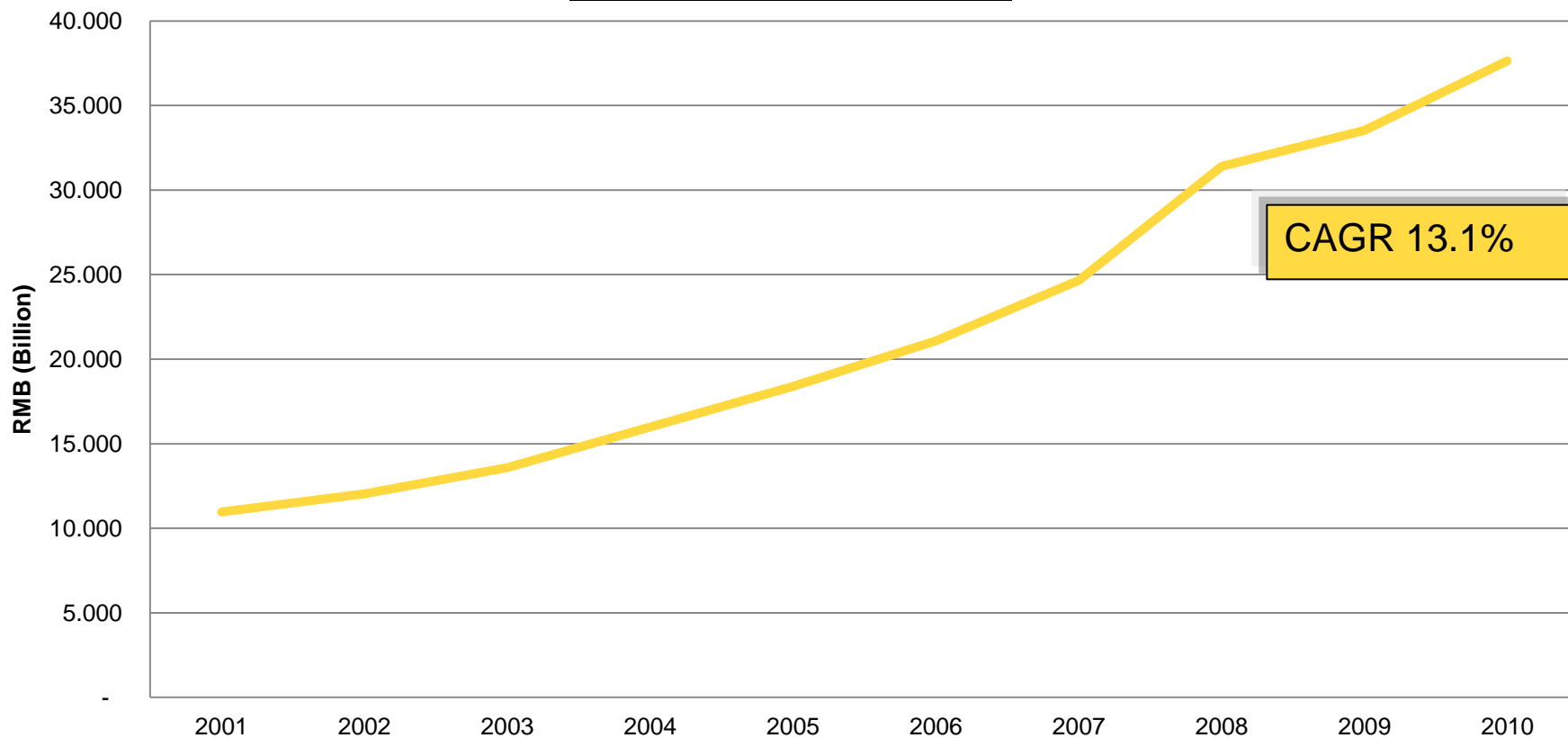


# China Market Trends



**Groundfish Forum – Barcelona, 2011**

## China GDP 2001-2010

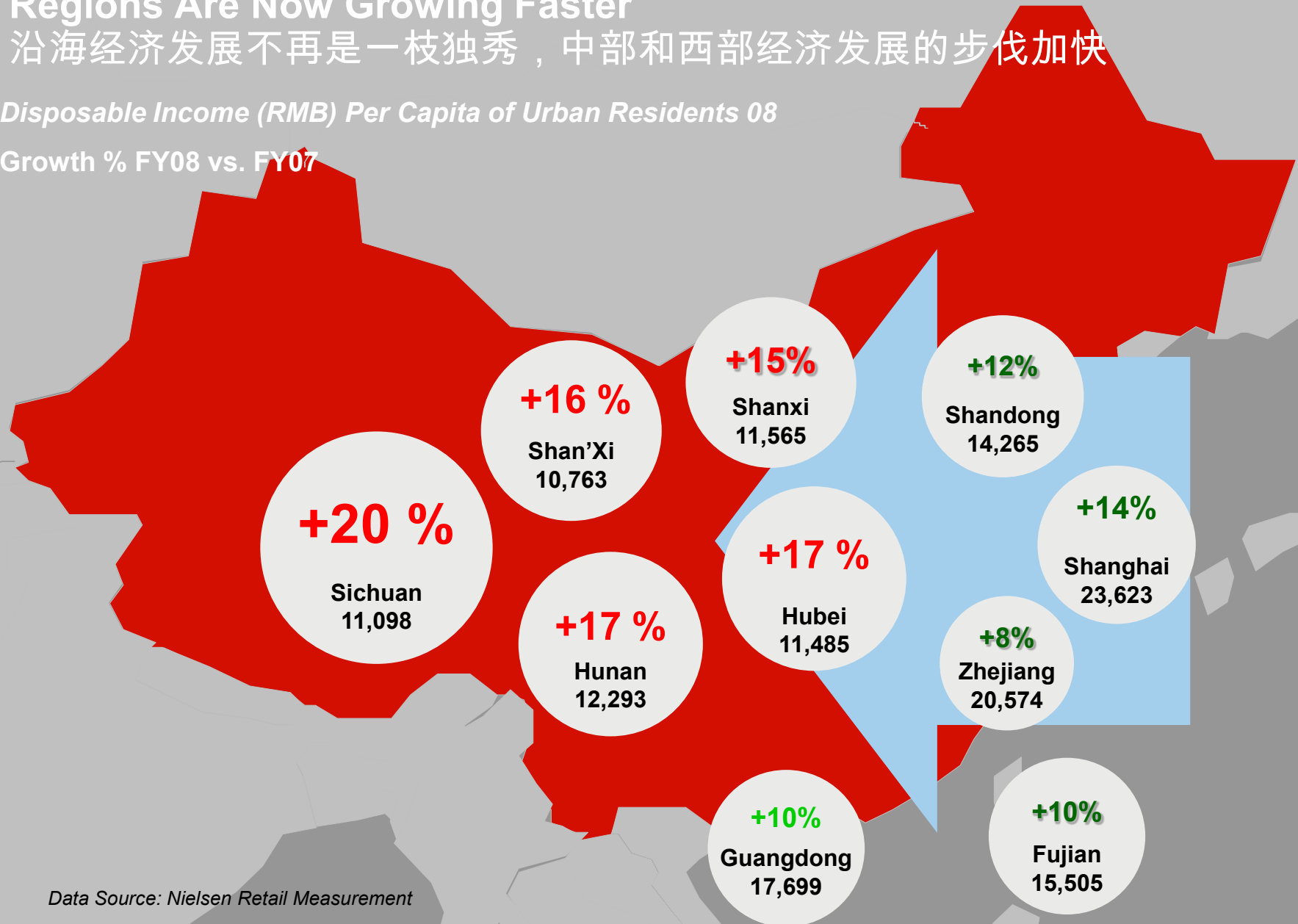


# After Years Of Growth In Coastal Areas, Central And Western Regions Are Now Growing Faster

沿海经济发展不再是一枝独秀，中部和西部经济发展的步伐加快

*Disposable Income (RMB) Per Capita of Urban Residents 08*

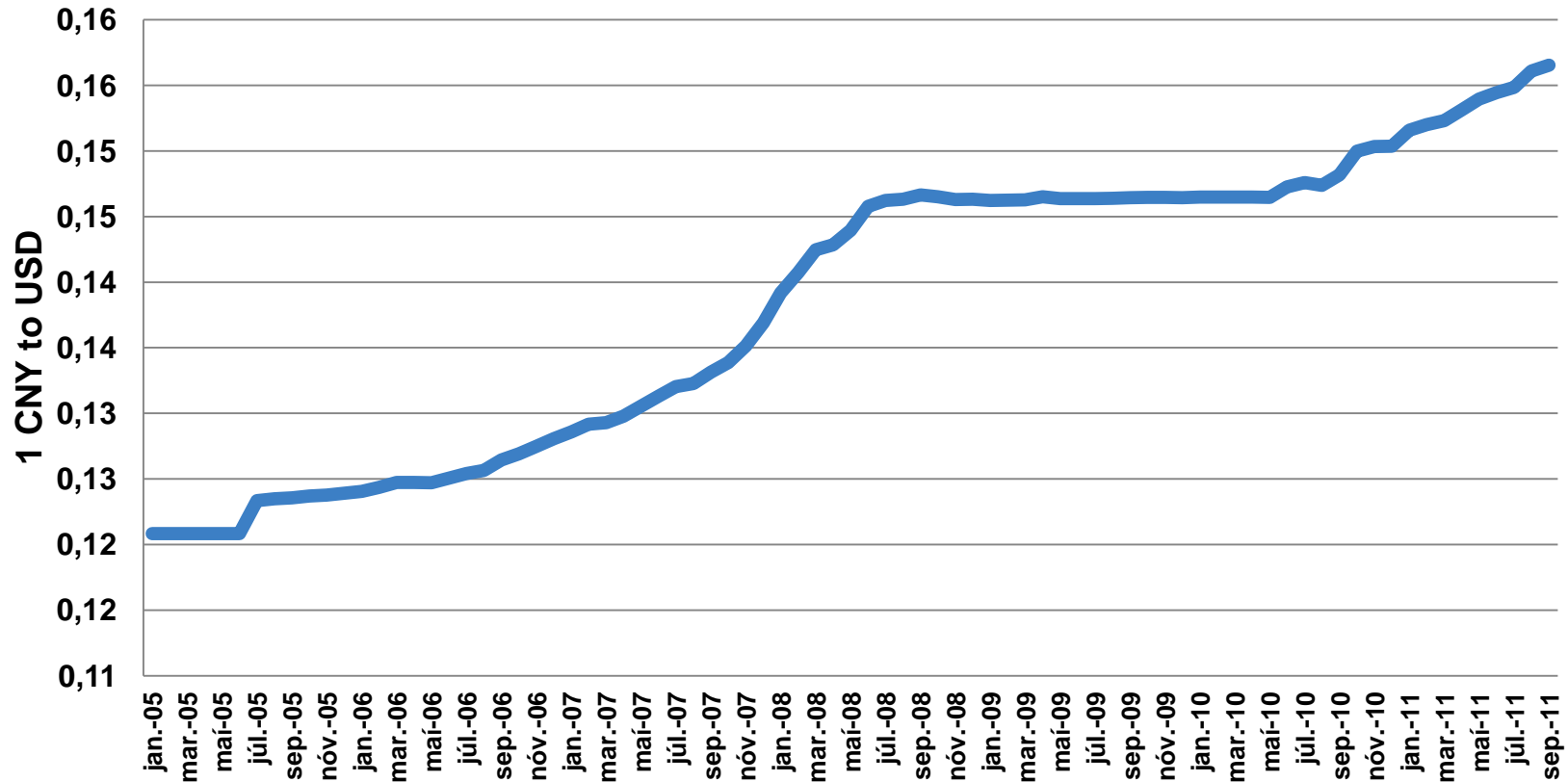
*Growth % FY08 vs. FY07*



Data Source: Nielsen Retail Measurement

# Strengthening Currency

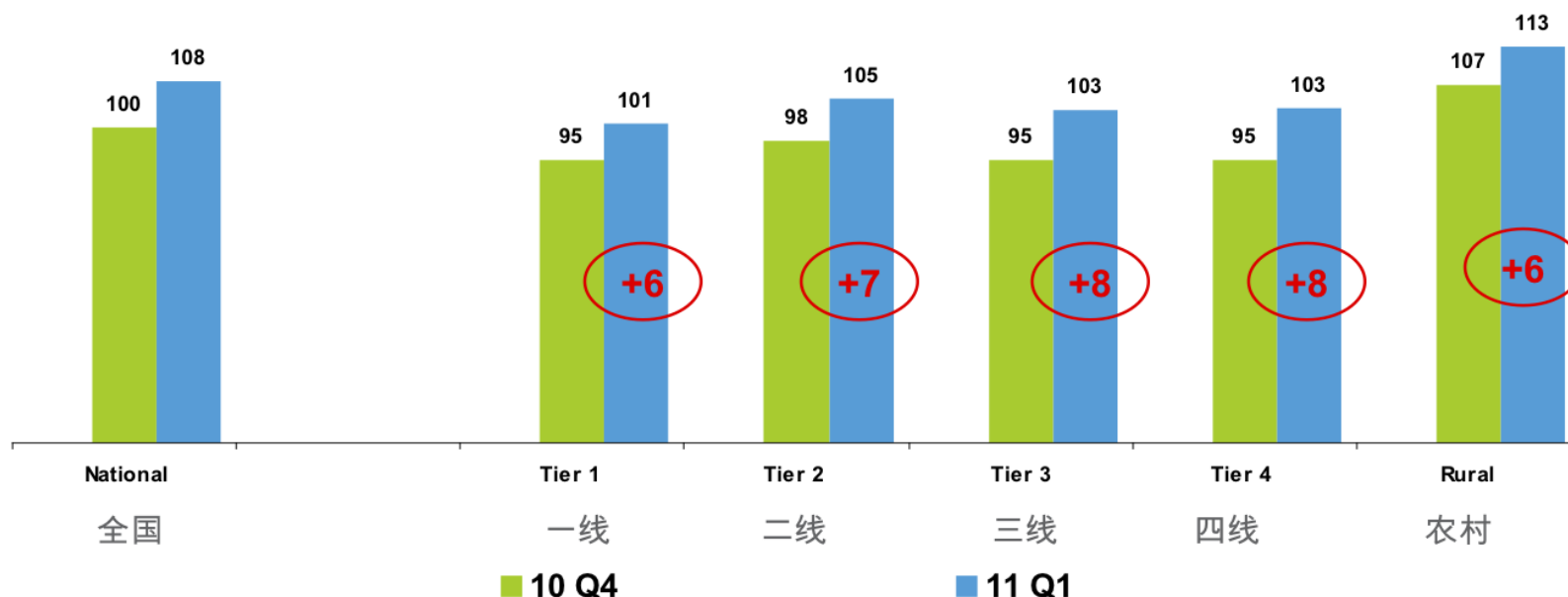
## CNY-USD Exchange Rate



# Confidence Strong Across China, with Rural Confidence Reaching a New High

城（各线城市）乡消费者信心齐升，农村消费者信心再创新高。

消费者信心指数  
Consumer Confidence Index



Source: Nielsen Retail Establishment Survey

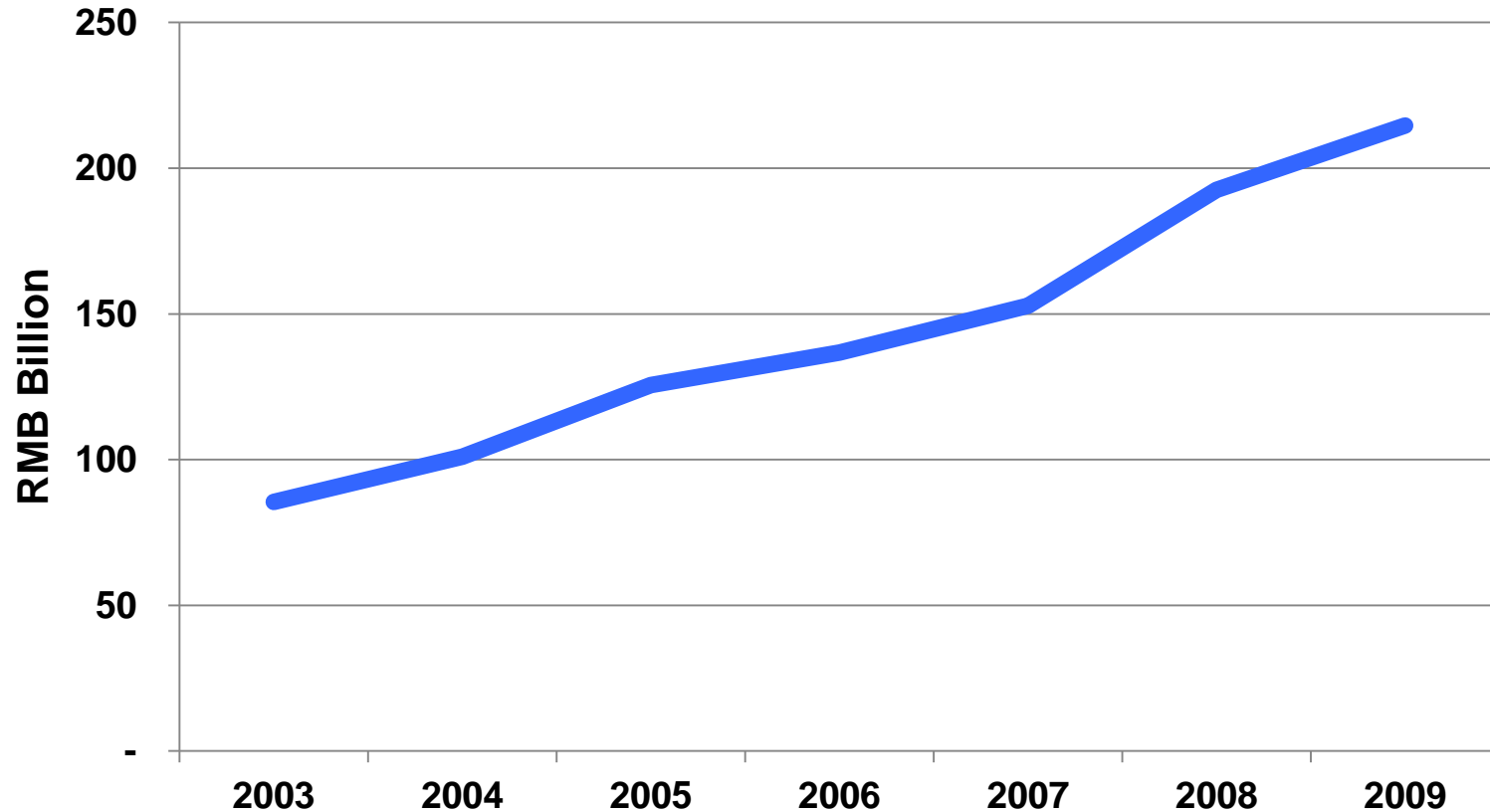


# China Seafood Market



# CHINESE CONSUMERS ARE SPENDING MORE ON FISH & SEAFOOD

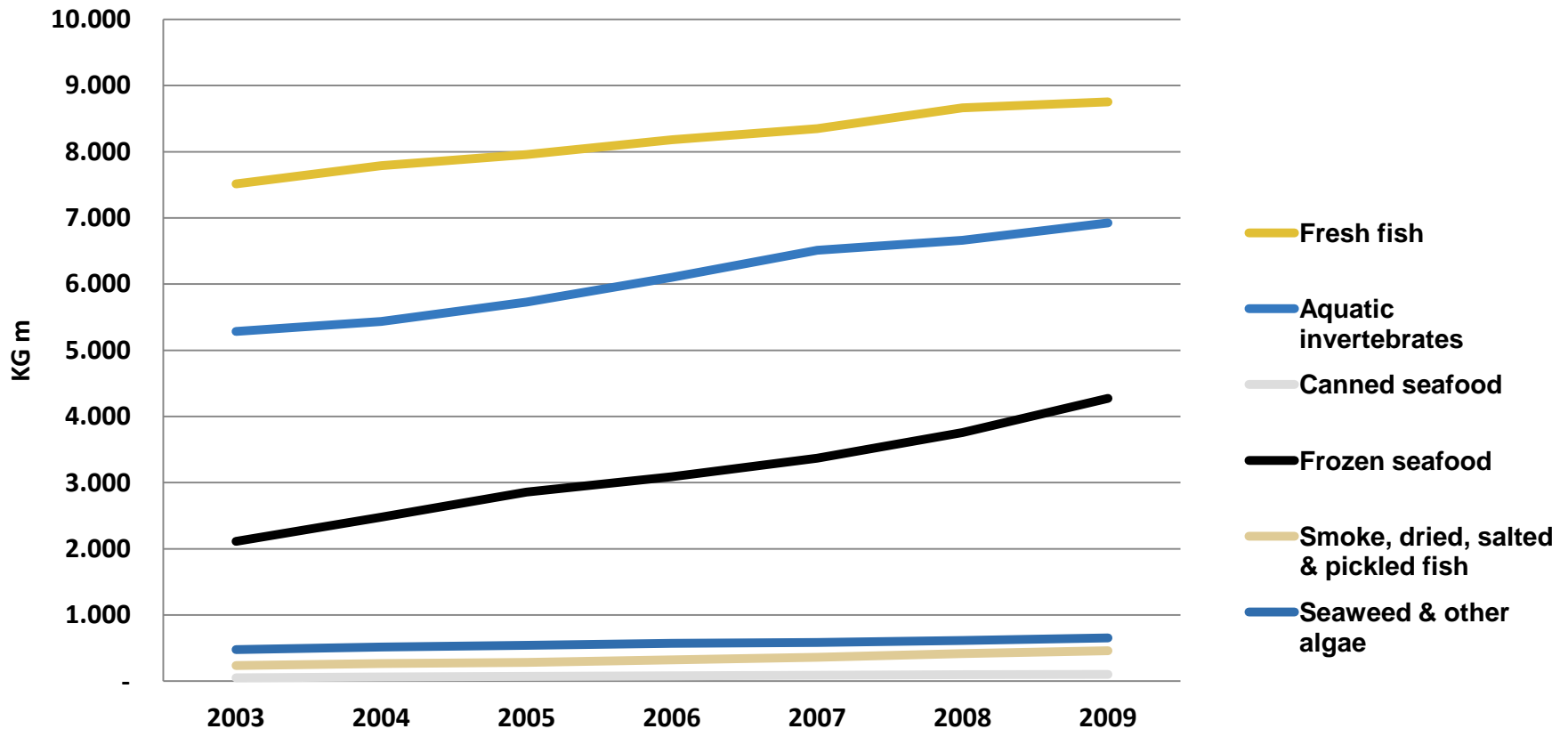
Expenditures on Fish & Seafood



Source: Access Asia / Trade Associations / NBS / China Customs Statistics

# China Seafood Sales

## HoReCa & Retail Market for Fish & Seafood

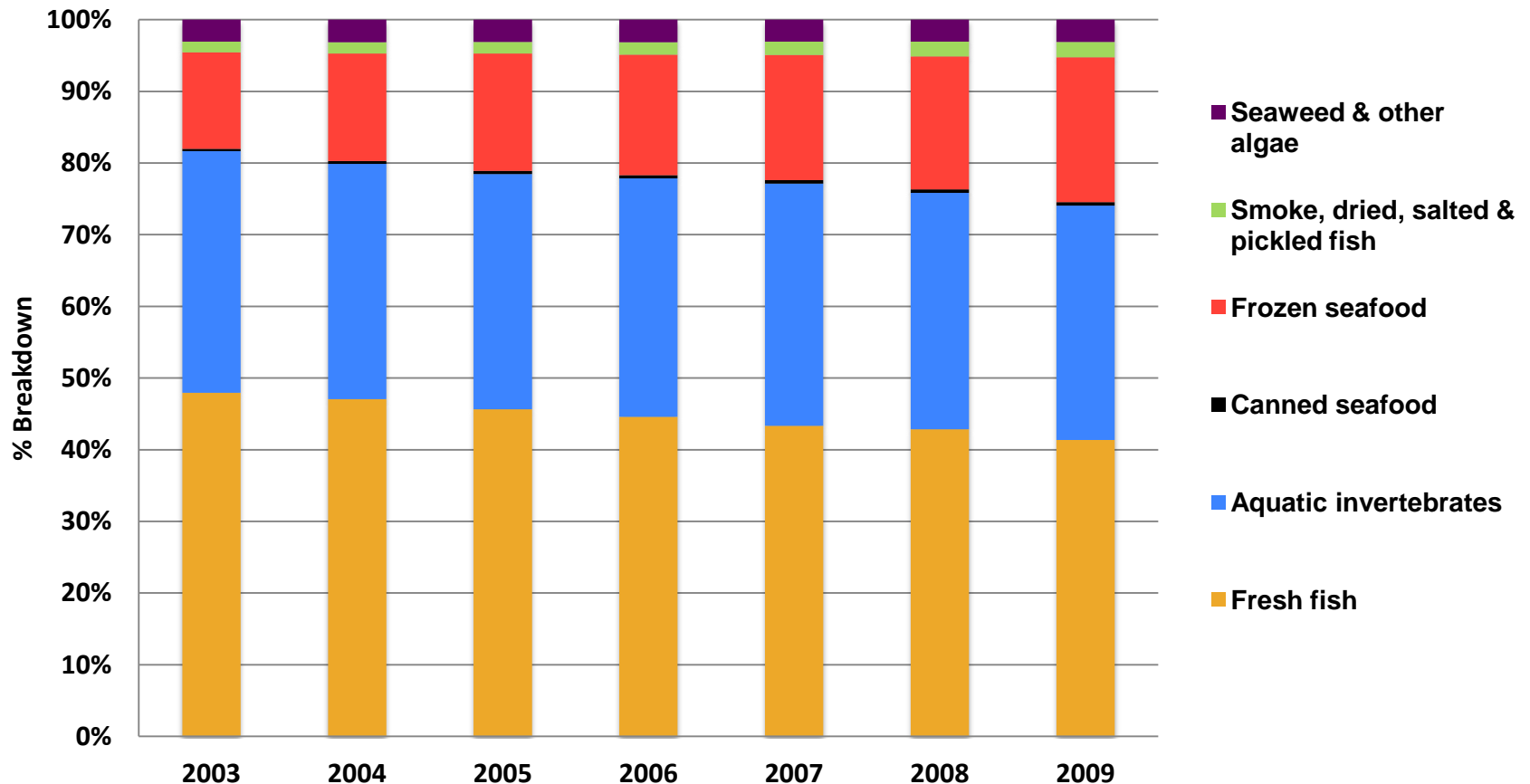


Source: Access Asia/trade associations/NBS/China Customs Statistics



# China Seafood Market

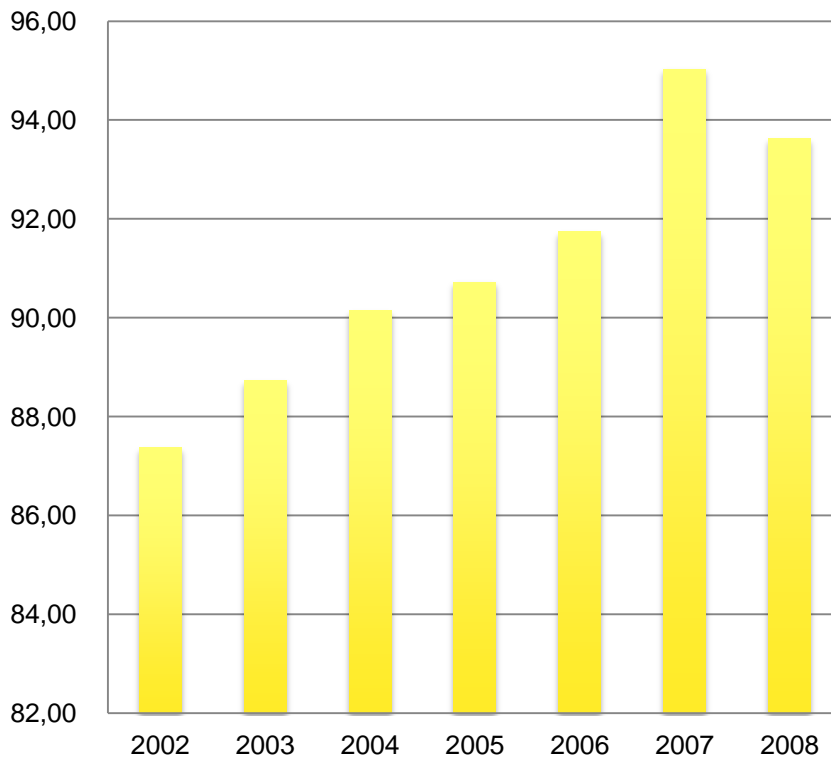
## HoReCa & Retail Market for Fish & Seafood



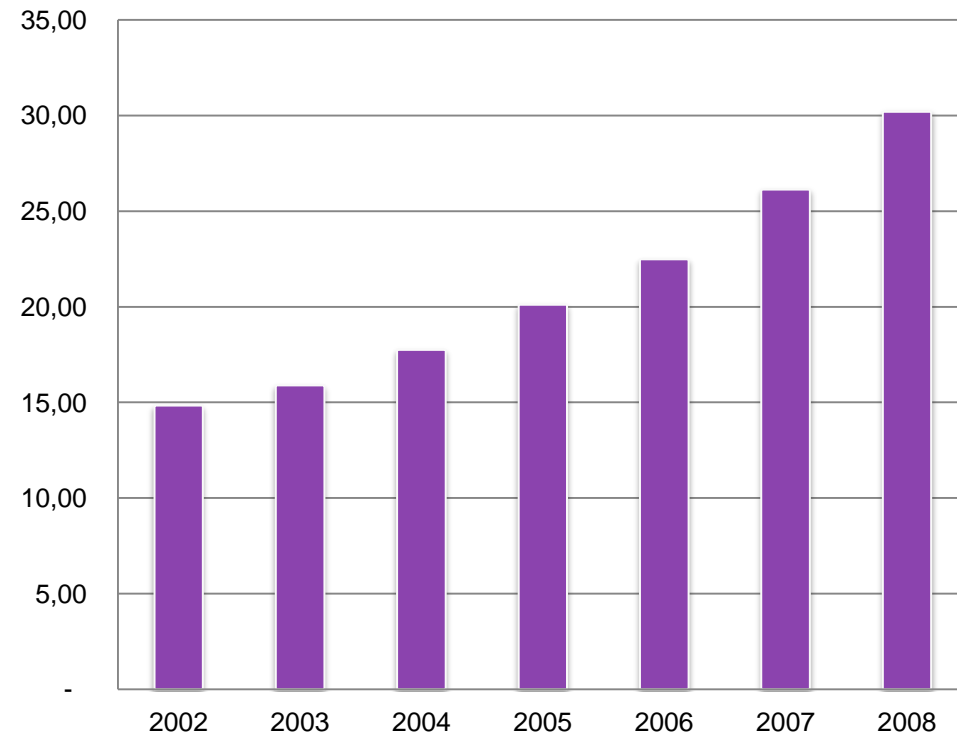
Source: Access Asia/trade associations/NBS/China Customs Statistics

# Growth in Refrigerator Ownership

## Urban Refrigerators (per 100 households)



## Rural Refrigerators (per 100 households)

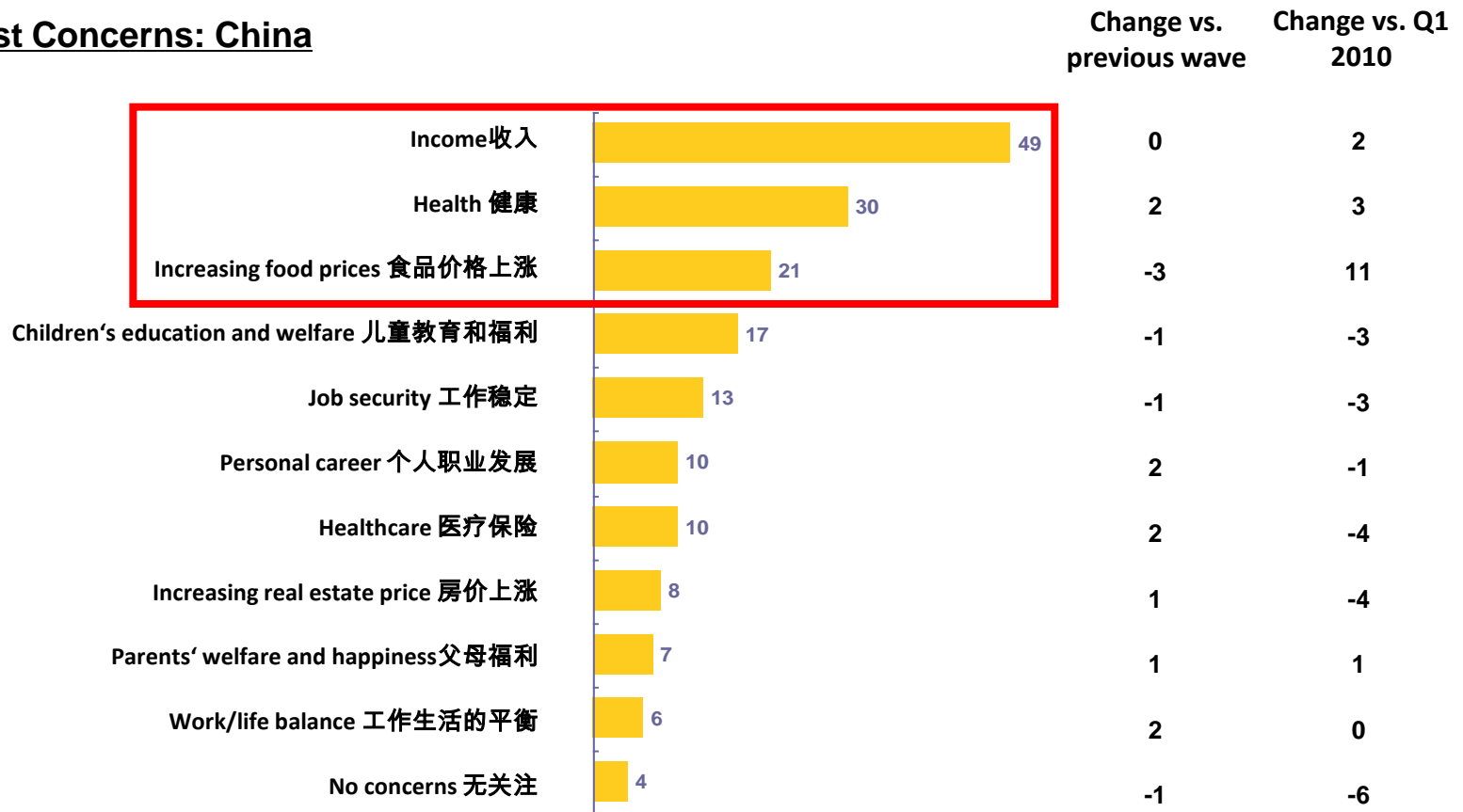


Source: NBS

# CHINESE CONSUMER CONCERNS

According to Nielsen's Consumer Confidence 2011 Q1 Report, the Top 3 concerns for Chinese Consumers are currently Income, Health, and Increasing food prices

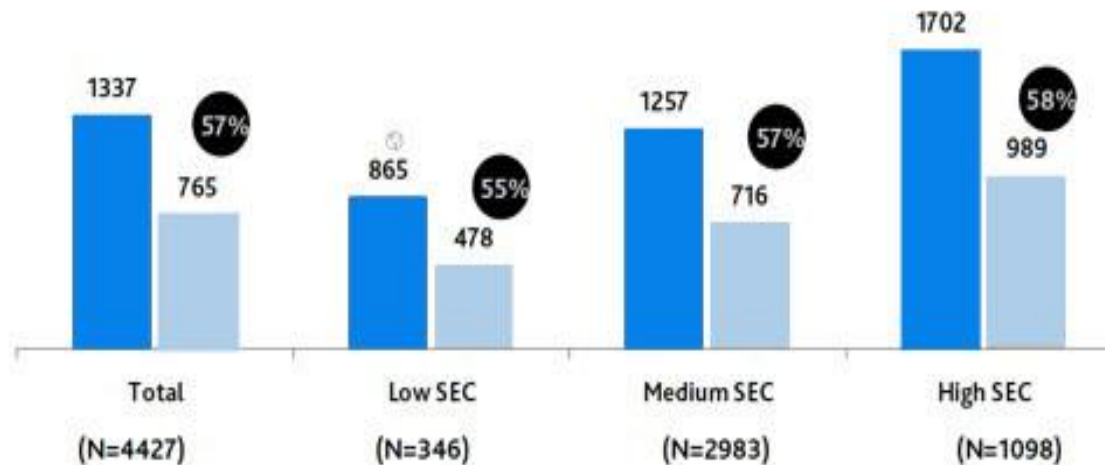
## Biggest Concerns: China



Nielsen Consumer Confidence 2011 Q1 Report

High earners spending almost 2/3 of expenditure on fresh food may indicate they are purchasing premium produce rather than large volumes.

Average Monthly Spending: By SEC  
 ■ Total Expenditure (CNY) ■ Fresh Food (CNY)



Source, Nielsen Shopper trends

# What Consumers Are Looking For

1. Healthy/wholesome products – Organic boom
  - A. Domestic sales in 2008 – USD 1.1 B
  - B. 2007 – 2-3 million hectares designated for organic farming
  - C. China – top 5 in the world in terms of acreage
2. Convenience
3. Imported = Safe
4. Perception – Wild caught fish is better
  1. Cleaner
  2. More natural
  3. More nutritious





# Consumers Willing to Spend

Consumers willing to spend more money on:

1. Imported
2. Premium products (perceived better quality)
3. Well packaged
4. High quality
5. Certified products



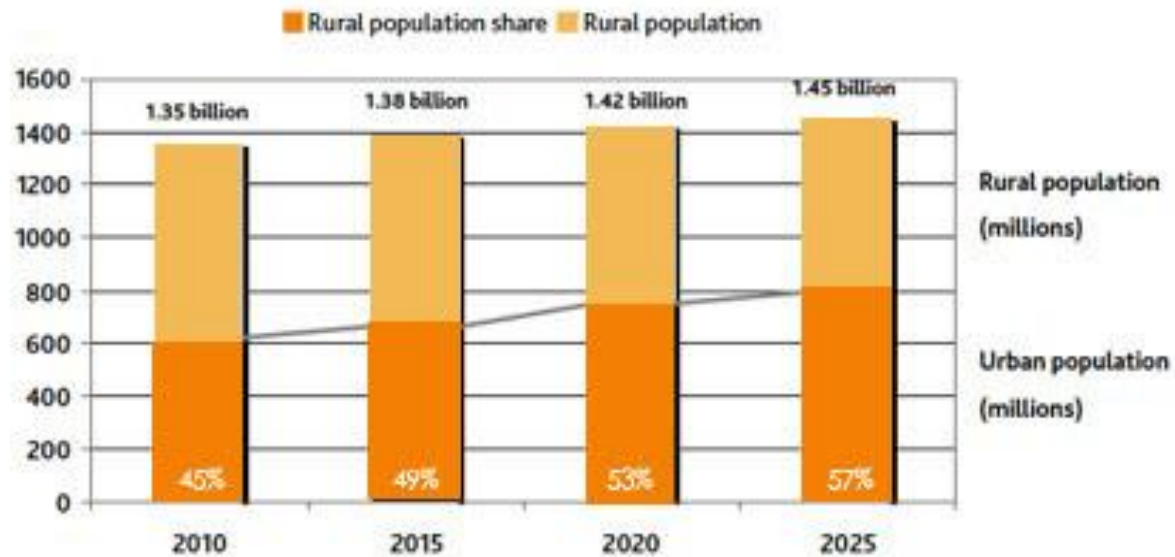


# Supermarkets & Hypermarkets



# Urbanization

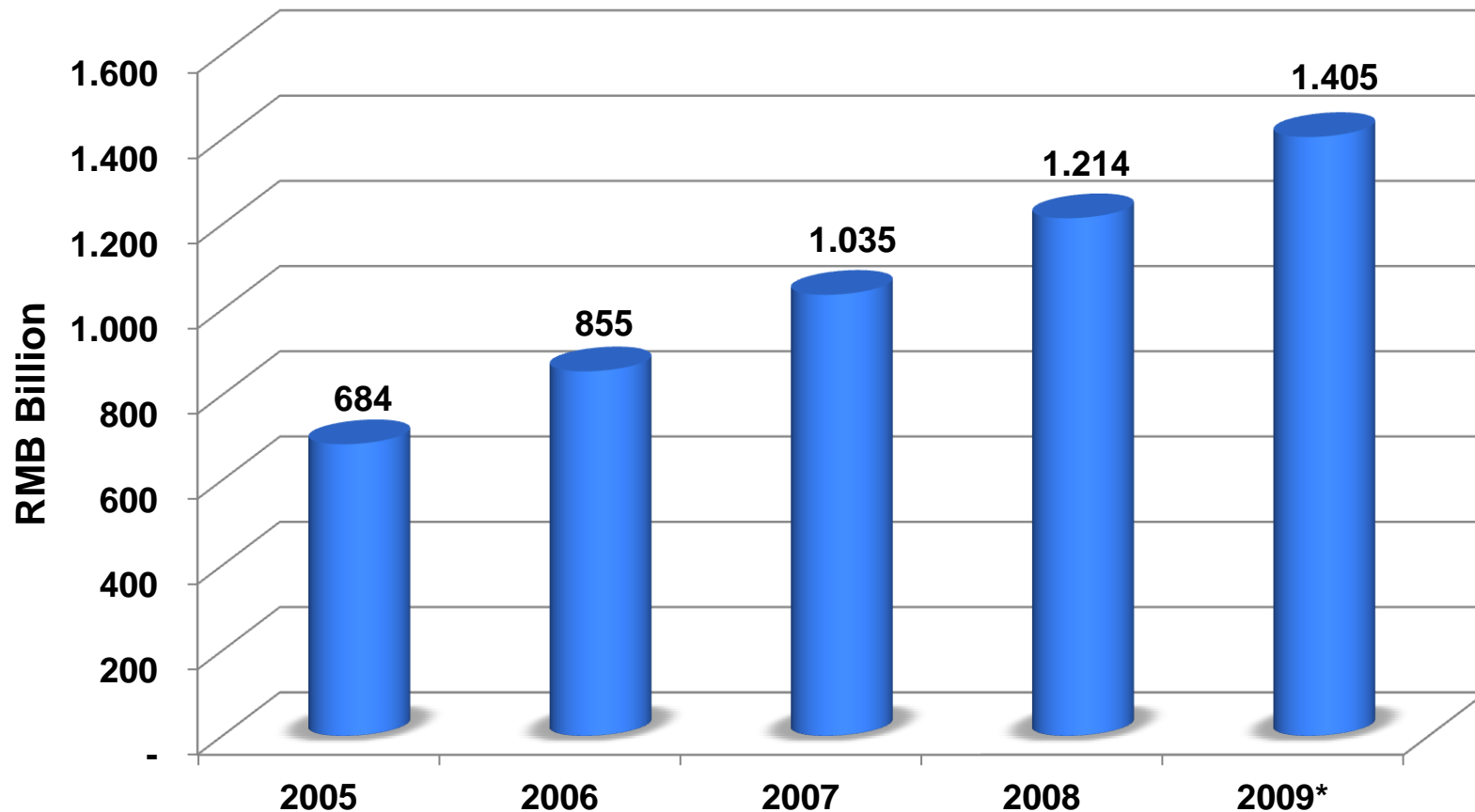
By 2025 urban areas will have swelled by 215 million people



Source: World Urbanization Prospects. The 2008 Revision Population Database

# Urbanization Driving Retail Boom

## China Top-100 Retailer's Total Sales

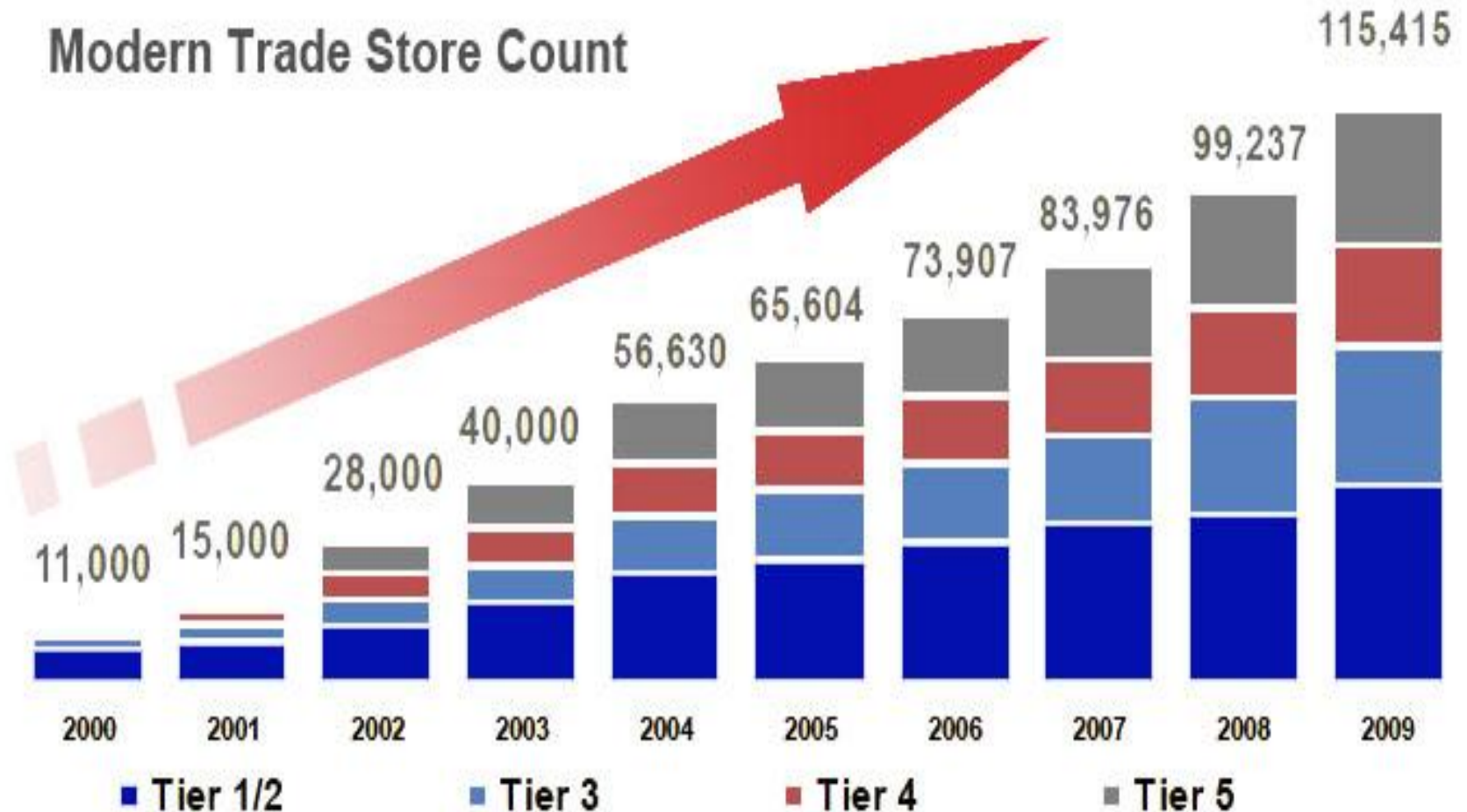


Source: CCFA

Note\*: Access Asia forecast



# Growth of Modern Trade



Source: Nielsen Retail Establishment Survey



# Top Ten Retail Chains in China 2010

No	Retail Chain	Revenue RMB ( '000,000)	No. of Stores
1	China Resources Vanguard Co., Ltd.	71,800	3155
2	Lianhua Supermarket Holdings Co., Ltd.	70,077	5239
3	RT-MART International Co., Ltd.	50,225	143
4	Carrefour (China) Management Consulting Services Limited	42,000	182
5	Wal-Mart (China) Investment Co., Ltd.	40,000	219
6	Wumart Holding Group Co., Ltd.	37,504	2578
7	NGS (Group) Co., Ltd.	27,813	3204
8	A-Best Supermarket Co., Ltd.	17,413	112
9	Trust-Mart Management Consulting Services (Shanghai) Co., Ltd.	16,500	104
10	Yonghui Supermarket Co., Ltd.	15,980	286

Source: China Chain Store & Franchise Association 2011 Report

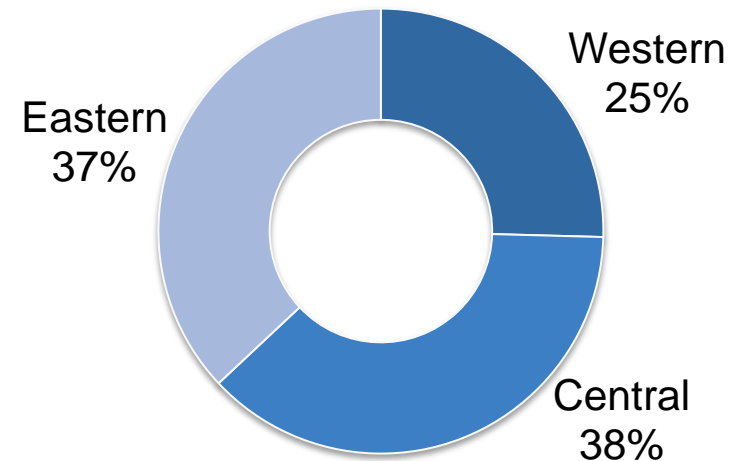
# Rural Retailing Project

## RURAL RETAILING PROJECT COUNTRYSIDE STORES IN VILLAGES, MARCH 2010

<i>No. of stores</i>	Newly added in 2009	Newly added in 2008	Newly added in 2007	Newly added in 2006	Accumulated (2005 until present)
Western	10,094	12,325	21,651	21,014	73,070
Central	13,529	8,795	33,525	35,538	107,998
Eastern	7,657	3,329	30,198	40,048	106,292
<b>TOTAL</b>	<b>31,280</b>	<b>24,449</b>	<b>85,374</b>	<b>96,600</b>	<b>287,360</b>
<i>% Share</i>					
Western	32.27	50.41	25.36	21.75	25.43
Central	43.25	35.97	39.27	36.79	37.58
Eastern	24.48	13.62	35.37	41.46	36.99
<b>TOTAL</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

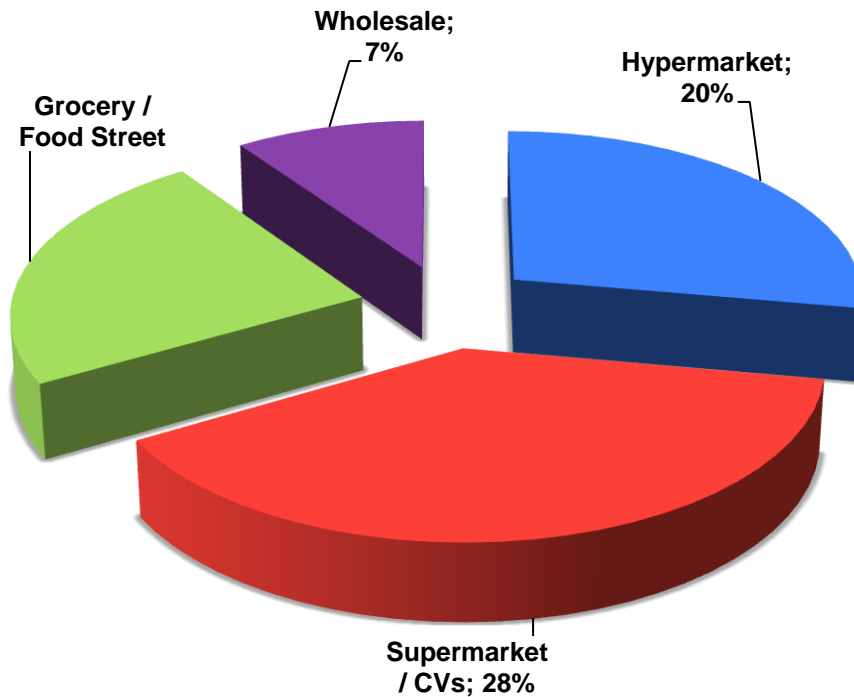
Source: Ministry of Commerce's Rural Retailing Development Project website ([wcqx.mofcom.gov.cn](http://wcqx.mofcom.gov.cn))

## Accumulated New Stores Share (2005 until Present)

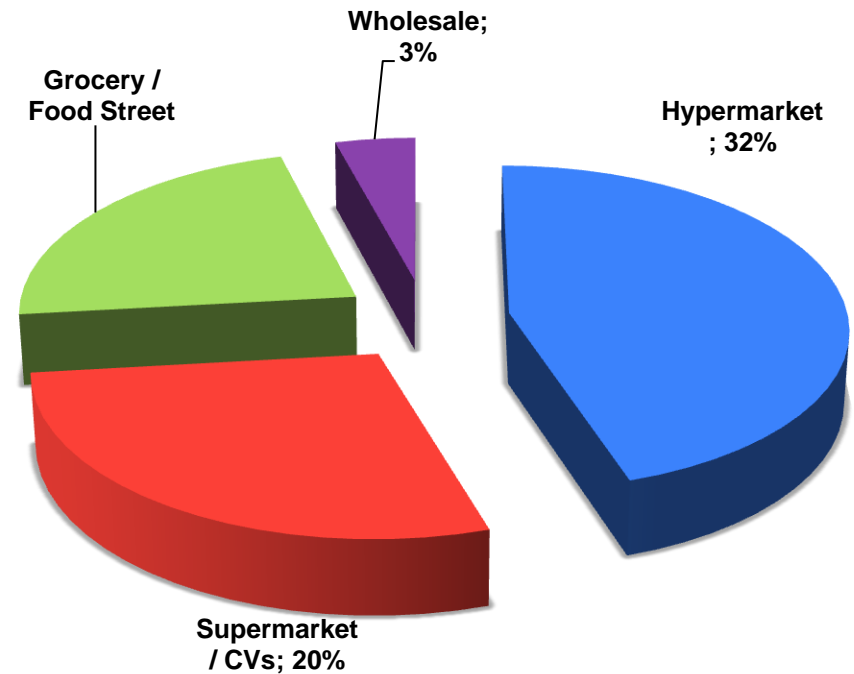


# HYPERMARKETS GAINING POPULARITY

Share of Grocery Expenditure  
in 2001



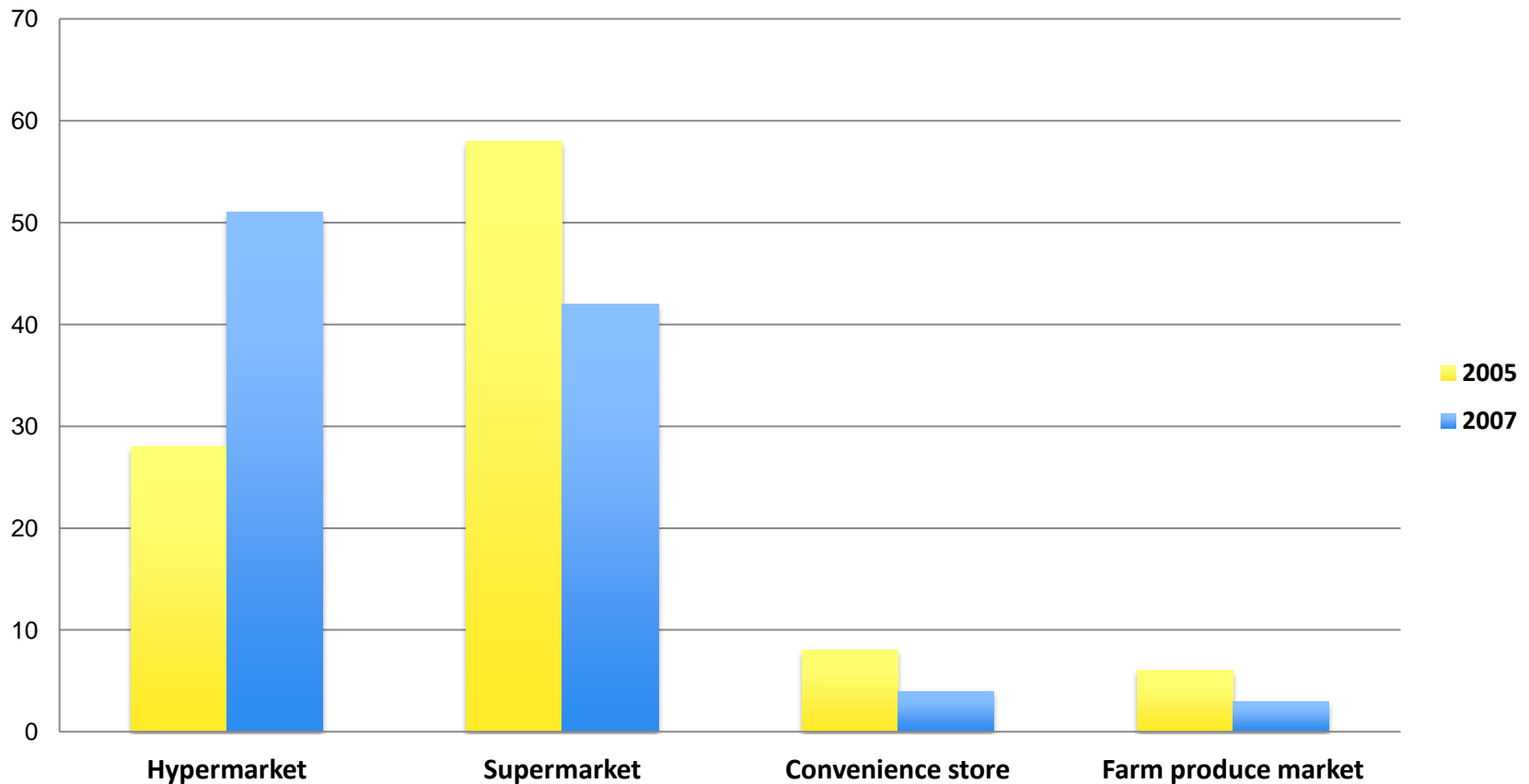
Share of Grocery Expenditure  
in 2007



Source: TNS Worldpanel China on top 15 cities  
Category "Others" is omitted

# Consumer Preference for Chilled / Frozen Foods by Store Format

Store Format Preference

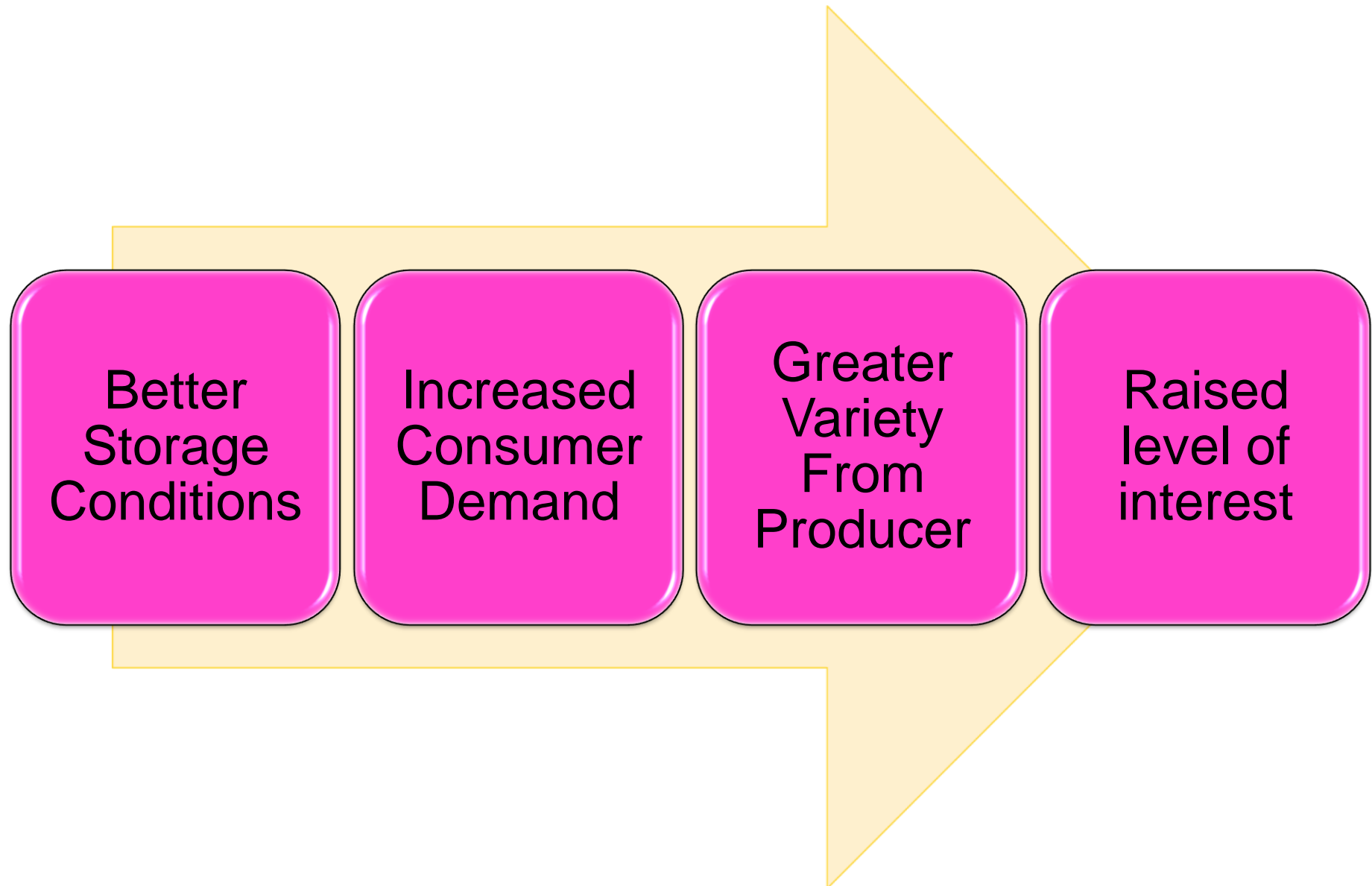


Source: China Chain Store & Franchise Association (CCFA)

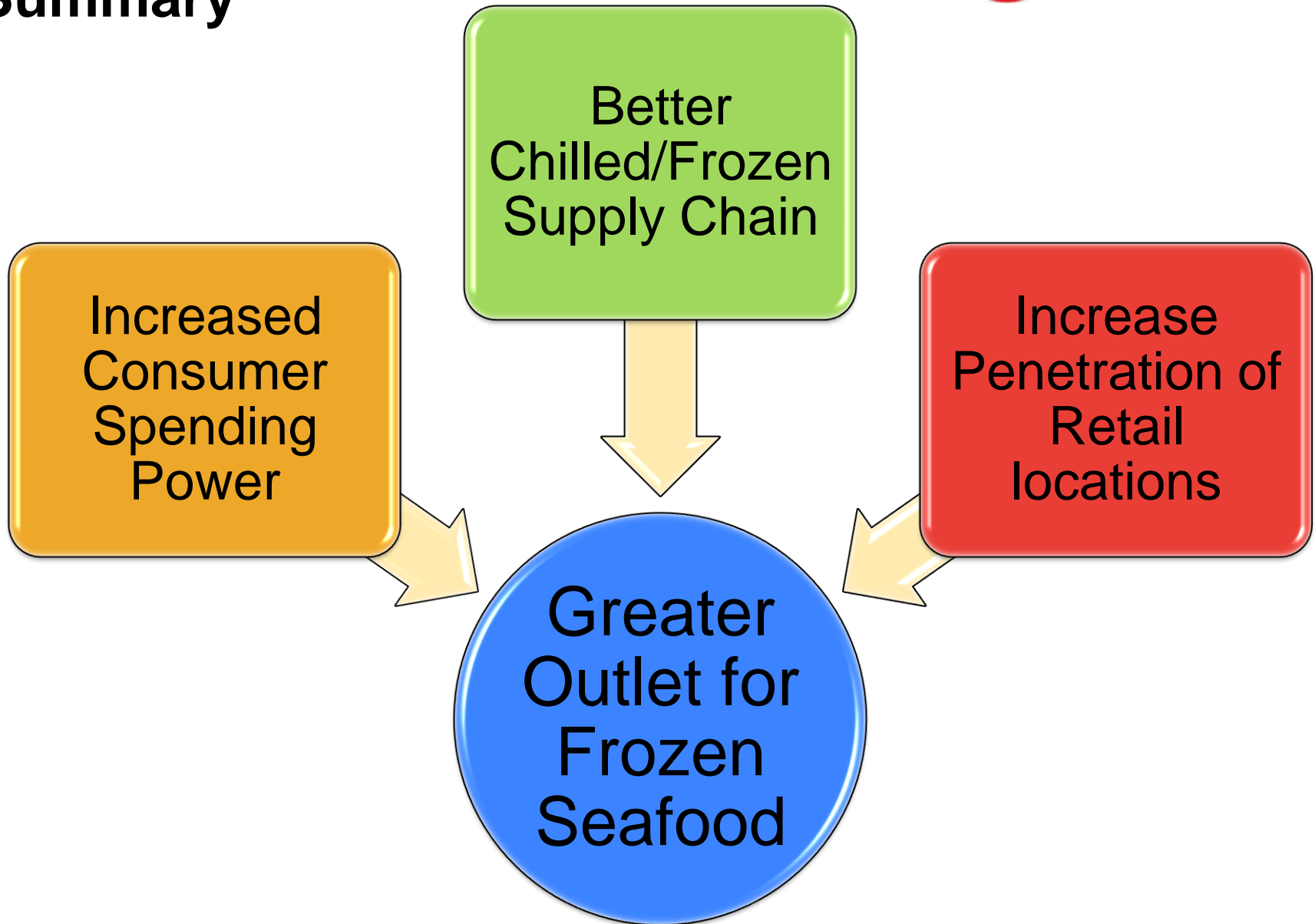
# Linking the Chill Chain

- ❖ In 2007 – China had only 30,000 refrigerated and insulated transport vehicles
- ❖ Greatest impediment – lack of refrigerated transportation and cold storage
  - 1. US (with 1/5<sup>th</sup> the population) has 100,000 vehicles
  - 2. US has 13 cubic feet of cold storage vs. 1.6 in China
  - 3. US has 9 refrigerated trucks per 10,000 per capita vs. 2 trucks for China
- ❖ China's refrigerated vehicles
  - Small size 64%
  - Medium size 28%
  - Large size 8%
- ❖ Solution: Companies aware of the gap and moving to develop the infrastructure
  - 1. Large & small logistic and warehousing companies
  - 2. Leading retail groups
  - 3. Leading Chain stores





# Summary





**Thank You.**