



Trade war disruption

Trade wars and ever-changing tariffs are expected to cause major disruptions and challenges for F&B companies, affecting availability of ingredients, operational planning, supply chains, pricing, and consumer behavior. Companies will need to keep a close eye on developments and may have to reassess their business models and supply chains.



Dealmaking

M&A activity in the F&B sector is set to rebound as companies seek to optimize their portfolios through acquisitions and divestitures. Most transactions are expected to be smaller deals, focusing on high-growth areas like premium, snack, health and wellness categories. Functional beverages and plant-based meat alternatives are also identified as attractive targets for PE investment.



Rise in foodtech investment

Investment in food technology is expected to rise, particularly in online grocers, plant-based food technologies, and sustainable packaging solutions. Regulatory bodies and governments are expected to boost foodtech innovation with new frameworks and funding initiatives.



Leveraging AI

Fast food companies are using AI to enhance sales and streamline operations with self-service kiosks, apps, delivery services, and AI-driven kitchen and inventory management. AI and robotics are also increasingly being utilized in food production. However, food companies will need to address challenges such as lack of expertise, unclear AI strategies, and the need for transparency in AI usage.



Food packaging regulations

Many countries are implementing stricter regulations on food packaging materials. These regulations aim to improve recycling processes, phase out harmful chemicals, and minimize environmental risks.



Health taxes

Governments are using taxes to shift consumer behavior and promote public health. For example, the imposition of taxes on products like tobacco, sugary drinks, and alcohol to discourage consumption. Some regulators are also reducing taxes on healthier food options to make them more affordable and accessible.



Crackdown on harmful food additives

Increasing efforts to improve food safety and reduce harmful additives, especially artificial dyes found in processed foods, may require some F&B companies to reformulate their products to comply with new safety standards.



Food waste

There is a growing trend towards reducing food waste, driven by new regulations and corporate pledges. Businesses can prepare for this by implementing sustainable practices and efficient waste management strategies.



Anti F&B activism

Growing activism against F&B players protesting greedflation leading to higher consumer prices, and unfair treatment of farmers, are a rising threat. It has the potential to disrupt manufacturing and distribution and impact consumer behavior.



Greater regulation of tobacco firms

Tobacco companies face lawsuits and regulations over health impacts and tobacco ban violations. The US FDA is proposing new regulations to limit nicotine levels in tobacco products.



Food labelling

In response to regulations and consumer demands, food labels are increasingly highlighting health benefits and emphasizing ethical and sustainable practices. Smart labels and digital tools increase consumer engagement by providing interactive and comprehensive product information. Trade wars may result in labels where the country of origin or manufacture is featured with greater prominence.



Franchise market in Asia Pacific

The franchise market in the Asia Pacific region is experiencing robust growth, driven by an expanding middle class and the increasing demand for convenient food options. This trend is particularly evident in the rising popularity of premium and organic choices. Additionally, recent regulatory changes in certain markets have made it easier for new entrants, further fueling this growth.

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