



# Passport

## Sugar Confectionery in Pakistan

Euromonitor International

July 2023

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# SUGAR CONFECTIONERY IN PAKISTAN

## KEY DATA FINDINGS

- Retail value sales increase by 27% in current terms in 2023 to PKR56.7 billion
- Medicated confectionery is the best performing category in 2023, with retail value sales growing by 31% in current terms to PKR0.1 billion
- Ismail Industries Ltd is the leading player in 2023, with a retail value share of 50%
- Retail sales are set to rise at a current value CAGR of 24% (2023 constant value CAGR of 16%) over the forecast period to PKR168 billion

## 2023 DEVELOPMENTS

### Sugar confectionery remains resilient as affordability is major issue

Sugar confectionery is immensely popular among kids in Pakistan as it constitutes an affordable treat. Children mainly purchase sweets from neighbourhood shops with their pocket money and hence are quite price-sensitive. In 2023, with inflation rising year-on-year and reaching high double-digits not seen since 1964, affordability has dropped further with many consumers forced to trade down to cheaper sugar confectionery. Nonetheless, demand for sugar confectionery continues to rise in Pakistan in 2023, with the category showing great resilience. Indeed, the category remained relatively stable even during the pandemic, when pastilles, gums, jellies and chews were seen as an affordable indulgence, while the niche medicated confectionery benefited from health and wellness concerns.

### Boiled sweets retain largest share of sugar confectionery

Among the sugar confectionery categories, boiled sweets remain prominent as they are accessible to a wide range of income-groups. Boiled sweets are available in different flavours and cater to even the most price-sensitive consumer. In 2023, parents can still afford to give them as treats to their children, as they can buy them in small portions from local grocers. Moreover, it is very common for small local grocers to give boiled sweets instead of coins when customers receive their change.

### Smaller pack sizes prove attractive as household budgets are squeezed

The average unit price of sugar confectionery continues to rise in Pakistan following Intense price inflation in 2023. The government's decision to double its sugar tax in the 2020 Federal Budget had already placed additional pressure on producers of sugar confectionery. Lower purchasing power has led manufacturers to focus on cost-reduction strategies in 2023. To offset rising costs and taxes, leading players typically reduce pack sizes, whilst switching to cheaper packaging where possible in an attempt to maintain profit margins, while also ensuring their products remain affordable to children. By doing this, sugar confectionery manufacturers are meeting the needs of budget-conscious consumers, and have an opportunity to increase retail value share. Local consumers often select the brand that is cheaper as the target audience of children is price-sensitive.

## PROSPECTS AND OPPORTUNITIES

### Healthier gum consumption driven by A thirst for knowledge and reading labels

Consumers are becoming increasingly conscious of what they eat in Pakistan, with many individuals now more knowledgeable about what constitutes a healthy diet and questioning ingredients. Reading product labels is helping locals to understand the nutritional value of sugar confectionery, and is leading the shift the focus towards reduced sugar options and healthier options overall. Sugar-free or low-sugar options allows consumers to satisfy their sugar cravings while minimizing their sugar intake. In the forecast period, rising sugar taxes and health and wellness concerns, will nurture more health-conscious consumers towards sugar-free alternatives. Increased product offerings and promotion through different channels will ensure steady growth of sugar confectionery. Nevertheless, to gain significant share, players will need to still focus on pricing and availability of their products.

### Manufacturers produce new and innovative products

As a saturated and highly competitive category, manufacturers will be compelled to introduce new and innovative products at affordable prices. Many of them are now focusing on incorporating natural ingredients into their offerings, aiming to gain a competitive edge and cater to consumers who seek safer and healthier options. Inflationary pressures are likely to put a firm focus on smaller formats and cheaper options as low- and middle-income groups prioritise non-essential products.

Ismail Industries will likely retain its convincing leadership of sugar confectionery over the forecast period. With over 30 brands, the company's umbrella line Candyland enjoys immense brand equity and consumer trust. The company owns many iconic products and has a wide distribution network across the country. It has been operational for over 25 years and has loyal consumers who have a strong preference for Candyland.

Hilal Confectionery is one of the oldest domestic manufacturers of packaged sugar confectionery in Pakistan. The player owns some of the most famous legacy brands and is renowned nationally for its wide product range in boiled sweets and the variety of flavours it offers to a diverse group of consumers. Some of its most famous brands include Hilal Khopra, Hilal Churan Chatni, Hilal Aamrus and Hilal Pan Pasand. The company benefits from a growing presence in boiled sweets and jellies, due to offering brands that are novel in shape and format and are positioned as fun products for children, such as pizza shaped jellies, peach-flavoured jellies and egg shaped jellies.

### Small local grocers will remain vital to distribution

Small local grocers is expected to retain its position as the dominant distribution channel for sugar confectionery in Pakistan over the forecast period, with these outlets benefiting from the fact that these products are typically impulse purchases. The majority of sugar confectionery sales occur through small local grocers, primarily due to their proximity to residential areas and their widespread presence. These grocers conveniently serve as accessible options for children, allowing them to easily walk to these shops and purchase their desired products. The close vicinity of these shops to residential areas enhances convenience and further contributes to their popularity as a go-to place for kids seeking sugar confectionery treats.

## CATEGORY DATA

**Table 1 Sales of Sugar Confectionery by Category: Volume 2018-2023**

'000 tonnes	2018	2019	2020	2021	2022	2023
- Other Sugar Confectionery	2.8	3.0	3.2	3.2	3.4	3.6
- Toffees, Caramels and Nougat	3.3	3.4	3.6	3.6	3.8	4.0
- Pastilles, Gummies, Jellies and Chews	24.9	26.3	27.5	27.6	29.5	31.4
-- Standard Mints	0.8	0.9	0.8	0.9	1.0	1.1
-- Power Mints	0.1	0.1	0.1	0.1	0.1	0.1
- Mints	1.0	1.0	1.0	1.0	1.1	1.2
- Medicated Confectionery	0.1	0.1	0.1	0.1	0.1	0.1
- Lollipops	0.5	0.5	0.5	0.5	0.6	0.6
- Liquorice	-	-	-	-	-	-
- Boiled Sweets	15.2	15.8	15.7	15.7	16.6	17.5
Sugar Confectionery	47.8	50.1	51.5	51.8	55.0	58.3

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

**Table 2 Sales of Sugar Confectionery by Category: Value 2018-2023**

PKR billion	2018	2019	2020	2021	2022	2023
- Other Sugar Confectionery	1.7	1.8	2.1	2.2	2.7	3.4
- Toffees, Caramels and Nougat	2.0	2.1	2.4	2.6	3.2	4.1
- Pastilles, Gummies, Jellies and Chews	15.9	17.2	19.6	21.4	25.2	32.1
-- Standard Mints	1.0	1.1	1.1	1.3	1.6	2.1
-- Power Mints	0.2	0.2	0.2	0.2	0.2	0.3
- Mints	1.2	1.2	1.3	1.5	1.9	2.4
- Medicated Confectionery	0.1	0.1	0.1	0.1	0.1	0.1
- Lollipops	0.6	0.6	0.6	0.7	0.9	1.1
- Liquorice	-	-	-	-	-	-
- Boiled Sweets	7.2	7.6	8.2	8.9	10.7	13.5
Sugar Confectionery	28.7	30.7	34.2	37.4	44.6	56.7

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

**Table 3 Sales of Sugar Confectionery by Category: % Volume Growth 2018-2023**

% volume growth	2022/23	2018-23 CAGR	2018/23 Total
- Other Sugar Confectionery	5.7	4.6	25.3
- Toffees, Caramels and Nougat	6.3	4.2	22.6
- Pastilles, Gummies, Jellies and Chews	6.5	4.7	26.0
-- Standard Mints	7.1	4.9	27.2
-- Power Mints	6.0	2.9	15.2

- Mints	6.9	4.7	25.6
- Medicated Confectionery	7.8	10.2	62.4
- Lollipops	6.1	3.3	17.8
- Liquorice	-	-	-
- Boiled Sweets	5.4	2.8	14.7
Sugar Confectionery	6.1	4.1	22.1

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

**Table 4 Sales of Sugar Confectionery by Category: % Value Growth 2018-2023**

% current value growth	2022/23	2018-23 CAGR	2018/23 Total
- Other Sugar Confectionery	26.0	14.7	98.2
- Toffees, Caramels and Nougat	29.4	14.9	100.4
- Pastilles, Gummies, Jellies and Chews	27.5	15.1	101.7
-- Standard Mints	27.5	15.6	106.1
-- Power Mints	27.7	12.3	78.8
- Mints	27.6	15.1	102.0
- Medicated Confectionery	31.1	16.1	111.3
- Lollipops	26.9	14.3	95.5
- Liquorice	-	-	-
- Boiled Sweets	25.8	13.3	86.5
Sugar Confectionery	27.1	14.6	97.5

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

**Table 5 Sales of Pastilles, Gummies, Jellies and Chews by Type: % Value 2018-2023**

% retail value rsp	2018	2019	2020	2021	2022	2023
Gummies, Jellies and Chews	92.0	92.0	92.0	92.0	92.0	92.0
Pastilles	8.0	8.0	8.0	8.0	8.0	8.0
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

**Table 6 NBO Company Shares of Sugar Confectionery: % Value 2019-2023**

% retail value rsp Company	2019	2020	2021	2022	2023
Ismail Industries Ltd	46.8	48.5	49.3	49.7	50.2
Hilal Confectionery (Pvt) Ltd	18.6	19.4	20.1	20.3	20.5
Volka Foods International Ltd	8.9	9.3	9.3	9.4	9.4
Asian Food Industries (Pvt) Ltd	9.0	9.0	8.7	8.3	8.1
Mondelez Pakistan Ltd	7.4	7.3	7.1	7.7	8.0
Others	9.2	6.5	5.4	4.7	3.9
Total	100.0	100.0	100.0	100.0	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

**Table 7 LBN Brand Shares of Sugar Confectionery: % Value 2020-2023**

% retail value rsp Brand (GBO)	Company (NBO)	2020	2021	2022	2023
Candyland Chilli Milli Jelly	Ismail Industries Ltd	15.3	15.5	15.8	16.0
Candyland ABC Jelly	Ismail Industries Ltd	14.4	14.4	14.4	14.3
Giggly Twisto	Volka Foods International Ltd	7.6	7.6	7.6	7.6
Candyland Yums	Ismail Industries Ltd	6.2	6.6	6.8	7.0
Mayfair Frooto	Asian Food Industries (Pvt) Ltd	6.0	5.8	5.7	5.6
Hilal Khopra	Hilal Confectionery (Pvt) Ltd	4.6	4.6	4.6	4.6
Hilal Jelly	Hilal Confectionery (Pvt) Ltd	3.6	4.1	4.2	4.3
Cadbury Softmint (Mondelez International Inc)	Mondelez Pakistan Ltd	4.1	4.2	4.2	4.2
Candyland Fanty	Ismail Industries Ltd	4.2	4.2	4.1	4.1
Cadbury Dairy Milk Eclairs (Mondelez International Inc)	Mondelez Pakistan Ltd	3.2	3.0	3.5	3.8
Hilal Aamrus	Hilal Confectionery (Pvt) Ltd	3.3	3.4	3.5	3.6
Hilal Churan Chatni	Hilal Confectionery (Pvt) Ltd	2.6	2.6	2.6	2.6
Mayfair Fruit Gala	Asian Food Industries (Pvt) Ltd	3.1	2.9	2.6	2.5
Candyland Cola	Ismail Industries Ltd	1.8	1.9	1.9	2.1
Giggly Eclairs	Volka Foods International Ltd	1.7	1.8	1.8	1.8
Hilal Pan Pasand	Hilal Confectionery (Pvt) Ltd	1.5	1.5	1.5	1.5
Candyland Amrood	Ismail Industries Ltd	1.3	1.3	1.3	1.4
Candyland Bottles Jelly	Ismail Industries Ltd	1.2	1.2	1.3	1.3
Hilal Pizza Jelly	Hilal Confectionery (Pvt) Ltd	1.1	1.1	1.2	1.2
Candyland Dewy Chewy	Ismail Industries Ltd	1.3	1.3	1.2	1.0
Hilal Hajmola	Hilal Confectionery (Pvt) Ltd	0.8	0.9	0.9	1.0
Hilal Peach	Hilal Confectionery (Pvt) Ltd	1.2	1.1	1.0	0.9
Candyland Fizzy Jellyo	Ismail Industries Ltd	1.0	0.9	0.9	0.9
Hilal Egg Jelly	Hilal Confectionery (Pvt) Ltd	0.8	0.9	0.8	0.8
Candyland Imli	Ismail Industries Ltd	0.7	0.7	0.7	0.7
Candyland Flip	Ismail Industries Ltd	0.5	0.6	0.6	0.6
Candyland Butter Scotch	Ismail Industries Ltd	0.4	0.4	0.4	0.4
Candyland Eclairs	Ismail Industries Ltd	0.3	0.3	0.3	0.4
Others	Others	6.5	5.4	4.7	3.9
Total	Total	100.0	100.0	100.0	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 8 Distribution of Sugar Confectionery by Format: % Value 2018-2023

% retail value rsp	2018	2019	2020	2021	2022	2023
Retail Channels	100.0	100.0	100.0	100.0	100.0	100.0
- Retail Offline	99.8	99.8	99.7	99.6	99.6	99.5
-- Grocery Retailers	97.8	97.6	97.7	95.9	96.0	96.1
--- Convenience Retail	3.5	3.6	3.5	3.5	3.4	3.3
---- Convenience Stores	-	-	-	-	-	-
---- Forecourt Retailers	3.5	3.6	3.5	3.5	3.4	3.3
--- Supermarkets	8.0	8.5	8.5	8.6	9.3	10.7
--- Hypermarkets	5.8	6.2	6.2	6.4	6.8	7.3
--- Discounters	-	-	-	-	-	-
--- Warehouse Clubs	-	-	-	-	-	-
--- Food/drink/tobacco specialists	18.5	18.2	16.9	16.2	14.3	13.3
--- Small Local Grocers	62.0	61.1	62.6	61.2	62.2	61.5
-- Non-Grocery Retailers	2.0	2.1	2.1	3.7	3.6	3.5
--- General Merchandise Stores	-	-	-	-	-	-
--- Apparel and Footwear Specialists	-	-	-	-	-	-
--- Appliances and Electronics Specialists	-	-	-	-	-	-
--- Home Products Specialists	-	-	-	-	-	-
--- Health and Beauty Specialists	2.0	2.1	2.1	3.7	3.6	3.5
--- Leisure and Personal Goods Specialists	-	-	-	-	-	-
--- Other Non-Grocery Retailers	-	-	-	-	-	-
-- Vending	-	-	-	-	-	-
-- Direct Selling	-	-	-	-	-	-
- Retail E-Commerce	0.2	0.2	0.3	0.4	0.4	0.5
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 9 Forecast Sales of Sugar Confectionery by Category: Volume 2023-2028

'000 tonnes	2023	2024	2025	2026	2027	2028
- Other Sugar Confectionery	3.6	3.8	3.9	4.1	4.3	4.5
- Toffees, Caramels and Nougat	4.0	4.3	4.5	4.8	5.0	5.3
- Pastilles, Gummies, Jellies and Chews	31.4	33.3	35.3	37.4	39.5	41.6
-- Standard Mints	1.1	1.1	1.2	1.3	1.3	1.4
-- Power Mints	0.1	0.2	0.2	0.2	0.2	0.2
- Mints	1.2	1.3	1.4	1.4	1.5	1.6
- Medicated Confectionery	0.1	0.1	0.1	0.1	0.1	0.1
- Lollipops	0.6	0.6	0.7	0.7	0.8	0.8



- Liquorice	-	-	-	-	-	-
- Boiled Sweets	17.5	18.4	19.2	20.1	20.9	21.8
Sugar Confectionery	58.3	61.8	65.2	68.7	72.2	75.7

Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources

**Table 10 Forecast Sales of Sugar Confectionery by Category: Value 2023-2028**

PKR billion	2023	2024	2025	2026	2027	2028
- Other Sugar Confectionery	3.4	3.9	4.5	5.2	5.9	6.6
- Toffees, Caramels and Nougat	4.1	4.8	5.6	6.5	7.6	8.8
- Pastilles, Gummies, Jellies and Chews	32.1	37.9	44.9	52.8	61.3	70.4
-- Standard Mints	2.1	2.4	2.8	3.3	3.7	4.2
-- Power Mints	0.3	0.4	0.4	0.5	0.6	0.6
- Mints	2.4	2.8	3.3	3.8	4.3	4.9
- Medicated Confectionery	0.1	0.1	0.2	0.2	0.2	0.2
- Lollipops	1.1	1.3	1.5	1.7	1.9	2.1
- Liquorice	-	-	-	-	-	-
- Boiled Sweets	13.5	15.5	18.0	20.7	23.5	26.4
Sugar Confectionery	56.7	66.3	77.9	90.8	104.7	119.4

Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources

**Table 11 Forecast Sales of Sugar Confectionery by Category: % Volume Growth 2023-2028**

% volume growth	2023/24	2023-28 CAGR	2023/28 Total
- Other Sugar Confectionery	5.4	4.7	25.8
- Toffees, Caramels and Nougat	6.0	5.5	30.5
- Pastilles, Gummies, Jellies and Chews	6.3	5.8	32.8
-- Standard Mints	6.8	6.1	34.1
-- Power Mints	5.9	5.5	30.9
- Mints	6.7	6.0	33.8
- Medicated Confectionery	7.5	6.9	39.8
- Lollipops	5.8	5.4	29.9
- Liquorice	-	-	-
- Boiled Sweets	5.1	4.5	24.5
Sugar Confectionery	5.9	5.3	29.7

Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources

**Table 12 Forecast Sales of Sugar Confectionery by Category: % Value Growth 2023-2028**

% constant value growth	2023/2024	2023-28 CAGR	2023/28 Total
- Other Sugar Confectionery	15.7	14.1	93.0

- Toffees, Caramels and Nougat	16.6	16.6	115.5
- Pastilles, Gummies, Jellies and Chews	17.9	17.0	119.1
-- Standard Mints	17.4	15.4	104.8
-- Power Mints	16.3	15.5	105.4
- Mints	17.2	15.4	104.9
- Medicated Confectionery	17.0	15.8	108.3
- Lollipops	15.7	14.1	93.6
- Liquorice	-	-	-
- Boiled Sweets	15.3	14.4	96.1
Sugar Confectionery	17.0	16.1	110.7

Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources