

China's food and beverage market



Massive market, though care needed to adapt specifically to it

Strengths

- Huge market with overall structural agri-food shortage.
- Imported products often favoured for quality.
- LT tailwinds from urbanization, income increases and westernisation.
- Strong level of e-commerce take-up.

Weaknesses

- Dynamic legislative situation.
- Complex market, products need localisation.
- In reality a collection of different smaller markets.
- Big producer of some F&B products.



Opportunities

- Wide range of opportunities from market size.
- Strong recent focus on health.
- Recent agreement opens door for 96 GIs.
- Foreign friendly e-commerce opening up markets beyond large cities.

Threats

- Strict import requirements subject to speedy change.
- FTAs with multiple other countries, some of which are well established.
- Increasing quantity and quality of domestic production.

Luxury products and meat are notable opportunities



Structural **meat** deficit; pork in particular due to local ASF outbreaks, though other meats are increasingly in demand.



Rapid growing **dairy** market may soon become the world's largest; imported milk, butter and cheese all well regarded.



Though the **wine** market is already big with around 40m regular consumers, it has a lot of room to further grow.

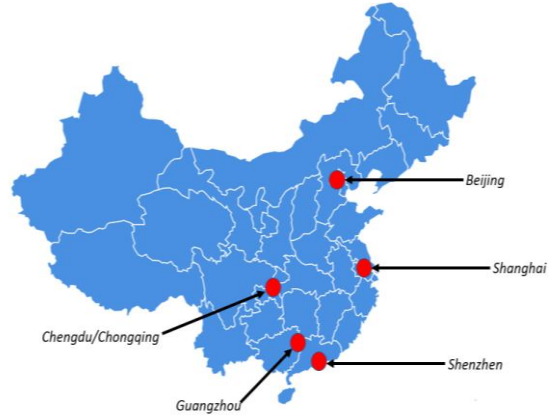


Imported **confectionery** – chocolate in particular – in demand and often gifted due to its premium status.

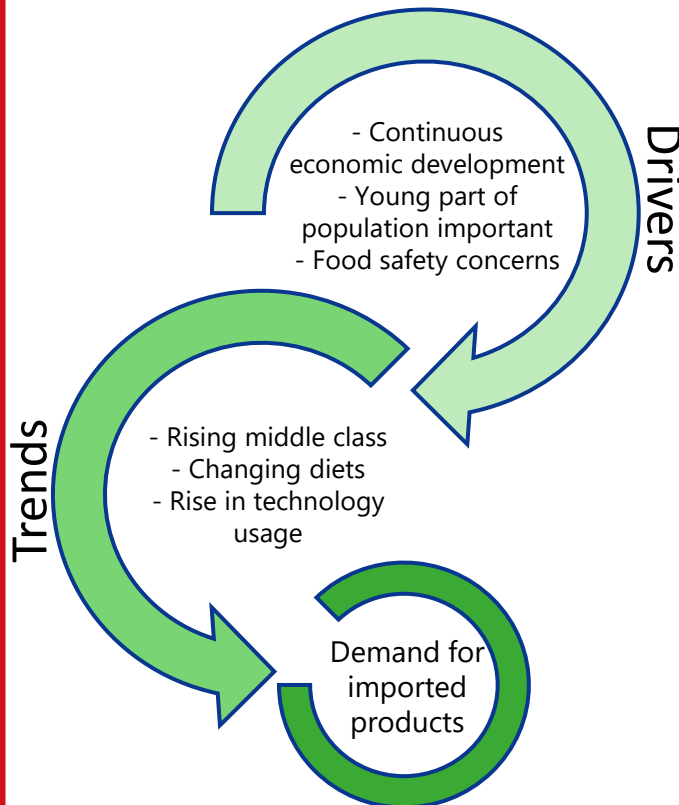


Premium imported **spirits** considered a luxury product / status symbol and hence in high demand.

Costal tier 1 cities and western megaregion especially interesting



Big economic and social tailwinds are changing consumption patterns



Strong opportunities among different mid-to-higher income segments



Young professionals appreciate quality and healthy products.



Middle-aged, higher income consumers think over purchase decisions and like personalisation.



Higher income "sophisticated mums" focus on health, safety and beauty.



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www.agripromotion.eu
October 2021

