



Euromonitor
International

Hot Drinks: Half-Year Update H1 2023

June 2023

Table of Contents

INTRODUCTION

About this briefing

Scope

Key findings

H1 2023 HOT DRINKS UPDATE

A slight downgrade of 2022 figures causes an improved forecast for 2023 and beyond

Cost pressures are moderating in 2023 but will prices fall in response?

Input costs remain elevated but have fallen from last year

The major companies are diverging on their pricing strategies

Prices continue to grow in early 2023 at retail

Coffee price growth at retail is slowing but prices remain well elevated

Tea prices have held more constant than those of coffee

Growing concern around product cost is threatening value-added formats

Inflationary pressures will lurk far beyond 2023

JAB Holdings further invests in pet care

Lavazza completes a new acquisition but the pace of coffee M&A remains slow

End of COVID restrictions in China does not mean the end of challenges for coffee

Ekaterra rebrands to better emphasise its ambitions for the future

Recession risk is minor for category at retail but is a major threat at foodservice

Other macroeconomic scenarios would have lesser impacts on hot drinks

H1 2023 MACROECONOMIC UPDATE

Global baseline outlook: Improved growth in an increasingly multi-speed global economy

Global inflation moderates only gradually as price pressures show signs of persistence

Real GDP annual growth forecasts and revisions from last quarter

ABOUT OUR INDUSTRY FORECAST MODEL

Hot drinks system update schedule

About Euromonitor International

Euromonitor International is an independent market intelligence provider. Data, insight and analysis stem from in-the-field research spanning 210 national markets.

Content ranges from the in-depth and country-specific, to key strategic themes with a global range and significance. Products cover a comprehensive range of insights and market data, but can be broadly categorised as:

- **Strategy Briefings:** Global or regional in scope, and focussing on the most important themes shaping consumer demand, the key markets, competitive environment and future outlook across a range of industries.
- **Company Profiles:** Analysis dedicated to the world's most significant companies, with detailed insight into their activities, focus of operations, their competitors, their geographic presence and performance.
- **Country Reports:** For an in-depth understanding of specific countries, whether by industry, economic metrics or consumer trends and lifestyles. These reports cover current trends, consumer demand, market potential and future prospects, with country-specific local insight and comprehensive data, unavailable elsewhere.

For more information on this report, further enquiries can be directed via this link www.euromonitor.com/hot-drinks-half-year-update-h1-2023/report.