



‘Indian FMCGs outdo peers on growth’

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Highlights

- As many as nine out of the ten fastest growing FMCG companies in India are of Indian origin compared to year 2016, a study undertaken by Nielsen, a global information, data and measurement firm, showed.
- Covering April to June 2018 quarter, the study analysed the growth of FMCG (fast moving consumer goods) firms with a turnover of more than Rs.1,000 crore.

Over Coming Hurdles

- The study showed that the segment had overcome demonetisation and GST uncertainties and retail stock levels had bounced back, now standing 10% higher than the pre-demonetisation period.
- There was strong shipment growth on the back of a low base of last year, the study found.
- Retail off take continued to be buoyant with double-digit growth on the back of tailwinds viz. GST rate cuts, strengthening macroeconomics and robust monsoon projections.
- Also, retail stock levels have risen and now stand at higher than pre-demonetisation level; modern trade channels are showing very high growth and rural growth has picked up as cash is back in the market.

12-13% growth in 2018

- Nielsen forecasts the FMCG industry growth in 2018 calendar to be 12-13%, which is closer to the growth range seen in 2017.
- Economic momentum is expected to gather pace through the second half of 2018, benefiting from a favourable economic and policy environment.

Key Trends

Some key trends the study observed were rising contribution of modern trade to sales and the continuing affinity shown by Indian consumers towards brands having ‘natural’ ingredients in their product offering.

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