

Unilever sales hit by emerging markets slowdown

THE HAGUE, THE NETHERLANDS: Anglo-Dutch food and cosmetics company Unilever, seen as a bellwether for global consumer spending, warned on Tuesday (1 October) of slowdown in sales growth brought on by weakened demand in emerging markets.



"Unilever has seen a weakening in the market growth of many emerging countries in the third quarter and now expects underlying sales growth of between 3.0% and 3.5%, as opposed to a predicted 5.0%," Unilever spokesman Flip Dotsch told AFP.

"The emerging market slowdown has accelerated as a result of significant currency weakening," Unilever added in a statement.

The currencies of Brazil and India have been under serious pressure because of expectations that the US Federal Reserve will wind down its stimulus programme while growth has also been slowing in China's economy.

These emerging markets contribute to more than half of Unilever's sales, as the owner of Dove soaps and other common household brands shifted its attention away from developed markets which Unilever said "remain flat or down."

Unilever's first half profits for the year rose by 14.0%, while sales were up 0.4% to €25.5bn, mainly on the back of growth in emerging markets like China, Indonesia, Vietnam and Pakistan.

Source: AFP via I-Net Bridge