

— MARKET SIGNAL · LOCAL BRANDS



Local brands now own *more than half* of Southeast Asia's FMCG value.

For multinational FMCG leaders eyeing Indonesia, Vietnam, Thailand, Malaysia or the Philippines — the playbook that worked in 2015 won't work in 2026.



Dominique Silvarelli
Founder & Managing Director, Progress Partners



WHAT HAPPENED · 04 NOV 2025 (DATA PUBLISHED)

Bain & NielsenIQ: \$5T SEA consumer market by 2035, local brands now lead.

Bain & Company and NielsenIQ released their joint *Southeast Asia: What's Happening with Consumers* report. Headline finding: local and regional manufacturers now command *over 50% of FMCG market value* across the region.

Indonesia, Thailand, Vietnam are the deepest. Vietnam and Thailand urbanisation expected to add 7 percentage points each over the next decade.

Private consumption is on track to hit USD \$5 trillion by 2035 — surpassing North America. Multinationals are losing share, not market.

50%
Local brand share of SEA FMCG value

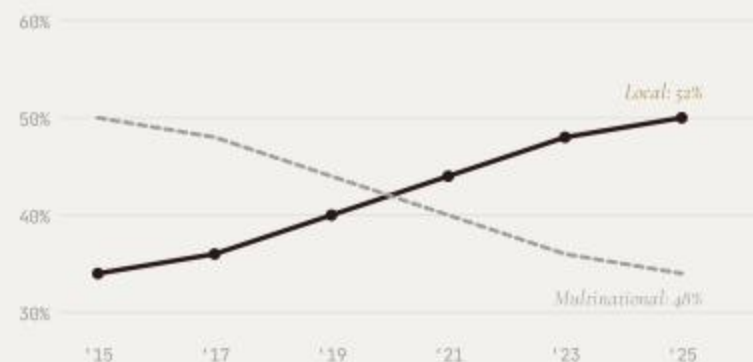
\$5T
Private consumption in SEA by 2035

20%
TikTok Shop share of SEA e-commerce

FIG.

Local vs multinational FMCG share, SEA

Indicative %, 2015 → 2025, six-country avg.



● Local & regional brands ● Multinationals



— WHY IT MATTERS · THREE STRUCTURAL SHIFTS

If you've run a Tier-2 city distributor route, you know what they do better.

01 **Speed of localisation.** Local players ship category extensions in 12 weeks. The multinational SOP is 9 months. By the time you launch, they've iterated twice.

INNOVATION

02 **Distribution density.** They built routes through general trade when modern trade was 30% of the market. They own the small-store relationship that you outsource to a distributor.

CHANNEL

03 **Affordability is design, not discount.** Local SKUs are *built for* the price point. Yours are squeezed down to it. The cost-to-serve gap compounds quarterly.

PRICING



"The locals out-execute, out-localise, and out-distribute. They're not cheaper — they're closer."

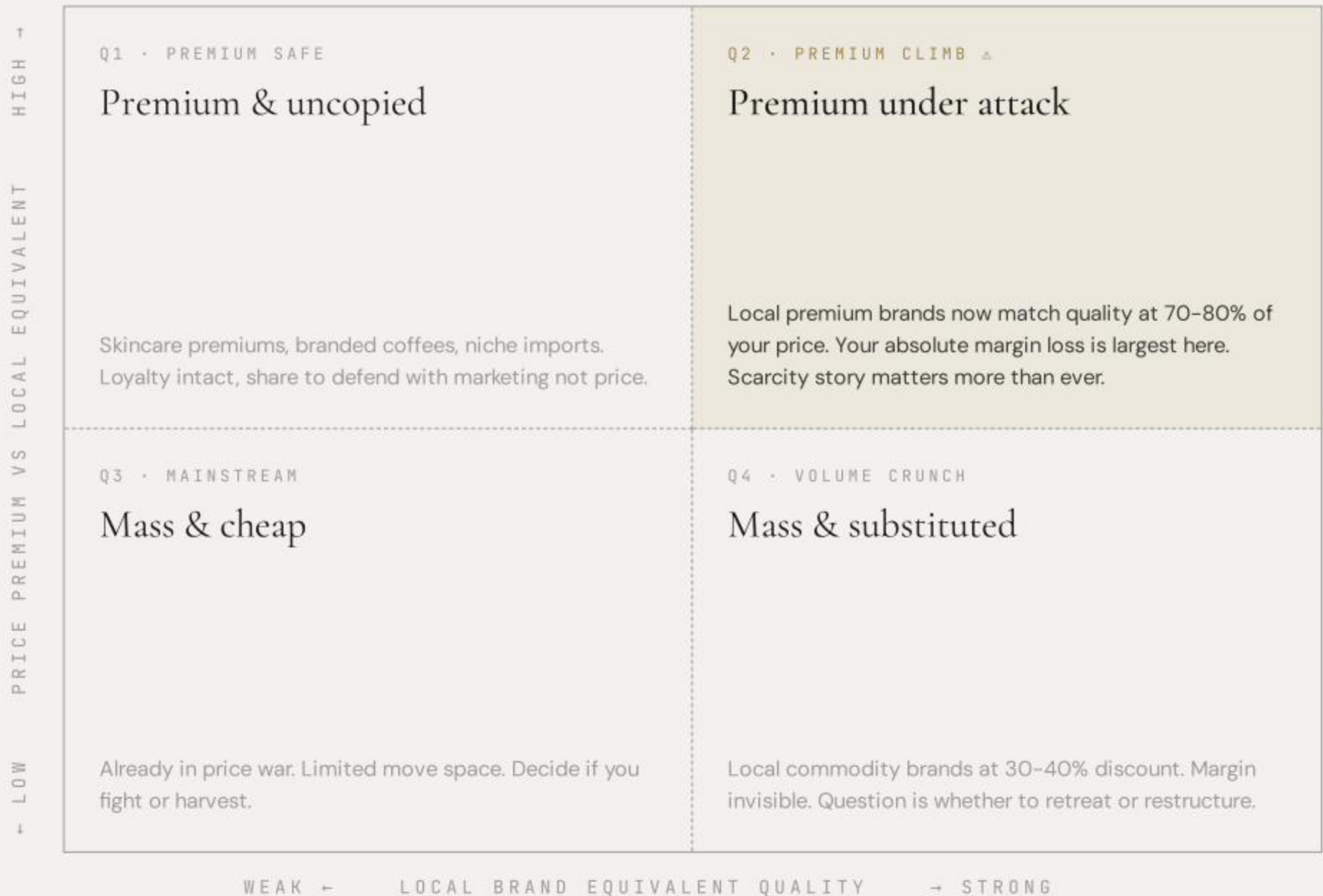
— FROM A JAKARTA JBP, 2025



— WHERE YOU'RE EXPOSED · A 2x2 READING

Multinational portfolios face two threats — they're different.

One is structural (low-price local lookalikes). One is more dangerous (premium local brands climbing your price ladder). Map your portfolio against both axes.





— THE PLAYBOOK · THREE MOVES TO MAKE THIS QUARTER

Stop trying to win the war you already lost.

You won't out-distribute Indomie in Indonesia or Vinamilk in Vietnam. The plays that work go around them, not through them.

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- 01** **Build a regional premium tier.** Move 20% of your A&P to a tier 2 levels above local equivalents. Specialty, ethnic-fusion, or imported-positioning SKUs. Margin per case offsets volume share you're losing. Q2 '26

 - 02** **Acquire, don't build.** The local brands you can't beat — the ones with \$50-100M revenue and weak distribution — are the right targets. Smaller bolt-ons. Three deals over five quarters beats one transformative bet. 6-9 MONTHS

 - 03** **Re-architect distribution.** Outsourced general trade is now your weakest moat. Build (or buy) direct general-trade reach in your top two SEA markets. Cost is high, payoff compounds for a decade. 12-18 MONTHS
-



— 30 / 60 / 90 · FROM SHOCK TO PLAN

A practical sequence — for the next planning cycle.

Most multinationals respond to local brand share-loss with a price-reduction reflex. That accelerates the wrong outcome. Sequence matters.

— 30 DAYS

Diagnose

- › Re-baseline share by tier, not by brand
- › Quantify margin per case in each quadrant
- › Identify acquisition targets (size \$50-100M)

— 60 DAYS

Re-allocate

- › Move 20% of A&P to premium tier
- › Pause untargeted price defence
- › Stress-test general trade economics

— 90 DAYS

Execute

- › Launch 2-3 premium-tier SKUs
- › Open M&A conversations with 3 targets
- › Pilot direct GT in top market

"You can't out-cheap a local. You can out-position one."



— THE BOTTOM LINE

Share loss to locals isn't a *distribution* problem. It's a *portfolio* problem.

The CEOs winning this decade in SEA aren't cutting prices to defend volume. They're moving up the ladder, accelerating localisation, and quietly buying the locals they can't beat.

If you're scoping SEA strategy for 2026 — particularly Indonesia, Vietnam or the Philippines — DM me. I run shorter mandates (4–8 weeks) and longer interim COO assignments out of UAE and Singapore.



Dominique Silvarelli

Founder & Managing Director, Proccess Partners · UAE & Singapore
dsilvarelli@proccessconsulting.com

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