

# FMCG Industry Optimistic About Double-Digit Growth in 2024 Despite 2023 Challenges

The Fast-Moving Consumer Goods (FMCG) industry in India is gearing up for robust double-digit growth in 2024, as it anticipates a rebound from the challenges faced in the outgoing year. A combination of weaker-than-expected festive demand, rainfall deficits impacting rural growth, unseasonal rains affecting beverage sales, and elevated commodity prices made for a challenging market landscape in 2023, despite visible signs of recovery.

The FMCG sector, which holds significant growth potential in the emerging market of India, is optimistic about the year ahead. Various factors, including an upswing in rural demand, higher volumes, and favorable commodity prices, are expected to drive volume-led growth in the new year.

“We expect the demand situation to improve as we enter the next financial year. We anticipate FMCG players increasing the pace of innovation and premiumization, along with substantial investments in expanding the quality of rural distribution,” remarked Saugata Gupta, MD, and CEO of Marico.

Analysts predict an expansion of profit margins for FMCG players, as a softening of commodity inflation is likely to prompt increased spending on branding, the return of promotional schemes for consumers, and higher dividend payouts to shareholders. FMCG companies are expected to pass on the benefits of moderation in key commodity prices to consumers through price cuts or increased product quantities.

Moreover, a faster growth trajectory is expected in premium and large pack sizes, driven by a stronger urban market and modern trade channels. Analysts also foresee double-digit growth for the sector with higher volumes, market share gains, and increased rural penetration, particularly with the resurgence of popular price packs that gained prominence during periods of high inflation.

As the FMCG industry looks ahead to 2024, stakeholders express optimism about a positive turnaround, setting the stage for accelerated growth and market resilience.

Reference: <https://agronfoodprocessing.com/fmcg-industry-optimistic-about-double-digit-growth-in-2024-despite-2023-challenges/>.