What are Fast-Moving Consumer Goods (FMCG)?

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About Fast-Moving Consumer Goods (FMCG)

- FMCG, or Consumer Packaged Goods (CPG), are **products sold quickly** and at a relatively **low cost**.
- The FMCG industry is characterized by **high-volume sales**, **quick inventory turnover**, and various products catering to consumer needs.
- These goods **include essential everyday items** such as food and beverages, toiletries, cleaning supplies, and other low-cost household items.
- FMCGs have a **short shelf life** because of **high consumer demand** (e.g., soft drinks and confections) **or because they are perishable** (e.g., meat, dairy products, and baked goods).
- **FMCG Industry in India:**
    - The FMCG sector is the **fourth-largest sector** in the Indian economy.
    - In 2022, the **urban sector accounted for 65%** of the overall annual FMCG sales, while rural India contributed over 35%.

- **Household and personal care products** make up **50% of the industry's sales**, healthcare claims 31-32%, and food and beverage products account for the remaining 18-19%.
- It provides employment to around 3 million people, accounting for approximately **5% of the total factory employment** in India.

Q1: What is slowdown in an economy?

A slowdown in an economy refers to a period of reduced economic activity or growth compared to previous periods. It's typically characterized by a decrease in the rate of expansion of various economic indicators such as gross domestic product (GDP), industrial production, consumer spending, and employment. This slowdown can manifest in different ways, such as lower business investment, declining consumer confidence, decreased exports, and rising unemployment rates.

Source: FMCG growth in slow lane despite rural green shoots