



Quarter by numbers

FMCG and manufacturer growth
trends around the world

MAT Q2 2021





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MENA Summary



Roshni Sheth
G25 Customer
Success Lead
UAE

Robust outlook is predicted by the IMF for oil exporters in MENA markets, as they stand to gain from higher crude prices. Real GDP is expected to grow at 4% in 2021, as countries recover from the Covid-19 led crisis.

Saudi Arabia has started showing a recovery in FMCG consumption in Q2, 2021. This is backed by growing demand locally, supported by Government initiatives on Job creation, and it's strong measures to restore normalcy back in the kingdom.

In UAE, the recovery is seen coming at slower pace, while FMCG is still seen declining vs last year. With a strong vaccination drive, along with easing travel restrictions, and the upcoming Expo 2021, IMF predicts that UAE will recover faster in H2, 2021.

E-commerce is on the rise in the region, and will influence consumer choices and purchase behavior. Despite increases in discretionary spending in 2021, consumers are expected to continue to be price conscious and mindful of expenses.

SA/SSA performance summary



Mai Shawky
Customer
Success Lead

Short term FMCG value and volume growth witnessed in Kenya and Nigeria in Q2 2021 vs. the past 12 months, with faster growth in value, especially in Nigeria which has grown by 35% in Q2. vs. 18% year on year. This is driven by price increases leading consumers to spend less on non-essentials to sustain their households. Kenya's FMCG value growth on the other side has turned around from a -5% year on year to 18% in Q2, lead by the traditional trade which contributes ~70% of the FMCG sales. Continued growth of online shopping in Kenya and South Africa since the start of the pandemic.

During the same periods, South Africa has slowed down the short term FMCG growth in value (growing by 2%) and volume (growing by 0.7%) driven by traditional trade. The strict lockdown in different intervals throughout the past year in addition to the recent unrest in KZN and Gauteng are likely to affect the retail sector for the rest of 2021.

The unemployment level soared in Nigeria and South Africa, and the investment climate remains tough, however, the GDP growth is slowly recovering to a positive level vs. 2020. The increase in the vaccination level is expected to support the economic recovery especially in South Africa where 11% of the population are fully vaccinated.

FMCG region Africa Middle East topline

MAT latest quarter

13.5% ▲

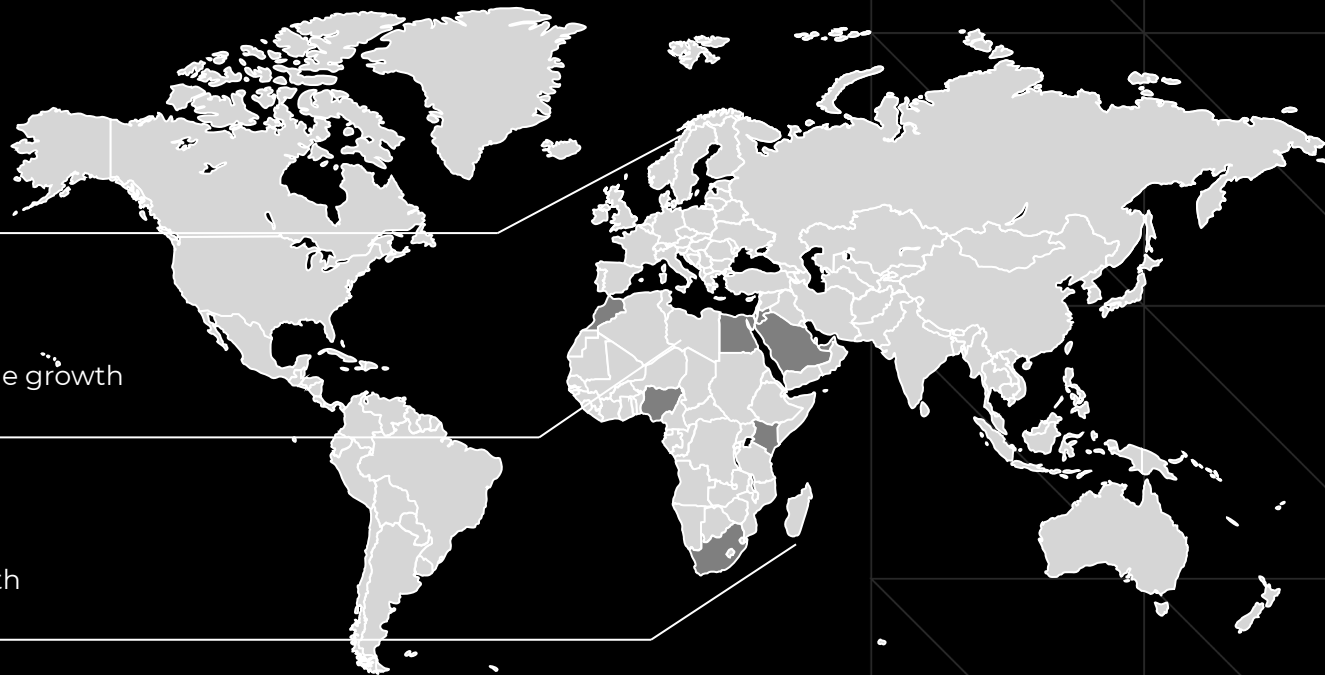
Regional FMCG value growth

0.6% ▼

Regional FMCG weighted volume growth

12.9% ▲

Regional FMCG unit value growth



▲ ▼ Denotes growth faster or slower than MAT previous year

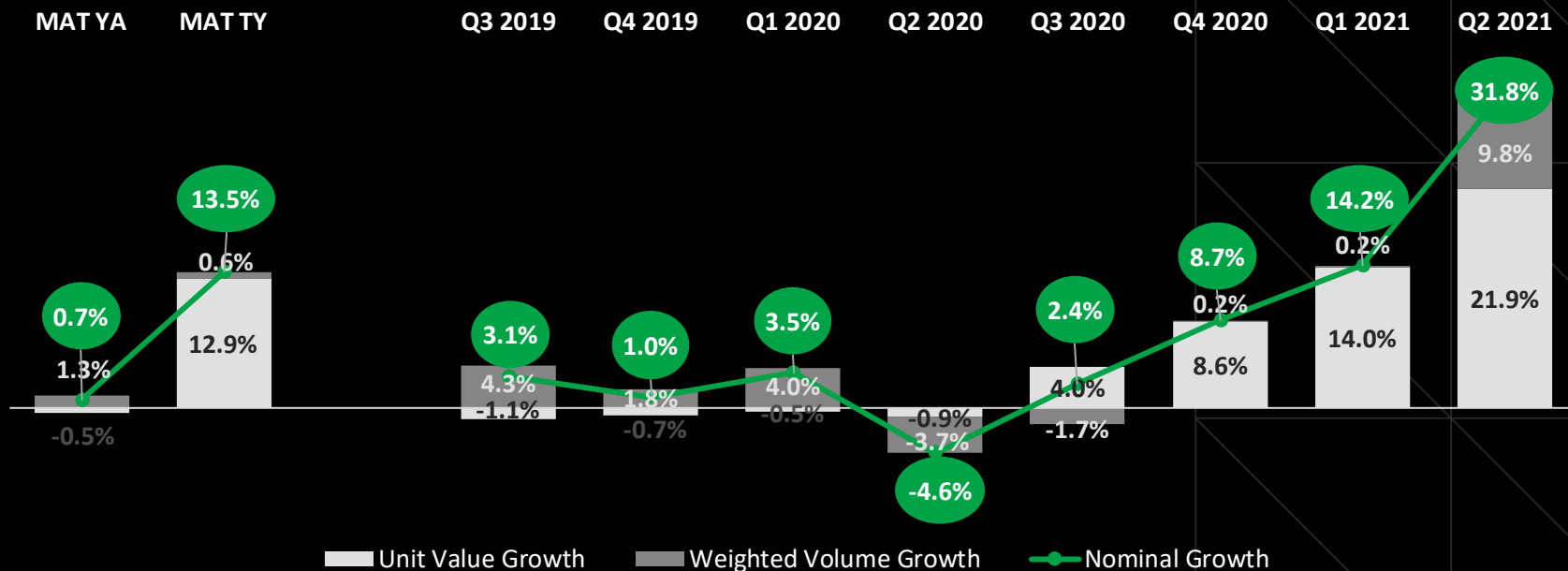
Source: NielsenIQ RMS MAT Q2 2021

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Africa Middle East FMCG growth

FMCG Market dynamics

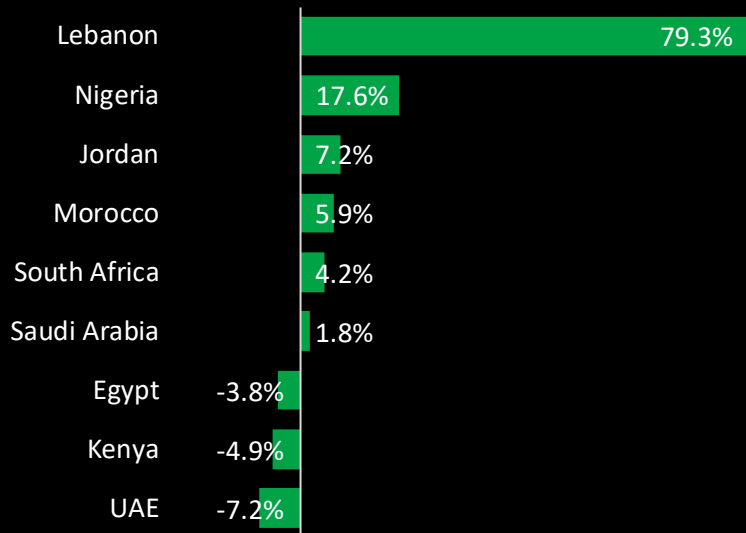
Weighted average



Market growth trends

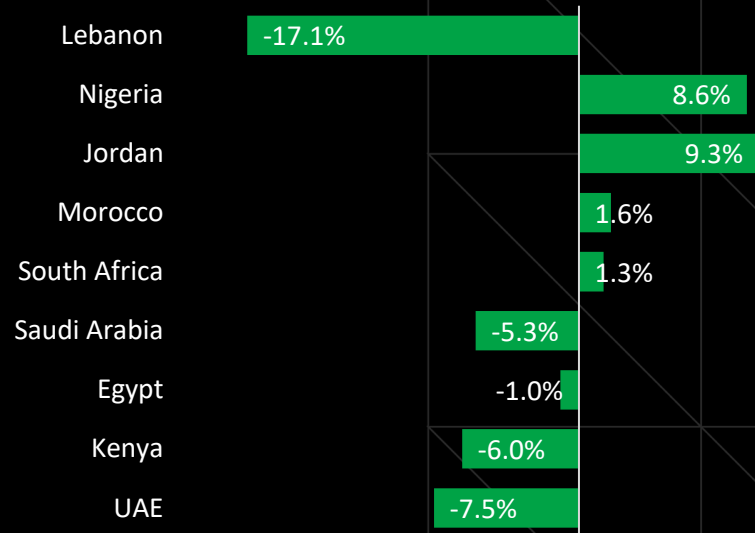
FMCG value growth

% growth vs YA



FMCG weighted volume growth

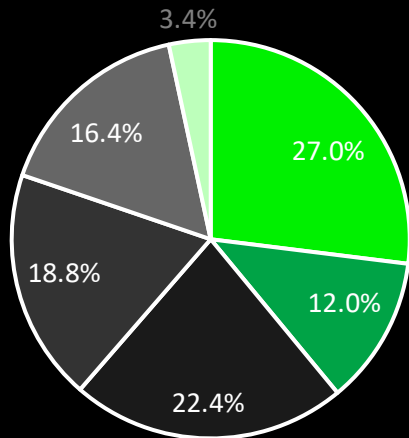
% growth vs YA



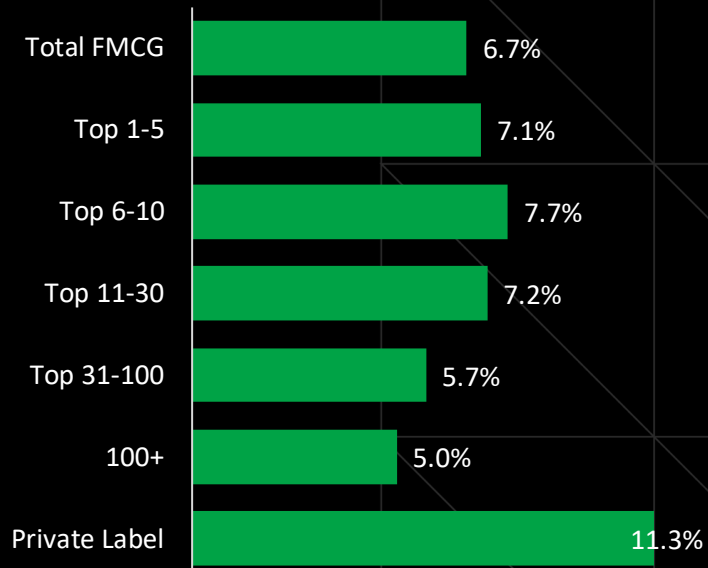
Africa Middle East manufacturer summary

Manufacturer performance

% value contribution and growth vs YA



■ Top 1-5 ■ Top 6-10 ■ Top 11-30
■ Top 31-100 ■ 100+ ■ Private Label



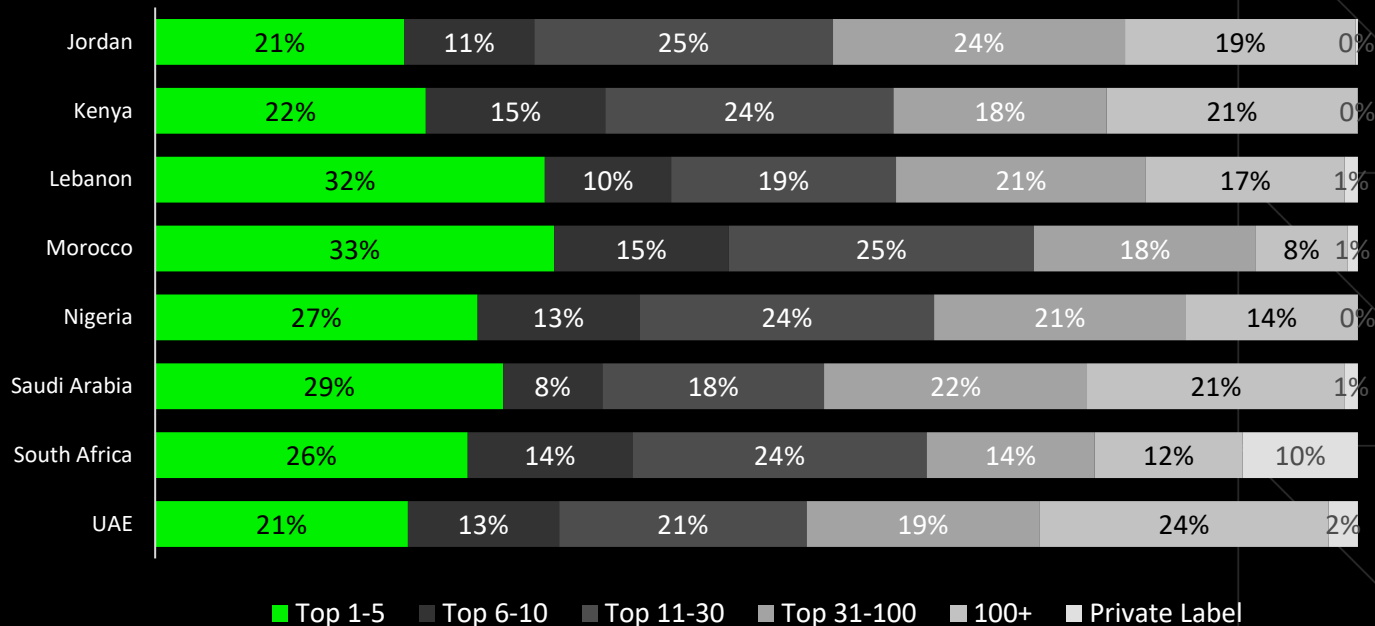
Source: NielsenIQ RMS MAT Q2 2021

Note: FMCG growth rates differ as a result of alternate data sources to deliver FMCG Growth numbers versus Manufacturer performance.

Manufacturer by market

Manufacturer performance

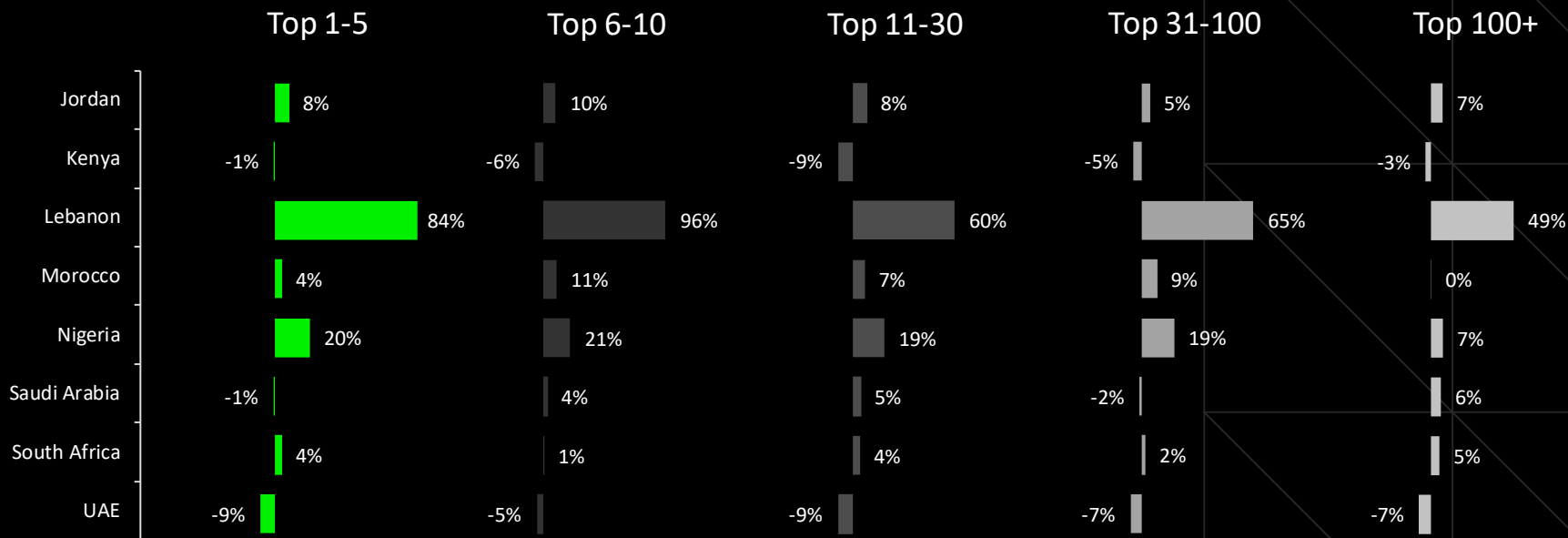
% value contribution



Manufacturer by market

Manufacturer performance

% value growth vs YA





Country highlights

Q2 2021

Nigeria performance summary



Tite

Noserime

Customer
Success & Retail
Vertical Lead,
Nigeria

Nigeria's inflation rate peaked at 18.17% in Q1 2021 before falling to 17.75% in Q2. Gross domestic product (GDP) increased by 0.51% (Year on Year) to N40 trillion, up from N36 trillion in Q1'20, indicating that the economy is slowly recovering from last year's contractions.

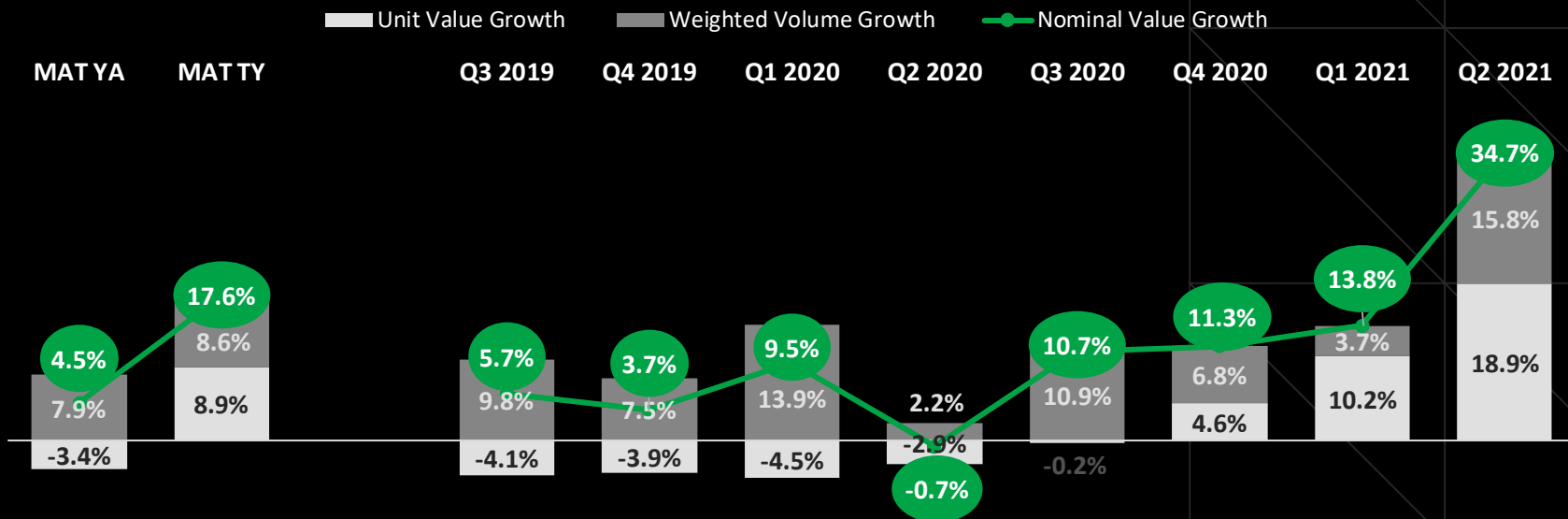
The investment climate remains challenging, worsen by insecurity in various parts of the country. Furthermore, the Naira's depreciation has had a wide-ranging impact. Increases in foreign exchange (Dollars) have a direct impact on the prices of food commodities and market items. Consumers are not as flush with cash as they once were.

As of Q2'21, total FMCG increased by 34.7% in value and 15.8% in volume, owing primarily to price increases. The growth was driven by all sectors, but primarily by the baby care and beverage sector, which saw a share gain while the food sector remained relatively stable. The performance was driven by all channels.

Looking ahead, as the market gradually returns to normalcy following the pandemic, we expect manufacturers and retailers to focus on the right product assortments to avoid out of stock (OOS) issues while ensuring the right trade price that will meet the needs of those consumers who will be forced to switch if prices rise.

Nigeria summary

FMCG market dynamics



Economy watch

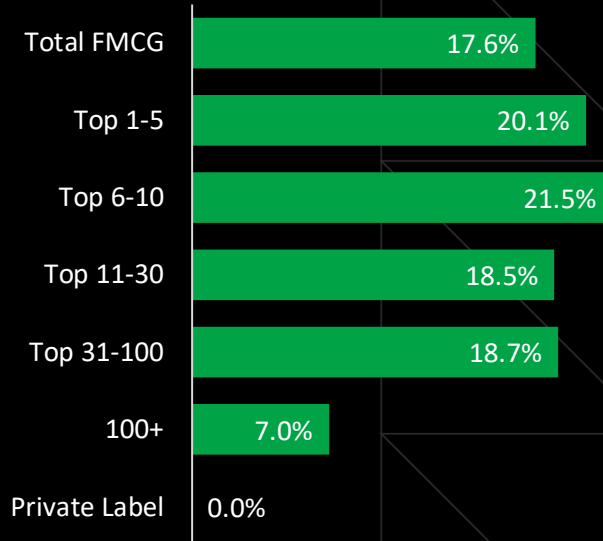
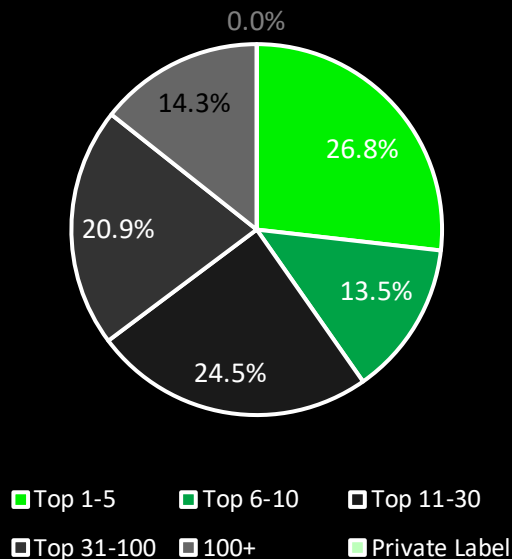
NG	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021
CPI	12.3	12.6	13.7	15.8	18.2	17.8
GDP	-14.3	-5.0	12.1	-0.8	-13.9	N/A

Source: NielsenIQ RMS MAT Q2 2021 | GDP and Inflation EIU forecasts used where actuals not available

Nigeria summary

Manufacturer performance

% value contribution and growth vs YA



Source: NielsenIQ RMS MAT Q2 2021

Note: FMCG growth rates differ as a result of alternate data sources to deliver FMCG Growth numbers versus Manufacturer performance.

South Africa performance summary



**Ushana
Mahadew**
Associate
Director

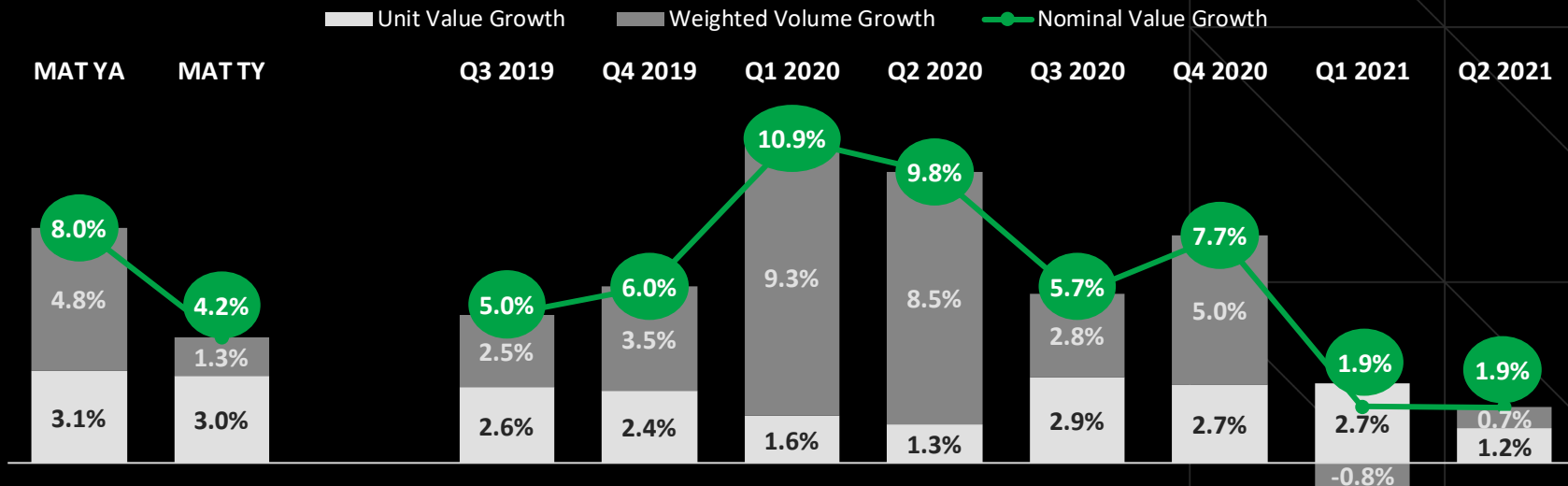
The total South African FMCG basket is valued at R305bn annually, growing at 4,2% in value and 1,3% in volume. Growth slowed down in 2021, driven by declines in Traditional Trade, as a result of strict lockdown measures imposed during the early stages of Covid-19. Modern Trade channels still posted strong growth as sales shifted from Traditional Trade to Modern Trade over the past year.

Consumers also changed shopping behaviour by shopping less frequently this year. This has resulted in consumers not only spending more per trip, but also increasing the value of the total defined basket purchased over the period. A large contribution to the overall increase, is consumers directing more spend to in-home consumption.

South African consumers further struggle as the unemployment rate rises to 34.4% in the second quarter of 2021 from 32.6% in Q1. This is coupled with looting and unrest that took place in KZN and Gauteng during July 2021, which will affect growth in the second half of 2021.

South Africa summary

FMCG market dynamics



Economy watch

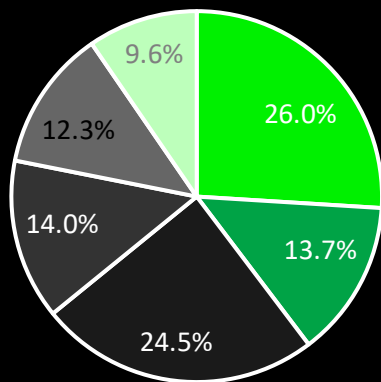
ZA	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021
CPI	4.3	2.4	3.0	3.2	3.1	4.9
GDP	-0.2	-17.5	-5.9	-4.2	-2.7	15.3

Source: NielsenIQ RMS MAT Q2 2021 | GDP and Inflation EIU forecasts used where actuals not available

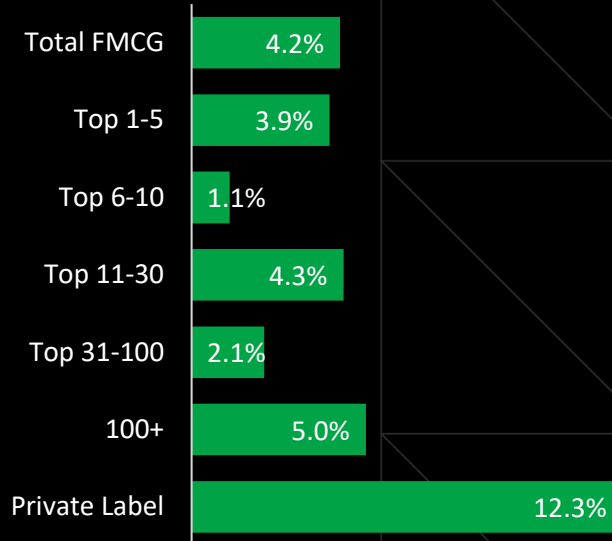
South Africa summary

Manufacturer performance

% value contribution and growth vs YA



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Source: NielsenIQ RMS MAT Q2 2021

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Lebanon performance summary



Elizabeth Ghaly
Customer Success
Analytics Manager
Egypt & Levant

While 2020 has been a rough year for Lebanon in general and for its FMCG market in specific, H1 2021 has shown a slight recovery.

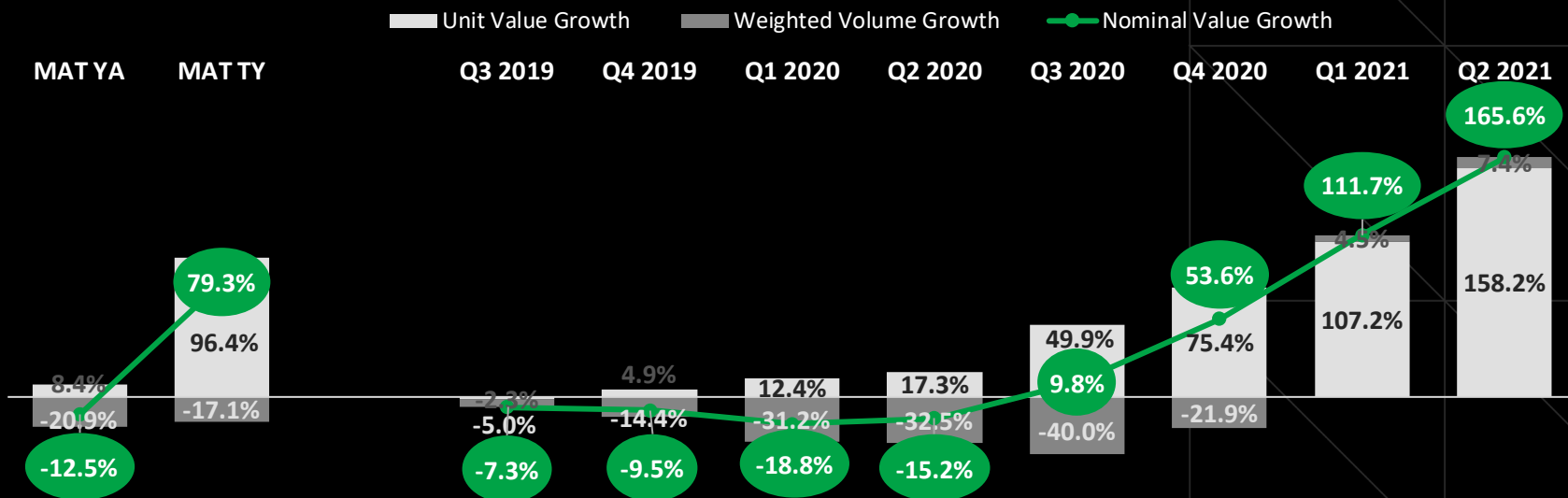
In terms of value growth, Lebanon has shown massive consistent increase driven by hyperinflation, as volumes declined drastically leading to the end of 2020.

Amidst political turmoil, pandemic and hyperinflation, we have seen financial pressures drive major changes in consumers behavior. There has been a shifting focus towards necessities (eg. Rice, paste, cooking oil & hygiene products).

This trend has given rise to local brands, as appealing and affordable substitutes. As a result competitive pricing is becoming key to winning in the Lebanese market at the moment. It is also one of the drivers behind the recent recovery in FMCG volume performance.

Lebanon summary

FMCG market dynamics



Economy watch

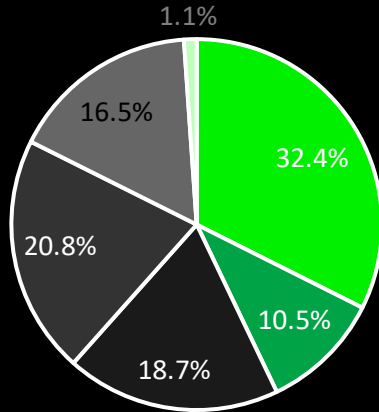
LB	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021
CPI	17.5	89.7	131.1	145.8	157.9	100.6
GDP	N/A	N/A	N/A	-20.2	N/A	N/A

Source: NielsenIQ RMS MAT Q2 2021 | GDP and Inflation EIU forecasts used where actuals not available

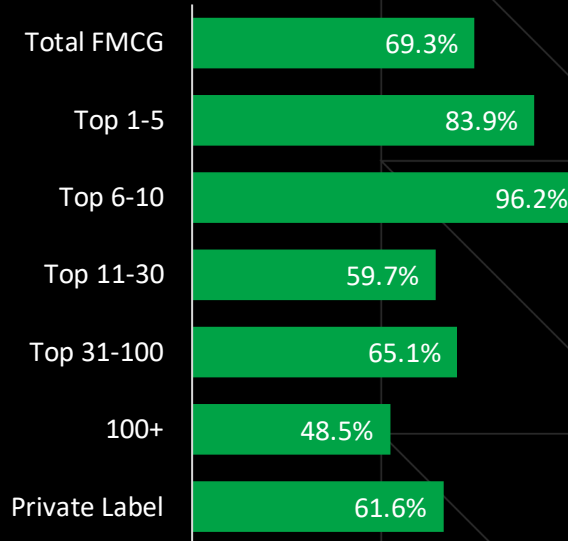
Lebanon summary

Manufacturer performance

% value contribution and growth vs YA



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Source: NielsenIQ RMS MAT Q2 2021

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Definitions and sources

Economy watch

% GDP per annum growth, Inflation, consumer prices % change per annum sourced from Economist Intelligence Unit (EIU) * Marks where economic variables have been sourced from local government figures

FMCG Market dynamics

Compares overall market dynamics (value and unit growth) in the FMCG sector based on the sales tracking NielsenIQ performs in the mentioned markets. The FMCG definition is based on the widest possible basket of product categories that are continuously tracked by NielsenIQ in each of these countries and channels.

Nominal value growth: Percentage change in value sales (expenditures) as measured by the total basket of reported product categories

Volume growth: Percentage change in purchased volume (quantity) of products

Unit value growth (≈ 'price' change): Reflects how consumers experience 'cost of living' in their actual grocery shopping behaviour. Changes in average price per unit may result from:

- Price changes of individual products
- Change in the mix of purchased products
- Channel switching
- Product or channel mix changes may be induced by price change or may just be the result of market dynamics.



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information**



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