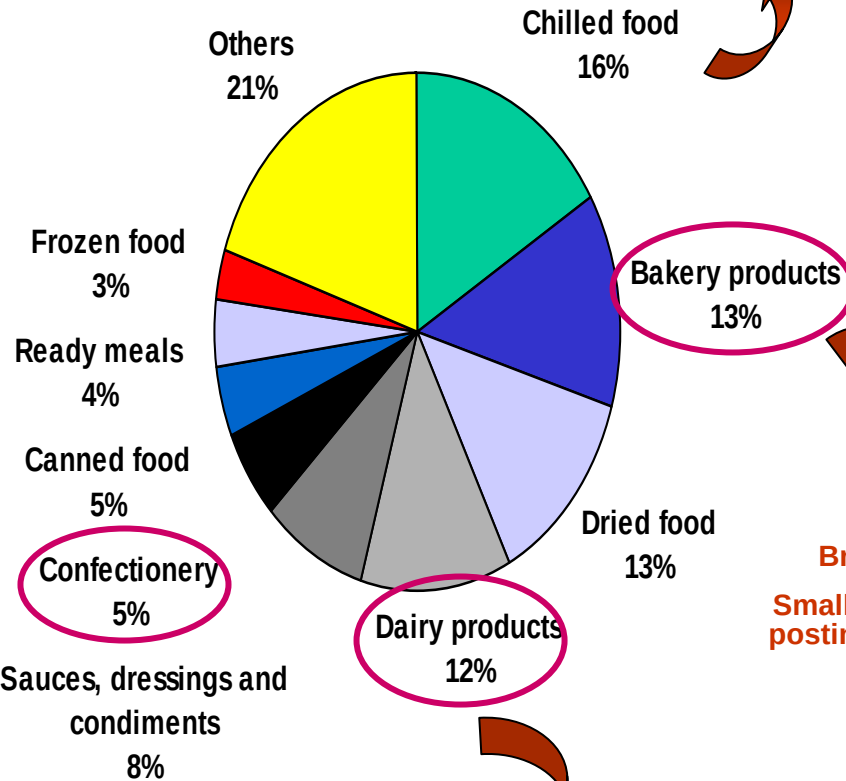
Leading players - Asia

- Nestlé SA
- Ting Hsin International Group
- Lotte Group
- Unilever Group
- Uni-President Enterprises Corp
- Indofood Sukses Makmur Tbk PT
- Kuok Oils & Grains Pte Ltd
- Danone, Groupe
- Seoul Dairy Cooperative
- Nong Shim Co Ltd



Asia Pacific:
US\$297 billion

Mainly processed meats & fish,
concentrated in > developed countries



Breakfast cereals -
Small but dynamic niche,
posting high growth rates

Strong CAGR in
1998-2004 (value) :

Indonesia +17%
Vietnam +12%
India +9%
Philippines +9%

Strong CAGR in
1998-2004 (value) :

Vietnam +16%
Indonesia +15%
China +15%
Philippines +12%

Biggest sectors - Global

- 1) Bakery
 - 2) Dairy Products
 - 3) Chilled Food
 - 4) Confectionery
- accounting for 60% global sales

Packaged Foods in Asia by Type 2004



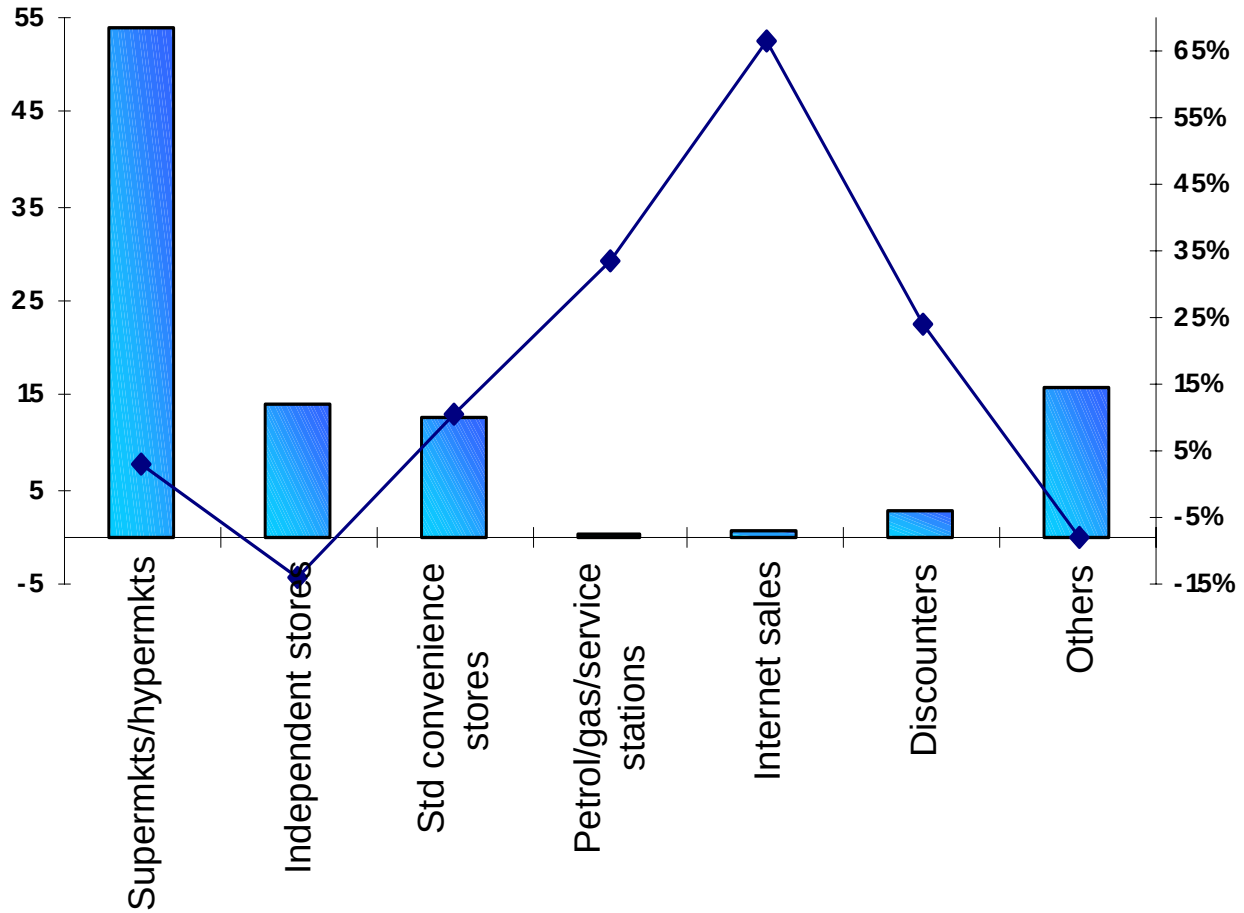
Distribution Trends in Packaged Food in Asia Pacific



Distribution Trends in Packaged Foods

% Value sales
2004

Value growth
2004



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