



China

COUNTRY FACT SHEET:

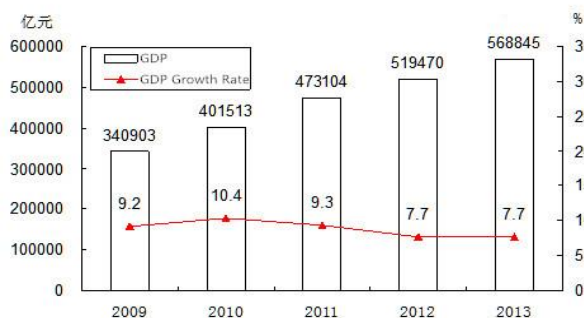
General information

Capital: Beijing
Surface area: 9,569,901 sq. km
Official language(s): Chinese
Currency: CNY
Trading language(s): Chinese

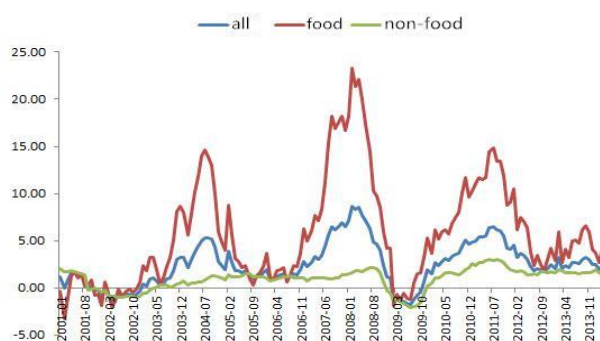
Population: 1.36 billion (2013)
Unemployment rate: 4.0% (2013)
Households: 401 517 330 (2011)
Average household size: 3.10 (2011)

Key macroeconomic indicators

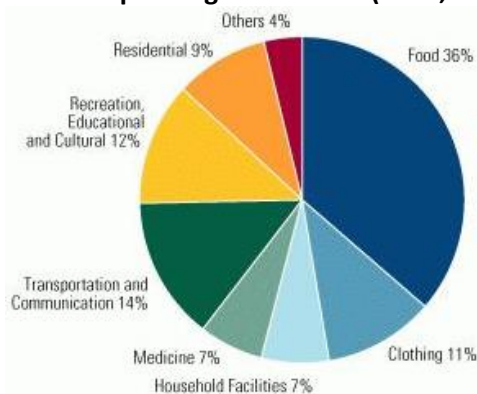
GDP growth (+7.7%, 2013)



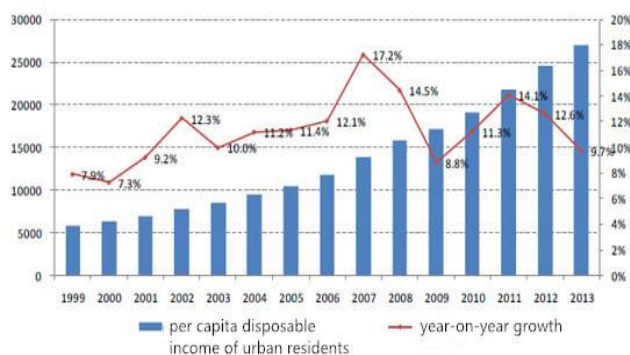
Consumer inflation



Consumer spending breakdown (2011, in %)



Purchasing power



Food industry structure

- 2013: the turnover of the sector amounted over 10 trillion CNY (+9.1%): N°1 industry in China
- 400 000 Businesses – 97% of which are SMEs, 6 740 000 employees, 7 696 green food companies
- China is the biggest food and grocery retail market in the world (surpassed USA in 2011)
- Chinese total food imports and exports amounts to 153.16 billion USD (+8.1%) in 2013

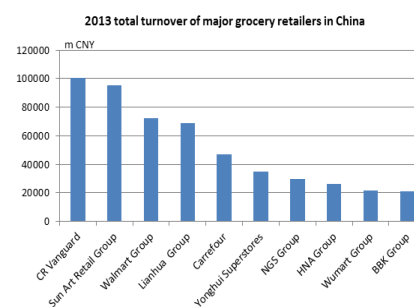
Grocery retail structure

- Total retail sales of consumer commodities: +13.6% to reach CNY 20.8988 trillion in 2013
- Market Share (July 2014): Sun Art Retail Group (9.4%), Walmart Group (6.8%), CR Vanguard (6.6%), Carrefour (4.6%), Bailian Group (includes Lianhua) (4.3%)
- These 5 main players control 30% of overall value sales of grocery retailers, and market share is quite different in North, East, West, South China
- Turnover rapidly increases in online shops as consumers looking for convenience and cheapness when purchasing groceries
- Total online sales of food products in 2013 reaches CNY 32.4 billion (+47.9%), with 44.95 million buyers (+12.0%), in which imported food becomes the most popular category (12.95% of the total sales).



Major grocery retailers

Group	No. of stores	TOTAL turnover in China (in m CNY)	Sales growing rate (%)	Outlets growing rate (%)	Positioning
A CR Vanguard	4637	100 400	6.7	4.8	Very diversified network in the national range
B Sun Art Retail Group	323	95 211	10.0	18.3	RT-MART : Price – second & third-tier cities Auchan: Quality – middle class
C Walmart Group	407	72 215	24.5	3.0	Price – saving
D Lianhua	4600	68 818	0.2	-3.4	Great chain network
E Carrefour	236	46 706	3.2	8.3	Price – value



Main food shows

- SIAL China in Shanghai, each year in May, biggest international food trade in Asia
- IFE in Guangzhou, once or twice a year, high-end food trade
- INIE in Beijing, each year in October, nutrition and health care food service

Main trade magazines

- *China Food News*: daily – food industry – circulation 200,000 copies
- *Science and Technology of Food Industry*: monthly – food industry – circulation 40,000 copies
- *Supermarket Weekly* : weekly – retail and chain industry – circulation 150,000 copies
- *China Business & Trade*: every ten days – national level and international platform – circulation 160,000 copies

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

- **Safety** is a key concern. Consumers are now eager for products made of real and fresh ingredients, without pollution and excessive amounts of chemicals
- **Nutrition and health food industry** for the first time has been included in the 12th Five-Year Development Plan for the Food Industry and is worth more than 600 billion CNY in 2012 with an average annual growth of 20%.
- **Convenience**: fast food, instant noodle, lunch box and etc. are well adapted to the current fast-paced life. Convenience is an in-depth trend which can revolutionize a market, and will perform better if turns out healthier.
- **Imported products** are a growing trend. Most of the hypermarkets and supermarkets have special region for foreign food, and grocery retailers in China (Shanghai) Pilot Free Trade Zone are filled with customers rush for imported fruits and seafood.
- **Green market** includes green food, organic food and non-pollution food, reaches 362.5 billion CNY in 2013 and is still growing.

Online buying becomes popular along with the blossom of e-commerce.

EVALUATION OF MARKET AND OPPORTUNITIES

- China is one of the largest food markets in the world
- Food safety is now one of the key concerns within Chinese society
- Chinese buyers are open to products from abroad for better safety, quality and taste
- Huge potential in online retail, while physical retail turns out with meager profit, and grocery retail market share is relatively decentralized
- National law applies + regional rules which regulates relationship between retailers and manufacturers