



Food, Beverages and Tobacco Global Industry Overview

December 2023

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Scope

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GLOBAL OVERVIEW

Food, beverages and tobacco industry is seeing a slowdown due to high costs

China dominates the industry, despite strong growth of Asian countries

Growth of the processing industry boosts costs for developing countries in 2022

Inflation and added value through functionality and health drive profits in 2022

EU countries struggling with exports due to rising production costs and emissions reductions

US and China continue to be the largest importers of food, beverages and tobacco

Key trends

Macroeconomic/Industry trends

LEADING COMPANIES

The top 10 food, beverages and tobacco companies see stable production value

Consolidation of the industry through mergers and acquisitions in large countries

Post-COVID recovery and health trend lead to the proliferation of new small businesses

COUNTRY SNAPSHOTS

China: Slow post-pandemic recovery and low domestic demand hurts the food and beverages industry

Rise of premiumisation in dairy and packaged food in line with rising health concerns

US: Slowing growth in production value due to high costs of production

Commodification of meat and profit losses in the US lead to struggling meat industry

Japan: Weak Japanese yen and sluggish production drive price inflation of imports

Innovation focused on functionality in health given a rapidly ageing population

Indonesia: Food and beverages industry still at nascent stage, but growing strongly

Fluctuating weather conditions are weighing on the food and beverages industry

Brazil: Changing trade patterns and favourable weather conditions are boosting Brazil's meat sector

Rise of premiumisation in the beverages space boosts production and profits

Germany: High costs and sluggish economy lead to deceleration of food and beverages production

Demand for plant-based products remains strong amidst rising environmental and health concerns

India: Climate fluctuations are challenging the food and beverages industry

Food and beverages industry growing due to government support and population growth

Mexico: Appreciation of the peso is negatively impacting food and beverages exports

Health, wellness and functionality are rising in importance among middle and higher-end consumers

Russia: Strong agricultural production helps boost food processing industry

Russia boosts its self-sufficiency through rise in national production

France: Slowdown in production value due to high costs and lower productivity

Wine production is struggling amidst strong international competition and low demand

CONCLUSION

Key findings

Definitions

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