

# MarketWatch

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JULY 2006

## IN FOCUS...

### WORLD CUP HIGHLIGHTS MALE PERSONAL CARE IMPORTANCE

According to British tabloid, The Mirror, the image conscious Football players are reported to have placed large orders for toiletries and personal care products. The initial shopping list for the squad is reported to include 24 cans of hair mousse, 24 bottles of shampoo, 48 bars of soap, 24 vibrating razors and 240 razor blades. And this is only for the group stages, where the team will face Paraguay, Trinidad and Tobago, and Sweden. England captain, David Beckham, is certainly no stranger to cosmetics and fragrances. In March 2005, Beckham, and his wife, Victoria, announced a global licensing agreement with Coty that would tie them in to the development and promotion of a series of new cosmetic and fragrance lines bearing the couple's names, & a fragrance featuring the footballer was launched in November 2005 called David Beckham Instinct. A recent Datamonitor report highlighted the male market as the area of personal care where some of the biggest potential for growth still exists. According to its research eight out of ten male consumers now believe that improving their health and appearance is important, with 45 per cent of males saying they are willing to pay more for personal care products with active ingredients. But whereas marketing personal care products to the perception homogenous male consumer was once the order of the day, marketers are now increasingly realizing just how complex the male market is these days. The male consumer profile, is reported to be complex, with men falling under a range of profile types, including metrosexual, retrosexual and hybrid traditional categories, and everything in between.

[www.cosmeticsdesign-europe.com](http://www.cosmeticsdesign-europe.com)



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## **1. INDUSTRY NEWS**

### **1.1 GREATER CHINA: HK, CHINA AND TAIWAN**

#### **1.1.1 CHINA: CHINA'S EXPORT OF COSMETICS IN MAY 2006**

China exported 5,921 tons of cosmetics valued at 37.412 million US dollars in May 2006. The export in January-May reached 27,309 tons valued at 188.086 million US dollars, up 19.5 percent and 19.2 percent respectively year on year.

**China Economic Information Service: June 29, 2006**

#### **1.1.2 CHINA: CHINA STEADILY INCREASING PRESENCE IN C&T RAW MATERIALS**

Multinational suppliers for the cosmetics and toiletries industries are facing increasing competition from China, while Japan continues to offer innovation, says a new report from Kline and Company. The new study, reports that nine per cent of the \$3bn global market is now provided by Chinese companies, with growth in the sector predicted to increase by 10 per cent every year for the next five years. Conditioning polymers, skin whitening agents and emollients are said to demonstrate the continued highest growth rate, at more than 12 per cent each, which actually outpaces the overall growth for the industry. The Chinese association that a lighter complexion is more beautiful means that skin whiteners are leading the pack. While the Chinese market for both finished cosmetic and toiletry products and raw materials is growing steadily, the Japanese market offers different kinds of opportunities and challenges to raw material suppliers.

[www.cosmeticsdesign.com](http://www.cosmeticsdesign.com)

#### **1.1.3 CHINA: CHINA POISED TO LEAD GLOBAL OTC MARKET**

The booming Chinese economy has multinational marketers of over-the-counter drugs anxious to gain a foothold in the largest growth market in the world. But to take advantage of the enormous potential of the Chinese consumer market, a carefully constructed market entry strategy is critical to deal with the risks that are also present. To examine both the opportunities and hazards involved in entering the nascent OTC drug market in China, Kline & Company is planning to undertake two new market research studies focused on this sector.

**PR Newswire: June 8, 2006**

## **1.2 KOREA & JAPAN**

#### **1.2.1 JAPAN: JAPAN'S SHISEIDO TO LAUNCH TWO KEY COSMETICS BRANDS IN 1ST HALF**

Shiseido Co. said it would add two new key brands to its domestic cosmetics and beauty product lineups, as part of efforts to embark on a major offensive amid signs of a recovery in consumption here. Shiseido expects combined sales of the two brands to come to Y30 billion this fiscal year ending in March 2007. The figures have been factored into Shiseido's group sales outlook of Y685 billion for this fiscal year. Shiseido expects combined sales for these products to reach Y110 billion during the fiscal year ending in March 2009, with Y30 billion from Integrate and Y80 billion from

Elixir Superieur. The product launch is in line with Shiseido's "mega brand strategy," under which the Tokyo-based cosmetics maker has been concentrating its marketing resources to obtain the top positions in the cosmetics and beauty product categories.

[www.morningstar.com](http://www.morningstar.com)

## **1.3 SOUTHEAST ASIA: SINGAPORE, MALAYSIA, THAILAND, INDONESIA, VIETNAM, PHILIPPINES**

### **1.3.1 MALAYSIA: HALAL STORE TO OPEN IN WANGSA MAJU**

A HALAL convenience store is slated to open in Wangsa Maju within the next two months, as a test-bed for an export franchise halal-mart. The convenience store, which will sell local halal produce, will explore the international halal market that is worth some RM8 trillion per annum. PNS has also introduced new programmes like pre-franchise scheme, young graduates and women franchise scheme and franchise executive scheme to encourage more Bumiputeras to join the lucrative franchising business. The corporation is targeting to develop about 1,000 franchisees over the next five years. The European market has been pulling for halal products to provide for two billion Muslims worldwide within the next decade. There are about 30 million Muslims in Europe.

**Business Times: June 27, 2006**

### **1.3.2 PHILIPPINE: FILIPINO FOOD PRODUCTS MAKING WAVES ABROAD**

Foreign buyers snapped up supplies of Filipino ethnic food products such as saluyot, laing, pinangat, pili and polvoron during an international food fair, according to the Center for International Trade Expositions and Missions. Citem chief said the foreigners' buying binge pushed up sales at the yearly IFEX Philippines by 316 percent to about \$80 million from about \$32 million in 2005. Reyes said at least 1,300 buyers—including those from Australia, Canada, China, Europe, Japan, Korea, Malaysia, Singapore, Thailand, Taiwan, and United States—checked out the exhibits of 283 food exporters and manufacturers. The best selling products of IFEX 2006 were fresh and frozen fish; sardines; frozen fruits and vegetables like saluyot, ampalaya, and banana; octopus; meat preparations like ham and sausage; processed fruits like banana chips and dried fruit cocktail; fruit and vegetable juice; coffee and cocoa; cookies and crackers; and cereal preparations such as cake and polvoron.

**Philippine Daily Inquirer: July 1, 2006**

### **1.3.3 PHILIPPINE: MASTERFOODS EYES CACAO SUPPLY TO RP**

Multinational confectionery giant Masterfoods USA is looking at the possibility of partly supplying the Philippines cacao bean requirements, the Cocoa Foundation of the Philippines said. Masterfoods is the famous maker of Mars, Milky Way, M&M's, Twix and Snickers confectioneries, as well as pet foods such as the well-known Whiskas, Chappy and Pedigree brands, human foods including Uncle Ben's and nonconfectionery snack foods including Combos. Based on the 10-year cocoa roadmap developed by the foundation and the Department of Agriculture, a private sector-led export program will help increase the \$439.7 million worth of local cacao beans production by \$242.1 million. Sources said about \$185

million more in foreign exchange income would add up to the estimated production value once the country learned to export processed cacao products such as cocoa butter. The agriculture department will implement the program with the assistance of the United States Department of Agriculture, the Agricultural Cooperative Development International and Volunteers in Overseas Cooperative Assistance and the Sustainable Cocoa Enterprise Solutions for Smallholders.

**Manila Standard Online: June 29, 2006**

### **1.3.4 MALAYSIA: PERFECT FINISH FOR NAILS**

WHILE women love colours on their nails, a lot of nail varnish chip easily, turning pretty nails ugly. For lasting shades, get reputable brands like OPI, currently the favourite brand in the United States. It's going fairytale-fabulous with its new range of Princess Charming SoftShades Nail Lacquers, designed for the independent woman who still believes in Prince Charming. The six new shades have playful names. "I'm a Princess, You're Not!" is a gold-ivory for the woman with attitude. "Princesses Rule!" is a sparkly pink worthy of a tiara and "Who Needs a Prince?" is a shimmery light pink. "Have fun with Got A Date To-Knight!" a rich sweet pink to complement HIS shining armour, or go shy with a beige-pink "Your Royal Shyness". "My Daddy's The King!" is a deep, warm pink. OPI's second flagship store in 1Utama, Petaling Jaya, has specially-designed stations for customers to enjoy a manicure or pedicure in the comfort of plush, cushy sofas.

**New Straits Times Date: June 25, 2006**

### **1.3.5 THAILAND: LVMH LUXURY BRAND MANUFACTURERS UPBEAT OVER PROPECTS IN THAILAND**

The LVMH group of luxury brand manufacturers remains confident about its prospects in Thailand and the rest of Asia, despite global economic imbalance. Apart from Thailand, Dior Cosmotic has been opened in Australia, South Korea, Hong Kong, China and Malaysia. LVMH sources said that in addition to the new counter, the company would spend heavily to promote its products in order to boost the Dior brand from the fifth largest cosmetics distributor in Thailand to fourth, replacing Clinique. Thailand is the only country in Asia where Clinique has larger sales volumes than Dior, but now we are about to surpass Clinique, they said. The local cosmetic industry, which was estimated to be worth more than six billion baht, grew by 5-6% in the first half, compared to 8-9% year-on-year.

**Thai News Service: June 8, 2006**

## **1.4 SOUTH ASIA: INDIA, SRI LANKA, BANGLADESH, NEPAL**

### **1.4.1 INDIA: INDIA INC ON GLOBAL SHOPPING SPREE - FAST MOVEMENT ON THE ACQUISITION ROUTE**

Fast moving consumer goods (FMCG) companies in India are expanding their presence in domestic and global markets through acquisition of brands abroad. Godrej Consumer Products Ltd acquired Keyline Brands Ltd of UK. Tata Tea Ltd (TTL) acquired Jemca, a tea company in the Czech Republic, through its subsidiary, Tata Tea (GB) Ltd. It is scouting for

acquisitions in African countries. Tata Coffee Ltd., another subsidiary of TTL, acquired Eight O'clock Coffee Company of USA. Godrej Consumer Products Ltd. and Marico Ltd. have also acquired major brands abroad.

**Financial Express: June 28, 2006**

## **1.4.2 INDIA: FMCG SECTOR BACK IN FORM**

From battery cells to mosquito repellents from cosmetics to condiments, Indian companies are looking to diversify beyond their core businesses and expand in the Rs 50,000 crore consumer goods industry, reports CNBC-TV18. That's the energy from Eveready cells, the battery brand is back now with a fresh agenda. It's using its equity to enter the mosquito repellent market with a brand called Powercell and Pidilite, which makes Fevicol, now also makes a sticky delicacy, chikki, branded Chikkers. Chennai-based cosmetics maker Cavinkare, has been offering pickles and masalas since 2003. The message is clear it's not about focussing only on your core capabilities any more. The fast moving consumer goods industry is stirring to life again after three years of slow growth, the sector is finally looking up. Many companies have found success from the exercise like cigarette maker ITC, which turned baker, making Sunfeast biscuits and pasta, now has about 5% market share in the biscuits market. ITC will move deeper into the FMCG industry, when it launches mass market soaps and shampoos, Superia. Cavinkare claims its foods arm contributes 10% to its revenues. The energy of the FMCG industry is contagious and Indian companies are not complaining.

## **1.5 PACIFIC: AUSTRALIA & NEWZEALND**

### **1.5.1 AUSTRALIA: AUSTRALIAN DIGITAL SPENDING SINKS DRINKS**

Australians now spend more on audio-visual equipment than they do on alcohol. According to the Australian Bureau of Statistics, the average household spent \$A10.13 a week on beer and wine in March 2006 but \$A13.49 on audio-visual equipment. Technology spending has doubled in three years as prices in the sector fell 40 per cent due to the "China effect". Meanwhile doctors' services cost families an average of \$A4.44 a week, up from \$A4 in 2002

**The Australian Financial Review: 29 June 2006**

### **1.5.2 AUSTRALIA: AUSTRALIA'S FOSTER'S TO SELL FRENCH AND AUSTRALIAN WINERIES**

Foster's Group Ltd, the world's leading maker of premium brand wines, said it plans to sell a French winery and two Australian wineries, as well as surplus production and packaging facilities. It said the planned sales are part of a strategy to consolidate its wine making at key regional sites. The brewing and wine group said the facilities, including Australian assets Rosemount Denman Barossa Valley, Penfolds Nuriootpa and as well as the French Domaine La Motte business in the Languedoc Rousillon region, will be prepared for sale in coming months. The sales are part of a consolidation of the Southcorp and Beringer Blass Wine Estates production operations, the group said.

**AfxAsia: June 29, 2006**

**1.5.3 AUSTRALIA: COCA-COLA AMATIL SAYS TIN CLOSURE WON'T AFFECT SPC PRODUCTS**

The closure of Australia's only tin mill is not expected to affect production of SPC Ardmoma's packaged fruit and vegetable products, parent company Coca-Cola Amatil (CCA) says. Australia's largest steelmaker BlueScope Steel Ltd is closing its tin mill at Port Kembla in NSW, with 250 workers set to lose their jobs. SPC Ardmoma managing director Nigel Garrard said the closure was not expected to affect the company's production and it was looking at sourcing imported tins for its cans in conjunction with its major can supplier, Visy Industries. The closure of the loss-making Port Kembla tin mill was partly attributed to reduce demand for Australian tins.

**AAP Business and Financial News: June 30, 2006**

**1.5.4 AUSTRALIA: MOTHER'S DAY BOOSTS CONSUMER SPENDING IN MAY: CASHCARD**

Spending in the lead-up to Mother's Day helped boost the retail sector last month, a survey has found. The Cashcard retail activity index today showed spending rose 0.9 per cent in May to \$18.1 billion, seasonally adjusted. This was one per cent higher than the same time last year. The index is based on Cashcard EFTPOS activity and the dollar value estimate for all transactions of cash, credit cards and cheques.

**Australian Associated Press: June 7, 2006**

**1.5.5 AUSTRALIA: HIGHER CALCIUM NEEDS TO BENEFIT DAIRY SALES**

Australian dairy producers are looking forward to a sales push from new calcium requirements published by the government last month. New guidelines on nutrient intake raise the levels of calcium for adolescents and adults to between 1,000 and 1,300mg each day, about 300mg higher than the former values set in 1991. The Ministry of Health said the level was raised because of the recognition that there are losses through sweat of some 60mg calcium each day not accounted for in previous estimates. But with more than one in two Australian children and women falling short of the old recommendation for calcium (according to the last National Nutrition Survey), even greater encouragement will be needed to get consumers to meet the new guidelines. A lack of calcium leads to a higher risk of the bone-wasting disease osteoporosis in later years. The disease already affects one in two women and a third of men over the age of 60. Garside said milk, cheese and yogurt typically provide around 50 to 65 per cent of the calcium in the Australian diet and that dairy foods contain substantial amounts of well-absorbed calcium compared with most other foods.

**NOVIS Food&Beverage News: June 1, 2006**

**2. PERSONAL CARE****2.1 GREATER CHINA: HK, CHINA AND TAIWAN****2.1.1 CHINA: BEIERSDORF SALES IN CHINA EXPECTED TO GROW BY 40% TO 45% THIS YEAR**

Beiersdorf, the German producer of Nivea cosmetics lines, recently spoke through its Chinese senior management that the company expected to witness its China sales grow by 40% to 45% this year as a result of intensifying marketing

efforts. China Director for Beiersdorf and General Manager of Shanghai Nivea said last year the company's sales grew by 50% upon the previous year. As the base figure was ballooning, the growth rate was likely to be slightly lower. He also projects a 35% to 40% growth rate for the company's China business.

**CEInet Economic Forecast: June 23, 2006**

## **2.1.2 CHINA: SHISEIDO READIES TWO NEW GLOBAL COSMETIC BRANDS**

Shiseido is about to launch two new mega brand cosmetic lines on the Japanese market that should be rolled, one of which should be rolled out on the global market by 2007. Set to launch on the domestic market towards the end of the summer, the company says that it is aiming to grow sales of the product to €207m by the end of the March, Japanese news reports said. The launches include a new make-up brand known as Integrate, which is priced to appeal to women aged 20-40 as well as the 50-plus baby boomer generation, followed by a premium skin care range called Elixir Superieur, which will be targeted at older women. The company added that both the brands would be launched on the South Korean and Taiwanese market in 2007, while Elixir Superieur is to be launched on the US market in 2007 and the fast-growing China market in 2008. Last month the company announced plans to expand its China retail store network by approximately 70 per cent, increasing the number of stores to 1,700 by 2007. Currently Shiseido is the world's number four cosmetics player, and by far the biggest player on the Japanese market. It is hoping that its strategy to concentrate on mega brands will help to boost its position on the domestic market, where competition is intensive, as well as overseas, where the company has a largely premium positioning.

**NOVIS Cosmetics News: June 15, 2006**

## **2.2 KOREA & JAPAN**

### **2.2.1 JAPAN: NEW FORM OF SOAP**

Soap has found a new form with the introduction of Aicello Chemical Co. Ltd.'s (Toyohashi, Japan) Fusion Film. The new product is a film soap that dissolves with water to lather and cleanse without the use of a bar. According to the company, the film soap can be custom blended to create unique soap leaves. The Company has found that the average woman uses too much soap to wash their faces, and it has reported film soap to be the solution, reportedly allowing just the right amount of soap per use. The product is available in a variety of sizes, formulations, fragrances, colors, logos and packaging.

**[www.cosmeticsandtoiletries.com](http://www.cosmeticsandtoiletries.com)**

## **2.3 SOUTHEAST ASIA: SINGAPORE, MALAYSIA, THAILAND, INDONESIA, VIETNAM, PHILIPPINES**

### **2.3.1 THAILAND: DHC REMODELS TO SKIN THE MARKET**

DHC (Thailand) Ltd, the importer and distributor of DHC cosmetics and skincare products from Japan through a home delivery system, targets doubling its business in the next three years. The company has reshuffled its distribution model to enter local retail outlets, particularly supermarkets. DHC (Thailand), which launched operations in 2004, yesterday announced a target to achieve sales of Bt450 million this year, up 25 per cent from last year's Bt360 million. It also expects to increase its membership using the DHC home delivery service, from 80,000 to more than 120,000 by the end of next year. DHC (Thailand) also announced the reshuffle of its distribution system to expand its outlets into supermarket shelves, starting with DHC For-Men products. DHC imports some 500 products for the Thai market.

**The Nation: June 23, 2006**

### **2.3.2 THAILAND: HEALTH IMPACT SEES 'HEALTHY BEDDING' SALES DOUBLING**

Health Impact Co Ltd expects to double sales of its anti-allergen bedding to Bt60 million this year and targets a 40-per cent rise in sales of medicinal shampoo, from about Bt35 million last year. The company's product manager for bedding brands said it had been pushing corporate sales by encouraging companies to offer Winnova bedding as rewards in incentive programmes. The company sells the You Care brand at SB Furniture outlets. About 20 per cent of its expected sales revenue has been earmarked for marketing activities, including road shows. The marketing director of Health Impact's hair-care business, pharmacist said the company plans to capture 10 per cent of the Bt250-million anti-dandruff shampoo market. It has about 10 per cent of the Bt500-million market for baldness-prevention shampoos. It will also continue advertising the brand on television, radio and print media.

**The Nation: June 12, 2006**

## **2.4 SOUTH ASIA: INDIA, SRI LANKA, BANGLADESH, NEPAL**

### **2.4.1 INDIA: CHRISTIAN BRETON OPENS SHOP**

French cosmetics major Christian Breton has launched its skin-care products in India at the designer Gallops Mall here with plans to open shops in Mumbai, New Delhi, Bangalore and Hyderabad as well by this month-end. Created in 1990, Christian Breton products are distributed in 50 countries worldwide. Ahmedabad had been selected for the India-launch because of the city's emerging status as a metropolitan city with people having purchasing power and a desire to improve their lifestyle. Christian Breton products will be distributed through MKP Distributors Private Ltd whose General Manager, informed that by creating the dermo-genetic system 15 years ago, Christian Breton virtually invented modern and efficient cosmetics.

**Business Line: June 24, 2006**

## 2.4.2 INDIA: MAKE THEIR MOVE

Hindustan Lever Ltd has launched Clinic All Clear Ice Cool, a menthol-based anti-dandruff shampoo that contains Vita ACE, a perfect blend of ingredients that offers nourishment to scalp and eliminates dandruff. Clinic AH Clear Ice Cool shampoo provides a unique cooling sensation, refreshes and relaxes the scalp and prevents dandruff to give great looking hair. Clinic AH Clear Ice Cool is priced at Rs.221/- for a 200-ml bottle, Rs.64/- for a 100-ml bottle and Rs.2/- for a 7ml sachet packaged in white and green.

**Economic Times: June 07, 2006**

## 2.4.3 INDIA: SMELL GOOD

Henkel India has launched Fa deo spray in two new fragrances - Spicy Black and Pink Paradise. Priced at Rs.99 for a 150 ml can, the new fragrances come with an introductory consumer offer of "20 per cent extra" absolutely free. The deos contain SensivaR to protect the skin and provide long-lasting freshness. They also have the Freshness Control formula for 24-hour protection against body odour.

**Business Line: June 08, 2006**

## 2.4.4 INDIA: LOOK YOUR BEST

Pond's has launched its advanced Pond's International skincare ranges. They will be exclusively available in high-end speciality beauty stores. The Botanical Hydration range is priced Rs.250-550, Double White Rs 500-850 and Age Solution Rs.200-700.

**Business Line: June 15, 2006**

## 2.4.5 INDIA: ALL BRIT

Burberry London has been launched in India. There is a shower gel and body lotion in the range. Prices for the perfume range from Rs.1,950-3,850. The shower gel costs Rs.1,700 and the body lotion costs Rs.1,800. It is available at major stores in Mumbai, New Delhi, Bangalore, Hyderabad, Pune and Kolkata.

**Business Line: June 15, 2006**

## 2.4.6 INDIA: TOUCH OF ALOE

Reckitt Benckiser has launched Veet with Aloe Vera to moisturise the skin. It is priced at Rs.60 for 60gm.

**Business Line: June 15, 2006**

## 2.4.7 INDIA: MIDLINE COSMETIC BRANDS MAKE INROADS INTO URBANSCAPE

With the retail revolution going big bang, India seems to have undergone some major cosmetic changes. A host of mid-line global cosmetic brands like Body Shop, Max Factor, Chambor and so on have entered the country. And it is the large departmental stores like Shopper's Stop, Pantaloons and Lifestyle that have become their key sales channels. It seems these brands are here to stay. If the cosmetics market is growing at around 25% per annum in India, colour cosmetics alone have grown at a whopping 387% from 1997 to 2004, according to Euromonitor. And, by the look of things, the

tempo has sustained. In organised retail, the share of mid-market cosmetic brands like Max Factor, Bourjois, Pupa, Chambor, L'Oreal, Arcanil, etc. have recorded a growth of approximately 40% since 2004 and this has been helped by the recent entry of newer brands.

**DNA - Daily News and Analysis: June 30, 2006**

## **2.4.8 INDIA: GODREJ COMBS CHINA FOR BRAND BUY**

Godrej Consumer Products (GCPL) is in talks with a few hair colour manufacturers in China to acquire a brand and tie up a manufacturing and sourcing alliance, it is reliably learnt. The company is also scaling up investments in the hair colours business, identified as a strong growth area and may also venture into distribution in the Chinese market. Godrej, which was earlier present only in the traditional hair dye segment has ventured into the creams category six years ago with brands such as Renew and Colour Soft that comprise 5% of their total market share and a year-on-year growth of 20%.

**Economic Times: June 27, 2006**

## **2.4.9 INDIA: GROOMING MEN**

Oriflame introduces three new products for men - Shaving Foam, After Shave Balm and Rebel 24 hour antiper-spirarit deodorant to celebrate Father's Day. Priced between Rs.149 to Rs.229, these products are currently available at discounted prices for the month of June 2006 and can be purchased from any Oriflame consultant.

**Economic Times: June 28, 2006**

## **2.5 PACIFIC: AUSTRALIA & NEWZEALND**

### **2.5.1 AUSTRALIA: TRILOGY BALANCING GEL CLEANSER**

New Trilogy Balancing Gel Cleanser, a gentle facial wash for a fresh, clear complexion. With extracts of elderberry and comfrey, this wash is perfect for skin that is dry and sensitive on the cheeks but suffers from an oily T-zone on nose and forehead. When activated by water, this purifying cleanser transforms into a sleek, silky wash that frees skin from all impurities, and neutralises hard water, proving that you can have super-clean skin without stripping and dehydrating. Pure plant extracts of aloe vera and cucumber give a refreshing, toning effect and echinacea, man darin and honey help balance difficult skin. The skin is left soft, supple and perfectly clean and the complexion bright and glowing. RRP: \$32.95

**Reed Business - Pharmacy News: June 22, 2006**

**ON THE SHELVES:** Brylcreem, which was created in 1929, was the first man's hair product.

### **3. FOOD / LIQUOR & BEVERAGES**

#### **3.1 GREATER CHINA: HK, CHINA AND TAIWAN**

##### **3.1.1 CHINA: MENGNIU TO GROW LEAD WITH HIGHER MARGIN PRODUCTS**

Mengniu Dairy, China's biggest liquid milk supplier said that its first quarter sales would beat industry rates of 20 per cent. Unlike some of its competitors, the dairy has not raised milk prices despite a slightly higher cost of raw milk. Sugar, used in ice cream and other dairy products, has also become significantly more expensive but Mengniu executives said new, higher margin products would offset these increased costs. The firm has recently launched Milk Deluxe OMP, Milk Deluxe 100% Pure Milk and Milk Supreme in China's biggest cities, with margins of 40-60 per cent per product compared with a typical 20-30 per cent on its older products, company sources said. The new milks also cost more than double that of rival brands. Mengniu is working on new milk powder products too, thanks to its joint venture with Danish group Arla Foods. The price of raw milk is in addition expected to stabilise during the second half and sugar prices should also remain at the current level.

**NOVIS Food&Beverage News: June 27, 2006**

##### **3.1.2 CHINA: BEVERAGE INDUSTRY POSTS BRISK PRODUCTION, SALES**

China's beverage industry maintained a strong growth momentum in terms of both production and sales in the January-April period of this year, and the price of soft drinks, alcohol and wine will remain stable, according to a report issued by the Economic Forecast Department of the State Information Center. The beverage industry generated 113.057 billion yuan (US\$14.1 billion) in industrial output value in the first four months of this year, an increase of 24.96% year-on-year, and 3.8 percentage points higher than the growth in the same period of last year; and 113.711 billion yuan in sales revenue, rising 26.54%, and up 6.95 percentage points.

**Asia Times Online: June 20, 2006**

##### **3.1.3 CHINA: NEW COCA COLA BOTTLING PLANT BEGINS PRODUCTION IN CHINA**

A new Coca Cola bottling plant, the 35th on the Chinese mainland, on June 22 began production in Huizhou, south China's Guangdong Province. Guangdong has become a province with the most number of Coca Cola bottling factories, sources from Coca Cola (China) Beverages Ltd. say. Apart from the one in Huizhou, bottling plants are also built in Guangzhou, the provincial capital, and in the cities of Zhuhai, Zhanjiang and Dongguan. The new bottling plant covers an area of 77,610 sq m and cost 175 million yuan (about 21.58 million U.S. dollars). Installed with four production lines and with a designed annual capacity of producing 400,000 tons of beverages, the new bottling factory will be able to supply products to 30 million customers in eastern areas of Guangdong.

**China Economic Information Service: June 26, 2006**

### **3.1.4 CHINA: CP KELCO EXPANDS XANTHAN GUM OUTPUT IN CHINA**

Nurturing a competitive edge, US xanthan gum producer CP Kelco expands production in the one of the world's fastest growing markets. The Atlanta-based firm said once the work is complete, production of xanthan gum at the Shandong Province facility will increase to 12,000 MT. Opportunities for global ingredients players have opened up in China on the back of a soaring Chinese food industry that has witnessed a four fold increase in sales in a decade. Valued at under 100 billion yuan in 1991, sales reached well over 400 billion yuan just ten years later. Driving the market is the increased spending power, and changing eating habits, of China's 1.3 billion people. They are transforming the country's food sector, both domestically and in foreign trade. The latest investment from CP Kelco follows hot on the heels of the firm's entry into Chinese gum production, ushered in at the end of 2005 when the firm bought Gold Millet, the second largest producer of xanthan gum in China. At the time, the US firm said the acquisition would boost production capacity for the product (xanthan gum) by about 15-20 per cent. The hydrocolloid firm currently has three factories globally that produce xanthan gum: its initial plant in San Diego, California, a plant in Okmulgee, Oklahoma and one in Knowsley, UK.

**NOVIS Food&Beverage News: June 22, 2006**

### **3.1.5 CHINA: CHINA'S TOMATO OUTPUT SURGES ON HIGH PRICES**

China's fresh tomato and processed tomato production is set to surge this year, driven by unusually high prices on the domestic and world markets that have boosted planted areas. The country will produce 32.5 million tonnes of fresh tomatoes during 2006/07, an increase of 9 per cent on the previous season, according to a new report from the US agricultural attache. Meanwhile volumes for processing are forecast to reach 3.9 million tonnes, up 15 per cent from the estimated 3.4 million of last year. In 2005, China's processed tomato harvest was knocked by poor weather, especially in Xinjiang, the central province that produces 80 per cent of all China's tomato paste. However producers have found Inner Mongolia to offer transport advantages over Xinjiang and stepped up production in this neighbouring province, said the report.

**NOVIS Food&Beverage News: June 20, 2006**

### **3.1.6 CHINA: OMEGA-3 ADDED TO YOGHURT IN CHINA**

The first yoghurt containing the fatty acid omega-3 has been launched in southern China, backed by labeling claims for its health benefits. The product will be marketed at a premium price but could help its manufacturer Canton American Flower Lounge Livestock Company (CAFL), a subsidiary of Lark International Dairy Holdings, better differentiate from a raft of me-too products being introduced in China's fast-growing dairy sector. Drinking yoghurts are one of the fastest-growing segments of China's dairy industry, with growth forecast by consultants McKinsey at 30 per cent annually in the next five years. The country currently produces an estimated 600,000 700,000 tons of yoghurt. However McKinsey also points to a lack of R&D by dairy companies.

**NOVIS Food&Beverage News: June 15, 2006**

## 3.2 KOREA & JAPAN

### 3.2.1 JAPAN: AJINOMOTO TO EXPAND IN VIETNAM

Japanese food and pharma group Ajinomoto will expand its seasonings business in Vietnam in a bid to significantly boost sales in the next three years, according to a report. The company plans to introduce new soups and soy sauce based products to increase sales there by more than 50 per cent to Y10 billion yen (€69.4m) in three years. Vietnam's seasoning market is growing at a pace of 20-30 per cent a year, and although competition is heating up, Ajinomoto aims to take the top share there as it has in Thailand, said the report. Last year the company opened a new €200,000 seasonings facility in Thailand with a production capacity of 34,000 tons per year. The fermentation specialist said it would gain a 60 per cent market share of the flavour seasonings category in Thailand, growing annually at about 10 per cent. The firm currently makes just over Y6 billion from its Vietnam business and has already begun test sales of mayonnaise. It is also promoting development of a new soy-sauced based seasoning for the Vietnamese market through the recently acquired Amoy Food, according to the Nikkei report.

**NOVIS Food&Beverage News: June 13, 2006**

### 3.2.2 JAPAN: RATTLESNAKE ICE-CREAM TO BEAT THE HEAT

Anyone for rattlesnake ice cream? Japan is no stranger to bizarre frozen deserts and this year is no exception with cow tongue, Indian curry, cheese and even cactus among the flavours on offer for courageous taste buds at an annual event at the Namjatown theme park. Other ice creams available at the Sunshine City complex in Ikebukuro until September 30 include saury (a type of fish), shrimp, wasabi (Japanese horseradish), roasted eggplant, rice, tofu and salad. All are either vanilla or chocolate based, though the fishy flavour of the saury ice cream creeps in after the second and third spoon. The cow tongue ice cream is a mixture of vanilla and beef broth with small red chunks of tongue. Even Japanese customers — by now used to blends such as green tea, red potato, and sweet bean ice-cream which would be distinctly unorthodox elsewhere — were stunned at the array of flavours.

**Asian Age June 5, 2006**

### 3.2.3 JAPAN: ASAHI TAPS CHINA'S GROWING DEMAND FOR WHISKEY

Japanese brewer Asahi Breweries plans to release a single malt whiskey in China. The company is understood to have started exporting whiskey to China, in a bid to take advantage of the diversifying tastes of consumers in the wealthier coastal regions. The 10-year old Yoichi whiskey is produced by Asahi subsidiary, The Nikka Whiskey Distilling Company, and it will be marketed in China by Asahi Beer Shanghai. Yoichi will be test marketed in Japanese restaurants before being introduced elsewhere in China, with the target for 2006 to sell only 100 six-bottle cases. The single malt currently retails at JPY4,500 (approximately \$39) in Japan, but there are currently no details of a price for China. As the largest Japanese brewer in China, Asahi Breweries has been working hard to develop its business in the country following the opening of a headquarters office in Beijing in 2005. The company is currently exploring the markets for other alcoholic beverages.

**Datamonitor: June 16, 2006**

### **3.2.4 KOREA: DIAGEO KOREA INTRODUCES SINGLETON**

Diageo Korea, the local operation of the world's largest premium drinks group, announced the launch of the single malt whisky "Singleton." The company said the introduction of Singleton in the local market also marks the debut in the liquor market of the practice of applying a label to indicate the nutritional information along with a "responsible drinking" message. Such efforts are part of Diageo Plc's global campaign to promote a responsible drinking culture. In Korea, the "Cool Drinker" campaign is in full swing to encourage responsible drinking.

**The Korea Herald: June 29, 2006**

## **3.3 SOUTHEAST ASIA: SINGAPORE, MALAYSIA, THAILAND, INDONESIA, VIETNAM, PHILIPPINES**

### **3.3.1 THAILAND: KIRIN SET TO GRAB SHARE OF THAI GREEN TEA BOOM**

Japan's Kirin is readying to enter Thailand's booming green tea sector, through a new joint venture with Thailand's Osotspa, according to a report. The firms will spend BT300 million (€6.1m) on launching Kirin's Namacha brand green tea, with the aim of capturing a 10 per cent share in the local market in its first year, reported the Bangkok Post. Green tea is the fastest growing non-alcoholic drink in Thailand, rising from sales of just US\$650,000 in 2001 to \$150 million in 2004. A report for the US Foreign Agricultural Service (FAS) estimated that sales last year would reach some \$250 million, although growth is expected to decline. Kirin and Osotspa set up Siam Kirin Beverage Co in May last year to market the Namacha brand – already successful in Japan – in this new growth market. It will initially offer the tea in two flavours - original and low sweet – and target fashionable young women.

**NOVIS Food&Beverage News: June 1, 2006**

### **3.3.2 MALAYSIA: CADBURY CHOCS HERE ARE 'SAFE'**

Malaysians can continue to enjoy Cadbury chocolates. Cadbury Confectionery (M) Sdn Bhd managing director said none of the seven products suspected of being contaminated by salmonella was sold in the country. The seven products are 250g Cadbury Dairy Milk Turkish, 250g Cadbury Dairy Milk Caramel, 250g Cadbury Dairy Milk Mint, Cadbury Dairy Milk 8 Chunk, 1kg Cadbury Dairy Milk, 105g Cadbury Dairy Milk Button Easter Egg and Cadbury Freddo 10 pence. Sailes said despite some outlets offering Cadbury chocolates imported from Britain, none included the seven affected products.

**New Straits Times: June 27, 2006**

### **3.3.3 MALAYSIA: SHIFT INTO GEAR WITH THIS SOUP**

YOU'VE heard of sup kambing and sup ayam ... but sup gearbox? RIDZWAN A. RAHIM introduces us to a soup that's 'guaranteed' to get you going. And going. OF all the local soups available on the market, sup gearbox must be the one with the most unusual name. It's really bone marrow soup. If you are familiar with sup tulang (bone soup) or sup ekor (oxtail soup), then this one is not much different. But why the association with the car anatomy? It's because the cow's

joint used, as the main ingredient in the concoction resembles a car's gearbox. And it's big! It's about the size of a small computer monitor. So sup gearbox is basically this huge chunk of bone in a richly flavoured soup, plus some garnishing. And the whole thing can be enjoyed with either steamed rice or bread. Although this "delicacy" can be found almost everywhere in the country, an expert will tell you that making a good bowl of sup gearbox is not that easy.

**New Straits Times: June 17, 2006**

### **3.3.4 MALAYSIA: F&N TO JUICE UP SHARE OF M'SIAN NON-CHILLED JUICE MARKET TO 15 PCT**

Fraser & Neave (S) Pte Ltd (F&N), which now has an 11 percent share of the Malaysian non-chilled juice market, hopes to raise this to 15 percent with an expanded range of fruit juice drinks, says a company official. The estimated yearly sales volume of the Malaysian non-chilled juice market is about four million kilo litres, which translate into an estimated monthly sales value of RM17 million or RM204 million annually. According to the latest market report, sales of non-chilled juice drinks in Malaysia are expected to grow by six percent annually from now on. F&N now has a range of eight fruit flavours with the recent introduction of lychee and orange aloe vera flavours under its Fruit Tree brand. With more people becoming more health conscious and higher disposal incomes, the better performing soft drinks have been bottled water and fruit/vegetable juice drinks. In terms consumer preference among Malaysians, she said market research had indicated that the lychee flavour had been ranked as the leader, with mango coming in second and orange third in the Malaysian ready-to-drink non-chilled juice drink market. F&N is the market leader in the Malaysian carbonated soft drink market, commanding about a one third share. It sells beverages under the F&N brand name besides the 100PLUS and Seasons brands.

**Bernama Newswire: June 18, 2006**

### **3.3.5 MALAYSIA: NEW CARLSBERG DRINKS SET TO REVIVE CONSUMER INTEREST**

BREWER Carlsberg Brewery Malaysia Bhd is creating new and innovative alcoholic drinks to revive consumer interest in beer and stout. Last April, it put out a ginseng-flavoured stout, which it hopes will have a 3 per cent share of the stout market by year-end. Dubbed "Royal Stout Ginseng", it marked a major milestone for the brewer, as it was its first stout variation in Malaysia in 14 years. Carlsberg has poured some RM10 million to RM20 million into the new drink - from conception through launch. Flavoured beers are already common in Europe, with the most popular types being fruit flavours such as raspberry, cherry and lemon. There are also more exotic flavours such as cinnamon and herbs.

**Business Times: June 12, 2006**

### **3.3.6 PHILIPPINES: BISCUIT MAKER EXPANDING**

REPUBLIC BISCUIT CORP. (Rebisco) has expanded its biscuit-making business to Cagayan de Oro, Rebisco director said that aside from biscuits, its new plant may produce cakes under the Suncrest brand. Suncrest Foods Inc., the maker of Suncrest packaged cakes, is an affiliate of Rebisco. Its other affiliates are Multirich Food Corp. (maker of wafers and cream pastes) and Pinnacle Foods Inc. (producer of chips and curls). Its products under the Rebisco brand include Rebisco Sandwiches, Hansel, Chokies, Bravo, Apple Dapple, King Flakes, Big Time Cracker, Astro Bites and Super

Thins. Its candy line covers Bazooka, Judge and Lips. Rebisco is expanding its brands with its recent acquisition of Storck Products Inc. Philippines, the manufacturer of the “Storck” candy brand under a license from August Storck KG of Germany.

**Philippine Daily Inquirer: June 20, 2006**

### **3.3.7 PHILIPPINES: BAGUIO NOW A BRAND**

THE SUMMER capital is now a brand, and government has realized that many of the hottest selling products labeled “Baguio” are actually made in other provinces, the Department of Trade and Industry said. This phenomenon has compelled nearby Benguet towns to improve on their homegrown products, like strawberry jams and salad vegetables of La Trinidad and brooms of Sablan, to avoid being displaced from their own niche markets, said, Cordillera director of the DTI. Brooms made of dried tiger grass have always been a favorite “pasalubong” (gift) for tourists, until a manufacturer in Southern Luzon admitted supplying the city markets with its own products. The practice of passing off products as coming from Baguio has been going on for some time. Manila markets still label salad vegetables such as potatoes, cabbages, lettuce, carrots and beans as Baguio crops, even if they actually come from La Trinidad. Farmers from Benguet and Mt. Province are encouraged to say that their produce comes from Baguio to ensure the marketability of the vegetables.

**Philippine Daily Inquirer: June 19, 2006**

### **3.3.8 SINGAPORE: DANISCO DEVELOPS INNOVATIVE SPORTS DRINK CONCEPTS**

Danisco flavourists have created a range of sports drink concepts using their water-soluble citrus flavours and fortified with healthy ingredients to appeal to the growing number of sports beverage makers in Asia. The Danish ingredients company has added new flavour profiles to its water-soluble range, including a core citrus' grapefruit profile. It is also offering lemon lime, orange and lemon variants of the range, which uses special processing technology to remove the essential oils from citrus fruits and make water-soluble flavours. This process, developed by Danisco's flavour centre in Singapore, allows manufacturers to avoid visible separation problems. Sports drinks are on the rise; particularly in south-east Asia where we have had increasing enquiries sources said from the firm's flavours division in Singapore. The product concepts target men and women separately, and include antioxidants to help beat physical stress. UK-based consultancy Zenith International estimates that China's sports drink market has grown by 20 per cent during 2005 to reach 1,500 million litres while the Vietnamese market is also seeing rapid growth albeit from a small base. It grew by around 17 per cent to 10.5 million litres during 2005, estimates Zenith.

**NOVIS Food&Beverage News: June 20, 2006**

### **3.3.9 INDONESIA: JAPANESE RESTAURANTS OFFER DIFFERENT FLAVORS**

Japanese food has gained popularity around the world, with traditional Japanese cuisine no doubt being one of the healthiest in the world. Japanese cuisine is vast it is almost impossible to find a dish not to one likes. And the beautifully presented dishes are usually appealing to eye and palate. Many Japanese restaurants serve authentic, traditional Japanese cuisine while others offer funky fusion-style sushi, such as the famous Philadelphia Roll (smoked salmon and cream

cheese, wrapped in sushi rice and deep fried). And lots of restaurants list both traditional as well as fusion food on their menus. Fusion food - a type of cuisine that combines both Eastern and Western ingredients and cooking styles is becoming popular too. While purists frown at fusion food, non-purists praise the unique combination.

**The Jakarta Post: June 25, 2006**

### **3.3.10 INDONESIA: GINSENG ENERGISING INSTANT COFFEE SALES IN INDONESIA**

Indonesia's instant coffee makers are spicing up sales by adding functional herbs like ginseng and ginger. Fortified coffee products have boomed in the last three years, allowing the instant coffee segment to attract older consumers who have typically grown up drinking fresh, ground coffee, according to researchers at Euromonitor. Instant coffee tends to be consumed by the younger generation who are not so concerned about taste and more interested in coffee's function in keeping one alert, she added. However when the wellness company Citra Nusa Insan Cemerlang (CNI) launched a ginseng-fortified instant coffee in 2003, and attracted strong demand, other coffee makers realized that such a product could help them appeal to the older generation. Ginseng is known throughout Asia for its energy-boosting properties, and is also thought to generate heat. Instant coffee is, anyway, a growing product in Indonesia, as urban consumers are increasingly drawn to convenience foods.

**NOVIS Food&Beverage News: June 1, 2006**

### **3.3.11 MALAYSIA: PERMANIS INTRODUCES PEPSI GOLD FOR WOLRD CUP SEASON**

The official bottler for PepsiCo Beverages International, Permanis Sandilands Sdn Bhd, launched Pepsi Gold, a new limited edition of the cola drink for the upcoming World Cup season. Permanis will be spending more than RM250,000 by giving away 92 pieces of 22 karat Pepsi Gold Coins featuring the face of David Beckham during the contest. The bottler has also tied up with RTM and the News Straits Times to offer its viewers and readers four exclusive tickets to meet football star Thierry Henry live. The Pepsi Gold is an innovative cola with a unique color and refreshing Pepsi taste, and is currently available at retail outlets nationwide. The 325 ml can is priced at RM 1.50; while the 600 ml bottle is RM1.90 and the 1.5L bottle RM2.70. For the upcoming football season, PepsiCo has endorsed 11 football stars including David Beckham, Roberto Carlos de Si, Thierry Henry and Ronaldinho Moreria de Assisi.

**Bernama Newswire: June 2, 2006**

### **3.3.12 MALAYSIA: AL'FAIZ AIMS TO SELL 500,000 BOTTLES OF HEALTH DRINK IN 2006**

Local-based Al'Faiz Industries Sdn Bhd aims to sell more than 500,000 bottles of health drink this year with the launching of a new product end of June. Currently, the Bumiputera-owned company, which has been operating since 2004 at the Sungai Korok IKS Complex, near here, produces bio labisia herbal drink and concentrated roselle juice. As of mid-May, the company has recorded sales of about 200,000 bottles. The new product will be sold at RM2.30 per bottle. Sources said the company's products are well established in the Klang Valley, Negeri Sembilan, Melaka and Johor.

**Bernama Newswire: June 1, 2006**

### 3.3.13 INDONESIA: INDOFOOD SEES NOODLE VOLUME UP 20 PCT THIS YEAR

The world's largest instant noodle maker, PT Indofood Sukses Makmur Tbk expects a 20 percent increase in its noodle sales volume this year, its president director said. It has an installed capacity to produce around 10 billion packs a year and controls the world's top two flour millers through its unit, Bogasari Flour Mills. By the end of the first quarter, Indofood was producing an average of 200 million packs of instant noodle each week. Indofood will set aside 700 billion rupiah (\$74.98 million) for capital expenditure this year, which will be financed by bank loans and internal resources. Of that total, 200 billion rupiah will be used to expand its palm oil plantations. Indofood used to have some 90 percent of Indonesia's instant noodle market before competition kicked in, which had driven its market share down to some 73 percent by the end of 2005.

**Indoexchange News: June 2, 2006**

### 3.3.14 MALAYSIA: CADBURY UPGRADES INTEREST IN ASIA

Cadbury Schweppes has announced an \$18m (€14.2m) expansion to its Australian chocolate plant, making it the largest chocolate manufacturer in Asia Pacific. The firm said the extension to the Hobart factory, to be completed by January 2007, will improve chocolate moulding capacity and introduce high-tech wrapping and packing facilities. This will boost the plant's annual chocolate output of 45,000 tonnes by 10 per cent, in response to growing demand for confectionery in Australia and the Asia Pacific region. Cadbury is the leading confectioner in Australia – currently the world's 11th largest confectionery market – taking a 55 per cent share of chocolate sales. Now the company intends to extend its presence across Asia Pacific. In Malaysia Cadbury has introduced confectionery products manufactured in Australia and New Zealand, garnering a 24 per cent market share of the country's chocolate sales as a result. The factory upgrade will also provide room for the development of new products, building on the range of established brands already available to Australian consumers.

**NOVIS Food&Beverage News: June 19, 2006**

### 3.3.15 THAILAND: UNIF USES ITS NOODLE TO OFFSET LOWER TEA SALES

Parent firm warns of second-quarter drop Uni-President (Thailand) Co, a beverage producer which operates under the Unif brand, plans to branch out into the food business this year to strengthen its sales performance. Imported cup noodles from Taiwan will be the first product to be tested in the market over the next few weeks. More food lines would be added over the next few years, according to Tezen Yang, the managing director of Uni-President (Thailand) Co. The firm expected sales to reach 1.4 billion baht and to achieve its projection for the first half of this year. The company also plans to invest 1.3 billion baht in its production technology to help enhance the quality and taste of its goods.

**The Bangkok Post: June 8, 2006**

### 3.4 SOUTH ASIA: INDIA, SRI LANKA, BANGLADESH, NEPAL

#### 3.4.1 INDIA: POTATOES SET TO RULE RETAIL SNACK SHELVES

The potato has become an important factor in the vegetarian food chain in India, with potato-based foods accounting for an estimated 30 percent of the off-the-shelf snacks category in both the organised and unorganised food markets. PepsiCo has been processing potatoes in India for the past few years now. McCain Foods, the largest producer of frozen potato products in the world, is planning to produce both French fries and frozen traditional Indian potato snacks for the domestic market. Brands such as Haldiram's and Bikano have also launched potato-based snacks while brands such as Rasna and Cremica are also considering an entry into the segment. Sources say that the market for potato-based snacks is growing at more than the industry growth rate of 30 percent annually.

**Economic Times: June 06, 2006**

#### 3.4.2 INDIA: TASTE OF TRADITION

Aachi Masala has launched Aachi ginger-garlic paste and Aachi tamarind mix for the convenience of housewives. The ginger-garlic paste, made out of a balanced mixture of ginger and garlic, can be added to cooking as required. The tamarind mix can be used to prepare sambar, rasam and kuz-hambu. It is enough if you add 50gm of this mix to make two litres of sambar. Priced at Rs.2 (20gm pack) and Rs.5 (50gm pack), the products are available in more than 1,00,000 retail outlets and supermarkets.

**Hindu: June 06, 2006**

#### 3.4.3 INDIA: PEPSICO INDIA TO REVIVE TOMATO PRODUCTION

PepsiCo India Ltd. proposes to revive its contract farming of tomatoes in the country. It had sold its processing plant in Punjab to Hindustan Lever Ltd. nearly 10 years ago. PepsiCo intends to grade the tomatoes and sell Grade A in retail market and Grade B in wholesale market. The Company intends to process only Grade C and Grade D tomatoes.

**Business Line: June 18, 2006**

#### 3.4.4 INDIA: DUMEX' EXIT-INDIA PLANS TAKE SHAPE, COMPANY HEADS FOR CHINA

Dumex India, which owns the Farex and Protinex brands in India, is up for sale. An investment banker has been given a 'sell' mandate and in the race to acquire Dumex are a major fast-moving consumer-goods (FMCG) player and a leading Mumbai-based pharmaceutical company. Europe's largest baby food manufacturer, Royal Numico, which is the new owner of Dumex, has drawn up the strategy to exit India.

**Economic Times: June 23, 2006**

#### 3.4.5 INDIA: REFRESHING CHAI!

Marvel Tea Estates India Ltd has launched its brand Marvel Gold tea in a new pack. The pack also has mixed tea where Darjeeling tea is mixed with Assam tea. The tea is available at Rs 80 for 500 gm.

**Deccan Herald: June 3, 2006**

### **3.4.6 INDIA: GET GOBSMACKED**

Kellogg's has launched Chocos Smacks. It is enriched with calcium. The pillow-shaped cereal is available in two packages, 390gm for Rs.130 and 130gm for Rs.45, across all major outlets.

**Business Line: June 15, 2006**

### **3.4.7 INDIA: NOW, EGOLESS MAYONNAISE**

Weikfield has introduced Eggless Mayonnaise Sauce that can give that extra flavour to sandwiches, pako-das, burgers and other western and Indian snacks. Available at all leading outlets in a 200-gm glass jar at an MRP of Rs. 50.

**Hindu: June 27, 2006**

### **3.4.8 INDIA: VENKY'S GLUCOSE BISCUIT NIBBLES AT US MARKETS**

Uttara Foods and Feeds of the Venkateshwara Hatcheries group is set to start exporting glucose biscuits to the US, Australia, and UK markets in a few months. The Company started exporting Venky's glucose biscuits in Feb 2006 and presently sells the product in Dubai, Muscat, Saudi Arabia, Bahrain and South Africa among other countries.

**Business Line: June 10, 2006**

### **3.4.9 INDIA: CADBURY EYES BIGGER BITE OF CANDY MARKET**

Cadbury India is expanding its portfolio to include sugar confectionery. It will also focus on enlarging its presence in the snacking market through Bytes. The Company has secured a 70 percent share of the chocolates market.

**Business Standard: June 09, 2006**

### **3.4.10 INDIA: FULL OF ZIP**

Seabuckthorn Indage has launched Leh Berry Mango Seabuckthorn Nectar. It is priced at Rs.7 for a 125-ml pack and Rs.65 for a one-litre pack.

**Business Line: June 15, 2006**

### **3.4.11 INDIA: JUICE MAJOR RASNA TO BREW TEA**

Rasna plans a worldwide entry into the instant tea market. It intends to re-launch Insta, its tea bag, in 3 flavours. The product has much potential in Europe. It also yields high margin. There is very little competition for instant tea in the export market.

**Economic Times: June 05, 2006**

## **3.5 PACIFIC: AUSTRALIA & NEWZEALAND**

### **3.5.1 NEW ZEALAND: NEW ZEALAND FOODS PUSH IN CHINA**

New Zealand's (NZ) first promotion of quality foods in China is underway. Some 30 producers are taking part in the "NZ's Finest Choice" promotion, which was launched at two upmarket stores in Shanghai in early June 2006. The ACNielsen - Information Centre – Baroda (India).

initiative is part of the Government's China Retail Channel Development Project. The Trade Minister reports that China is NZ's fourth-biggest trading partner. He said the food and beverage industry would benefit considerably from a prospective Free Trade Agreement with China

**Food Industry Week (NZ): 22 June 2006**

### **3.5.2 AUSTRALIAN: NEW MARKETING DRIVE FOR GUYLIAN**

Stuart Alexander has been the distributor of Guylian since the launch of the Belgian chocolate brand in Australia nearly 20 years ago. The two family businesses announced a new marketing plan in June 2006. They aim to double Australian retail sales of Guylian to \$A50 million and to foster innovation. The head of Stuart Alexander, wants to extend the brand from the traditional boxed chocolate category into the "everyday self-indulgent treat" category

**Retail World: 28 June 2006**

### **3.5.3 AUSTRALIA: AUSTRALIA'S WARRNAMBOOL CHEESE EXPECTS PROFIT OF AROUND US\$5.5 MLN**

Warrnambool Cheese and Butter Factory Company Holding Ltd expects its 2005/06 earnings to be in line with last financial year, partly as a result of softer dairy product prices. Australia's fourth biggest milk processor said the forecast was due to several factors, including a softening in the price of dairy products, an increase in the amount the company paid suppliers for milk, a higher Australian dollar and lower-than-expected milk intake levels.

**Asia Pulse: June 9, 2006**

### **3.5.4 AUSTRALIA: NUMBER CRUNCHING: CALL FOR FOOD PACKS TO TELL MORE**

Australian food company, Kellogg's, is leading the industry with new food labelling. From July 2006, its cereal products will display the calorie count of each serve on the front of the packet, instead of the side or back. For the first time, labelling will also include the serve's proportion of the recommended daily calorie intake. On 5 June, fast food chain McDonald's also announced that it will print the number of kilojoules and the percentage of daily intake on hamburger wrappers later in 2006. Cereal maker, Sanitarium, plans to provide this information to consumers as well .

**The Sydney Morning Herald: 6 June 2006**

### **3.5.5 AUSTRALIA: TOO MUCH PORRIDGE: UNCLE TOBYS SOLD**

Australian-listed food company Burns Philp has sold its snack food business Uncle Tobys to Nestle Australia for \$A890 million. Mallesons Stephen Jaques represented Nestle Australia; Burns Philp was represented by Freehills, while Corrs Chambers Westgarth completed the due diligence. Nestle considers Uncle Tobys as a brand with strong growth prospects

**Lawyers Weekly: 19 June 2006**

### **3.5.6 NEW ZEALAND: KELLOGG'S RELABELS CEREALS TO SHOW FAT AND SUGAR LEVELS**

Consumers of many brands of breakfast cereals will soon be able to read on the packet how much of their daily allowance of fat and sugar they are eating. Kellogg's is starting to put daily-intake percentages of 12 food values on the

front of its cereal packets. This shows, for example, that average adults will obtain 7.3 per cent of their daily energy needs from a 45g serving of Sultana Bran.

[www.nzherald.co.nz](http://www.nzherald.co.nz)

### **3.5.7 AUSTRALIA: WINE GLUT TO KNOCK MCGUIGAN**

The Australian wine industry is facing numerous challenges in 2006, due to the global wine oversupply. The latest group to feel the pinch is the listed McGuigan Simeon. The company has warned it is facing another "glut" of wine in 2006. Its shares have fallen by 16% over the last fortnight. The company's founder, Brian McGuigan, has left as managing director and has sold his remaining shares in the company. Analysts believe that McGuigan Simeon is in a stronger position than fellow wine group, Evans Tate. On 29 March 2006, shares in Evans Tate dipped to \$A0.067. The company has debts of around \$A160 million and could be forced to call in administrators

**The Sydney Morning Herald: 30 May 2006**

### **3.5.8 AUSTRALIA: NEW ZEALAND VODKA MAKER PLANS TO DOUBLE AUSTRALIAN SALES**

New Zealand-based vodka maker 42Below Ltd is looking to double Australian sales this financial year as the company invests heavily in the market. The maker of 42 below and Stil vodka and South Gin reported an annual net loss of \$NZ3.29 million for the year ending March 31, 2006, in line with company expectations, compared with a \$NZ5.22 million decline a year earlier.

**Asia Pulse: May 30, 2006**

### **3.5.9 AUSTRALIA: GOOD IN THE SNACK**

Experts in nutrition at Victoria's Deakin University have developed a new snack food. It is a cracker made of parmesan cheese and topped with organic mashed potato that is reportedly good for the brain and heart. It also boosts immunity and reduces inflammation. Sources said the snack also contains an appetite suppressant and another natural flavour additive to boost its appeal to consumers.

**Herald Sun: 27 June 2006**

### **3.5.10 NEW ZEALAND: FRUTAROM LAUNCHES NEW MEAT AND FISH FILLINGS RANGE**

Demand for convenience foods is increasing, with annual international growth of savoury foods forecast at 4% to 6%. Israeli-owned Frutarom is focusing on the development of new products to meet demand. In June 2006, it is introducing a range of sandwich spreads containing meat and fish. Ingredients include tuna, bacon, ham, turkey and chicken

**Grocers' Review (NZ): 22 June 2006**

### **3.5.11 AUSTRALIA: CADBURY EXPANDS CHOCOLATE CAPACITY IN AUSTRALIA**

Chocolate and drinks group Cadbury Schweppes will spend A\$24.5 million (€14.3m) on an expansion at its chocolate factory in Tasmania, it announced citing growing demand for its chocolate bars in Australia. The company will build a new moulding plant, including state-of-the-art wrapping and packing equipment, and hire up to 50 new staff over the

next five years to operate the expanded facility. The investment will make the Claremont plant the firm's biggest chocolate factory in the Asia-Pacific region. Cadbury Schweppes Australia and New Zealand managing director said the improvements were being made to “meet the increasing demand” for Cadbury Dairy Milk in Australia, as well as produce a range of new products for the Australian market.

**NOVIS Food&Beverage News: June 20, 2006**

### **3.5.12 AUSTRALIA: NESTLÉ ENTERS DIET NUTRITION MARKET**

Nestlé is set to purchase US weight management and nutrition company Jenny Craig, as it strives to change focus to a health and wellness provider in the face of rising global obesity levels. The Swiss food giant will acquire Jenny Craig from a private equity group including ACI Capital and MidOcean Partners for \$600m, but the pay out will not dilute earnings it said. Jenny Craig, with an annual turnover in excess of \$400m, produces a range of nutritionally enriched branded weight loss products in the US, Canada, Australia and New Zealand. It also runs 600 branded centres offering tailored weight management and lifestyle advice to consumers. Nestlé said the acquisition represents an “important step in the transformation process into a nutrition, health and wellness company”, in the face of growing concern over mushrooming obesity levels in the developed world.

**NOVIS Food&Beverage News: June 19, 2006**

### **3.5.13 AUSTRALIA: DAIRY FIRM'S FONTERRA, NORCO TO DISTRIBUTE MILK IN AUSTRALIA**

The world's biggest dairy producer Fonterra is teaming up with Lismore-based co-op Norco to market and distribute milk in Australia's eastern states. Under the heads of agreement, Norco will provide the manufacturing facilities and supply milk to the New Zealand dairy giant on a preferred basis. Fonterra's job will be to provide sales, marketing and distribution support. The proposed alliance will follow Norco's acquisition next month of Parmalat Australia's 50 per cent stake in the Norco Pauls Milk joint venture.

**Asia Pulse: June 15, 2006**

### **3.5.14 AUSTRALIA: COKE MULLS BOOZE MOVE**

Australian soft drink maker Coca-Cola Amatil is considering entering the alcohol market. The CEO of the company said Coca-Cola Amatil needs to expand into new markets to counterbalance such trends as increasing raw materials costs and rising competitive pressure. He revealed that Coke Zero, an artificially-sweetened soft drink that was launched in Australia and New Zealand in January 2006, allowed the company to expand its share in the cola category by between six and eight per cent

**Food Week: 6 June 2006**

**RAREST CHOCOLATE:** The rarest chocolate bar in the world is the Porcelana bar. There are only 20,000 of these bars produced a year, and they sell for \$90 per pound.

## **4. CIGARETTE /TOBACCO PRODUCTS**

### **4.1 GREATER CHINA: HK, CHINA AND TAIWAN**

#### **4.1.1 CHINA: CHINA STRUGGLES TO STUB OUT SMOKING AS CIGARETTE SALES SOAR**

Health experts in China are urging authorities to step up anti-smoking campaigns to make the habit less acceptable. The number of cigarettes smoked in China has doubled over the past two decades, and stubbing out this habit is no easy task. There are an estimated 350 million smokers in China, which is about one third of the world's total. A recent report noted that at least one in four adults in Shanghai smokes. Breaking down the habit along gender lines, the report said that more than half of Shanghai men smoke, and more women are lighting up. According to the Shanghai Association of Smoking and Health, an estimated three percent of all women in Shanghai are smokers and this number is growing. China now produces and consumes one third of the world's cigarettes. And with tobacco taxes one of the most lucrative sources of government revenue, critics say anti-smoking campaigns have not been tough enough.

**Media Corp News Asia: June 30, 2006**

### **4.2 KOREA & JAPAN**

#### **4.2.1 KOREA: S.KOREANS CUT BACK ON CIGARETTES, ALCOHOL**

South Koreans spent the lowest amount of money on cigarettes and alcohol in 17 years in the first quarter as fewer people drank and smoked, the nation's central bank said. South Korean households spent 1.6 trillion won (US\$1.7 billion) on alcohol and cigarettes in the January-March period, down 5.36 per cent from a year earlier and 4.72 from a quarter earlier, according to the Bank of Korea. The spending is the lowest since the third quarter of 1989, when such consumption amounted to 1.61 trillion won. A total of 55.7 million boxes of beer were shipped for sale in April, down 7.27% from a year earlier, while the smoking rate, or the ratio of smokers to the total adult population, fell to a record low of 49.2% in March, according to government and industry data.

**Asia Times Online: June 9, 2006**

#### **4.2.2 KOREA: FEWER THAN 10 PACKS OF CIGARETTES FOR TRAVELERS**

The customs office at Incheon International Airport has advised South Koreans departing for Thailand to carry less than 10 packs of cigarettes as the Southeast Asian country enforces strict customs clearance checks on tobacco. Incheon Airport Customs warned that any travelers carrying more than 10 packs of cigarettes might face heavy fines if they fail to report to the Thai airport customs office their excessive possession of tobacco. When they are caught bringing in more than 10 packs of cigarettes without reporting to the customs office, travelers are fined 13,000 baht (350,000 won) for every 10 packs and all the cigarettes are confiscated. Thailand has recently designated public buildings as nonsmoking areas in a stepped-up antismoking campaign, and many tourists go through strict checks for cigarettes when they arrive. Also, tax officials are cracking down on travelers carrying more than 10 packs of cigarettes over suspicions of excise tax

evasion. According to Incheon Airport Customs, about 800,000 Koreans a year visit Thailand. Among them, smokers buy a bundle of cigarettes at duty free shops before departing for Thailand. Many Korean travelers who do not have the information about Thai customs regulations might get into trouble due to their excessive possession of cigarettes on arrival at Thai airports.

**The Korea Times: June 28, 2006**

### **4.3 SOUTHEAST ASIA: SINGAPORE, MALAYSIA, THAILAND, INDONESIA, VIETNAM, PHILIPPINES**

#### **4.3.1 VIETNAM: VIETNAM TO ALLOW IMPORT OF CIGARETTES, CIGARS UPON WTO ACCESSION**

Vietnam will permit its enterprises to import cigarettes and cigars when it joins the World Trade Organisation (WTO) expectedly late this year, according to local newspaper. Now, cigars and cigarettes produced in Vietnam are subject to special consumption tax of up to 55 per cent. The maximum tax will increase to 65 percent in 2008. According to statistics released by Vietnam's Health Ministry in late 2005, over 50 percent of local men and around 3 per cent of local women smoke cigarettes. Smoking causes 30,000-40,000 deaths in the country each year. Vietnam, whose population currently is more than 83 million, is trying to reduce the number of smokers by imposing higher taxes on tobacco products, restricting investment in cigarette production, and raising public awareness in this regard.

**Bernama Newswire: June 27, 2006**

#### **4.3.2 MALAYSIA: FINE OR JAIL FOR SALE OF SMALL CIGARETTE PACKS**

For those selling loose cigarettes and small packets will face a fine of up to RM10,000 or two years' jail. In issuing the warning, Health Ministry parliamentary secretary said retailers should abide by the ministry's ban and stop selling loose cigarettes and packets containing fewer than 14 sticks of cigarettes. Those caught doing so can be charged under the Control of Tobacco Products Regulations 2004. The Government banned the sale of loose cigarettes and packets containing fewer than 14 sticks on. A random check in the city showed that many retailers had removed even the 14-stick packets from the shelves. There are an estimated 3.6 million smokers in the country with about 10,000 dying annually of diseases linked to smoking. Asked about the move to put pictorial warnings of people with lung-related diseases on cigarette packets, Lee said it could only be enforced when the Control of Tobacco Products Act came into force.

**New Straits Times: June 3, 2006**

#### **4.3.3 MALAYSIA: BAT TO STRENGTHEN GRIP ON CIGARETTE MARKET**

Malaysia's duty-paid cigarette industry is going through some of its toughest times, what with illicit trade on the rise, taxation at an all-time high and tighter regulation that could hurt sales further. Against this scenario, the new chief of the country's largest cigarette company British American Tobacco Malaysia Bhd (BAT), says his biggest challenge will be to defend BAT's market leadership. BAT currently has a 65 per cent share of the duty-paid cigarette market with brands like Dunhill, Pall Mall, Benson & Hedges and Peter Stuyvesant. Illicit trade has always been a major problem for legal

manufacturers like BAT and rivals JT International Bhd and Philip Morris Sdn Bhd, their main concern being that it reduces the share of the legitimate tobacco market.

**Business Times: June 19, 2006**

## **4.4 SOUTH ASIA: INDIA, SRI LANKA, BANGLADESH, NEPAL**

### **4.4.1 INDIA: GUIDELINES SOON ON SMOKING SCENES**

Union Health and Family Welfare will within a month or two issue a set of guidelines to be followed before granting permission for screening of a movie or a television serial that depicts smoking scenes. This follows a consensus between the Ministries of Health and Information and Broadcasting. The two Ministries have decided to constitute a committee that would view films and serials carrying smoking scenes on a case-to-case basis before granting permission for airing. The committee would decide whether the smoking scene was necessary for the storyline and the kind of warnings that could be inserted to ensure that smoking was not glorified. Warnings or advisories could be inserted at the beginning, middle and end of the production of old movies or even the lead roles could be asked to give out the anti-tobacco message, the Minister said.

**Hindu: June 01, 2006**

### **4.4.2 INDIA: SMOKING MAY GET MORE TAXING**

There is bad news for smokers and tobacco companies. The government is planning to bring in a new taxation policy for tobacco products and has set up an authority to strictly enforce the ban on smoking in public places and implement a watered-down ban on smoking scenes in movies and television programmes. One recommendation is to gradually reduce various incentives given to tobacco farmers and encourage them to shift to medicinal plants, which needs similar agricultural practices. Now, smoking in public places, advertisements of tobacco products and sale of tobacco products to minors and near educational institutions are banned. Besides intense monitoring and enforcement, the authority will also work with NGOs and suggest policy measures. The government will also notify new labelling norms for tobacco products on August 1, which would come into force in six months. The idea is to force all tobacco products to carry pictorial warnings about the bad effects of smoking.

**Economic Times: June 01, 2006**

## **4.5 PACIFIC: AUSTRALIA & NEWZEALAND**

### **4.5.1 AUSTRALIA: CIGARETTE DISPLAYS MUST BE CURBED, MPS INSIST**

A New South Wales (NSW) parliamentary committee wants limits on the display of cigarettes in retail outlets. The joint select committee on tobacco smoking will table its recommendations on 30 June 2006. It wants the display of cigarette packets to be limited to one square metre. It also recommends that smoking be banned in or near children's playgrounds

and that shopper loyalty points be banned for cigarette purchases. In February 2004, NSW minister announced that he wanted to remove cigarette packets from public view, but he quietly dropped the issue in late 2004

**The Sydney Morning Herald: 30 June 2006**

**SMOKER'S ZONE:** Cigarette smoking has been the most popular method of taking nicotine since the beginning of the 20th century.

## **5. HOUSEHOLD CARE/OTHER PRODUCTS**

### **5.1 GREATER CHINA: HK, CHINA AND TAIWAN**

#### **5.1.1 CHINA: ROHM & HAAS PUTS ITS WATER-BASED ADHESIVE INTO CHINA**

Rohm & Haas announced recently that it put its dry composite Robond L water-based package adhesive into the Chinese market. The product is mainly used for mid and general-purpose functional composite package, including biscuit, and liquid or irritative foods and daily articles, as well as pasteurization foods, such as coffee, flavoring, fruit gel and sausage. Meanwhile, it can be used in the fields of shampoo, plastic films, vacuum aluminium-plated film, aluminium foil and paper.

[www.chemweek.cn](http://www.chemweek.cn)

#### **5.1.2 CHINA: CHINA'S LANGQI PLANS TO PRODUCE MES VIA JOINT VENTURE**

Langqi Co. a detergent producer, plans to negotiate with Malaysia's Kening Oil Chemical Company on jointly producing and selling MES (methyl ester sulfonate), according to the company's announcement. Meanwhile, the company warned that many uncertainties remain on the project before both sides sign a contract on the joint venture. MES, basic chemical raw materials for all detergents, may substitute the sulfonic acid extracted from oil product as a green product.

**Asia Pulse: June 28, 2006**

### **5.2 KOREA & JAPAN**

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### **5.3 SOUTHEAST ASIA: SINGAPORE, MALAYSIA, THAILAND, INDONESIA, VIETNAM, PHILIPPINES**

#### **5.3.1 VIETNAM: POUR WATER TO ACTIVATE SEWER DEODORANT, STOP STINK EXPERT**

Pour water to activate sewer deodorant, stop stink expert a stink pervading sewers in Vietnam's Da Nang city is the result of extended dry weather which has incapacitated an expensive deodorizing device, a top expert said. Head of the city's

sewerage management agency, advised residents to pour water into the sewerage mouths to reactivate the device and get rid of the stink. The device is part of a multimillion-dollar sewer system recently installed on several major streets like Duy Tan, Hung Vuong, and Ong Ich Kiem which are now being ravaged by the smells.

**Thanh Nien News: June 23, 2006**

## **5.3.2 THAILAND: SAHAPATHANAPIBUL PLC TO BUILD NEW DETERGENT FACTORY**

Detergent plant to complement existing one in Sri Racha Sahapathanapibul Plc, one of Thailand's largest local manufacturing and trading conglomerates, will spend Bt300 million this year to build a new energy-saving detergent factory. Sources said the new factory would complement the group's existing Chon Buri production plant, which has a capacity of 8,000 tonnes of detergent a month. That factory is operating at full capacity and cannot be expanded. To be located in the company's manufacturing complex in Sri Racha district, the new factory will be ready about a year from now and have production capacity of 10,000 tonnes of detergent a month. It will use 20-per-cent less energy than the existing factory.

**Thai News Service: June 1, 2006**

## **5.4 SOUTH ASIA: INDIA, SRI LANKA, BANGLADESH, NEPAL**

### **5.4.1 INDIA: EFFECTIVE DISINFECTANT**

Venkateshwara Bio-sentry has introduced a Resillium EA, an instant hand and skin disinfectant that kills microorganisms and germs within 15 to 30 seconds. It contains 70 per cent v/v ethanol IP with didecyl dimethyl ammonium chloride which works quickly and effectively. The disinfectant is easy to use and has to be applied on washed and dried hands and nail grooves for 15 to 30 seconds. It is effective against resident and transient flora and preserves the natural moisture of skin even after repeated use.-The product is useful for travellers, picnickers and health and hygiene conscious people. It comes in apack of 100-ml for Rs. 50, 500-ml for Rs.225 and in 5 litres for Rs.2,200.

**Hindu: June 22, 2006**

### **5.4.2 INDIA: EVEREADY TO EXPAND RETAIL TRADING BASKET**

Eveready Industries India will use their 1,000-odd own vans to market mosquito repellent coils and branded tea packets to utilise its distribution network to the maximum. The launch has begun in Kerala and eastern India. Eveready will soon launch a battery-operated mosquito coil now under development.

**The Hindu: June 30, 2006**

## **5.5 PACIFIC: AUSTRALIA & NEWZELAND**

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## **6. MEDIA NEWS**

### **6.1 GREATER CHINA: HK, CHINA AND TAIWAN**

#### **6.1.1 CHINA: IN-GAME AD DEAL TESTS NEW MEDIUM**

Online games company NetEase and China's leading drinks maker MasterKong has formed a reciprocal promotional partnership to boost sales. Under the agreement, NetEase will plaster ads for the new game on millions of bottles of MasterKong's icy green and red teas to diversify its marketing channels. MasterKong reportedly owned 53.3 per cent of the Chinese bottled tea market in January 2006. The deal will also see MasterKong use Datang to promote its products among young gamers with in-game ads. NetEase will brand certain virtual settings, items and characters in the game with MasterKong's bottled tea products. But it is not the first partnership of this kind in China's advertising and gaming landscape. Online games have emerged as a preferred advertising medium in China because the country has the second-largest number of Internet users in the world, and online games play an important role.

**CEInet IT Market Reporter: June 23, 2006**

#### **6.1.2 CHINA: MAJOR-MEDIA AD SALES JUMP**

Spending on television, newspaper and magazine advertising in China rose 25 percent in the first quarter from a year earlier as companies looked to tap rising consumer sales. Ad spending totaled 82.6 billion yuan (US\$10.3 billion), New York-based Research Company said. Retail sales in April rose 13.6 percent from a year earlier to 578 billion yuan, according to government data. Retail sales increased 13 percent in the first four months of the year to 2.4 trillion yuan. Spending on TV advertising in the quarter rose 30 percent from a year earlier. Magazine ad spending rang up a 20 percent increase, and newspaper ad spending climbed 6 percent, the researchers said. Procter & Gamble Co's Olay, Crest and Rejoice were the biggest-spending brands in the quarter. Olay cosmetics accounted for about 1.6 billion yuan in ad spending, while Crest toothpaste and Rejoice shampoo each spent more than 1 billion yuan. China is the world's third-biggest ad market after the United States and Japan. Ad spending in the nation rose 21 percent from a year earlier to US\$37 billion in 2005.

**Shanghai Daily: June 13, 2006**

### **6.2 KOREA & JAPAN**

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## **6.3 SOUTHEAST ASIA: SINGAPORE, MALAYSIA, THAILAND, INDONESIA, VIETNAM, PHILIPPINES**

### **6.3.1 THAILAND: ADVERTISING SPENDING IN THAILAND RISES FOUR PER CENT IN FIRST FIVE MONTHS OF 2006**

Advertising spending rose 4.3 per cent in the first five months of 2006 compared to the same period last year, a report said. The latest figures from a Media Research (Thailand) show that from January to May 2006 Thai companies spent 36 billion baht on advertising, up 4.3 per cent from the same period last year. The amount spent on TV ads rose 4.76 per cent to 4.62 billion baht. The amount spent on newspaper ads dropped 4.34 per cent to 1.26 billion baht. The amount spent on radio ads rose 9.14 per cent to 597 million baht. The amount spent on magazine advertising dropped 1.77 per cent to 500 million baht. The amount spent on outdoor media rose 4.7 per cent to 401 million baht. The amount spent on cinema ads rose 48.25 per cent to 169 million baht. The greatest amounts spent was for Clinique shampoo, followed by PTT, Ponds facial cleanser, Toyota pickup trucks, TV Direct, Chang beer, Happy mobile phone service, 1-2 Call mobile phone service, Nokia mobile phones and Toyota passenger cars.

**Thai News Service: June 19, 2006**

### **6.3.2 MALAYSIA: PERSONAL CARE INDUSTRY STILL TOP ADVERTISER IN RP**

The personal care industry remained the top advertiser in the Philippines as of the first quarter of 2006, followed by food, pharmaceuticals, and beverages, a study by a Media Research showed. The study said the personal care industry spent P7.039 billion in advertisements for January to March 2006, slightly up from the P6.895 billion spent during the same period last year when it was also ranked first. It accounted for 22% of the P32.224 billion spent for advertisements during the period. Ad spending for food came in second, at P3.343 billion or 10% of the total for the period. The sector's spending was up 11% from the P3 billion it spent in the same period last year, taking the food sector a notch higher than last year. Media Research said that Unilever's aggressive spending for its food brands pushed up ad spending for the sector.

**Business World: June 27, 2006**

## **6.4 SOUTH ASIA: INDIA, SRI LANKA, BANGLADESH, NEPAL**

### **6.4.1 INDIA: FMCG MAJORS SPEND LARGE SUMS ON AD PROMOTIONS**

Indian fast moving consumer goods companies are allocating a major proportion of their advertisement (ad) spending on promotions in 2006-2007. ITC Foods Ltd., which is increasing its ad spend by 70 percent in 2006-2007, will be spending the amount equally on mass media advertisements and promotions. Dabur Foods is also splitting its ad budget 50:50 on advertising and promotions. Tata Tea Ltd. and Rasna will both increase their ad budget on consumer promotions in 2006-

2007. Hindustan Lever Ltd., which has invested Rs.334-crore in consumer promotions in 2005, will continue to increase its ad spend on promotions in 2006.

**Financial Express: June 20, 2006**

## **6.4.2 INDIA: HOT AND COLD**

In the past 3 months, Coca-Cola and Pepsi have spent Rs.50-60-crore each on advertising. In 2005, Coca-Cola had cut its advertising budget by 50 percent and Pepsi by 25 percent. In the first 4 months of 2006, the sales of both companies have come down by 8-10 percent. Coca-Cola has recorded decrease in its sales for the seventh consecutive quarter. Both the companies plan to launch new products in the better-for-you (diet and fruit-based drinks) and the good-for-you (fruit juices) categories, expecting a faster growth in these 2 categories.

**Business Today: June 18, 2006**

## **6.5 PACIFIC: AUSTRALIA & NEWZELAND**

### **6.5.1 AUSTRALIA: WORLDWIDE OUTDOOR AD PACT FOR COKE**

Coca Cola has struck a worldwide deal with a leader in outdoor advertising. Details of the contract with US-based Clear Channel are yet to emerge, but it will include Australia and run for several years. Clear Channel specialises in the street-furniture sector. It owns half of street-furniture advertising company Adshel in Australia and New Zealand. APN News Media owns the other half. Industry sources predict that outdoor advertising will become the first sector to see widespread global media deals as international companies seek worldwide synergies, efficiencies and economies of scale

**The Australian Financial Review: 5 June 2006**

### **6.5.2 AUSTRALIA: LYNXJET HOSTIES READY TO TAKE OFF**

Lynx deodorant brand owner Unilever is moving its advertising into new markets and new media. Unilever's global media director, Alan Rutherford, does not even like saying "TV" anymore when speaking of the consumer goods company's advertising campaigns, because marketing has branched out so much from traditional TV screens. Unilever is enthusiastic about placing its ads on a variety of screens, from TV to computers and cinemas, and about using new advertising formats. The company intends to export its highly successful Australian campaign, "LynxJet", to foreign markets

**The Sydney Morning Herald: 29 June 2006**

### **6.5.3 NEW ZEALAND: GOVT FINALLY ANNOUNCES ALCOHOL AD TEAM**

The New Zealand Government announced plans for a review of alcohol advertising back in January 2006. At that time, it was expected that the review would begin in March 2006. However, it was not until the week ending 2 June 2006 that the Government announced the makeup of the group that will conduct the review, at least the fifth of its kind since 1992. The executive director of the Advertising Standards Authority, is the only advertising person involved. Despite the delay in

announcing the people who will conduct the review, the Government has indicated it still expects the results of the review to be released by December 2006

**Food Industry Week (NZ): 7 June 2006**

## **7. GOVET POLICY/REGULATIONS**

### **7.1 GREATER CHINA: HK, CHINA AND TAIWAN**

#### **7.1.1 CHINA: CHINA TO BRING MORE FOODS UNDER MARKET ACCESS CONTROL**

More foods marketed in China will be subjected to quality control and safety checks during production, according to a report, as the country expands its market access control system. The move is part of an initiative started in 2001 to enforce higher safety standards and has already brought 370 foods under the regulation. The policy requires food manufacturers to hold a production licence, following checks on their food safety procedures and quality of their finished products, before they can bring such products to market. An official with China's Administration of Quality Supervision and Inspection and Quarantine (AQSIQ) told media agency Xinhua that the remaining 155 food products, out of a total 525 kinds of food, will come under market access control by the end of this year, as agreed at a recent AQSIQ meeting in Beijing.

**NOVIS Food&Beverage News: June 8, 2006**

#### **7.1.2 CHINA: GANGS JAILED FOR COUNTERFEITING**

Two gangs produced and sold counterfeit certificates and cigarettes sentenced to prison terms ranging from five months to four years by the Nanhui District People's Court. Eleven gang members were sentenced to prison. In addition, members of one gang selling counterfeit cigarettes were also fined 765,000 yuan (US\$94,444). The court said a man and a woman, Zhang Jun and He Qin, sold counterfeit cigarettes to laborers in suburbs from last year. Tobacco Monopoly Bureau officials caught them on January 5 as they were selling counterfeit Chung Hwa and Panda cigarettes. Officials seized more than 12,000 cartons of counterfeit cigarettes of 17 brands. Worth 693,000 yuan, all were counterfeit.

**Shanghai Daily: June 24, 2006**

#### **7.1.3 CHINA: L'OREAL WINS BID TO TREAT PERFUME AS WORK OF ART**

The Dutch Supreme Court upheld a ruling allowing cosmetics maker L'Oreal SA to copyright its Tresor perfume as if it were a work of art, rather than patenting it as a product. The fact that Dutch copyright law "is not easily applicable to smells doesn't prevent the maker of an original perfume from appealing to copyright to protect it from imitation," the court said in a summary of its ruling.

**Shanghai Daily: June 17, 2006**

## **7.2 KOREA & JAPAN**

### **7.2.1 KOREA: SOUTH KOREAN GOVERNMENT BEEF BAN EXTENDED OVER CONCERNS**

The South Korean Government has decided to maintain its ban on imports of US beef after an inspection of US processing plants. A team of Korean inspectors raised a number of concerns that must be addressed before the ban can be lifted. Certain US plants failed to properly separate animals from the US and from other countries. Australian beef producers have at least another 30 days before they will have to deal with the fact of a major competitor entering the South Korean market

**Lloyd's List Daily Commercial News: 16 June 2006**

## **7.3 SOUTHEAST ASIA: SINGAPORE, MALAYSIA, THAILAND, INDONESIA, VIETNAM, PHILIPPINES**

### **7.3.1 MALAYSIA: WHOLESALERS TO LOSE LICENCE IF THEY FAIL TO SUPPLY SUGAR**

In a move to streamline the sugar wholesale business, the Domestic Trade and Consumer Affairs Ministry will revoke the licences of existing wholesalers who are unable to supply the commodity. The presence of too many sugar wholesalers in certain areas was the cause of the current shortage. If there are too many wholesalers in an area, for example in Kelantan where there are almost 60 wholesalers to a district, there will be a tendency for unhealthy developments to occur. Therefore, the move to streamline the number of wholesalers will be done by looking at the ability of each wholesaler. If there are wholesalers who are unable to supply the commodity, their licences can be withdrawn, the minister said.

**Bernama Newswire: June 28, 2006**

### **7.3.2 PHILIPPINE: FOOD FIRM, GOV'T DIFFER ON TARIFF ISSUE**

Food firm Kraft Foods Phils. has maintained that the 3% tariff they apply to their premixed juice products is well within the Philippine trade rules amid complaints from local sugar manufacturers. Kraft director for corporate and government affairs for Asia-Pacific, said they are using the 3% common effective preferential tariff (CEPT) since the applicable tariff for it is still under litigation.

**Business World: June 22, 2006**

### **7.3.3 PHILIPPINES: LOW TARIFF OF PREMIXED JUICES SLAMMED**

The local sugar industry expressed concern about the continued importation of premixed juices by Kraft Foods Philippines at three percent common preferential tariff, saying they should be classified as sugar and charged 38 percent. An industry official said this could result in loss of potential markets for domestic producers. The government earlier ruled that Kraft Foods should pay 38 percent tariff for premixed juices because the products had more than 65 percent sugar content. The government loses about P500 million in revenues annually since Kraft was allowed to import sugar at three percent import duty, according to computations by the association. The association sent a sample of Kraft's

powdered juice drink with the trademark Tang to the US Bureau of Customs for analysis following reports of a tariff preferential treatment given to Kraft. A separate analysis conducted by the Sugar Regulatory Administration's Agro Industrial Laboratory showed that Kraft's products Tang and Kool Aid Juicers imported from Thailand contain 90.12 percent sucrose for pineapple flavored juice while the orange flavored powdered juice contains 91.67 percent sucrose.

**Manila Standard Online: June 21, 2006**

#### **7.3.4 PHILIPPINES: EFFECT OF SUPREME COURT RULING ON REUSE OF BOTTLES SEEN TO BE MINIMAL**

Bottle manufacturers expressed little concern over a recent Supreme Court (SC) decision allowing the reuse of bottles by native food producers, regardless of whether these were large or small scale. The high court had ruled early this month that Rufina and Co., producers of fish sauce and other food seasonings, were free to use the glass bottles originally manufactured and used for the products of Twin Ace Holdings Corp. now known as Tanduay Distillers, Inc. Tanduay chief financial officer said the suit was originally filed back in 1991, and that at present, the use of their bottles by other companies was "minimal." Back then, Tanduay had seized 26,241 bottles marked "Tanduay Distillery, Inc." from Rufina.

**Business World: June 28, 2006**

#### **7.4 SOUTH ASIA: INDIA, SRI LANKA, BANGLADESH, NEPAL**

##### **7.4.1 INDIA: WHEAT, SUGAR IMPORT DUTY SLASHED**

The Government of India on 28 Jun 2006 has reduced customs duty on wheat imports from 50 percent to five percent and import duty on sugar from 60 percent to nil, until 31 Dec 2006. The government will also not impose any customs duty on the sugar imports, except for a countervailing duty of Rs850 a tonne until 30 Sep 2006. The imports of wheat and sugar will be allowed under open general licence and the quality standards will be same as that notified by the government for public sector imports. With the prices of wheat and sugar increasing, the government has taken the decision to augment the supplies to bring down the prices.

**Financial Express: June 29, 2006**

##### **7.4.2 INDIA: MULTIPLEXES REJECT MONOPOLY & RESTRICTIVE TRADE PRACTICES COMMISSION ORDER**

Multiplexes in India are charging 100 percent more than the maximum retail price (MRP) of food articles and beverages. The Monopoly & Restrictive Trade Practices Commission (MRTPC) is considering passing a general order against this increase of prices. Multiplexes have refused to reduce the prices, saying that the increased price was due to operational expenses. They propose to legally contest such a general order. The commission had issued an order against PVR Cinemas and Himalayan Packaged Mineral Water on charges of unfair trade practices.

**Financial Express: June 05, 2006**

### 7.4.3 INDIA: VANASPATI TO COST MORE

Prices of vanaspati in India are expected to go up by Rs10-12 per kilogram (kg). The Government of India had recently appointed the National Agricultural Co-operative Marketing Federation as the canalising agency for imports from Sri Lanka. Prices of vanaspati have already increased by Rs10-15 per kg. The Government intends to increase the mandatory use of mustard oil in all edible oils from 12 percent to 30 percent.

**Business Line: June 6, 2006**

### 7.4.4 INDIA: GOVERNMENT CUTS TARIFF VALUES FOR VEGETABLE OILS

The Government of India reduced the tariff values of vegetable oils on 15 Jun 2006. It has reduced the value of palm group of oils by \$6 per tonne and that of degummed soyabean oil by \$17 per tonne. The effective duty on import of crude soyabean oil is 50.8 percent and that on palm oils 88.8 percent. Tariff value of crude palm oil has declined to \$424 per tonne and that of crude soyabean oil to \$542 per tonne.

**Business Line: June 16, 2006**

### 7.4.5 INDIA: CENTRAL DRUG AUTHORITY TO HAVE SWEEPING POWERS

The proposed Central Drug Authority (CDA) is envisaged to be fully autonomous and financially self-sustaining. It will have separate divisions for regulatory oversight of clinical trials, new drugs, medical devices, cosmetics, vaccines & biologicals, Good Manufacturing Practice-compliance etc., drugs controller general of India. The authority would be modeled on the lines of the United States' Food & Drugs Administration (US-FDA). CDA would be authorised to devise a fee structure for its regulatory services and recruit personnel, the official said, adding, the proceeds from the service charges would be utilised by the CDA to meet its capital spend and day-to-day expenses. CDA would closely interact with the drug watchdogs abroad to harness regulatory expertise. An advisory board would support it. The Drugs Controller would head the executive wing of the regulator. However, each division overseeing defined activities pertaining to drugs and cosmetics research and commercialisation would be largely independent. Empowering the CDA would require a few amendments to the Drugs & Cosmetics Act. It may be noted that in a Cabinet note circulated recently, the Union health ministry had proposed setting up of CDA as an agency for centralised drug licensing.

**Financial Express: June 28, 2006**

## 7.5 PACIFIC: AUSTRALIA & NEWZELAND

### 7.5.1 AUSTRALIA: SALES TAX: HIGH COURT REJECTS REFUND CLAIM

Avon, a distributor of cosmetics, has been unsuccessful in its attempt to have its overpaid sales tax refunded. A private binding ruling from the Australian Taxation Office in 1999 led Avon to discover that it had overpaid \$A3,610,261 in sales tax. The High Court ruled in "Avon Products v Federal Commissioner of Taxation" that Avon could not demand a refund from the Australian Taxation Office as the company failed to prove that the overpaid tax was not passed to customers

**Weekly Tax Bulletin: 27 June 2006**

### **7.5.2 AUSTRALIA: TOUGHER LABEL LAW KICKS IN**

New country of origin labelling laws took effect at Australian supermarkets in early June 2006. The laws oblige supermarkets to indicate the country of origin of all unpackaged fresh and processed vegetables, fruit, seafood and nuts in print at least nine millimetres tall. Australian farmers competing with cheaper imports will welcome the new laws, which were introduced by Food Standards Australia New Zealand after a protest in which a tractor convoy of farmers drove to Canberra. Jim Cooper, of Coles, says it will be challenging to update labels as new produce arrives from different countries

**The Weekly Times: 14 June 2006**

### **7.5.3 AUSTRALIA: BEVERAGE MAKERS URGED TO TEST FOR BENZENE**

Australian beverage makers are being asked to review existing products and new formulations to minimize the presence of benzene, a carcinogenic chemical recently identified at levels several times the WHO guideline in some US and UK beverage brands. While the UK food authorities have issued recalls on four products that had benzene levels at up to 28 times the country's limit for drinking water, Australian food officials have not taken similar action. Food Standards Australia and New Zealand said that although more than half of the 68 products it tested during the spring contained trace levels of benzene, these did not pose a risk to public health

**NOVIS Food&Beverage News: June 13, 2006**

## **8. TURF ABROAD**

### **8.1 UNITED STATES**

#### **8.1.1 US: AICELLO LAUNCHES COSMETIC FILM STRIPS**

Aicello announces the introduction of an innovative lifestyle accessory into North America, the first cosmetic quality facial soap newly launched in Asia by a leading cosmetic brand. Fusion Film soap leaves are convenient, stylish and pocketable cosmetic sheets that meet the demands of the modern lifestyle. Each sheet dissolves instantly in water into a soft, rich lather.

**[www.send2press.com](http://www.send2press.com)**

#### **8.1.2 USA: JOHNSON & JOHNSON BUYS UP LISTERINE BRAND**

New Jersey-based Johnson & Johnson has bought the Pfizer healthcare division for \$16.6bn in a deal that wins the company the much sort after Listerine oral care brand. In fact its expansion into the oral care category is relatively uncharted waters for the company, and is one it is hoping to build upon. The company said that the acquisition had tripled the size of its existing oral care business, giving it a turnover in excess of \$1bn a year, and expanding the franchise into 60 markets. Although mainstay toothpaste and toothbrush sales have remained pretty much stagnant in the global oral care market, the evolution of smaller niche categories, including mouthwash and tooth whitening products,

has been helping to boost sales overall. Colgate had already said that it was only interested in the Listerine brand and would have spun off other brands in the healthcare portfolio, which include Nicorette smokers patches, together with other over-the-counter pharmaceutical products including Sudafed, Neosporin, Zantac and Benadryl.

[www.msnbc.com](http://www.msnbc.com)

### **8.1.3 USA: FRITO-LAY TO BETTER LABEL CHIPS WITH OLESTRA**

Frito-Lay said it would change the labeling on its snack chips made with olestra to more prominently alert consumers to the presence of the fat substitute. The change wards off a lawsuit that a consumer group had threatened on behalf of a woman who said the snacks gave her stomach cramps and forced her to rush to the bathroom. The Plano, Texas-based company, a division of PepsiCo Inc., will disclose on the fronts and backs of packages of its Light line of potato and corn chips that they are made with olestra, company spokeswoman said. Previously, the presence of olestra was noted only in the list of ingredients, as well as with a logo bearing its brand name, Olean

[www.msncb.com](http://www.msncb.com)

### **8.1.4 USA: TROPICAL TRADITIONS BRINGS ORGANIC GLUTEN-FREE COCONUT FLOUR TO THE US**

Tropical Traditions announced this week that it had added organic coconut flour to its line of organic products. Imported from the Philippines, organic coconut flour is fiber from the coconut meat after most of the oil has been extracted to make Virgin Coconut Oil. Since Virgin Coconut Oil is extracted from fresh organic coconuts within a short time after they are harvested, the residue is a very high-quality product that lends easily to making organic coconut flour. Tropical Traditions organic coconut flour is high in dietary fiber and protein, and is gluten-free. It has more fiber than gluten-based grains. Tropical Traditions organic coconut flour can be added to standard wheat-based recipes to add extra fiber, by substituting 10-30% of the grain-based flour with our coconut flour. Some recipes such as muffins and quick breads, can be accomplished with 100% organic coconut flour and therefore be 100% gluten-free. Tropical Traditions has already developed several recipes using coconut flour which are posted on their website.

**PR Newswire: June 27, 2006**

### **8.1.5 USA: CREST LAUNCHES NEW MULTI-PURPOSE TOOTHPASTE**

P&G-owned Crest says that its latest toothpaste, Crest Pro-Health, is the culmination of ten years of development work and should prove to be one of the most comprehensive and far-reaching oral care products on the market. The toothpaste is said to reduce gingivitis, manage hypersensitivity, effect caries protection, act as a stain remover, prevent calculus build-up and freshen breath. That all this can be achieved from one product is down to two powerful patented active ingredients, stabilized stannous fluoride and sodium hexametaphosphate. The development team at Crest claim that its 0.454 per cent stannous fluoride formula formula is the only oral care active ingredient to treat cavities, gingivitis and tooth sensitivities. Until now separate toothpaste, mouthwash and whitening products would have contained the same efficacy as the Pro-Health toothpaste, which Crest says should prove to be one of the strongest marketing points for the

product. The American Dental Association has now approved the product, prior to its retail launch, which is expected to be in the fall.

[www.cosmeticsdesign.com](http://www.cosmeticsdesign.com)

## **8.1.6 USA: JUJUBE FRUIT FEATURES IN REVITALIZING SKIN CARE PRODUCTS**

A US firm has launched a new range of products containing the popular Chinese fruit jujube, which is believed to slow down the aging process. The Jujube Rejuvenist line, introduced by Boscia, is marketed as rejuvenating the skin through the powerful nutrients found in the fruit. The jujube fruit, which originated in China more than 4,000 years ago, is believed to invigorate the body, increase metabolism, give strength to the heart and slow down the aging process. In China, it is considered a daily dietary must. And with its high levels of vitamins and nutrients, it is no surprise that the cosmetics industry has picked up on the fruit as a functional ingredient for natural cosmetics products. A small, edible fruit from Asia, Jujube is believed to encourage cell turnover, improve elasticity and firmness of skin, and reduce the appearance of scars and stretch marks. The new line by Boscia, which is also fortified with amino acids, includes a body wash and a body cream. Their suggested retail prices are \$22 and \$30 respectively.

[www.cosmeticsdesign-europe.com](http://www.cosmeticsdesign-europe.com)

## **8.1.7 USA: BANANA BOAT TARGETS KIDS WITH TEAR-FREE SUNSCREENS**

A new line of tear-free sunscreen products for children is launched in the US by Playtex subsidiary Banana Boat Suncare. The firm claims it is the first major brand to introduce tear-free sun creams that are also fragrance-free, paba-free and hypoallergenic. The new line, which claims to provide parents with “worry-free” protection for their children, is available in SPF 30 and SPF 50. The firm is marketing its formulas as “mild, pediatrician-tested and gentle on delicate skin, while providing high SPF and broad-spectrum UVA and UVB protection.” Together with Banana Boat, other leading brand names specifically targeting children's skin in the US include Sunny Smarts and Rattles and Kinesys. Generally they are formulated with less harsh chemicals, relying on ingredients such as zinc oxide and titanium dioxide to provide a minimum recommended SPF of 15. Currently it is estimated that individuals receive 50 per cent of their total lifetime exposure to sun before the age of 18, but an estimated one per cent of pediatricians providing skin cancer counseling in the US, indications are that there is still much work to do.

[www.cosmeticsonline.com](http://www.cosmeticsonline.com)

## **8.1.8 USA: STARBURST CANDIES BECOMES THE NEW NAME FOR SHOWER PRODUCTS**

For some time industry experts have been talking about a blurring effect between the definition of food and cosmetic products, a trend that is being emphasized with the extension of a beauty product line featuring a Masterfood brand name. The company has linked up with cosmetic company Bonne Bell in a licensing agreement that will produce a new line of shower products under the Smacker lip gloss brand and Masterfoods' Starburst name. The Smackers Starburst Shower Collection has been developed to appeal to the fast-growing market for cosmetics aimed at the pre-teen and teen market, forming part of the \$3.7bn market for hair care and liquid soap. Starburst is an international brand of soft candies that is particularly popular with teenagers. Tying that in with the growth in cosmetic products for that age group,

particularly for girls, and there appears to be enormous marketing potential. This has already been proven, with Masterfoods already successfully introducing Starburst and Skittles branded lip glosses Bonne Bell lip glosses back in 2003. Building on the success of those launches, the companies later teamed up with an M&M lip gloss. [www.cosmeticsdesign.com](http://www.cosmeticsdesign.com)

## **8.1.9 USA: NEW WAY TO KEEP FACES CLEAN - AICELLO LAUNCHES COSMETIC FILM STRIPS**

Aicello announces the introduction of an innovative lifestyle accessory into North America, the first cosmetic quality facial soap newly launched in Asia by a leading cosmetic brand. Fusion Film soap leaves are convenient, stylish and pocketable cosmetic sheets that meet the demands of the modern lifestyle. Each sheet dissolves instantly in water into a soft, rich lather. Aicello's technology opens the door to new generation delivery forms for cosmetic cleaning products. The dissolvable film soap can be custom blended in partnership with cosmetic companies to create one-of-a-kind soap leaves; including collagen enriched exfoliating soaps, shampoos and even gentle laundry detergent. Aicello has furthered the technology into the cosmetics area, allowing cosmetic brands to differentiate themselves, and introduce higher value, trendy new lifestyle accessories, far above the value of common handsoap. Beyond the enhanced moisturizing effect, dissolving cleansing sheets allow just the right amount of soap to be used, since the average woman uses far too much soap to clean their faces, resulting in a harsh effect.

[www.PRNewswire.com](http://www.PRNewswire.com)

## **8.1.10 USA: JAMAICA ENTERING NEW MARKET**

Jamaica is drawing ingredients from local producers to enter the market of cosmeceuticals and nutraceuticals. According to the Jamaican Scientific Research Council (SRC) an investment of US\$19 million, partially funded by the Organization of American States, will help further the product development.

[www.cosmeticsandtoiletries.com](http://www.cosmeticsandtoiletries.com)

## **8.1.11 USA: SKIN CARE FOR DIOR**

Christian Dior for the first time in its 59-year history will be entering the male skin care market. The Dermo System is slated to be unveiled in Paris in July and will be targeted at a young male demographic. According to the company, the system is both light weight and fragrance-free. The system is reportedly suitable for all skin types. It anticipated to be available in retail stores in Paris by October 2006 and available internationally by mid-2007.

[www.cosmeticsandtoiletries.com](http://www.cosmeticsandtoiletries.com)

## **8.2 UNITED KINGDOM**

### **8.2.1 UK: SEATONS TAPS INTO POMEGRANATE TO FIGHT SIGNS OF AGEING**

UK vegetable and fruit oil supplier Seatons has launched a new pomegranate extract which is claimed to fight signs of ageing and provide general moisturising properties. The company sources pink-orange pomegranate fruit for the extract, which is 7-12cm in size and beneath the thick protective skin can be found the edible seeds and flesh. Each pomegranate

fruit contains approximated 800 seeds. The oil from these seeds contains up to 60 per cent punicic acid, a polyunsaturated fatty acid and a major storage lipid that helps to maintain skin's moisture levels and to prevent signs of wrinkling. Seatons points out that the polyunsaturated fatty acid contained in the oil extract are key in the research of oestrogen replacement and cancer research. But for cosmetic purposes its role has as an oestrogen replacer also has a secondary function of helping to maintain skin elasticity, which in turns helps to prevent fine lines in mature skin. The ingredient is also said to contain anti-inflammatory properties which should prove popular in a variety of other skin care formulas, particularly for medicated products. Other key applications are expected to be massage oils and after sun treatments. Seatons, which is a division of Croda, is well placed to tap into two key driving forces in the cosmetics and toiletries market at the moment – anti-ageing and the market for natural based products. The company has been supplying oils to a host of different markets since 1840 and has now established itself as a key global player.

[www.cosmeticsdesign-europe.com](http://www.cosmeticsdesign-europe.com)

## **8.2.2 UK: KATE MOSS TO RE-LAUNCH BULGARI'S SIGNATURE PERFUME**

Kate Moss will star in the luxury jewellery company, Bulgari's ad campaign, which is all set to relaunch one of its original perfumes, Bulgari Pour Femme. A 50-second black and white campaign shows Moss in a backless black dress wearing 74-carat diamond necklace and pear-shaped diamond earrings. According to Female First, both the print and the television campaigns, which will be out in August this year, were shot by famous photographer Mert Alas and Marcus Piggot. Moss signed a multi million pound contract with the Italian brand in February this year.

**Asia News International: June 27, 2006**

## **9. REST OF THE WORLD**

### **9.1 FRANCE: EUROPEAN UNION AND US STEP UP FIGHT AGAINST COUNTERFEITERS, IMPORTERS**

EU and US officials will take joint action worldwide against counterfeiting and intellectual property theft, an illegal trade that includes millions of fake cosmetics and fragrances. Counterfeiting and tampering can undermine consumers' trust in the quality and safety of a branded cosmetic or fragrance product because they rarely come up to the manufacturer's standards, leading to a loss in market share. In response some companies have turned to new forms of packaging and intelligent labelling to ensure consumers and customs can check for authenticity. The private sector has consistently advocated improved intellectual property protection as the key to EU competitiveness. Under the agreement's terms, the two will aim at closer co-operation through strengthening border controls, shared intelligence and forming special teams of embassy staff to search out counterfeiters.

[www.CEE-foodindustry.com](http://www.CEE-foodindustry.com)

### **9.2 RUSSIA: EFTI COSMETICS ENTERS NEW MARKETS**

Efti Cosmetics Company introduces new lines of special-purpose wipes in the goods range: Efti's baby, Efti's auto, Efti's comp and Efti's home. The introduced lines of the new products will allow the customers of the company to enter the

new markets of: accompanying goods for computers and office equipment, household goods, specialized market of children's cosmetics and a very promising line - accompanying goods for automobilists. Besides, Dlya Shkolnikov (For schoolchildren) wipes appeared in the cosmetic segment and a new product in the Russian market, Vlazhnaya Tualetnaya Bumaga (Moist toilet paper), appeared in the personal hygiene segment. Universalnyeye (Multipurpose) wipes (20 pieces a package) are manufactured in the lower price bracket of the mass market.

[www.cosmeticsinrussia.com](http://www.cosmeticsinrussia.com)

### **9.3 ROMANIA: AVON COSMETICS ROMANIA BOOSTS SALES AND PROFITS**

Significant increases in perfume sales combined with increased general penetration into rural areas has helped to take the Avon Cosmetics Romania's turnover above the €100m mark, in turn boosting profits by 50 per cent. The company reported that for the financial year 2005 its gross income grew to €16m, around 50 per cent higher than the 2004 financial year, while turnover hit €106m, up 18 per cent, making it the biggest player in the country. Together with the fact that the company's perfume segment reported a 60 per cent increase in sales, executives also pointed out that increased recruitment and training of sales staff had helped to increase sales, particularly in smaller towns and more rural areas.

[www.cosmeticsdesign-europe.com](http://www.cosmeticsdesign-europe.com)

### **9.4 BRAZIL: BRAZILIAN COSMETIC INDUSTRY EYES UP US MARKET**

The Brazilian cosmetics industry is targeting the US market in an effort to increase imports, with a business promotion event in Miami, Florida, together with the promotion of its participation in the forthcoming Cosmoprof North America event. Organized in association with ABIHPEC, the Brazilian Association of the Cosmetic, Toiletry & Fragrance Industry, the aim is to grow the Brazilian industry's share of what is currently the largest market for personal care products in the world. The move will kick off in July when ABIHPEC is organizing a trading promotional event in Florida at the APEX-Brasil Distribution Center in Miami. The event aims to link Brazilian companies with North American importers, distributors and brokers in the week before the Cosmoprof event takes place.

[www.cosmeticsdesign.com](http://www.cosmeticsdesign.com)

### **9.5 SWITZERLAND: NEW TECHNOLOGY DEVELOPED TO FIGHT COUNTERFEITING**

As all the big cosmetic and toiletry brands continue their battle to stamp out the damaging effects of counterfeit products, a Swiss company has developed a new camera phone technology that can help distinguish fakes from the real thing. AlpVision has forged its name as a solution provider for brand protection and security printing and unveiled its latest innovation at Creative Packaging in Paris. The company says that its Cryptoglyph covert security solution can now be identified by taking a picture with a mobile phone and then sending it via a security server on any mobile phone network. The security server can then identify whether or not the product is genuine thanks to the fact that the Cryptoglyph technology is claimed to be impossible to replicate. The company says that, if detected, the embedded ciphered information is decoded, instantly identifying the batch or serial number of the product as well as other information contained in the security data base. The solution also provides instant detection of possible grey market activity – which outlaws the possible import of good legitimately produced overseas and then imported into another market beyond the

brand owner's traditional distribution channels. The security server then reacts to the brands Crptoglyph labelling by identifying the coding and then sending an SMS back to the camera phone to confirm if the product is genuine or fake as well as indicating possible fraudulent re-importation.

[www.cosmeticsdesign-europe.com](http://www.cosmeticsdesign-europe.com)

## **9.6 GERMANY: TOP GERMAN SNACK MANUFACTURER EYES MIDDLE EAST MARKET**

The Abu Dhabi National Foodstuff Company (Foodco) has signed an exclusive regional distribution agreement with XOX-Gebüeck GmbH, one of the top three German-based “snack and nibbles manufacturers” and distributors in Europe. As per the agreement, Foodco will supply XOX Group's Crisps, Flips, Onion Rings and Cheese Balls besides delicacies such as crispy-crunchy Knabber-Krusten; Pixies, Craxies and Mixies in XOX Box; ApfelChips; 'XOX Naturell' for the health-conscious and environmentally-oriented; XOX Biscuits; "Dolly's – Fine Mixed Cakes; XOXinos fine bitter & white chocolate; and Dollys Classic brands throughout the GCC region.

[www.strategiy.com](http://www.strategiy.com)

## **9.7 CANADA: COCA-COLA INTRODUCES CALCIUM-ENRICHED ORANGE JUICE IN CANADA**

Coca-Cola says that one 250ml glass of Minute Maid Calcium Rich orange juice contains 30% of the daily value (DV) of calcium, which is essential to help maintain strong bones and teeth, and 45% of the DV of vitamin D, which is necessary to help the body absorb calcium. It also contains recommended daily values of 110% vitamin C and 30% folate.

[www.drinks-business-review.com](http://www.drinks-business-review.com)

## **9.8 CANADA: TAHITIAN NONI DEVELOPS NATURAL-BASED HAIR CARE RANGE**

Noni has been long known as a health and juice ingredient but increasingly it is being included in cosmetic and toiletry products, as evinced by the latest hair care line from Tahitian Noni International. The new Tahitian Noni Moea Spa hair care line has been formulated for the needs of three different hair types, each one with a shampoo and conditioner developed using natural ingredients and without parabens. The line includes Fullness & Volume Shampoo and Conditioner; Smooth & Hydrate Shampoo and Conditioner; and Strengthen & Rejuvenate Shampoo and Conditioner. The company launched its skin care and body care noni-based ranges some years ago, which are marketed on the strength of their moisturizing and anti-aging properties. However, it has now chosen to expand its health and beauty range into hair care to build on the success of the skin care ranges.

[www.cosmeticsdesign.com](http://www.cosmeticsdesign.com)

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