NielsenIQ

NIQ EU5 Inflation Barometer

August 2026 edition

NIQ EU5 Inflation Barometer >> Report specifications

NIQ Inflation Barometer measures FMCG inflation, how shoppers respond and what impact it has on FMCG sectors volumes

Country scope

France, Great Britain, Germany, Italy, Spain

Data specifications

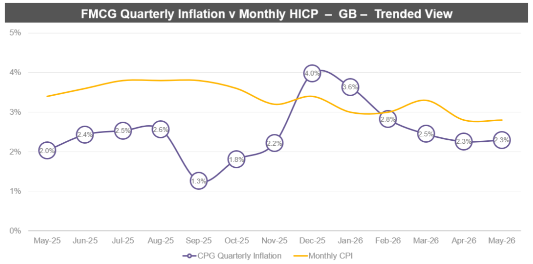
Channel: Total country

Product: FMCG, key sectors

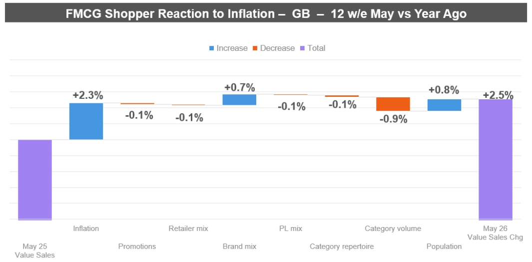
Periods: May ‘26 vs May ‘25

Key metrics and data source

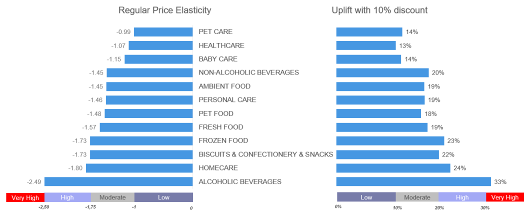
FMCG Inflation: source NIQ Retail Pricing Services.
Country inflation: Harmonized Index of Consumer Prices (EU), UK Consumer Prices Index



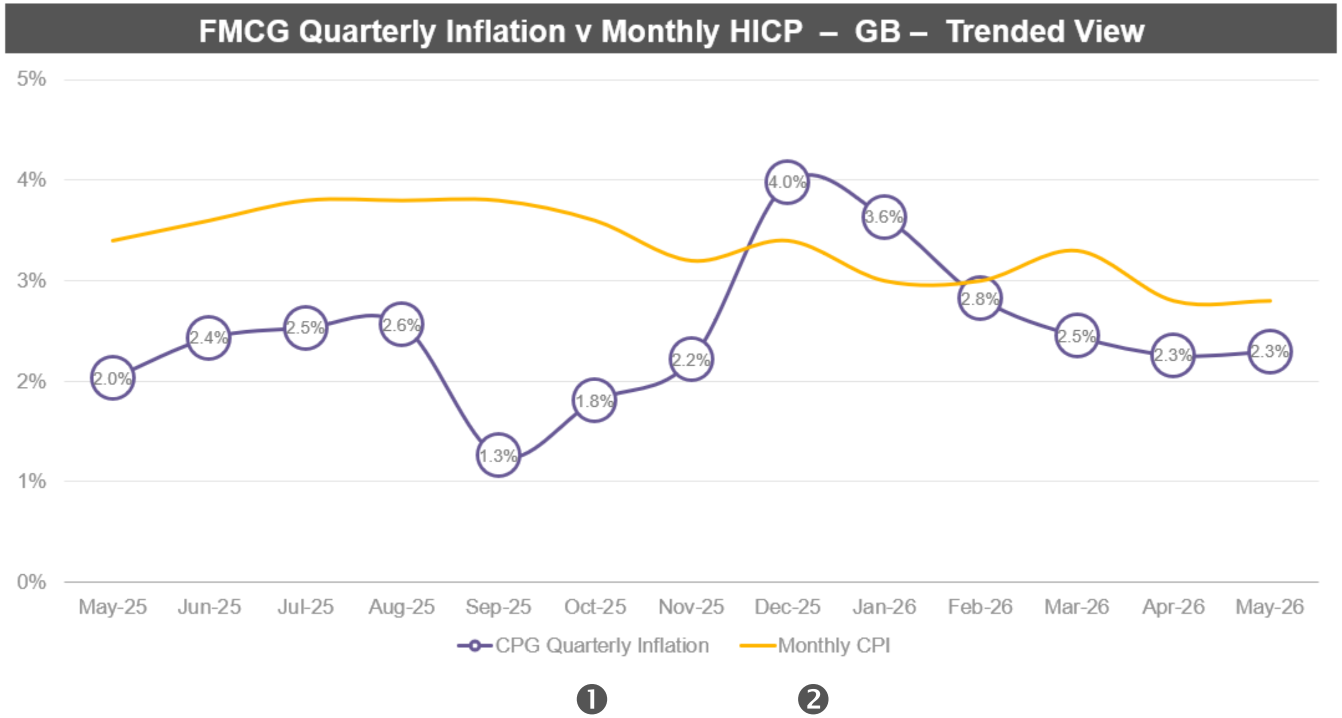
Shopper reaction to inflation: source NIQ Consumer Panel



Regular Price elasticity, uplift for 10% discount: source NIQ EDA econometric model



Inflation calculation



❶ **FMCG Quarterly Inflation** data measures FMCG price changes and is sourced from NielsenIQ scanning dataflow completed by instore audits

- Product scope includes promo and non-promo items.
- Inflation calculation is done at store x week x barcode level before being aggregated.
- Items taken into account have to be available in the same store during both periods of the comparison.
- Depending on the periods, this research includes between 250 and 300 million prices per period.
- Inflation is based on quarterly (13 week) periods vs same period year ago.

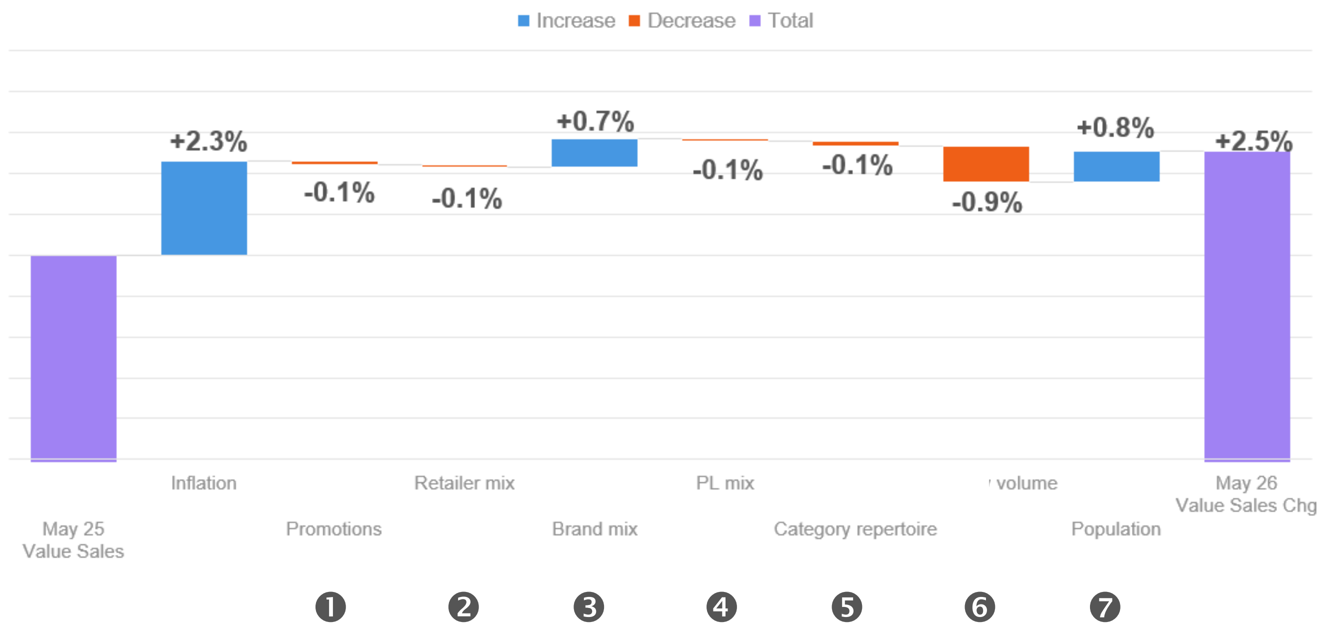
❷ **HICP (Harmonised Index of Consumer Prices)** is the standard measure of inflation used across the European Union. It tracks the average change over time in the prices that consumers pay for a basket of goods and services (such as food, energy, transport, and housing-related costs), using a consistent methodology across countries so inflation rates can be compared directly.

UK CPI (Consumer Prices Index) measures inflation by tracking changes in the prices paid by households for a basket of goods and services, using a methodology that is closely aligned with the EU's Harmonised Index of Consumer Prices (HICP), making the two measures broadly comparable.

How to interpret Shopper Reaction to Inflation

Example Output – GB, May ’26 vs. YA

FMCG Shopper Reaction to Inflation – GB – 12 w/e May vs Year Ago



FMCG Inflation - the level of FMCG year on year price change.

Shopper Reaction – the difference between inflation (the prices shoppers are exposed to) versus how this then translates into the resulting price and volume shoppers actually purchased.

In the example above Inflation is +2.3% but actual sales increased by 2.5%, +0.2% above Inflation which is due to the mix of Shopper Reaction’s.

Shopper Reaction to Inflation is sourced from NIQ Consumer Panel. It decomposes FMCG value sales change vs. YA breaking out Inflation and 7 Shopper Reaction’s:

1 Promotions

- The overall effect promotions are having on prices in a category in the current period versus the same period a year ago.

2 Retailer Mix

- Shoppers moving their purchasing across into cheaper, or more expensive retailers within the same category.

3 Brand Mix

- Shoppers moving their purchasing onto cheaper, or more expensive brands within the same category.

4 Private Label Mix

- Shoppers moving their purchasing onto cheaper, or more expensive private label items within the same category.

5 Category Repertoire

- Shoppers moving their purchasing onto cheaper, or more expensive items within different categories.

6 Volume

- The overall effect of shoppers buying more or less volume than a year ago. This falls outside of any of the pricing effects (1-5).

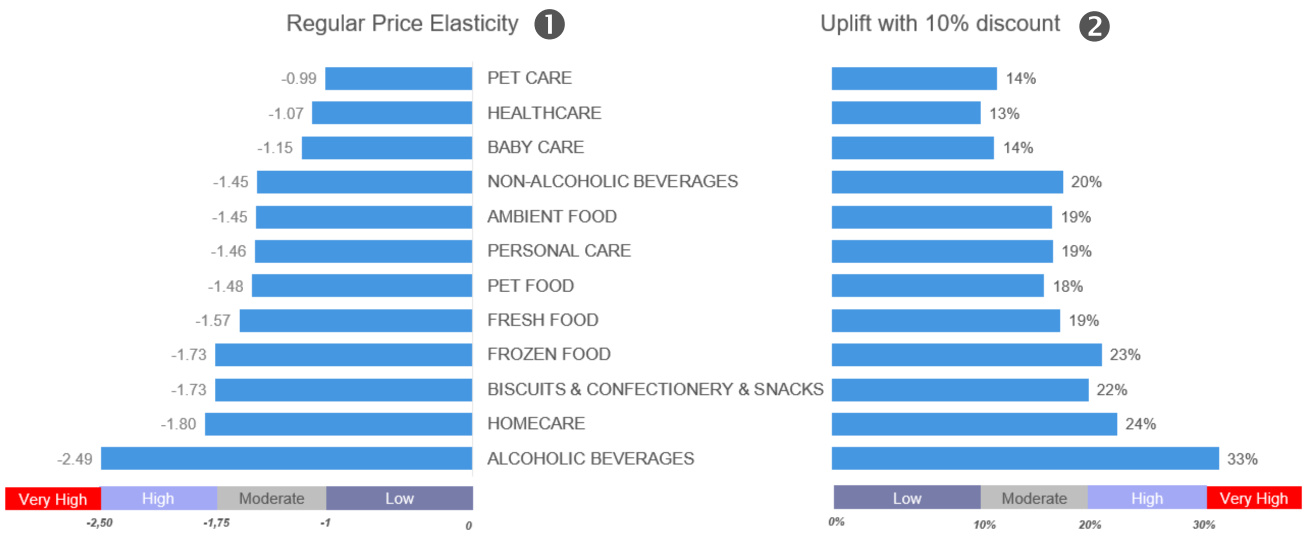
7 Population

- The effect of larger or smaller base of shoppers. This is measuring in the number of active household buyers, so it is not perfectly correlated to population changes. This falls outside the pricing effect (1-5) and the volume effect (6) but includes both in calculating the effect for the change in the base of shoppers..

Note: some of the Shopper Reactions are overlapping but this effect is decomposed at a purchase level to make the correct assignments.

How to interpret Regular Price Elasticity and volume response

Regular price elasticity and volume response



❶ **Regular Price Elasticity** measures how consumer demand responds to a change in regular price.

- It is defined as the percentage change in sales resulting from a 1% change in price.
- Elasticities are typically expressed as negative values to reflect the inverse relationship between price and sales volume.

❷ **Promotional Price Elasticity** measures how consumer demand responds to a temporary promotional price reduction.

- Promotional price elasticity is used to estimate and visualise expected sales uplift, such as the infographic "Uplift with a 10% Discount.".

EU5

France, Great Britain, Germany, Italy, Spain

NIQ EU5 Inflation Barometer

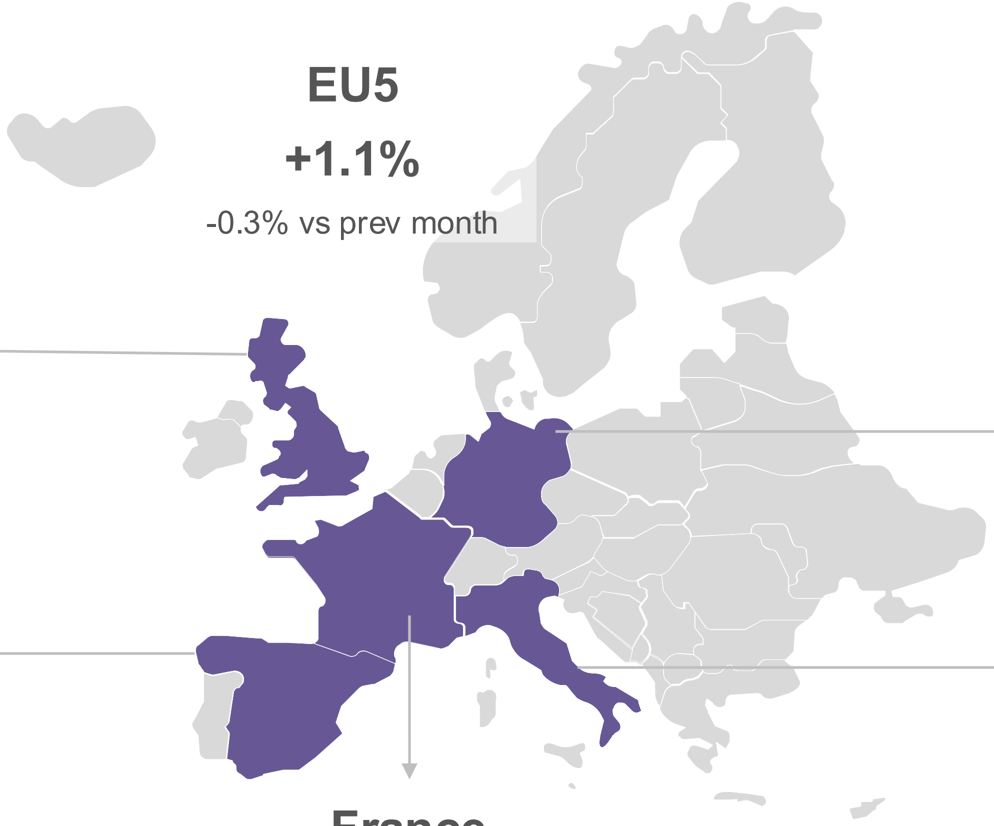
August 2026

EU5 FMCG inflation slows to +1.1% as price growth continues to soften across the region

FMCG Quarterly Inflation – May 2026 vs Year Ago

EU5
+1.1%
-0.3% vs prev month

Great Britain
+2.3%
= vs prev month



Germany
+1.3%
-0.5% vs prev month

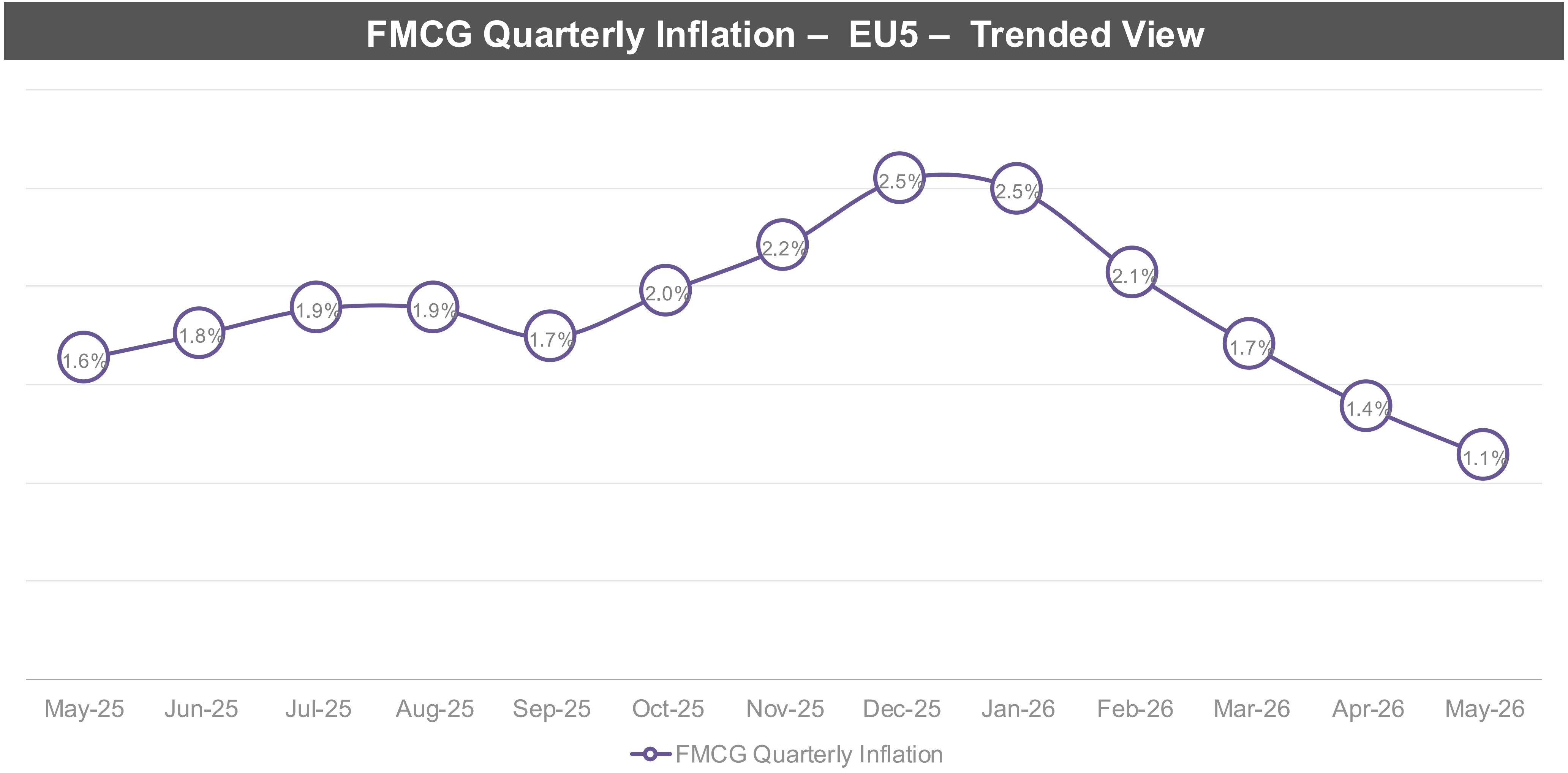
Spain
+1.2%
-0.2% vs prev month

Italy
+0.6%
-0.2% vs prev month

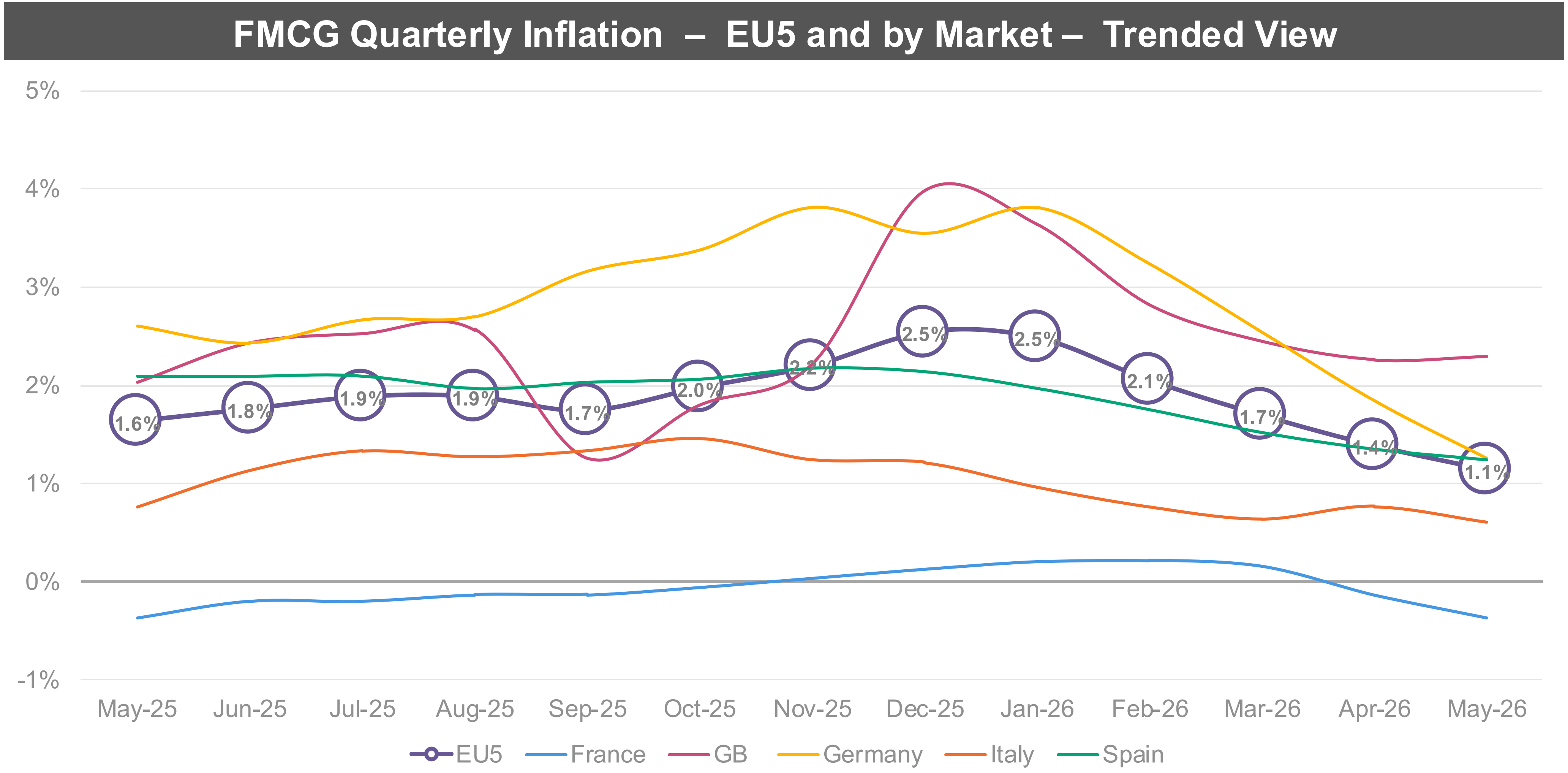
France
-0.4%
-0.3% vs prev month

Source: NielsenIQ Retail Pricing Services Data

Having peaked in January, EU5 FMCG inflation has eased for four consecutive months, reaching its lowest level of 2026



Great Britain stands apart as the only market with sustained FMCG inflation above 2%



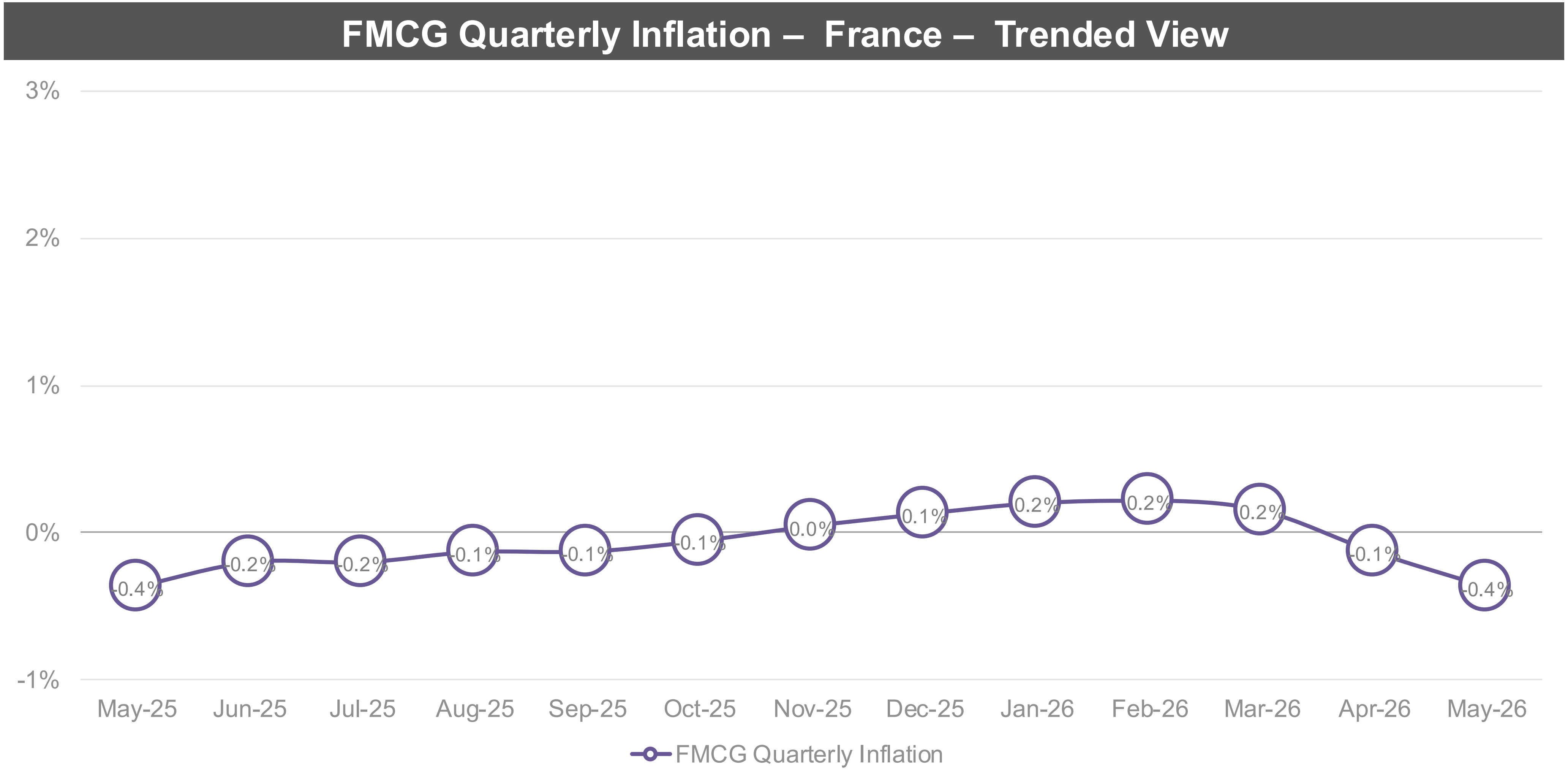
Source: NielsenIQ Retail Pricing Services Data

France

NIQ EU5 Inflation Barometer

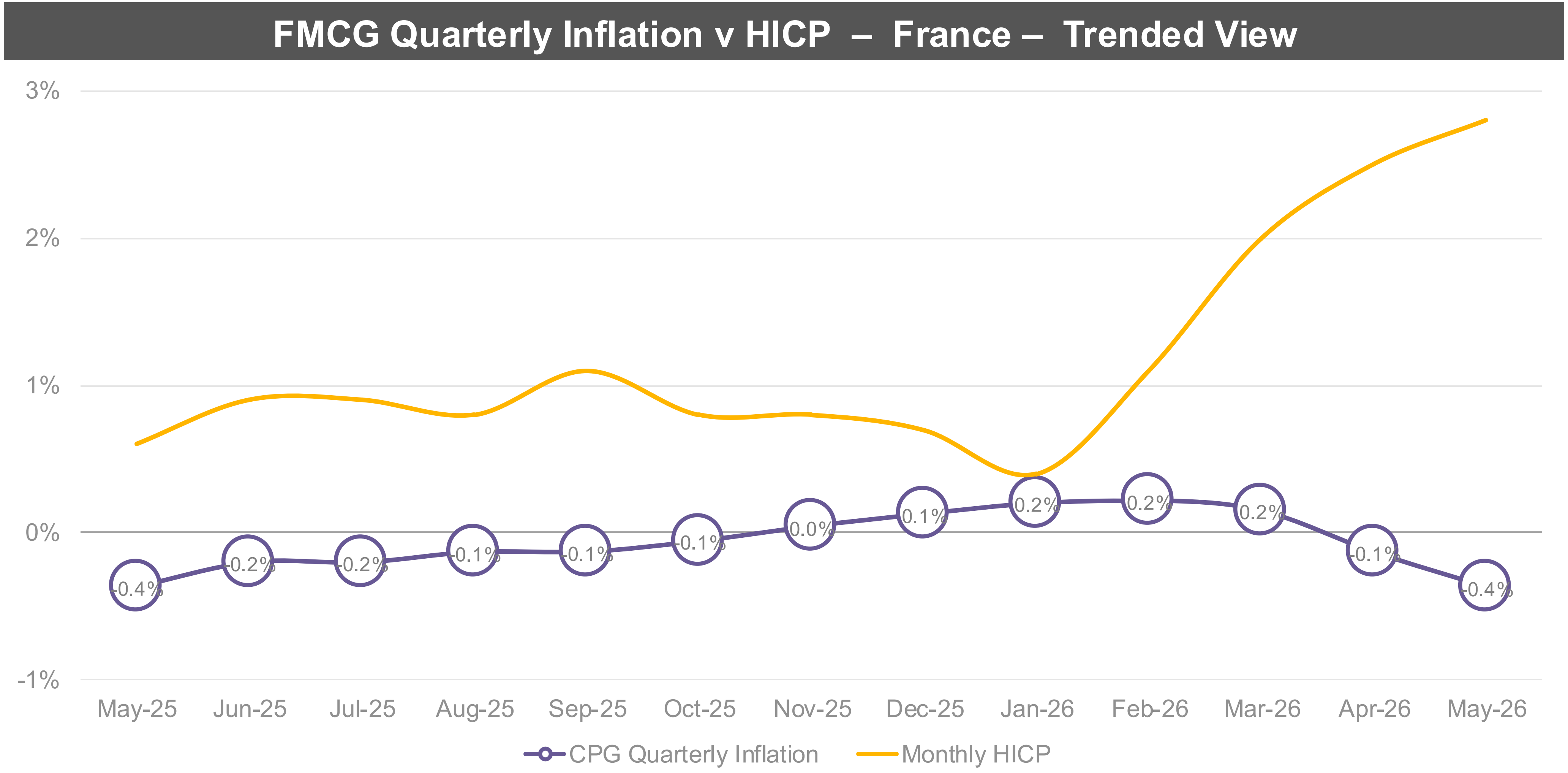
August 2026

France has returned to FMCG deflation, reversing the slight inflation seen earlier in 2026



Source: NielsenIQ Retail Pricing Services Data

France shows the widest divergence between FMCG pricing and broader inflation



__HICP (Harmonised Index of Consumer Prices)__ is the standard measure of inflation used across the European Union. It tracks the average change over time in the prices that consumers pay for a basket of goods and services (such as food, energy, transport, and housing-related costs), using a consistent methodology across countries so inflation rates can be compared directly.

Source: NielsenIQ Retail Pricing Services Data; France INSEE [In May 2026, HICP rose by 2.8% year on year]

Deflation is being driven primarily by Non-Food and Beverages

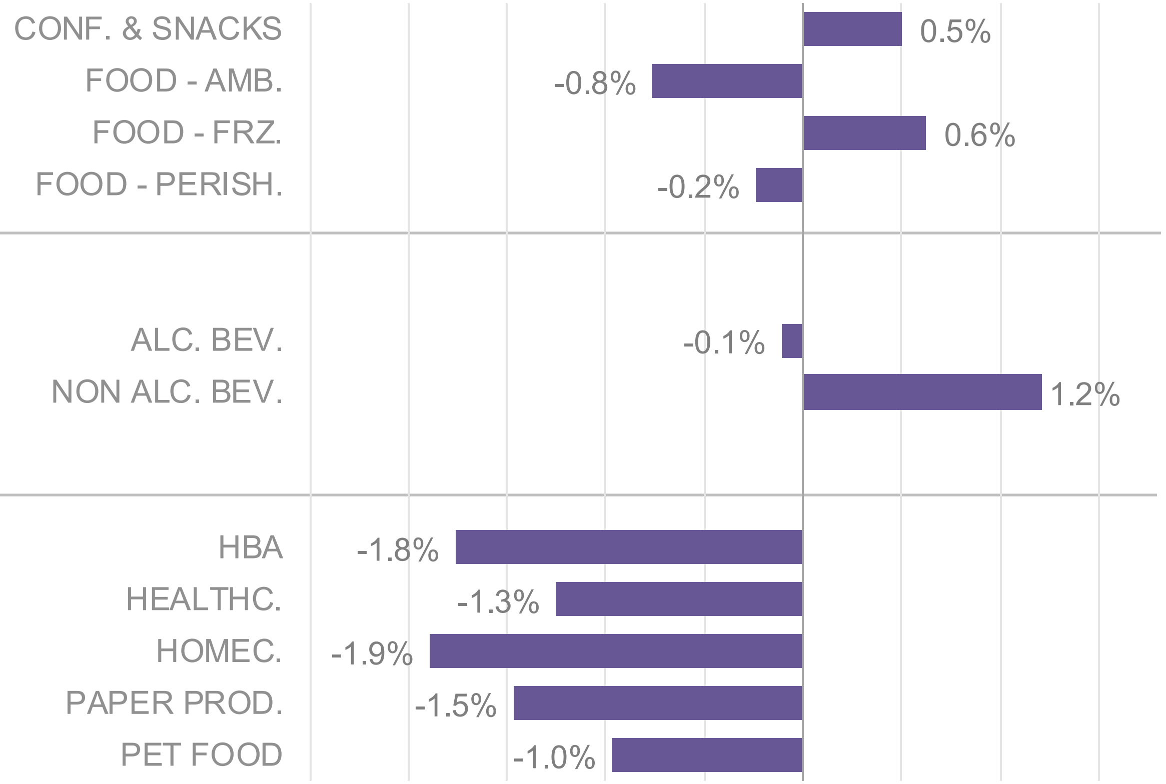
France FMCG Quarterly Inflation

Food **-0.3%**

Beverages **+0.7%**

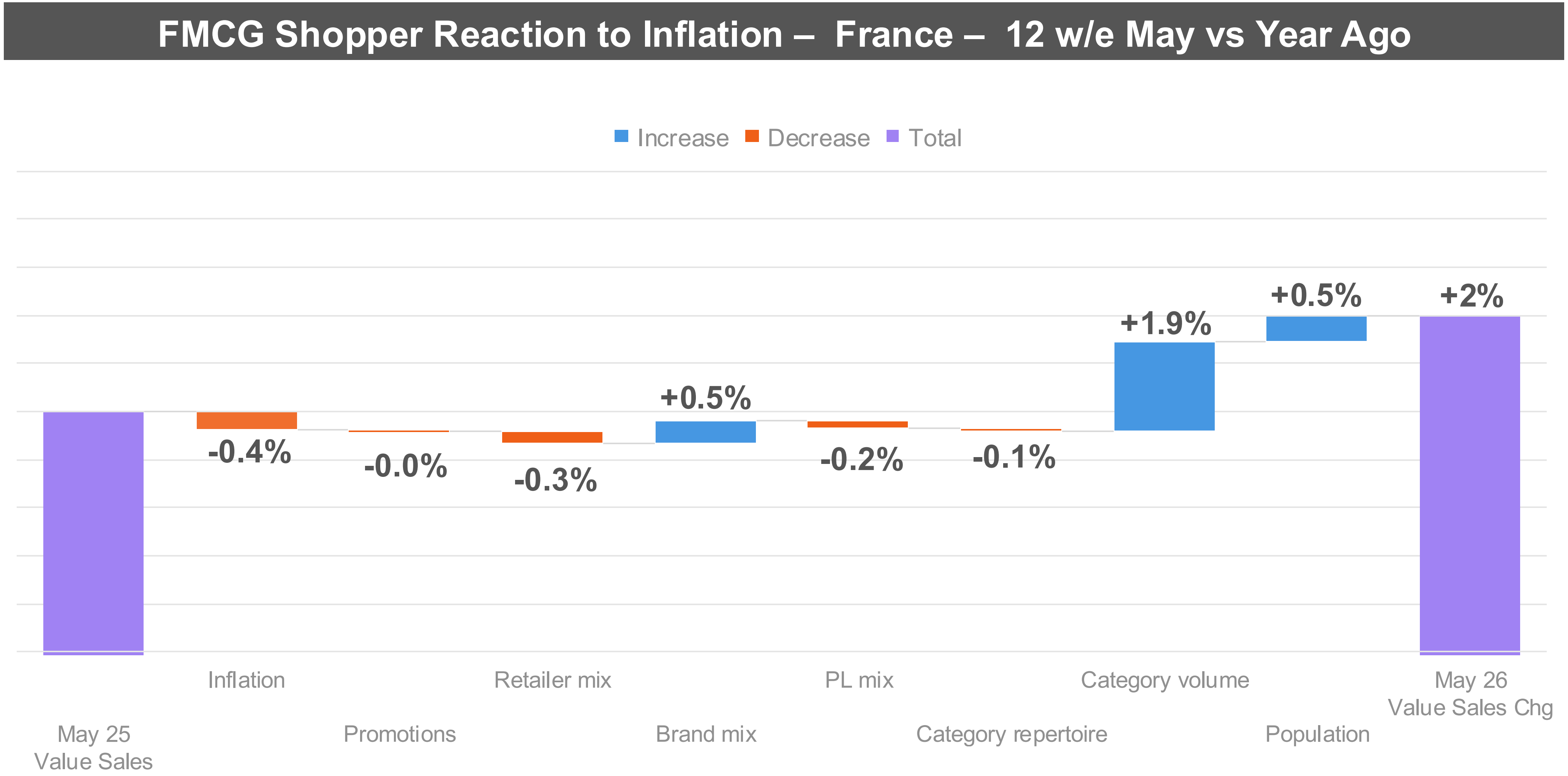
Non-F&B **-1.6%**

FMCG Quarterly Inflation Rate By Department



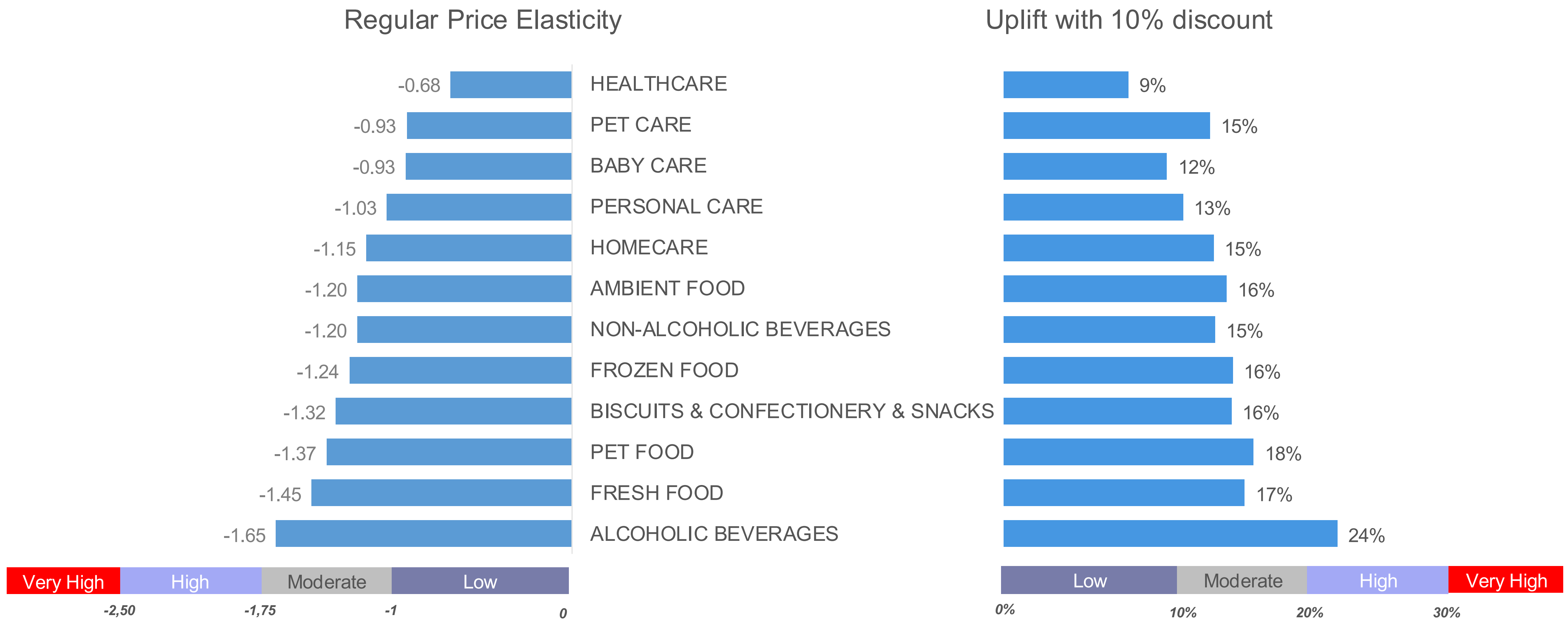
Source: NielsenIQ Retail Pricing Services Data

French shoppers are buying more volume, keeping the total FMCG industry in slight growth



Source: NielsenIQ Consumer Panel Service

Regular Price sensitivity is generally moderate in France meaning price increases might be profitable depending on the promotional response.



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Promotional Price Elasticity *measures how consumer demand responds to a temporary promotional price reduction. Promotional price elasticity is used to estimate and visualise expected sales uplift, such as the infographic "Uplift with a 10% Discount."*

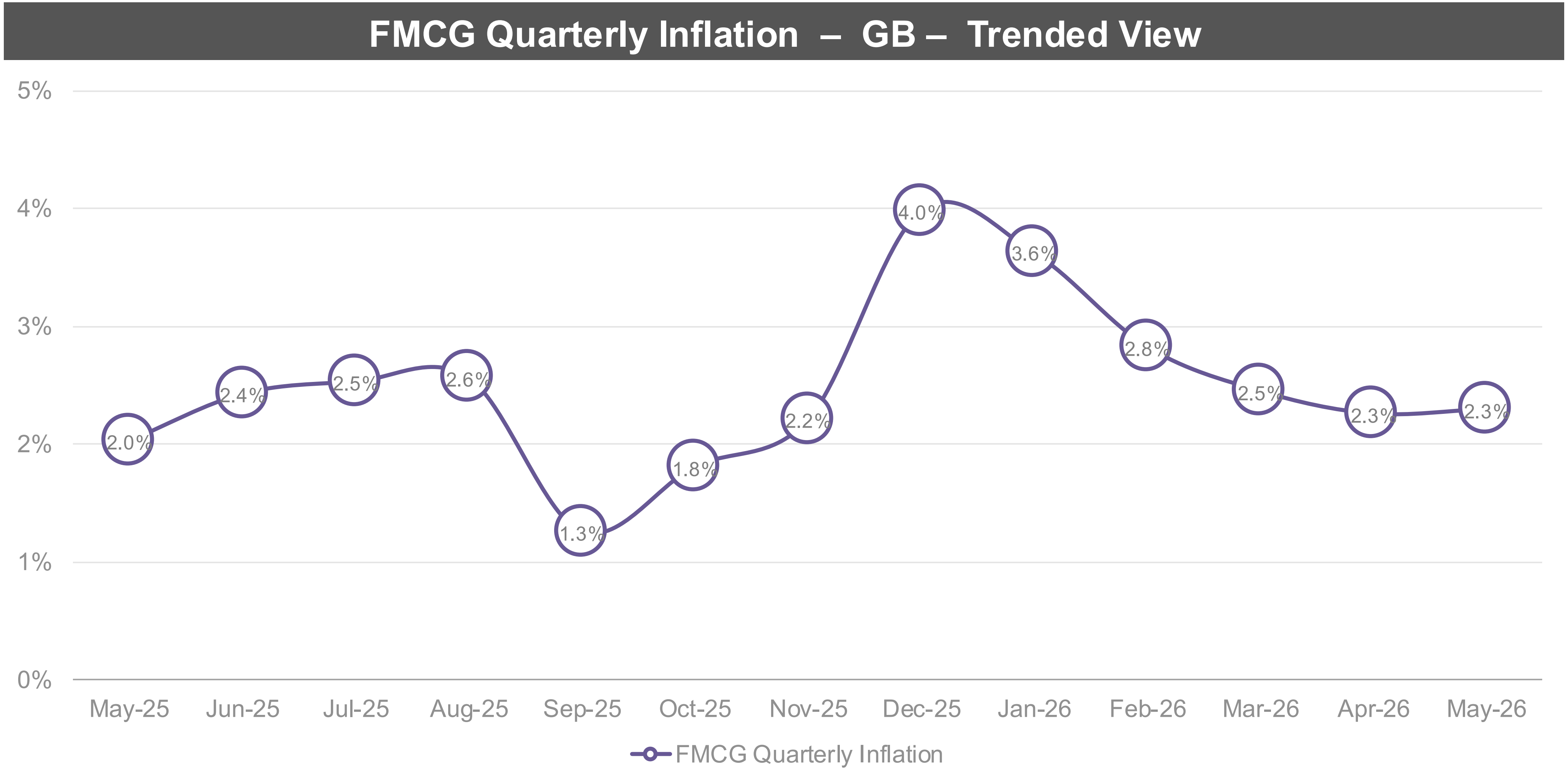
NIQ Source: NielsenIQ EDA econometric model, FR, Q2 2026

Great Britain

NIQ EU5 Inflation Barometer

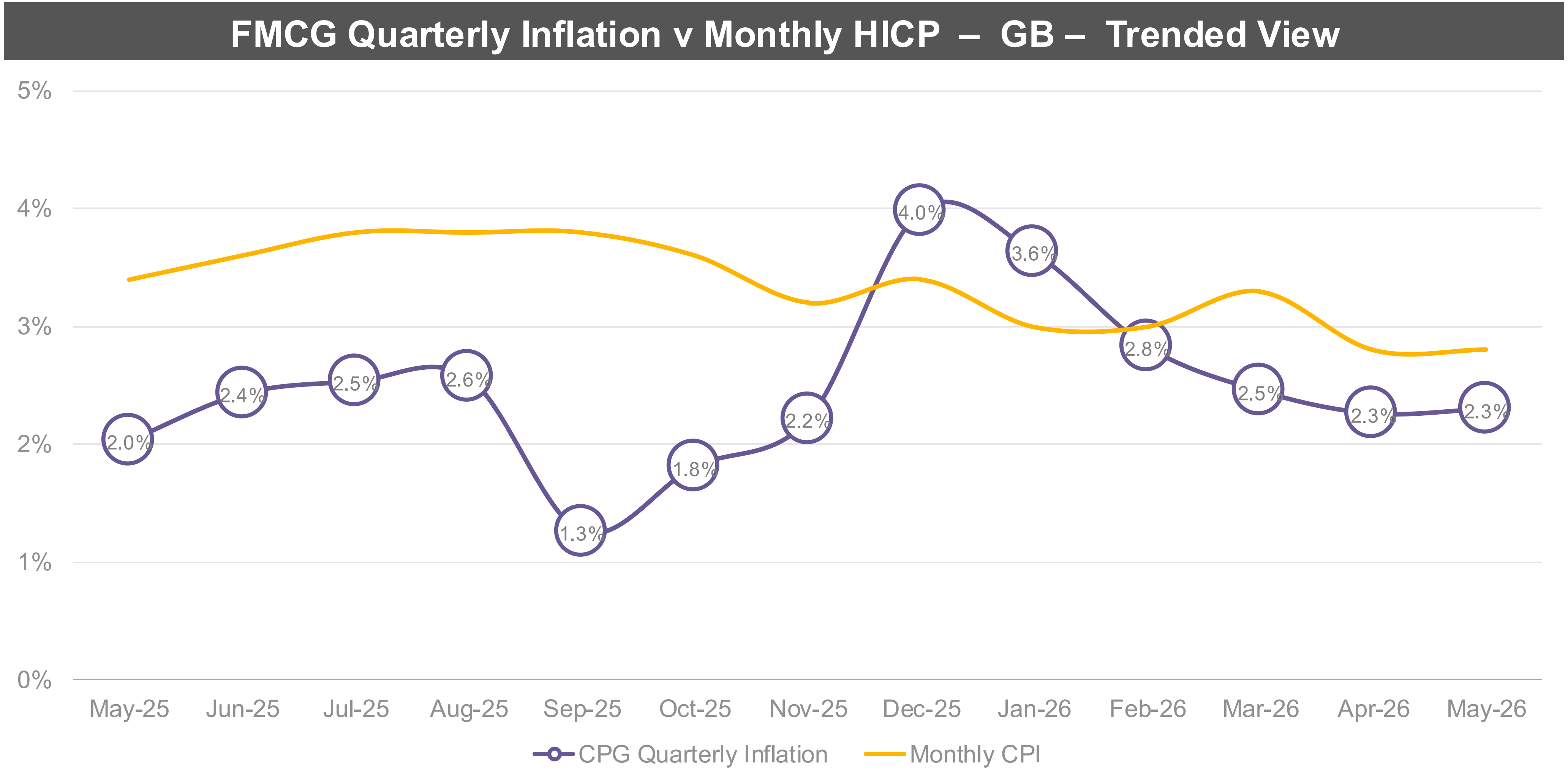
August 2026

British FMCG inflation remains elevated and has stabilised above 2%



Source: NielsenIQ Retail Pricing Services Data

Unlike continental Europe, there isn't a divergence in Britain between FMCG inflation and overall inflation



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Source: NielsenIQ Retail Pricing Services Data; UK Office for National Statistics [Consumer price inflation, UK - Office for National Statistics]

Food and Beverage inflation remains widespread, led by Non-Alcoholic drinks

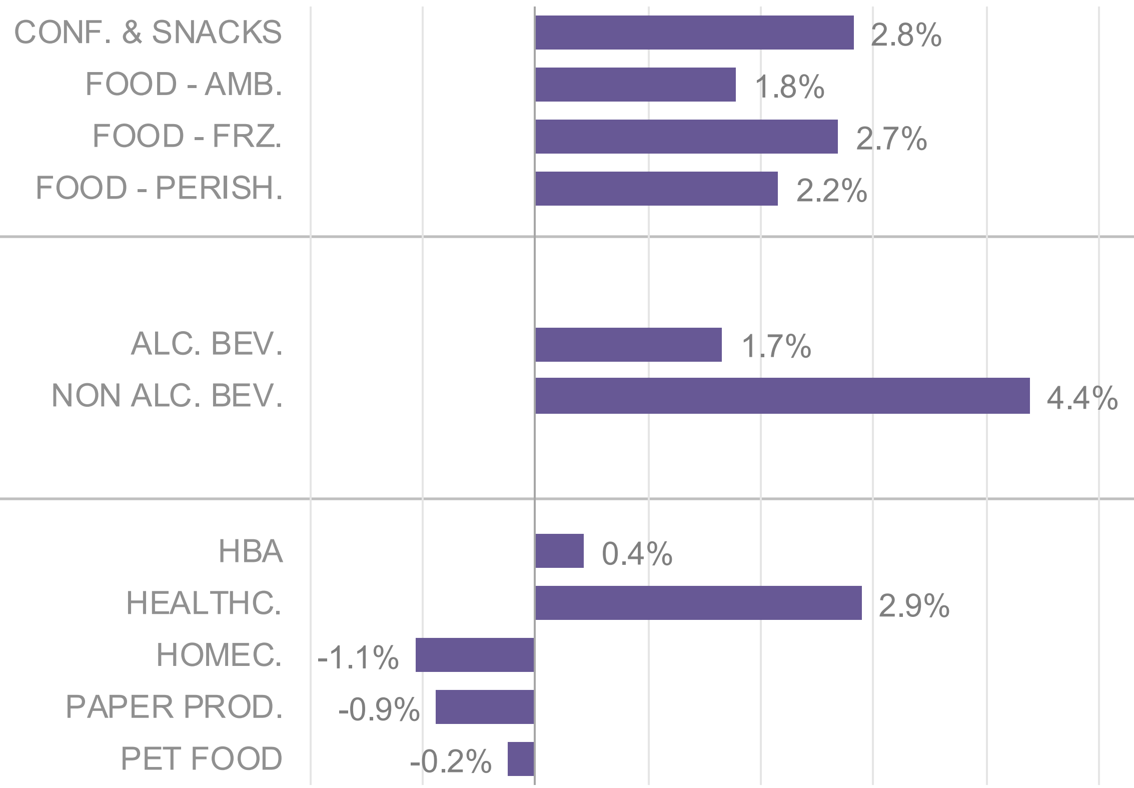
GB FMCG Quarterly Inflation

Food **+2.3%**

Beverages **+3.4%**

Non-F&B **-0.1%**

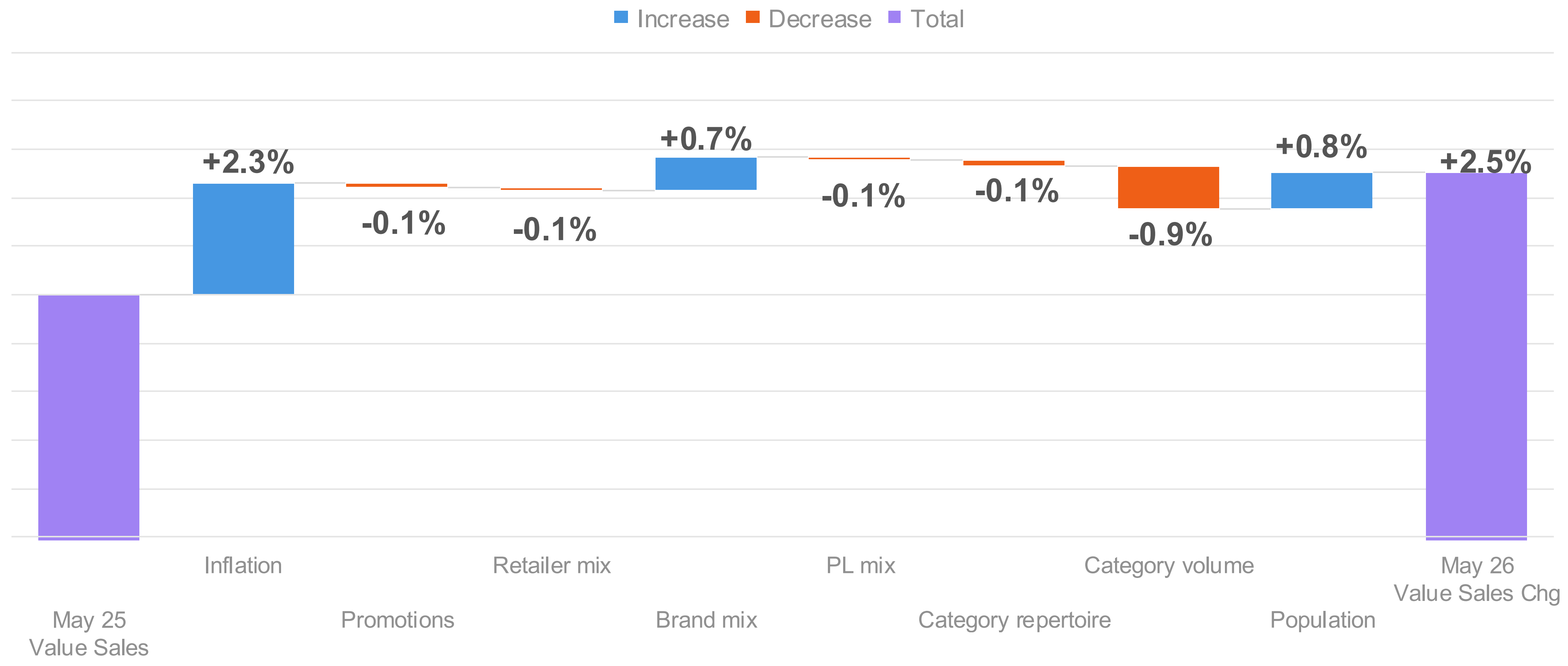
FMCG Quarterly Inflation Rate By Department



Source: NielsenIQ Retail Pricing Services Data

Despite positive brand mix effects, British shoppers are buying less volume keeping FMCG growth just above inflation

FMCG Shopper Reaction to Inflation – GB – 12 w/e May vs Year Ago

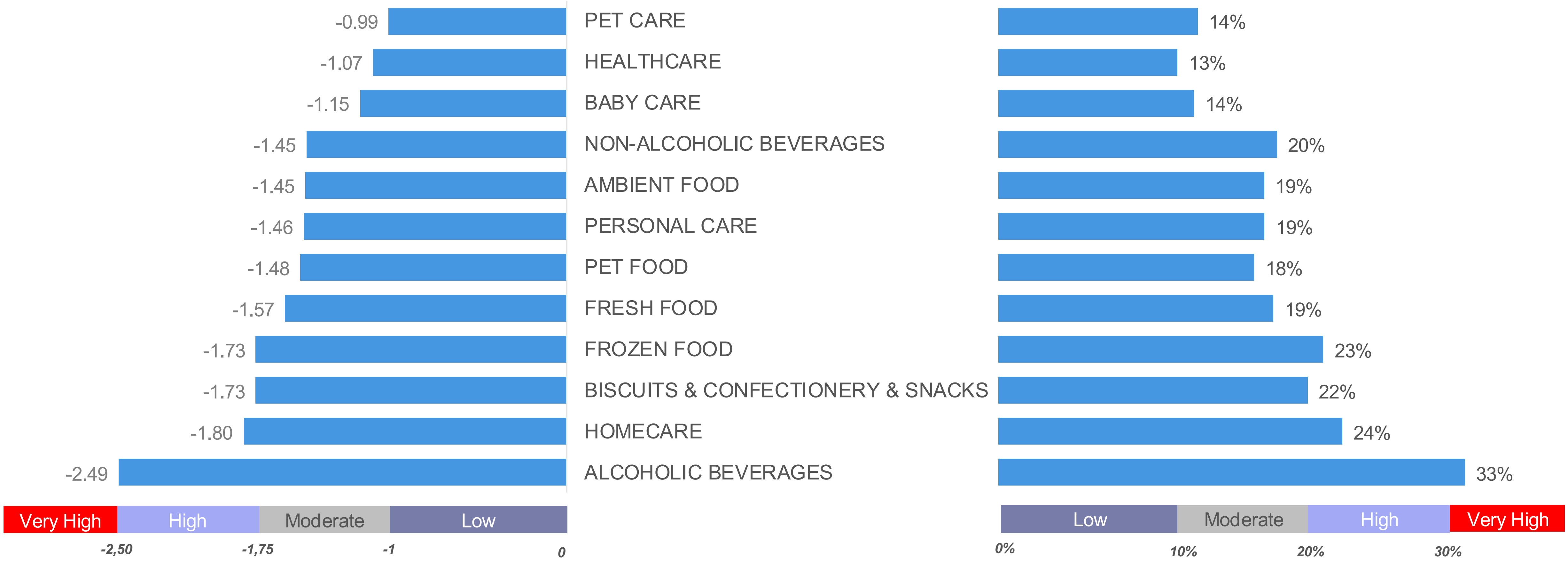


Source: NielsenIQ Consumer Panel Service

Consumers are less willing to bear a price increase for categories such as alcohol or homecare products while healthcare, cosmetic and baby care can be more aggressive with their price positioning.

Regular Price Elasticity

Uplift with 10% discount



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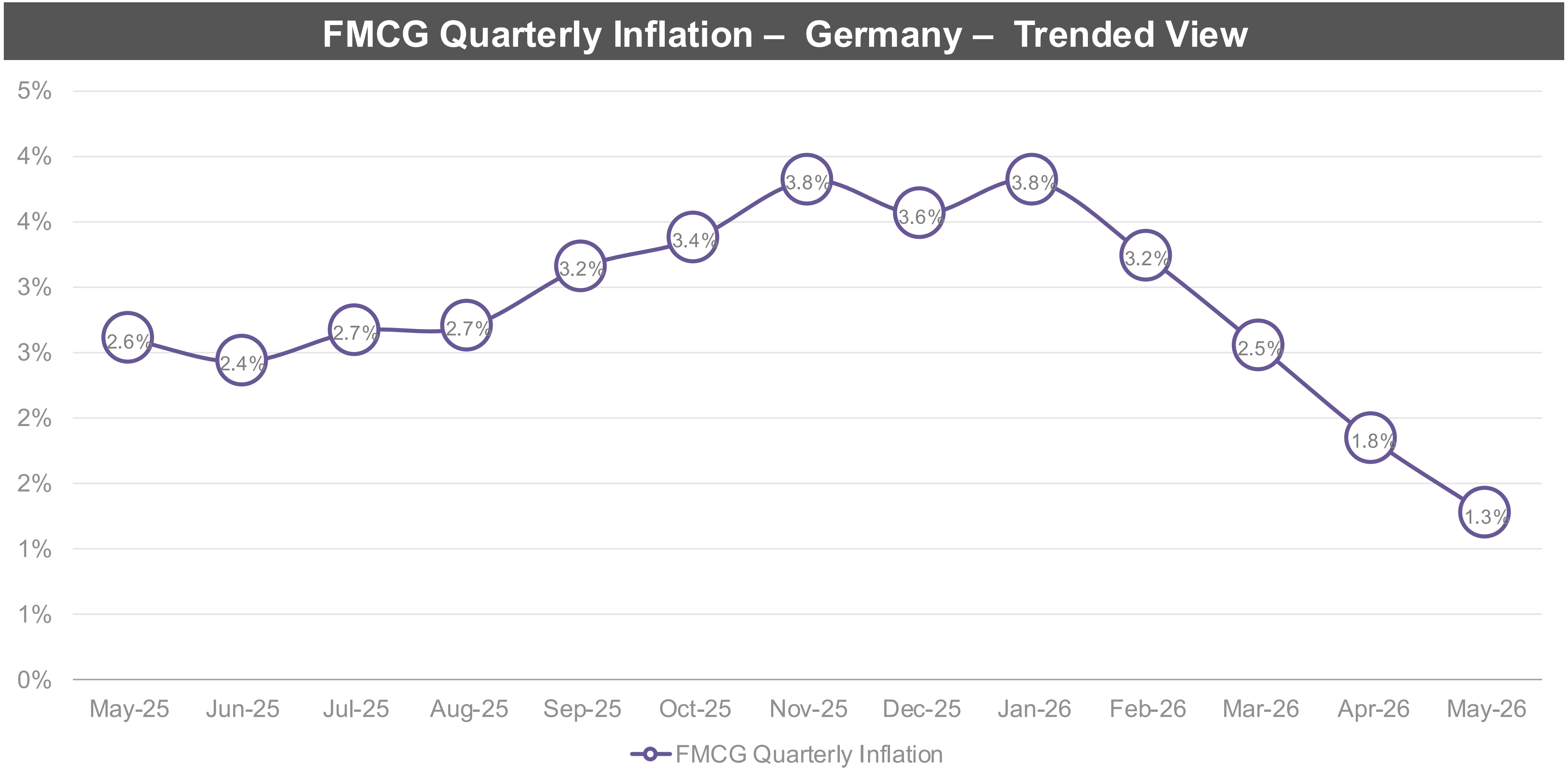
Source: NielsenIQ EDA econometric model, GB, Q2 2026

Germany

NIQ EU5 Inflation Barometer

August 2026

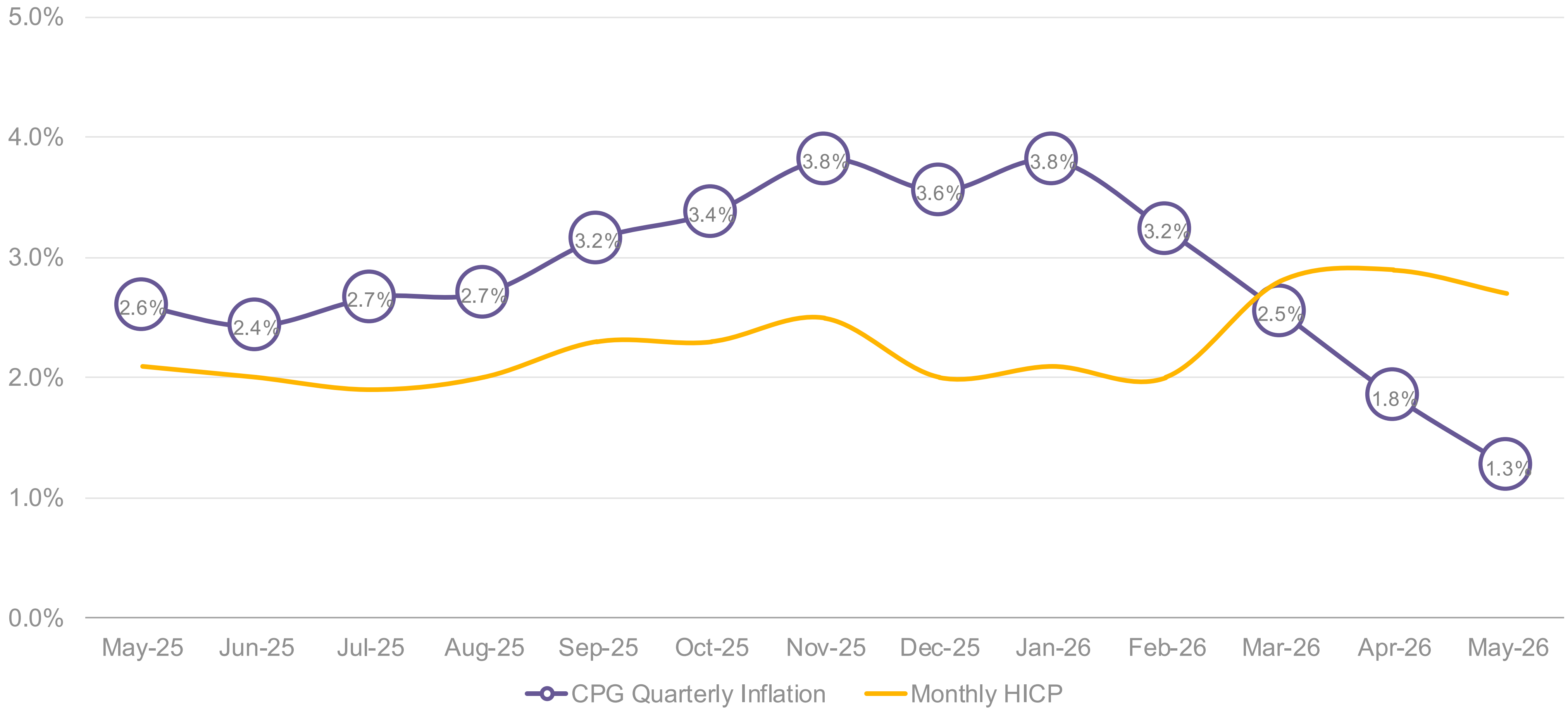
German FMCG inflation has fallen sharply since January, dropping to +1.3% in May



Source: NielsenIQ Retail Pricing Services Data

German FMCG inflation now trails broader consumer inflation following a sharp downturn

FMCG Quarterly Inflation v HICP – Germany – Trended View



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NIQ

Source: NielsenIQ Retail Pricing Services Data; German Federal Statistical Office [Inflation rate at +2.6% in May 2026]

Food remains inflationary, while several beverage and non-food departments are in deflation

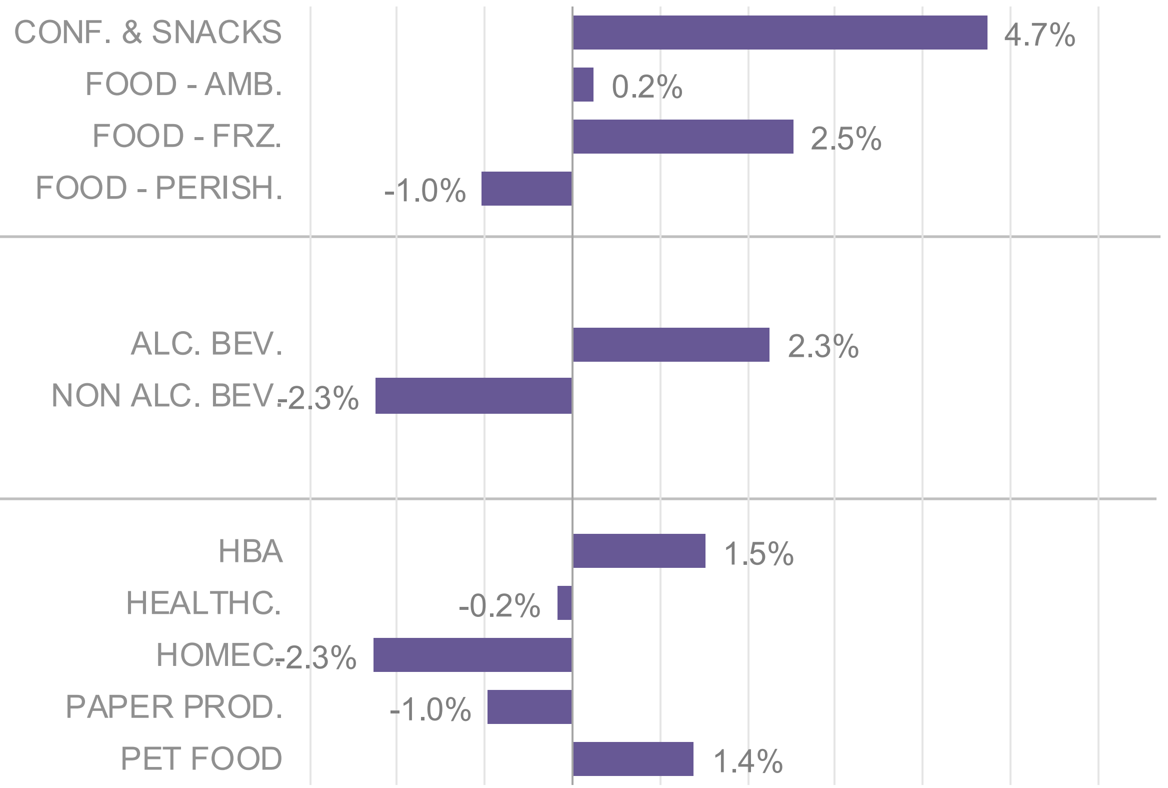
Germany FMCG Quarterly Inflation

Food **+1.9%**

Beverages **-0.8%**

Non-F&B **+0.2%**

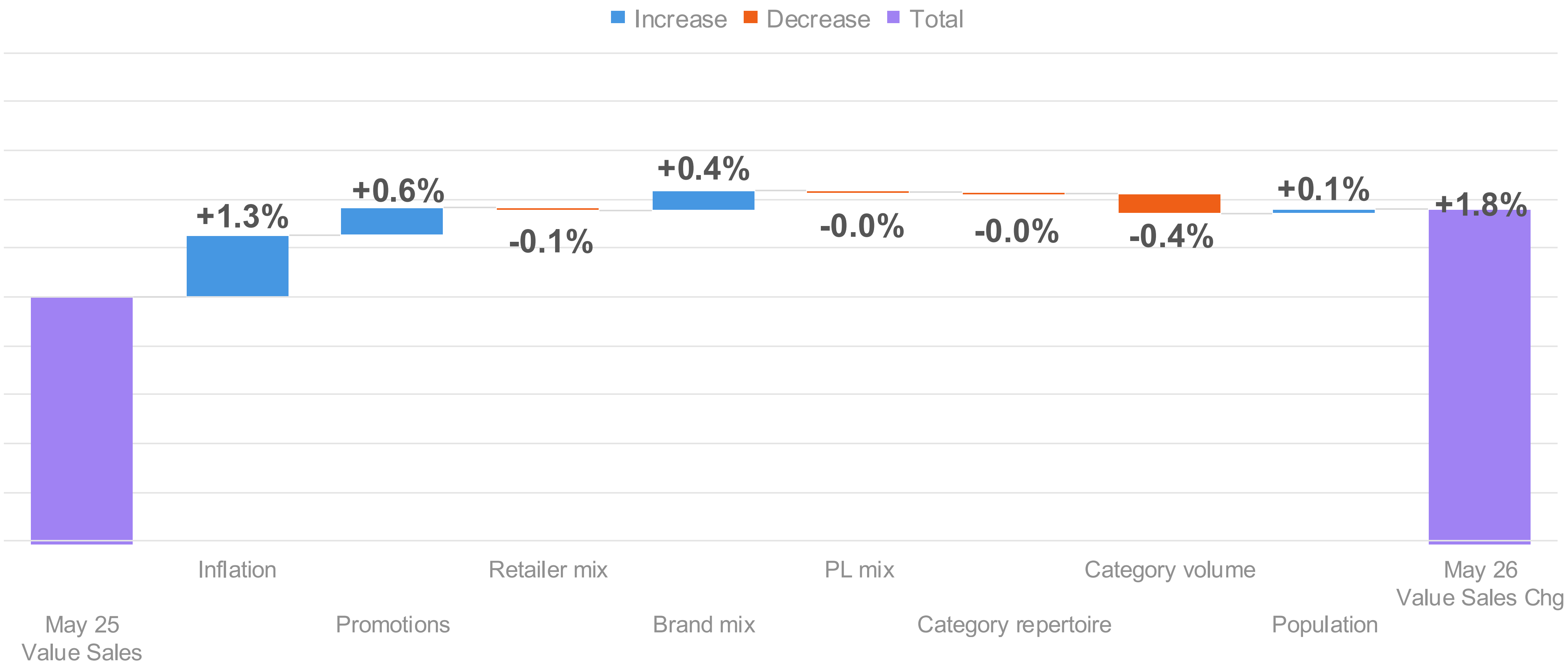
FMCG Quarterly Inflation Rate By Department



NIQ Source: NielsenIQ Retail Pricing Services Data

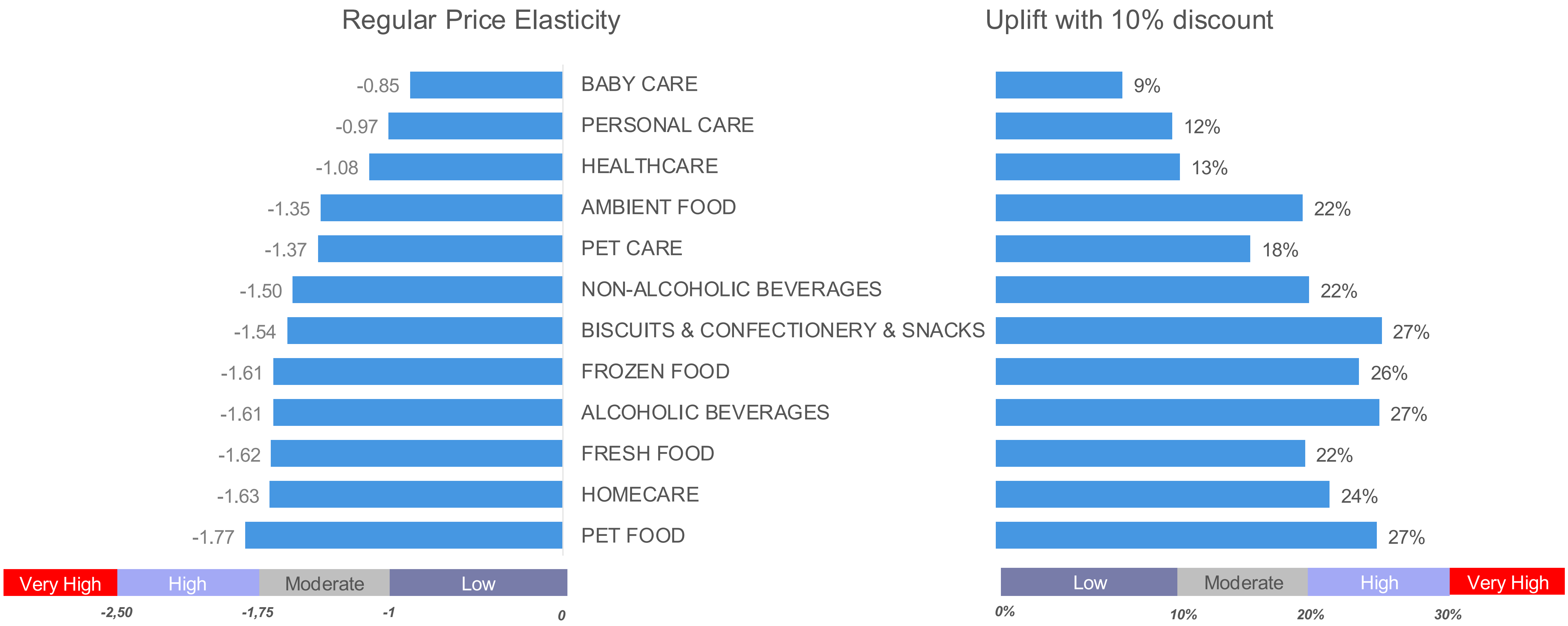
German shoppers are spending more on promotions driving total spend alongside more premium brands

FMCG Shopper Reaction to Inflation – Germany – 12 w/e May vs Year Ago



Source: NielsenIQ Consumer Panel Service

Germany is the only country where Alcoholic Beverages is not the most price sensitive department towards regular price changes.



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NIQ

Source: NielsenIQ EDA econometric model, DE, Q1 2026

Italy

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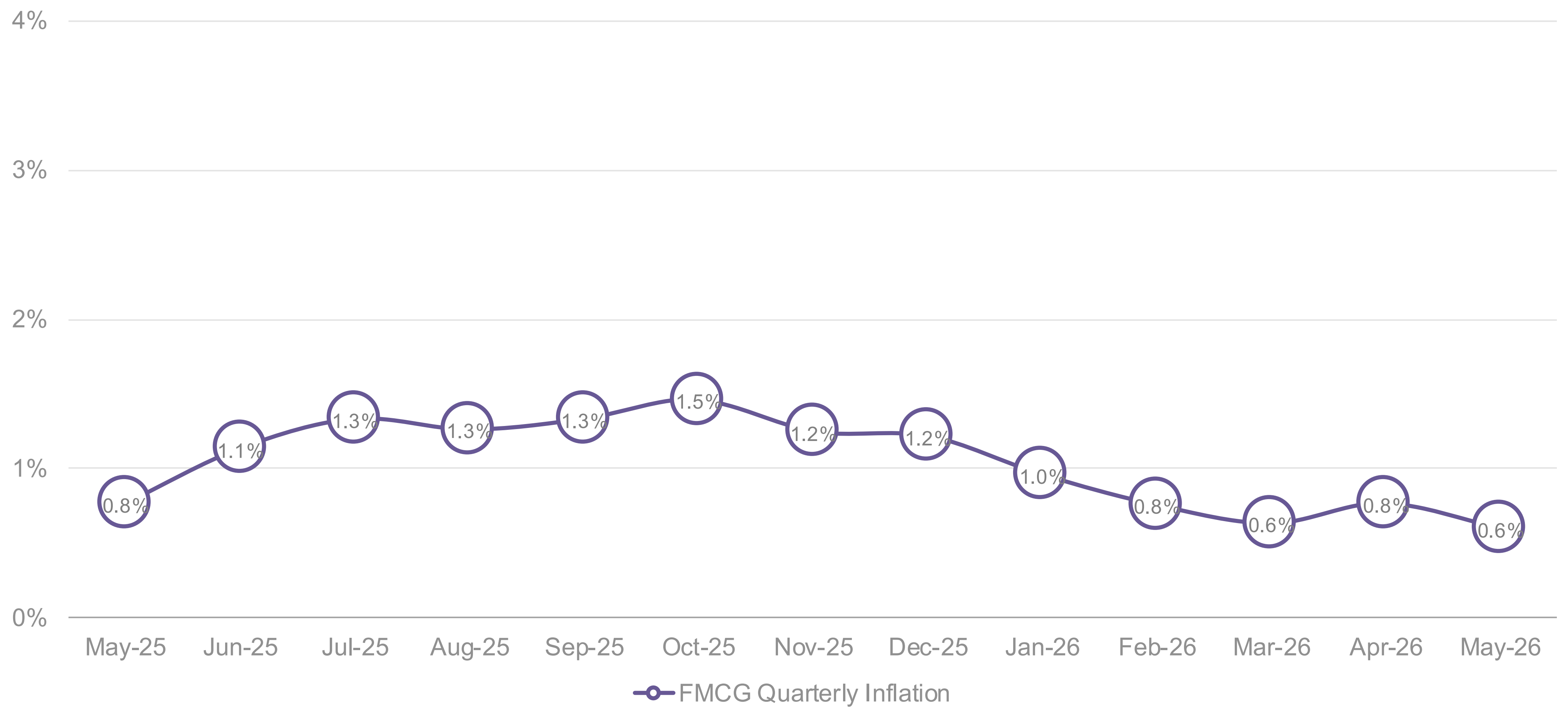
August 2026

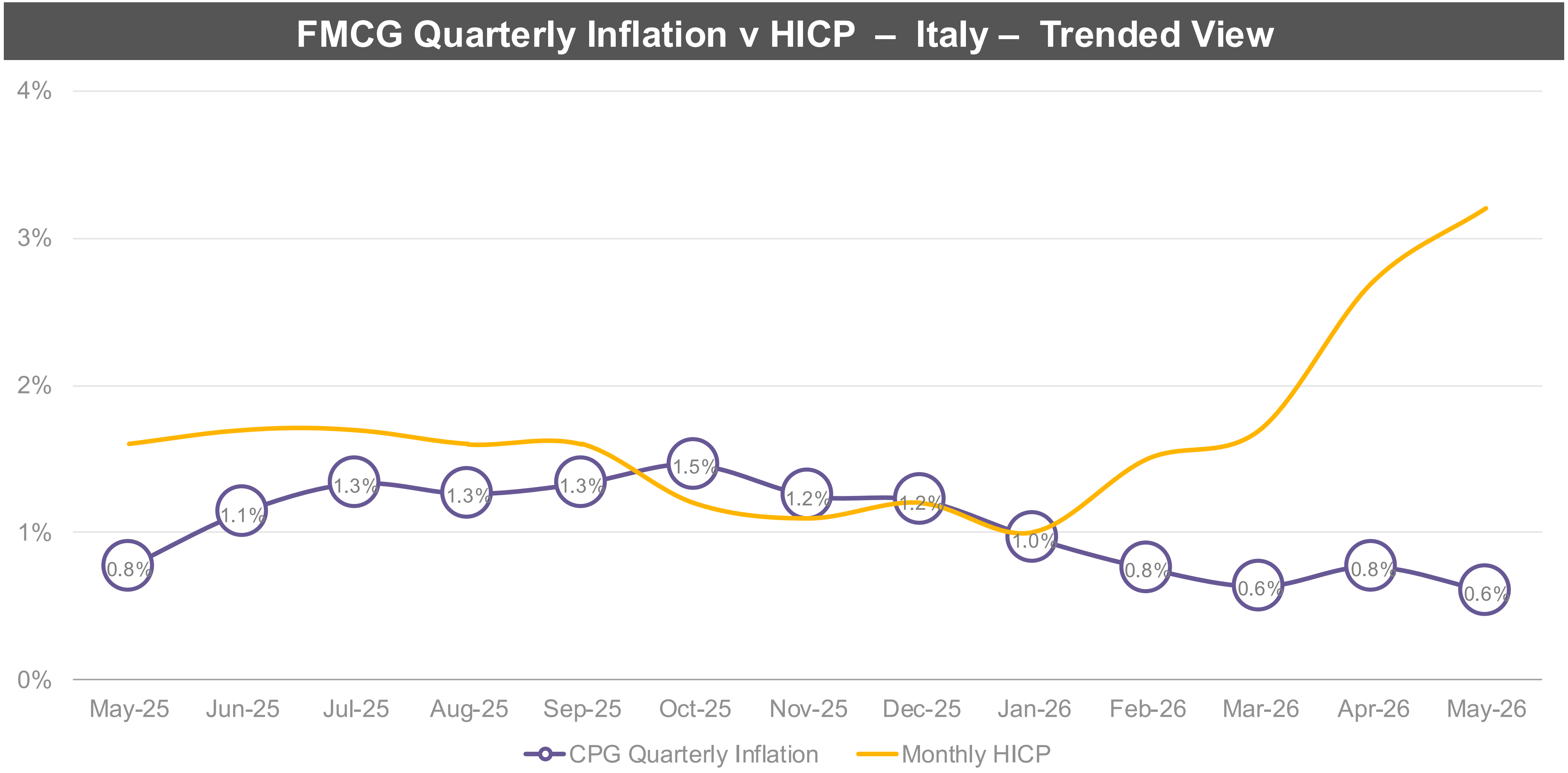
Italian FMCG inflation remains subdued, stabilising below 1% through Spring 2026

FMCG Quarterly Inflation – Italy – Trended View



Source: NielsenIQ Retail Pricing Services Data

Broader inflation is accelerating while FMCG inflation remains contained



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Source: NielsenIQ Retail Pricing Services Data; Italy ISTAT HICP – Istat

Perishables remain the primary source of inflation, while Non-Food & Drink is in deflation

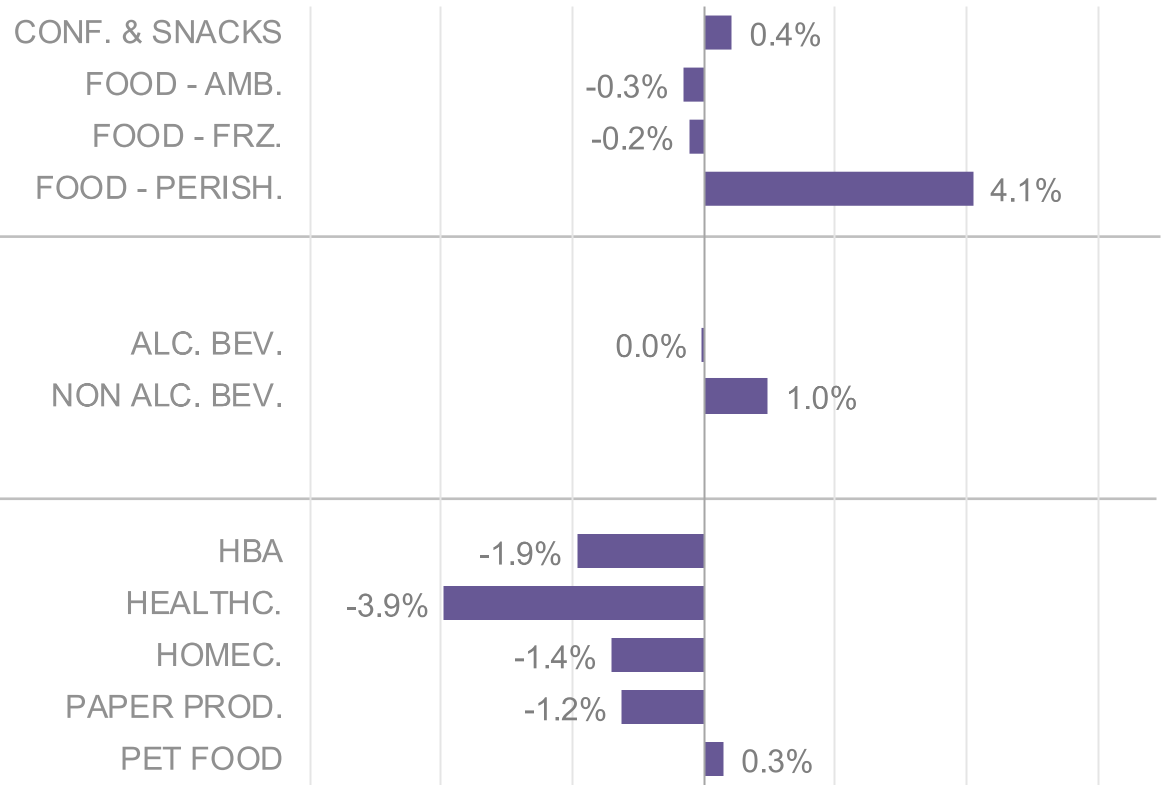
Italy FMCG Quarterly Inflation

Food **+0.7%**

Beverages **+0.9%**

Non-F&B **-1.5%**

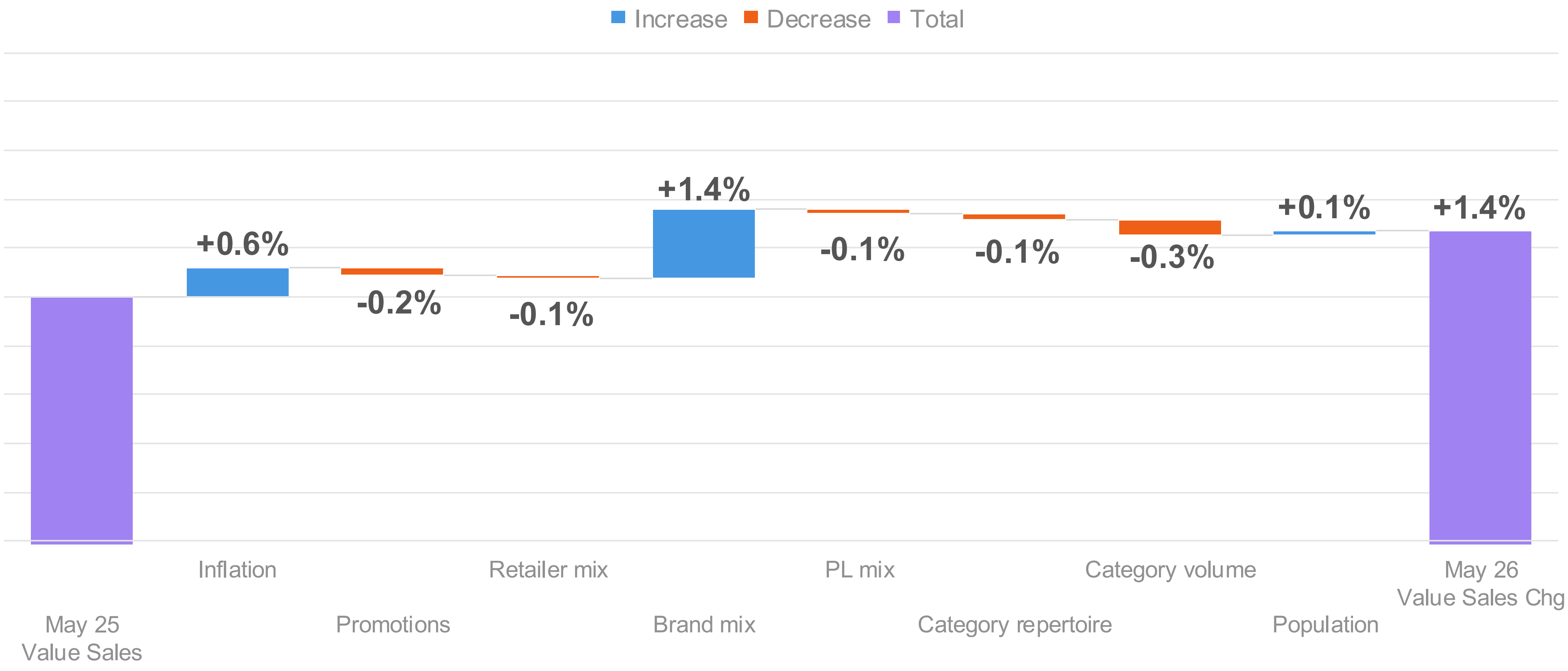
FMCG Quarterly Inflation Rate By Department



Source: NielsenIQ Retail Pricing Services Data

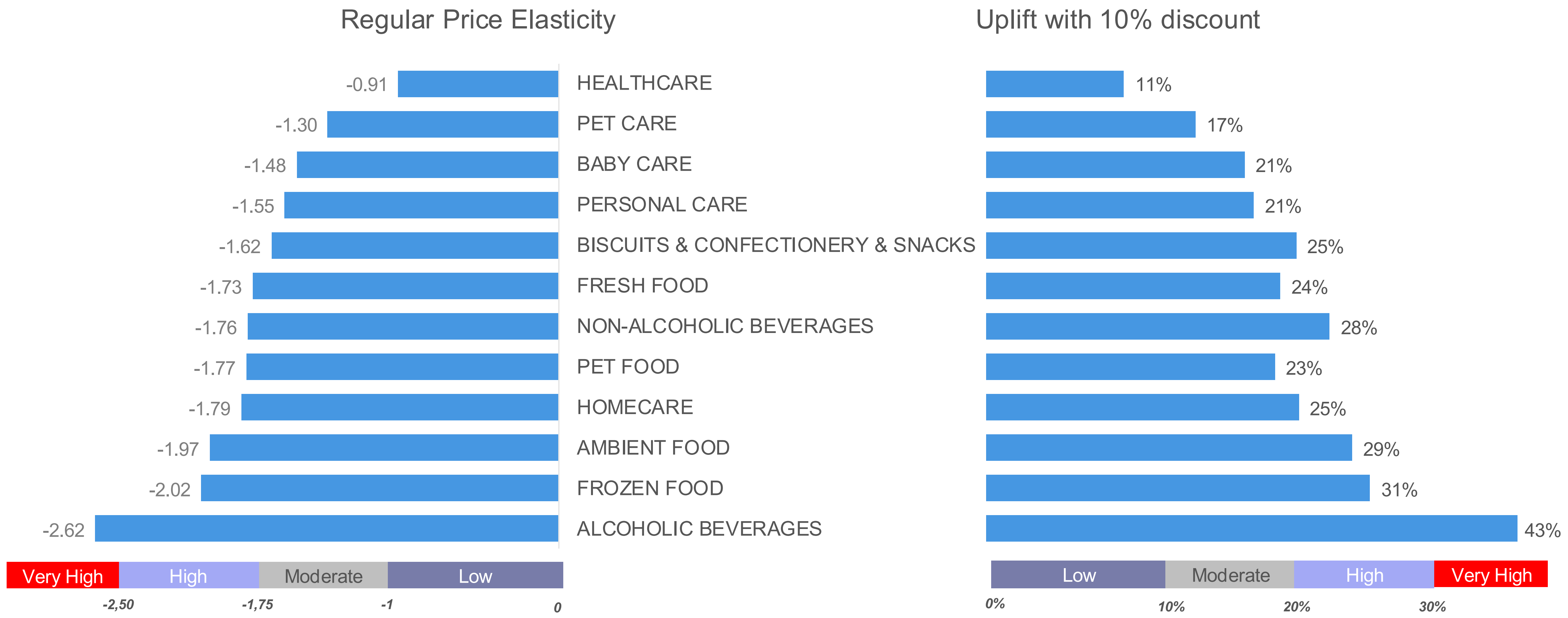
More premium brand choices are driving FMCG growth ahead of inflation

FMCG Shopper Reaction to Inflation – Italy – 12 w/e May vs Year Ago



Source: NielsenIQ Consumer Panel Service

Italy shows higher overall price sensitivity than other European markets, making price increases particularly challenging outside of Healthcare



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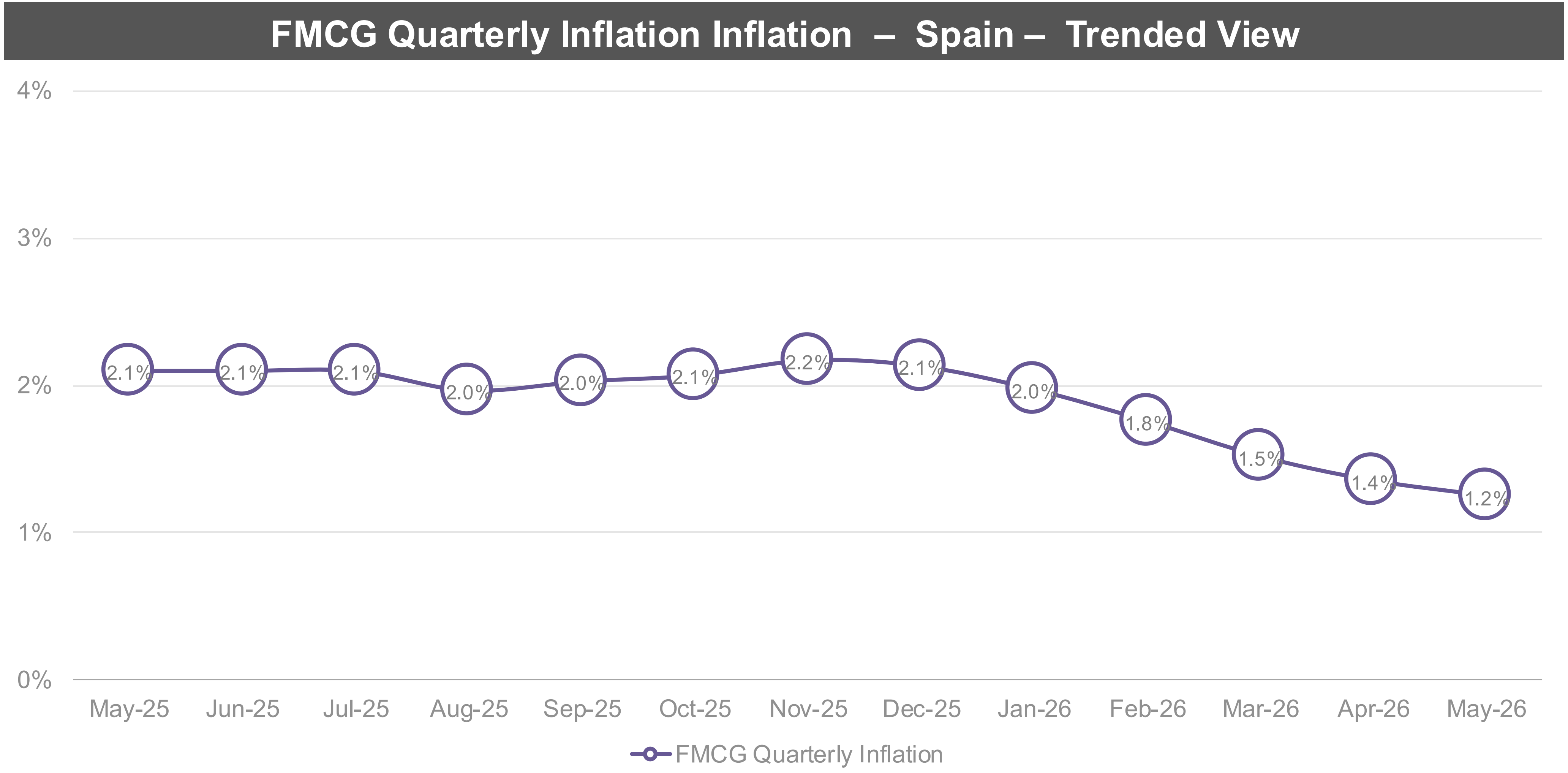
Source: NielsenIQ EDA econometric model, IT, Q2 2026

Spain

NIQ EU5 Inflation Barometer

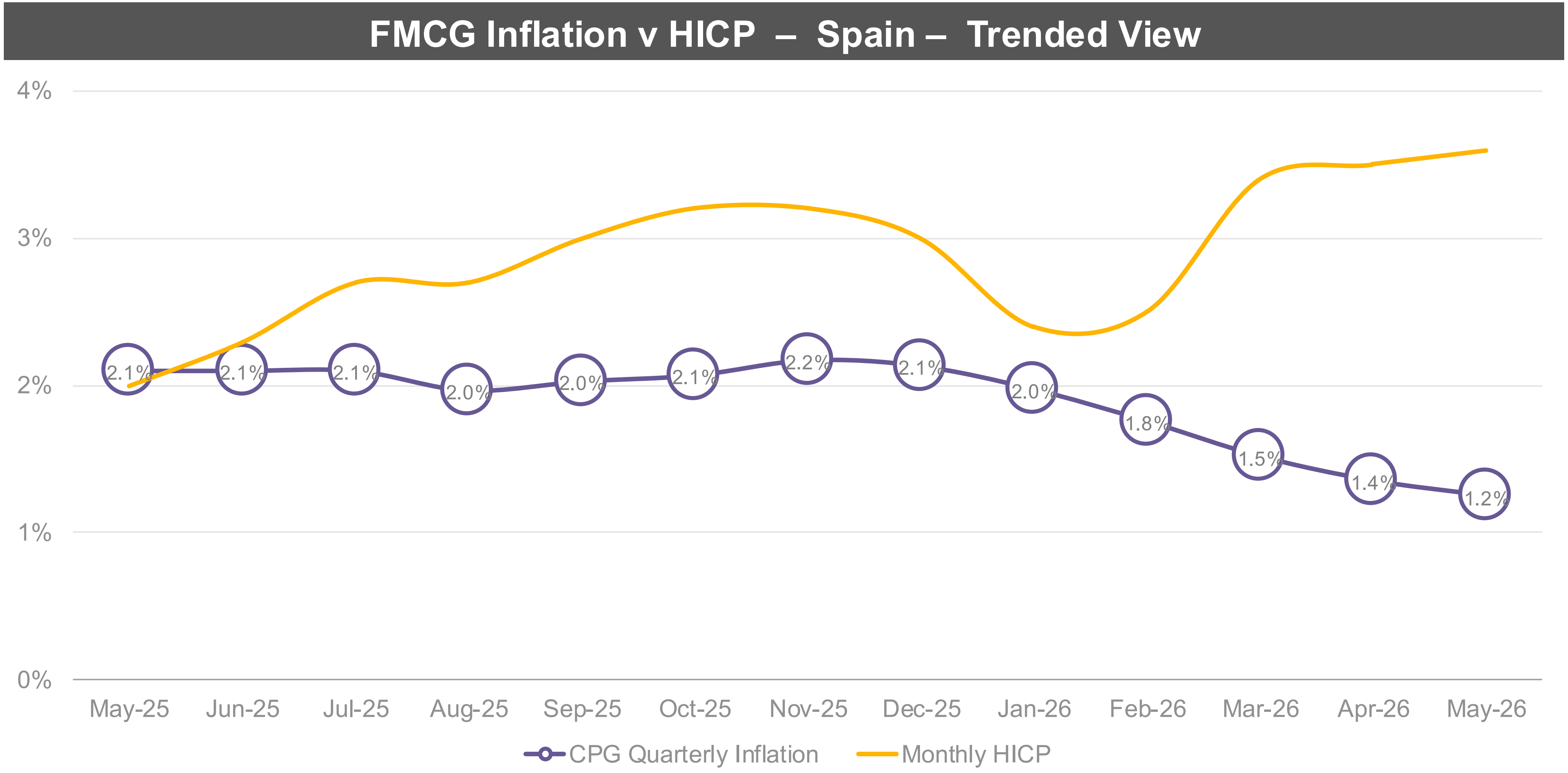
August 2026

Spanish FMCG inflation continues its gradual decline but remains just above the EU5 average



Source: NielsenIQ Retail Pricing Services Data

The gap between FMCG inflation and HICP reaches a new high



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Source: NielsenIQ Retail Pricing Services Data; Spain INE [INEbase. CONSUL]

Inflation remains concentrated in Food and Beverages

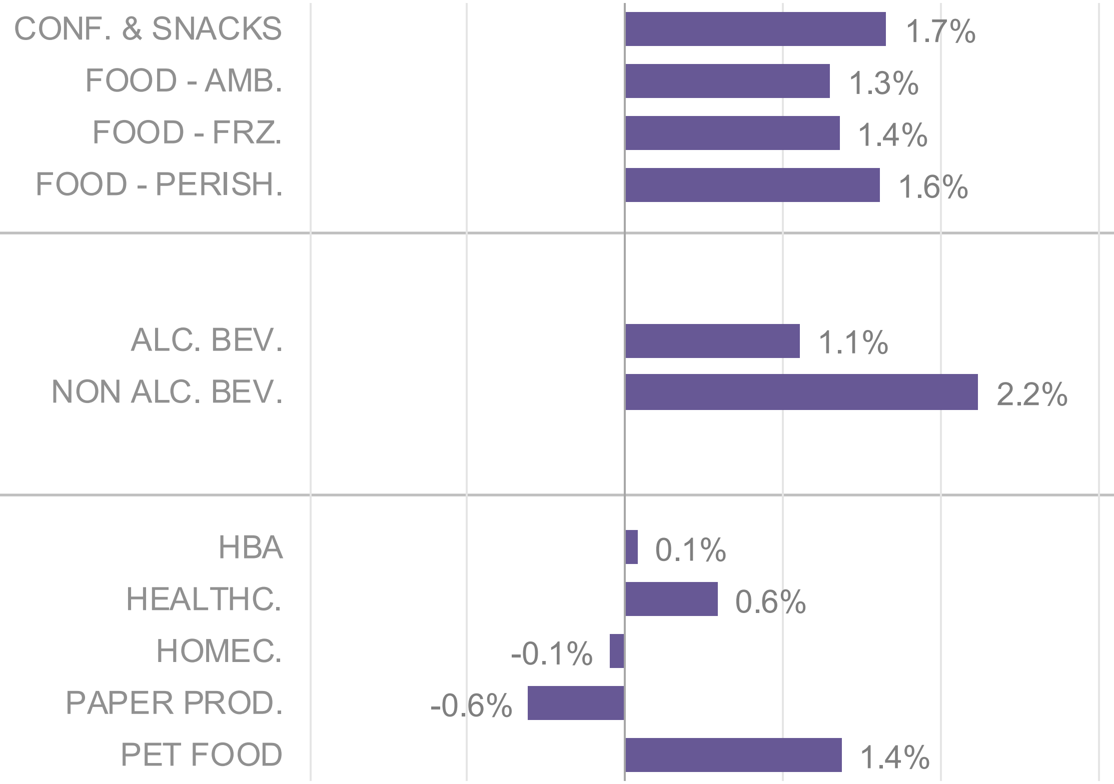
Spain FMCG Quarterly Inflation

Food **+1.4%**

Beverages **+1.9%**

Non-F&B **+0.1%**

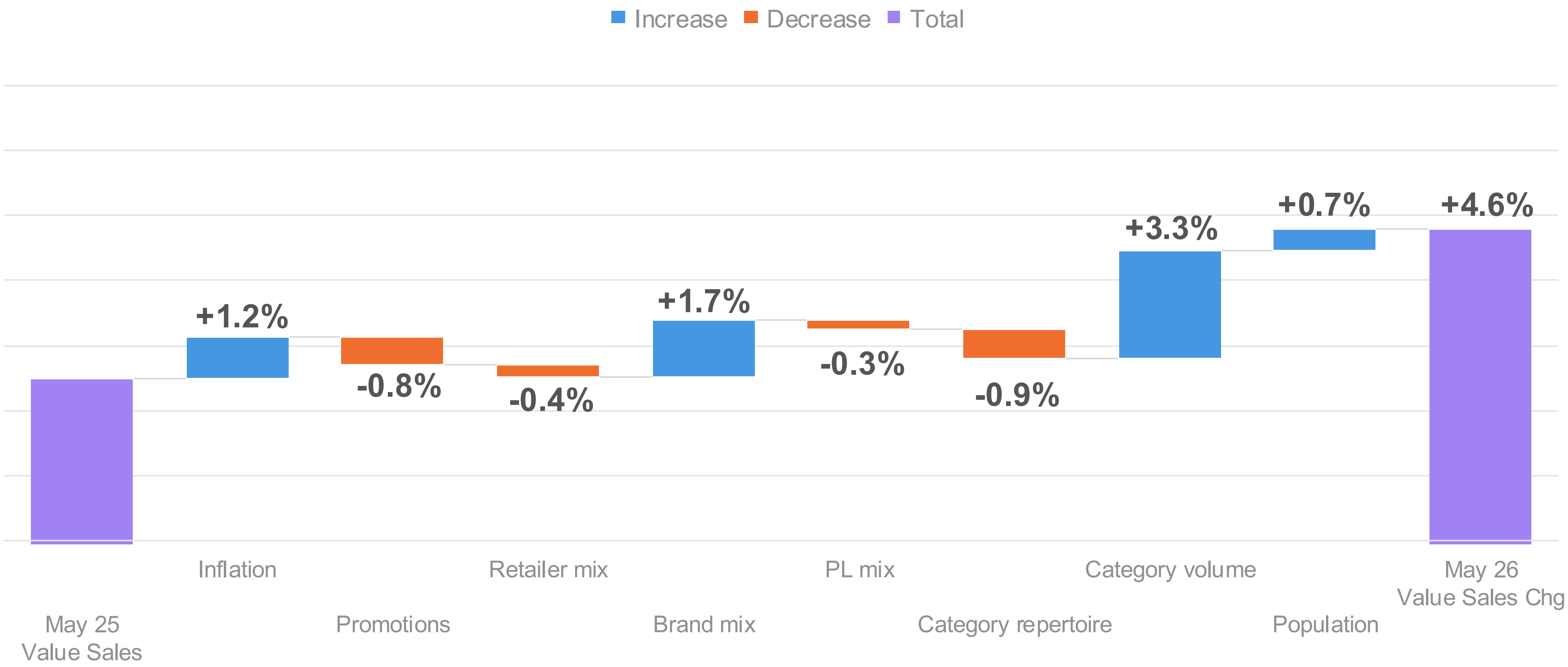
FMCG Quarterly Inflation Rate By Department



NIQ Source: NielsenIQ Retail Pricing Services Data

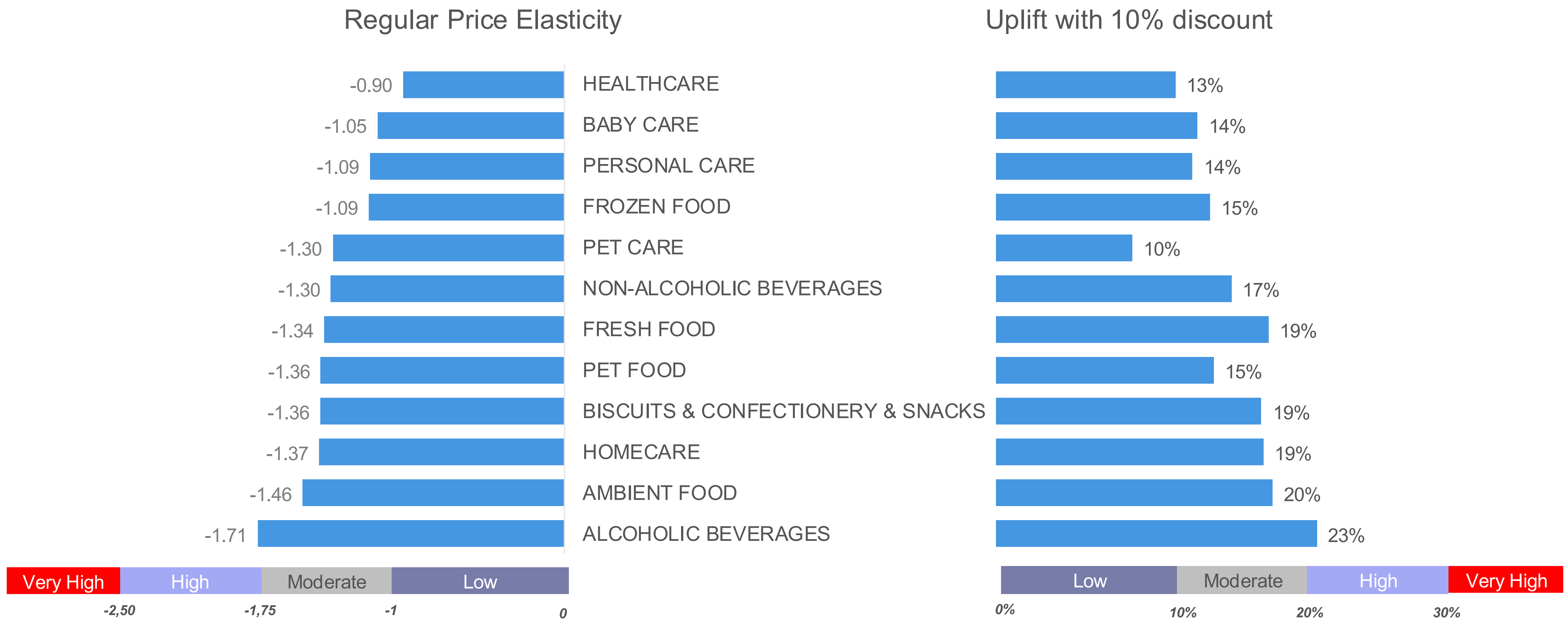
Growth is being driven by brand mix improvements alongside higher purchase volumes

FMCG Shopper Reaction to Inflation – Spain – 12 w/e May vs Year Ago



Source: NielsenIQ Consumer Panel Service

Spanish consumers show balanced price responsiveness across most department, creating opportunities for selective price increases while maintaining profits



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Source: NielsenIQ EDA econometric model, ES, Q1 2026

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