FMCG PULSE: THE FULL VIEW

By NielsenIQ

Africa Middle East Edition

▲ 38.5%	AME FMCG Value Growth
▼ 2.0%	AME Weighted Volume Growth
▲ 36.5%	AME FMCG unit value growth

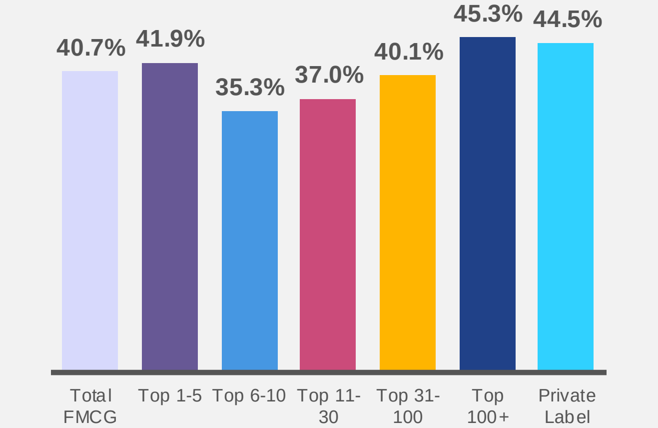
At the close of Q1 2023, the common trend that has been experienced in the Africa Middle East (AME) region is the ongoing impact of inflation on consumer behavior and buying patterns. This is exemplified in markets like Lebanon, Egypt, and Morocco wherein fast-moving consumer goods (FMCG) baskets experienced high levels of value gains, while volumes grew 3–8%. On the other hand, the Kingdom of Saudi Arabia (KSA) and the United Arab Emirates (UAE) markets have witnessed 8% average price increase, but volume consumption is flat. This highlights that consumers are becoming more tactical in their spending amidst inflationary pressures and making their baskets stretch as far as possible.

Africa Middle East FMCG value growth

vs a year ago

Manufacturer performance

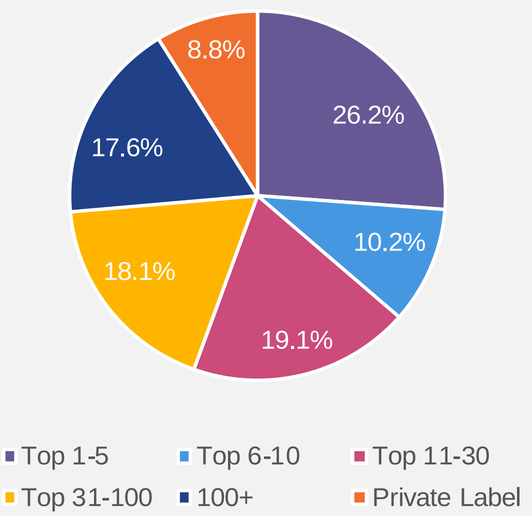
% Growth vs YA (MAT)



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

Manufacturer performance

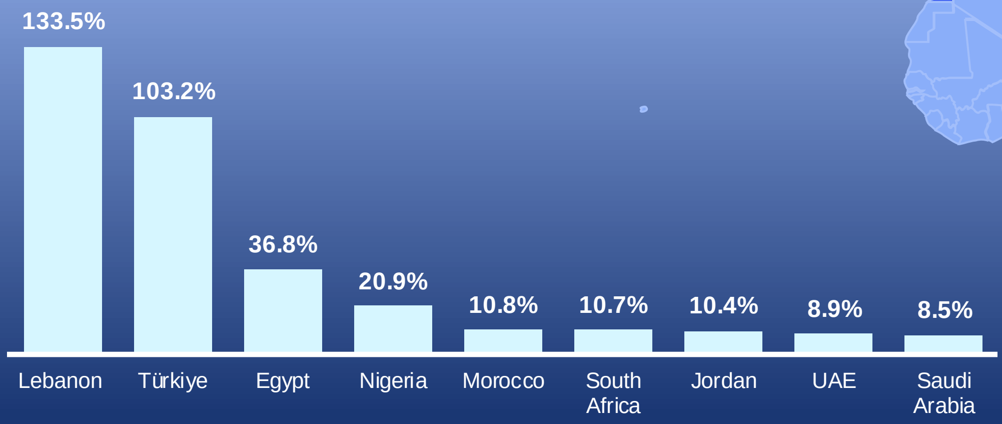
% Value Contribution vs YA (MAT)

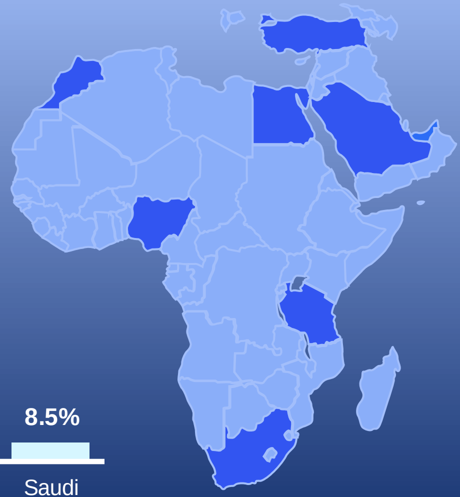


NIQ

Market growth trends

% Growth vs YA (MAT) by market





Country performance

Egypt Overview:

In the Egyptian FMCG market, the value growth amounted to a figure of 45.3% only met by volume growth of 1.2% (compared to 8.7% in Q4 2022). While all baskets are driving the growth in value, the stagnation in volume is primarily driven by the decline in dairy and snacking. However, certain baskets are still demonstrating slight volume increases despite the price hike including ambient food and beverages. Consumers are further adapting with agility to changes; whether it's trading off across price tiers, size tiers, or increasing the frequency of shopping trips versus bulk buying, the Egyptian consumer is becoming more nimble in their choices.

Egypt

% Growth vs YA (MAT)

▲ 7.2%
Weighted volume growth

▲ 29.7%
Unit value growth

▲ 36.8%
Nominal value growth

▼▲ Denotes growth faster or slower than MAT previous year

Country performance

KSA Overview:

FMCG sales in KSA have also shown a nominal growth of 8.5% on a yearly basis ending Q1 2023 compared to the same period last year, driven by both price and consumption increases. The growth is witnessed across all baskets however the impact is higher in dairy, confectionery, and beverages. The FMCG growth is coming from both modern and traditional trade. Groceries were declining post COVID-19, have started recovering since the second half of 2022, and have shown a double-digit growth in the latest MAT (ending Q1 2023). While supermarkets remain the most important channel type, with a 9% growth in MAT Q1 2023 compared to the same period last year.

KSA

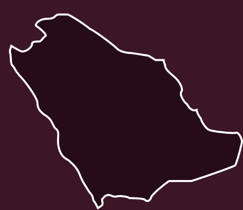
% Growth vs YA (MAT)

▼ 0.4%
Weighted volume growth

▲ 8.2%
Unit value growth

▲ 8.5%
Nominal value growth

▼▲ Denotes growth faster or slower than MAT previous year



Country performance

UAE Overview:

Since Q2 2022, UAE has been showing close to double-digit growth led by both consumption and price increases. As we enter 2023 where last year's high base started to kick in, UAE's FMCG growth continued but at a slower pace of 6.7% in Q1 2023 with 8.9% at Moving Annual Total (MAT). We observed almost flat consumption versus a year ago (0.2%) whereas price increase slowed down and reached 6.9% in the last quarter. In terms of channels, both modern trade (MT) and traditional trade (TT), witnessed a drop in consumption while inflation slowed down in MT at 7.9% (from 9.3% last quarter). On the other hand, TT inflation is low and stable at 3.5%.
Ambient food (10.3%) and snacking (10.1%) are the top 2 fastest growing industries in Q1 2023. In contrast, dairy (3.1%), homecare (3.7%), and personal care (2.3%) became the slowest growing industries with consumption drops. Low single digit growth of these industries is sourced by price increase only.

UAE
% Growth vs YA (MAT)

▲ **0.9%**
Weighted volume growth

▲ **8.0%**
Unit value growth

▲ **8.9%**
Nominal value growth

▼▲ Denotes growth faster or slower than MAT previous year

Country performance

South Africa Overview:

South Africa's FMCG market sees consistent nominal value growth peaking at 13% by Q1 2023 – the highest reported value growth in 8 quarters (since Q2 2021). This is driven by escalating food and non-alcoholic beverage prices, which have seen the highest annual inflation in 14 years (14% MAT this year). Although South Africans are better off financially versus other AME markets, consumer wallets see increased tension as the gap between salary and inflation widens. We expect to see South Africans becoming more tactile: shopping more at stores that reward loyalty (56%), having more shopping occasions at discount stores (49%), and making more bulk purchases (50%).

South Africa
% Growth vs YA (MAT)

▼ **0.6%**
Weighted volume growth

▲ **10.1%**
Unit value change

▲ **10.7%**
Nominal value growth

▼▲ Denotes growth faster or slower than MAT previous year

Country performance

Nigeria Overview:

FMCG growth rate slowed down in value to 16.2% in Q1 2023 (from 20.4% in Q4 2022) while consumption further dropped to 4.2%. On the other hand, price increases sit at 20.3% this quarter. The top growing super categories are Ambient food (27%), personal care (24%), non-alcoholic beverages (18%), and alcohol (15%). Convenience, on-premise, and traditional trade continue to drive the fastest-growing channel performance. Manufacturers will need to continue to invest in serving the fast-changing consumer needs by identifying their needs with better product experience and delivering good value propositions that will satisfy the consumers at the end of the day.

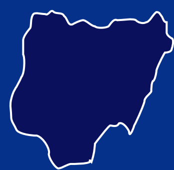
Nigeria
% Growth vs YA (MAT)

▼ **-2.6%**
Weighted volume growth

▼ **23.5%**
Unit value change

▼ **20.9%**
Nominal value growth

▼▲ Denotes growth faster or slower than MAT previous year



AND WHAT ABOUT *YOUR* BUSINESS?

How can we help you?

We know that there is no one simple answer to every question. Tell us what your unique situation and needs are, and we'll work with you to find a solution that makes your life easier.

Ask more information **through this form**

Check **NielsenIQ's Retail Measurement Services** webpage

NielsenIQ

Do you have the *Full View*™?

Definitions and sources

FMCG Market dynamics

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

About NIQ
NIQ, the world's leading consumer intelligence company, reveals new pathways to growth for retailers and consumer goods manufacturers. With operations in more than 100 countries, NIQ delivers the most complete and clear understanding of consumer buying behavior through an advanced business intelligence platform with integrated predictive analytics. *NIQ delivers the Full View*.

NIQ was founded in 1923 and is an Advent International portfolio company. For more information, visit [NIQ.com](NIQ.com)