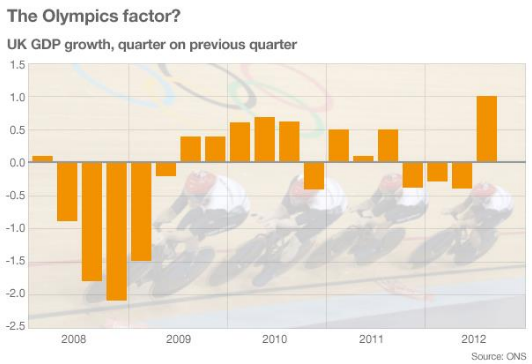
COUNTRY FACT SHEET: # UNITED KINGDOM

General information

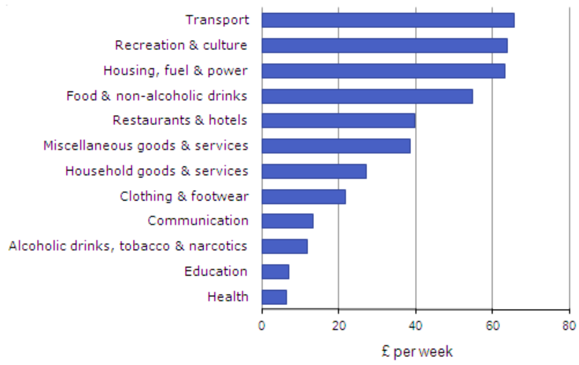
Capital:	London	**Population:**	63.2m (2011)
Surface area:	243,610 km²	**Unemployment rate:**	7.8% (2012)
Official language(s):	English	**Households:**	26.4m (2011)
Currency:	£ Sterling	**Average household size:**	2.29 (2011)
Trading language(s):	English		

Key macroeconomic indicators

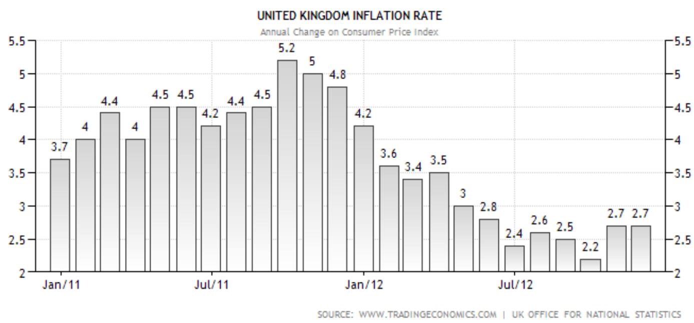
GDP growth



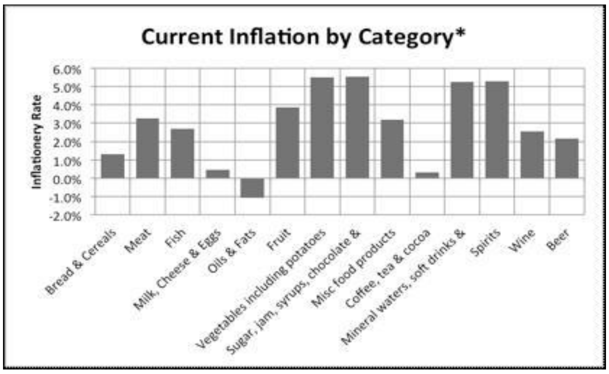
Consumer spending breakdown 2011



UK CPI 2 years to Dec 2012



Food Inflation



Food industry structure

- There are 6,000 food manufacturing businesses in the UK
- Food is the no1 manufacturing sector in the UK with a turnover of £76bn
- The sector invests over £1bn in to R&D resulting in over 8,500 new products in 2011
- Sector is an important trading partner with Europe: exporting over £12bn of food and non-alcoholic drink products a year, 77% of which go the EU

Grocery retail structure

- Supermarkets and superstores the most important format
- Most leading multiples also have hypermarkets but Tesco and Asda account for 80% of these
- 88,441 grocery outlets of which 9,192 hyper, supermarkets and superstores
- Top 5 retailers account for 80%+ of grocery market
- Discount sector relatively unimportant <9% of total market

FEVIA Vlaanderen Federatie Voedingsindustrie

Compiled by Green Seed UK www.greenseedgroup.co.uk
January 2013

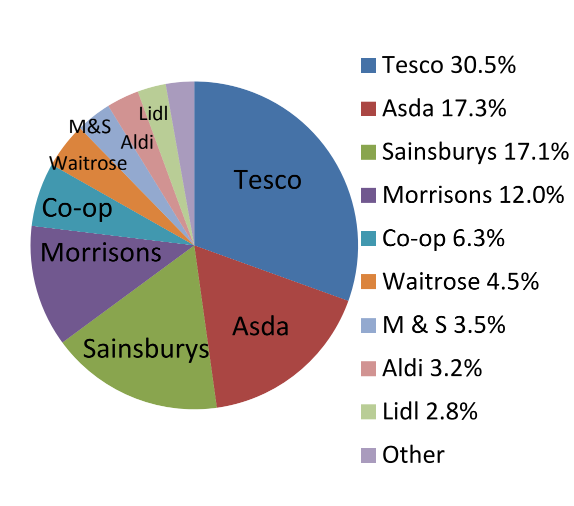
Sources: Food and Drink Federation, Office of National Statistics, IGD, Kantar Worldpanel, Horizons Foodservice
In collaboration with the Flemish government and Flanders Investment & Trade

green seed International Food Consulting

COUNTRY FACT SHEET: **UNITED KINGDOM**

Major grocery retailers

Group	Store No.s Hyp/ SM	Conv Stores	Turnover Grocery £bn	Mkt share (%)	Depots per category	Positioning
A Tesco	917	1834	51.4bn	30.5	8-14	Market leader, mid market
B Asda	598		23.8bn	17.3	5-11	Low to mid market
C Sainsburys	547	432	26.8bn	17.1	5-11	Mid to upper middle market
D Morrisons	473		17.3bn	12.0	4-8	Low to mid market
E Co-op	373	1792	7.3bn	6.3	2-12	Middle market



Foodservice structure

- Total eating out market value £42.8bn in 2011, decreased in value 1.6% over previous year
- Leading players Compass, Sodexho and Aramark for institutions and offices, leisure, events
- Leading restaurant/pub chains include McDonalds, Burger King, Mitchell & Butler, Whitbread
- Leading Specialist wholesaler/distributors to foodservice are Brakes and 3663

Main food shows

- IFE, Excel London, March 2013, leading trade show in UK , every 2 years attracting retail and foodservice trade from UK and also international markets)
- Food and Drink Expo, NEC Birmingham, February 2014, including Convenience retailing and Meatex exhibitions.

Main trade magazines

- The Grocer, published by William Reed, weekly Title, editing house, circulation 30,397, grocery retail sector
- Caterer and hotelkeeper, 2 weekly title, published by Travel Weekly, 20,431 circulation, foodservice sector
- Convenience Retailer, published by William Reed, 45,057 circulation, convenience retail sector

Consumer behaviour today & expected food trends – Opportunities for Flemish food exporters

- Health and wellness - consumer concern for overall diet, rise in free-from foods, expectation of 'clean label'
- Convenience part of the UK grocery DNA – constant innovation esp in chilled ready meals and snacks.
- Ethical shopping increasingly important: animal welfare issues, Fairtrade sales increasing even during recession
- Cosmopolitan tastes of UK consumers – eager to try something new and authentic specialities
- Private label highly segmented offering shoppers options by price and quality. Not viewed as inferior to brands
- Out of home eating occasions increasing slightly, but spend down due to heavy promotions

EVALUATION OF MARKET AND OPPORTUNITIES

- Large, sophisticated and attractive centralized grocery retail market with strong innovation focus
- Significant volume opportunities in big multiples + niche potential with smaller players eg Waitrose
- A market where value is determined as much by quality as price Retailers and consumers very open to international products which add value to the category and bring a point of difference
- UK operates under EU food law. There are occasional differences in labelling requirements/permitted ingredients which need to be checked. VAT applies on only some foods
- BRC certification a must for private label suppliers

FEVIA Vlaanderen Federatie Voedingsindustrie

Compiled by Green Seed UK www.greenseedgroup.co.uk
January 2013

Sources: Food and Drink Federation, Office of National Statistics, IGD, Kantar Worldpanel, Horizons Foodservice
In collaboration with the Flemish government and Flanders Investment & Trade

green seed International Food Consulting