



Unpacking the Drivers of Global Packaged Food Demand

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INTRODUCTION

Why read this report?

Key findings

THE DRIVERS OF PACKAGED FOOD GROWTH

Introduction: The drivers of packaged food growth

What drives demand growth in packaged food?

Population is the most predictable driver, soft drivers are the least

Habit persistence exerts a stabilising effect on long-term growth patterns

How important a role do the drivers each play by category?

POPULATION AND DEMOGRAPHICS

Population is the most stable growth driver for packaged food

Children's food categories face a tough demographic outlook

Permanently low fertility rates will re-shape many aspects of the food industry

The older population, meanwhile, is swelling in size

Children's categories are re-invented to appeal to older demographics

Population growth will present a challenge for volumes indefinitely

GDP AND PERSONAL INCOME

Ice cream and baby food are most reliant on rising personal incomes for growth

Snack foods are noticeably more income-elastic than the other categories of food

This places snacks at highest risk from future recessions

More of future income increases will go towards food than was historically the case

Where does the untapped volume potential for packaged food exist?

PRICES AND PREMIUMISATION

Prices are increasing, putting pressure on premiumisation as a growth driver

Map: Price elasticity of packaged food by country

The impact of rising prices does not fall equally

Commodity price growth will continue in many industries

Product innovation is becoming harder in this new cost environment

Luxury spending will be mostly protected from rising food costs

SOFT DRIVERS

Soft drivers are the most susceptible to sudden shifts

Healthy eating trends are among the more predictable soft drivers

The looming possibility of mass GLP-1 adoption could significantly shift eating habits

"Ultra-processed foods" (UPFs) could move the lifestyle trends or legislative needle

TikTok and the collapse of the traditional trend cycle

FINAL THOUGHTS

Recommendations/opportunities for growth

UNPACKING THE DRIVERS OF GLOBAL PACKAGED FOOD DEMAND

Euromonitor's research spans 210 countries and 99.9% of the world's consumers

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