

# The Indian FMCG sector – Q4FY25

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The FMCG sector in India saw improving economic conditions and uptick in volume, with revenue growth expected to reach double digits by the first H1FY26<sup>2</sup>



Projected market size FY21-27<sup>1</sup>

INR 54 tn

Volume growth in Q4FY25<sup>2</sup>

5.1%



Value growth in Q4FY25<sup>2</sup>

11%



Increase in price in Q4FY25<sup>2</sup>

5.6%

## Segmental performance

Volume growth slowed down in Q4FY25 and consumers preferred smaller packing, amid inflation and cutback on discretionary spending

Q4FY25 volume growth (Q-o-Q)

Urban<sup>2</sup>  
3% down 2.4% from Q3FY25<sup>2</sup>

Urban slow down persisted and rural demand declined on Q-o-Q basis

Rural<sup>2</sup>  
8% down 1.5% from Q3FY25<sup>2</sup>

Food<sup>2</sup>  
5% Down by 2.1% from Q3FY25<sup>2</sup>

Consumption of food slowed down on account of decreased volumes in staples

Traditional trade<sup>2</sup>  
6% up 1.2% on Y-o-Y basis<sup>2</sup>

Key growth factors<sup>1</sup>:

- Favourable monsoon forecast
- Revised tax slabs
- Consumption likely to pick up in upcoming quarters.

## Trends

Increase in consumer confidence in Mar'25<sup>3</sup>

95.5

Increased by 1.8 points from Jan'25<sup>3</sup>

FDI received between April 2000-June 2024<sup>1</sup>

INR 1.1 tn

For food processing industry

Government interventions to drive growth<sup>1</sup>

INR 109 bn

Union budget approved for 2026-27 for food processing

E-commerce channels growth<sup>2</sup>

13% Growth in Q4FY25

Drive by increasing online shopper penetration and increasing basket sizes

## Challenges

High food inflation and a surge in cost of living<sup>2</sup>

Impacting urban growth

Although demand to pick up in next four to six quarters

E-commerce accounting for<sup>1</sup>

17% (as of Feb'25)

of the overall FMCG consumption which is giving competition to offline sales and traditional players

Brand consciousness leading to:<sup>1</sup>

Increasing competitiveness

As consumer expectations continue to evolve

Preference towards<sup>2</sup>

Smaller unit packs as economical alternatives

A higher unit growth than volume growth

## Performance snapshot

## Outlook

## Key takeaways



Revised tax slabs to drive growth<sup>2</sup>



Consumption patterns to pick up in upcoming quarters<sup>2</sup>



Urban demand to pick up in next four to six quarters<sup>2</sup>



Favourable monsoon expected<sup>2</sup>



Consumer-driven revenue growth expected<sup>1</sup>



Higher product prices, especially for essential goods<sup>1</sup>



Rural markets outpaced urban growth<sup>2</sup>



Cutback on discretionary spending<sup>2</sup>



Consumer insights and communication driven strategies<sup>1</sup>

Source: 1) FMCG Industry in India, IBEF, January 2025; 2) EMIS reports accessed on 3 June 2025; 3) RBI Official website

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