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**ET INTERVIEW**

**ALAN JOPE**  
GLOBAL CEO, UNILEVER

# 'India Can Become Unilever's Biggest Market in a Decade'

Jope flags inflation, inequality and climate change as challenges for consumer goods market globally

Sagar Malviya  
& Bodhisatva Ganguli

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**Mumbai:** Unilever global chief executive Alan Jope said India could outstrip the US to become its largest market in a decade even as the maker of Dove soap and Knorr soup warned of unprecedented inflation, rising inequality and the climate change crisis hurting the consumer goods market globally.

The 59-year-old Scotsman also condemned Russia's invasion of Ukraine, and said it has halted the import or export of its products, capex plans as well as media spending in that country, reducing itself to a token presence in order to safeguard employees and brands' copyright.

"I am very sure India will grow, as a percentage, faster than the US for many years to come. So truthfully, it is a question of when India becomes the biggest business and not if. I don't want to put a date on that but given the relative growth rates, within the next decade is possible," Jope told ET in an interview during his first India visit since he



SHRIYA PATIL

took over Unilever's reins three years ago. "Hindustan Unilever is the jewel in Unilever's crown. The business has performed magnificently, whether it's the top line, bottom line, or market cap, this is a high-performing business."

HUL contributes about 11% or 5.6 billion euros to the Anglo-Dutch company's overall sales, as compared to the US which accounts for

19% or about 9.9 billion euros. Along with China, these three markets are "highest priority countries" for Unilever, and represent nearly 35% of the London-headquartered consumer goods multinational's turnover in calendar year 2021.

The optimism expressed by Jope comes against a backdrop of slowing consumer demand in India

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over the past few quarters. The company, regarded as a proxy for consumer sentiment in the country, posted a 10% growth in sales during the March quarter entirely driven by price increases as growth in volumes — or the products consumers actually buy — remained flat.

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## 'Three Trends'

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1 "There are three (trends) that we are noticing. The first is people are downsizing to smaller products. And we have a good portfolio of affordable products. The second is people are titrating and eking out the products that they have. And the third actually is some people in some categories are uptrading because the price per ml is cheaper and so that's a very smart way of behaving," said Jope, adding that it has not seen at scale, significant shifts in brand preference or consumers downtrading to lower-priced brands. "But I have to say we are still in the foothills of this period of inflation."

While commodity inflation is the biggest worry for consumer companies, Jope said the Russia-Ukraine war has only partly exacerbated the overall geopolitical pressure.

"Commodity inflation is by far, the greatest (challenge). There is inequality around the world. We serve everyday people with everyday products, and what's happening at the moment is within countries, the rich are getting richer and the poor are getting poorer. And that's not really good for our business," said Jope adding that crop failures across South America, North America and parts of Europe are causing additional pressure.

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