

# MarketWatch

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## IN FOCUS...

### BASF CREATES PERSONAL CARE INGREDIENTS USING LIVE BACTERIA

German chemicals group BASF is set to break new ground with the introduction of ingredient technology developed using *Lactobacillus* healthy bacteria derived from yoghurt for a range of personal care products. The Company says the ingredient could be used for a variety of personal care application, including tooth-friendly oral care, skin care and deodorant products, some of which could be on retailer shelves by 2007. Developers at BASF Future Business, in collaboration with German Biotech Organo Balance have developed the range even though in most markets products containing so-called bacteria are not able to make health claims, they are best known for their probiotic properties associated with gut and immune health. The two companies have been working together since 2002. While OrganoBalance is responsible for screening for suitable micro-organism cultures from its extensive collection, BASF ferments them and carries out further processing and formulation and marketing in accordance with customers' requirements. The dental health action is attributed to a *Lactobacillus* strain discovered by BASF, dubbed L anti-carries. It is said to bind to *Streptococcus mutans*, the bacteria that causes tooth decay by sticking to the surface of the teeth and producing an acid that erodes enamel. The team researching the potential of the chewing gum has reported finding that it can reduce the amount of S mutans bacteria in the mouth by as much as fifty times. In the personal care sector, BASF is also investigating potential uses for *Lactobacillus* in deodorant products. The Companies say that there



could also be potential for *Lactobacillus* strains in face and body creams, medicinal ointments and plasters; just like the gut, the surface of the skin is host to a delicate balance of good and bad bacteria. It took some time for consumers to be convinced of the rationale behind consuming bacteria in the form of probiotic drinks and yoghurts. But now the foundations have been laid, it is unlikely that the same levels of education will be required for the gum and personal care markets. It is also not the first time that an anti-carries gum has been introduced to market. Evidence has indicated that gum containing Danisco's artificial sweetener xylitol can also fight tooth decay.

Novis cosmetics news: August 21, 2006

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## **1. INDUSTRY NEWS**

### **1.1 GREATER CHINA: HONG KONG, CHINA AND TAIWAN**

#### **1.1.1 CHINA: WU-MART TO INVEST 300 MILLION YUAN IN NINGXIA XIAJIN DAIRY PRODUCTS CO.**

Beijing Wu-Mart Group Co., Ltd (Wu-Mart) announced that within the next three years Wu-Mart will invest 300 million yuan in Ningxia Xiajin Dairy Products Co., Ltd, which is the subsidiary of Ningxia Xinhua Department Store Co., Ltd, Ningxia Daily News reported. Wu-Mart purchased 27% of state-owned shares from Ningxia Xinhua Department Store Co., Ltd, thus becoming the largest shareholder of the latter company. The development of Xiajin Dairy Products Co., Ltd was also included in Wu-Mart's strategic development.

**China Industry Daily News: August 14, 2006**

#### **1.1.2 CHINA: 100 TONS OF US MILK POWDER REJECTED**

China has sent back more than 100 tons of powdered milk made in the United States because it contained excessive nitrite. The 102,000 kilograms of milk powder, produced by West Farm Inc, was worth about US\$200,000, the General Administration of Quality Supervision, Inspection and Quarantine said. The Beijing Entry-Exit Inspection and Quarantine Bureau said a Chinese company imported the milk powder as raw material for making chocolates. Samples from the three batches of imported milk powder were found to contain 2.8 mg, 4.4 mg and 2.7 mg of nitrite for every kilogram of milk powder, exceeding the allowable limit of nitrite in milk powder of 2 mg per kilogram, the administration said.

**Shanghai Daily: August 24, 2006**

#### **1.1.3 CHINA: CHINA'S OUTPUT OF MACHINE-MADE SUGAR IN JUNE 2006**

China produced 38,000 tons of machine-made sugar in June 2006. The output in January-June reached 6,230,400 tons, up 3.7 percent year on year, according to the National Bureau of Statistics.

**Xinhua News Agency: August 23, 2006**

#### **1.1.4 CHINA: CITY'S BIGGEST FOOD GROUP OPENS DOORS**

Bright Foods (Group) Co - formed by the merger of five listed food and retail companies - began official operations as Shanghai's biggest food company. The new group, backed by combined assets of more than 45 billion yuan (US\$5.63 billion), comprises the entire supply chain from raw materials to processing to retail. The new group will lead Shanghai's food industry and inherit dozens of famous brands, including Bright Dairy, Stone Gate yellow wine, Maling and Aquarius, as well as retail chains including supermarkets and convenience stores. With estimated annual sales of 28.3 billion yuan, the total profit of the new group is expected to reach 2 billion yuan a year, according to industry sources. Supermarkets, hypermarkets and convenience stores from Shanghai Brilliance Group Co Ltd will also join the new

Bright Foods. Those additions will occur under a second phase of the reform, industry sources said.

**Shanghai Daily: August 09, 2006**

## **1.1.5 CHINA: CHINA'S EXPORT OF SHRIMP MEAT IN JULY 2006**

China exported 1,260 tons of shrimp meat valued at 6.878 million US dollars in July 2006. The export in January-July reached 11,410 valued at 61.295 million US dollars, down 44.0 percent and 35.0 percent respectively year on year.

**China Economic Information Service: August 28, 2006**

## **1.1.6 CHINA: CHINA'S EXPORT OF EDIBLE OIL IN JULY 2006**

China exported 28,810 tons of edible oil valued at 19.514 million US dollars in July 2006. The export in January-July reached 193,971 tons valued at 130.099 million US dollars, up 102.7 percent and 67.1 percent respectively year on year.

**China Economic Information Service: August 28, 2006**

## **1.1.7 CHINA: THE NINGXIA ISLAMIC FOOD INDUSTRY GARDEN AREA BECOMES BIGGEST ISLAMIC FOOD PROCESSING BASE**

First session China which finished in the Ningxia Yinchuan (Ningxia) the international Islamic food nationality understood from 28th with the moral character and at the Ningxia investment trade business conference, the Ningxia Yinchuan Helan County Germany victory industry garden area has developed into the China northwest biggest Islamic food processing base.

**Xinhua News Agency: August 28, 2006**

## **1.1.8 CHINA: CHINA'S EXPORT OF FRESH AND FROZEN RABBIT MEAT IN JULY 2006**

China exported 1,027 tons of fresh and frozen rabbit meat valued at 2.047 million US dollars in July 2006. The export in January-July reached 4,760 valued at 11.509 million US dollars, up 15.2 percent and 19.7 percent respectively year on year.

**Xinhua News Agency: August 28, 2006**

## **1.1.9 CHINA: BUYOUT FIRM BUYS SNACKS PRODUCER**

Lion Capital, a UK buyout firm, agreed to buy closely held potato-chip maker Kettle Foods to add to investments including noodle-bar chain Wagamama Ltd. Details of the transaction weren't disclosed. Kettle Foods, which also makes nuts and tortilla snacks, is expected to generate sales of around US\$150 million this year, London-based Lion Capital said. Established in 1978, Salem, Oregon-based Kettle Foods is one of the leading premium salty-snack companies in the United States and the UK. The company is known for its hand-cooked chips, which are made with no Trans fats or artificial colors or flavorings. Food companies including PepsiCo Inc's Frito-Lay have been adding such snacks to their ranges to attract health-conscious consumers.

**Shanghai Daily: August 10, 2006**

### **1.1.10 CHINA: CONSUMER GOODS MARKET ACTIVE IN SOUTH CHINA'S PROVINCE**

Total retail sales of consumer goods of south China's Guangdong Province reached 443.392 billion yuan in the first half of this year, jumping 15.6 percent, and 0.9 percentage points higher than the growth over the same period of last year. In the first half of this year, the province's wholesales and retails and trade enterprises realized a total retail of 372.835 billion yuan, up 15.7 percent year on year, accounting for 84.1 percent of the total retails of consumer goods of the whole province, and helping promote the retails by 13.2 percentage points, becoming a main force in supporting the growth of retails of consumer goods. Of them, retails of enterprises above the designated quota maintained the momentum of fast growth to realize retails of 123.503 billion yuan, up 20.5 percent, and 7.0 percentage points higher than that of enterprises below the designated quota and private enterprises. Retails of enterprises below the designated quota were 249.332 billion yuan in the period, up 13.5 percent. Due to the price hikes of oil products, and rising demand for motor vehicles, petroleum and petroleum products realized retail sales of 31.215 billion yuan in January-June, jumping 34.3 percent year on year, ranking the first in growth among various commodities.

**China Economic Information Service: August 15, 2006**

## **1.2 KOREA & JAPAN**

### **1.2.1 JAPAN: JAPANESE PRICE GAINS DRAGGED BY WEATHER**

Japan's core consumer price index rose 0.2 percent in July, the government said, building further evidence that the world's second-largest economy has convincingly defeated deflation and is steadily recovering. It was the second monthly gain for the core CPI under a new system revising the way price changes are calculated by the Statistics Bureau. Under the old system, it would have been the ninth consecutive gain. The result was lower than the 0.5 percent expected by economists surveyed by Dow Jones Newswires. They attributed the shortfall chiefly to one-off factors: namely, the larger-than-expected impact of changes in the way the CPI is calculated and a sharp drop in clothing prices due to Japan's unseasonably cool summer.

**Shanghai Daily: August 26, 2006**

### **1.2.2 KOREA: SOUTH KOREA'S SONTEC DEVELOPS ELECTRONIC TAG FOR LIQUOR PRODUCTS**

Sontec Co., a South Korean metal tag maker, has developed an electronic tag aimed at helping identify real-time information on liquor products, it said. The company has developed RFID using the ultrahigh frequency 900 MHz spectrum designed to easily handle information on alcohol, such as inventory, it said. RFID stands for radio frequency identification, a type of automatic identification system. The tag also helps identify authenticity of the products, origin and distribution channels, the company added.

**Asia Pulse: August 24, 2006**

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

### **1.3.1 MALAYSIA: EIG SEES 20% REVENUE GROWTH AS IT EXPANDS THIS YEAR**

Esthetics International Group Bhd (EIG) projects about 20% growth in revenue this fiscal year as it implements expansion plans that include setting up new distribution channels and markets, and launching new products and services, said sources. The company recently secured distributorship of the UMO hand treatment SPA and facial SPA systems in Malaysia and was confident the products would be well received. EIG would be using the UMO machines at all its Leonard Drake and Belle Lina outlets. EIG planned to grow its wholly owned multi-level marketing (MLM) subsidiary Lexwel International Sdn Bhd, which distributes nutritional and skincare products under the brand names of Lexwel Nutritional Products and Airellis respectively.

**The Star: August 22, 2006**

### **1.3.2 MALAYSIA: HERBAL PRODUCES SALES TO HIT RM333M**

There is a lot of potential in the herbal farming industry as the local herbal produce market is expected to reach RM333.7mil in sales by 2010. Agriculture and Agro-Based Industries Ministry parliamentary secretary said the industry would help develop related industries like the production of cosmetics, medicines, bio-pesticides, toiletries and perfumes.

**Star Daily: August 31, 2006**

### **1.3.3 THAILAND: MAKEUP FOR HIM**

Despite reports that the metrosexual trend has already peaked, men are still increasingly looking for ways to take better care of their appearance. Makeup and skincare products may once have only belonged in the world of women. Judging from the increasing numbers of men's grooming products on the Thai market within the last three years, plus the growing numbers of straight men who are shopping for skincare supplies it looks like the trend is here to stay. According to observations, the trendy men of Bangkok are getting less timid about taking better care of their appearance. In fact, using skincare products is considered as very normal now among men, and many are venturing into the makeup zone, as long as products have a masculine enough image, like those from Jean Paul Gauthier. Of course, makeup for men isn't as colourful as what you find in the women's range, but rather is for now confined to "just a dust of powder to even out their complexion and maybe a little of colour and moisture on their lips" according to industry sources.

**The Nation: August 16, 2006**

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

### **1.4.1 NEPAL: NEPAL'S MAOISTS DON'T LIKE NOODLES!**

Noodles and chowmein are an anytime ideal snack around the world, but in Maoist-dominated Western Nepal, they are a not. Maoist cadres in Banepa raided the offices and factory of Himalayan Snacks and Noodles Private Limited, and forced its workers to evacuate the premises, as the management was not meeting its extortionist demands. Some of the

workers were chased to a distance of two kilometres just to get the message across - Don't mess with the Maoists just yet. According to the Maoists, they had told the noodle factory to shut down its operations, but when this was not done, they opted for coercive action. The five-year-old factory produces 10 different brands of noodles, Nepal news reported.

**Asia News International: August 05, 2006**

#### **1.4.2 NEPAL: SPOOF ON CAFE CULTURE PUTS SALES ON BOIL**

Despite strenuous denials by at least two leading Indian joint ventures in Nepal - including tobacco giant ITC - a probe committee has informed the Nepal government that King Gyanendra and his kin hold major shares in 17 companies. Amongst the 17 companies whose yearly revenue is estimated to run into billions of rupees are Surya Nepal, ITC's venture in Nepal with British American Tobacco and a Nepali partner Hotel Soaltee Crowne Plaza, in which India's Oberoi Group has a six percent stake. Also in the list is Himalayan Goodricke Private Ltd, a JV with India's Goodricke Company and National Biscuit and Confectionery (P) Ltd, Nepal's first biscuit company in which India's Britannia Industries began technical collaboration.

**Hindustan Times: August 28, 2006**

#### **1.4.3 INDIA: VARIANT STRATEGY DOES THE TRICK FOR FMCG FIRMS**

Earlier this year, Hindustan Lever introduced two new versions of Dove soap, one was an exfoliating bar and the other was aimed specially at the summer months. This was followed up by the introduction of Vaseline Aloe Fresh a variant aimed at pushing up summer sales. The exercise of introducing variants of existing products to cater to a specific need is the current flavour of the season as far as FMCG companies go. Rather than go in for new brand launches, companies prefer to introduce variants, which may or may not be the same product category as the mother brand. And the best part for the companies is that some of these innovations are actually working! Colgate Palmolive, which introduced Active Salt toothpaste, last year, said that within a year of its launch the product is already contributing 5 per cent to the company's total toothpaste revenues. Similarly, Hindustan Lever, which brought in Brooke Bond Natural Care with specific herbs added to it, said that the brand is doing very well for the company. As a result, the less popular brands suffered, which ultimately lead to rationalisation through power brand strategy. Now that these brands are well established, companies are building on the equity of existing brands to drive the new variants.

**Business Standard: August 18, 2006**

#### **1.4.4 INDIA: FMCG ON STEADY TRACK IN Q1**

FMCG companies found the going good in the June'06 quarter. This is the fifth consecutive quarter in which industry sales growth has been above 10%. Operating profit margins, however, are showing signs of being under pressure. Companies have been hiking product prices to offset higher input costs, while tax benefits accruing to companies with units in tax-exempt locations continue to provide a buffer. Aggregate results of 12 FMCG companies with sales of Rs.231-crore, show sales rose 16% in the June '06 quarter, while profit increased by 16.6% to Rs.1,415-crore. The fact that tax benefits are helping profit growth is evident from PBT growing by only 13.6% during the quarter. Going forward, as far as sales growth is concerned, high growth in the second half of FY06 makes it a tough task to replicate growth in the second half of the current fiscal. Thus, there may be some slowdown in growth in the second half though

full year growth will still be robust. ITC and HLL, the two largest companies, did well, with HLL's sales growing more sedately during the quarter with an 8.7% growth in sales. ITC, in contrast, reported sales growth of 26% and profit growth of 16.8%.

**Economic Times: August 05, 2006**

## **1.4.5 INDIA: FMCG FIRMS SAY THEYRE HUNGRY FOR MORE**

The recent spate of acquisitions in the almost Rs.45,000-crore FMCG space is likely to prompt more companies to go the inorganic route to growth. On an average, companies like Dabur, Tata Tea, Godrej Consumer Products and Godrej Foods are said to be targeting to add at least 10% of their topline through acquisitions. Against the backdrop of a 15% growth in the FMCG sector in 2005-06, most of these companies that have been successful in digesting a host of acquisitions over the past one year are cashing in on upbeat consumerism. They are also willing to put in front-end investments to achieve category growth. According to the SSKI India Research, companies such as HLL are one of "the largest beneficiaries of regained momentum in the sector, by virtue of its leadership. Personal products portfolio, growing at 18-20% would drive the growth momentum.

**Daily News and Analysis: August 24, 2006**

## **1.5 PACIFIC: AUSTRALIA& NEW ZEALAND**

### **1.5.1 AUSTRALIA: COKE CHANGES LABELS TO CARRY ENERGY INFORMATION ON FRONT**

Soft drink giant Coca-Cola will relabel its products to include kilojoule content on the front as part of a beverage-marketing overhaul. The food industry has been under increasing pressure from obesity experts to withdraw products with high sugar and fat content from school canteens and to stop advertising directly to children. As a part of the measures, Coca-Cola Australia announced it would replace labels on soft drinks, juices, teas and sports drinks by the end of the year. Labels would now tell consumers exactly how much a serve of each product contributes to the total daily intake of energy for an average adult.

**Australian Associated Press: August 29, 2006**

### **1.5.2 AUSTRALIA: NEW LIFE BREATHED INTO OLD FAVOURITE**

Some "edgy" new retailers are moving into Sydney's Oxford Street. Rents in the famous shopping strip are coming down and some big and interesting names in retailing are moving in. One of the latest to sign up for Oxford Street is Kiehl's, owned by L'Oreal. Kiehl's is a famous New York-based skin and hair care group. Retailers that have recently opened stores in Oxford Street include Pink Zebra, Universal Store, Calibre and Kagui. The Kiehl's outlet will open before Christmas 2006

**The Australian Financial Review: August 31, 2006**

**1.5.3 NEW ZEALAND: NEW OFFERING PACKS A HEALTH PUNCH**

New Zealand Company Barker's has released a healthy new beverage product. Barker's Berrylife comes in blackcurrant and mixed berry flavours, and is sweetened with pear juice. It contains no artificial flavours, added sugars or other additives. Barker's claims its new range is high in anthocyanins, extremely strong antioxidants that are naturally abundant in the drinks' berry ingredients. Medical research suggests anthocyanins have multiple health benefits, ranging from cancer prevention to diabetes control. Berrylinfe comes in ready to drink and concentrated forms

**Grocers' Review (NZ): August 23 2006**

**1.5.4 AUSTRALIA: COMMODITY PRICES TAKE COKE'S FIZZ**

Australian-listed Coca-Cola Amatil (CCA) has posted a 2006 interim profit of \$A114.3m, which is 21 per cent lower than previously. CCA now expects its full-year earnings to be within the range of \$A312m to \$A325m, compared with earlier forecasts of up to \$A335m. The beverages group attributes the earnings downgrade to factors such as the rising cost of manufacturing inputs such as sugar, PET resin and aluminium. Meanwhile, CCA will establish a joint venture with SABMiller to distribute the latter's premium beer brands in Australia.

**The Age: August 11, 2006**

**1.5.5 AUSTRALIA: WFA LAUNCHES FORTIFIED WINE CODE**

The new Australian Wine Industry Fortified Wine Code of Practice has been released. Stephen Strachan, of the Winemakers' Federation of Australia, has praised the new code of practice. It came into being after Australian winemakers reached agreement with the European Union on which European place names could not be attached to Australian fortified wines. Geographic places like Port and Sherry cannot be used to describe Australian fortified wines. The code gives clear guidelines on what words can be used to describe Australian fortified wines, specifying how terms such as "Tawny" and "Ruby" can be used

**Food Week: August 08, 2006**

**1.5.6 AUSTRALIA: IMPORTED BRANDS INFLATING BEER PRICES**

Research conducted by Credit Suisse shows that Australia's big liquor companies have raised prices of local brews to subsidise imported brands. Price increases for mainstream beers like VB, Carlton Draught and Tooheys have been accompanied by price falls of imported beers such as Corona, Beck's, Heineken and Stella Artois. Liquor retailers claim Foster's and Lion Nathan inflate ordinary beer prices to compensate for low margins in the premium segment of the beer market

**Food Week: August 01, 2006**

**1.5.7 NEW ZEALAND: WINE TAX BENEFIT HITS THIS MONTH**

New Zealand (NZ) wine companies no longer have to pay Australia's wine equalisation tax (WET). A wine tax rebate for NZ wineries took effect in Australia on 1 July 2006. The NZ Trade Minister, says the WET effectively constitutes an excise on Australian wine. Goff estimates the benefit of the rebate to NZ wineries at \$NZ10 million per year. Wineries

can apply to the Inland Revenue Department for tax paid in the last Australian fiscal year. NZ's trans-Tasman wine exports jumped by 49 per cent in the year to September 2005

**Food Industry Week (NZ): August 01, 2006**

## **1.5.8 AUSTRALIA: NEW NICHE PRODUCTS ON THE HORIZON**

Rural areas of Australia are beginning to produce niche food products that help grow the local economy. The new niche industries in rural areas include olives, crocodiles, alpacas, Asian vegetables and native foods. The development of new food products helps drive tourism and brings more money to rural areas. Sources said that the Corporation helps niche food producers by conducting the necessary research to develop these food products and to ensure a stable, reliable supply of products

**Food Week: August 22, 2006**

## **1.5.9 NEW ZEALAND: HART BID TO TAKE BURNS PHILP PRIVATE**

New Zealand businessman has proposed the privatisation of Food Company, Burns, and Philp. Hart's private entity, Rank Group, owns 58 per cent of Burns. Hart has offered minority shareholders \$A1.10 a share, at a total cost of \$A1.3 billion. After the sale of assets, Burns has between \$A2.5 billion and \$A3 billion in cash. It has been unsuccessful in a worldwide search for an underperforming company that it could transform. News of the offer lifted Burns's share price by \$A0.085 to \$A1.09 on 22 August 2006 in Australia

**The Australian: August 23, 2006**

## **1.5.10 NEW ZEALAND: PHOSPHAGENICS ENTERS AGREEMENT WITH MAJOR COSMETICS COMPANY**

Phosphagenics Ltd. entered into a material transfer agreement with an unidentified major cosmetic company to test the feasibility of using Phosphagenics' platform technologies to enhance the delivery of cosmetic compounds. Phosphagenics has recently entered agreements with Nestle Nutrition, ALZA Corporation, and now with a large reputable cosmetic company.

**ASX: August 29, 2006**

## **2. PERSONAL CARE**

### **2.1 GREATER CHINA: HONG KONG, CHINA AND TAIWAN**

#### **2.1.1 CHINA: J&J POISED TO TAKE OVER DABAO**

US healthcare and cosmetics giant Johnson & Johnson is on the verge of taking over Beijing Dabao Cosmetics Co, according to media reports. The Shanghai-based Oriental Morning Post, quoting an industry insider, said the companies had reached an agreement that is pending regulatory approval. The acquisition of Dabao would provide Johnson & Johnson with a product line and distribution channel in the low-end market, similar to that secured by L'Oreal after its

takeover of Little Nurse, said sources. Its SOD Milk cream is particularly popular among people in the lower-income bracket.

**China Daily Online: August 04, 2006**

### **2.1.2 CHINA: MAINLANDERS USE 5.2 BILLION TUBES OF TOOTHPASTE A YEAR, REPORT**

Mainland Chinese brush their way through 5.2 billion tubes of toothpaste a year, but 97.6 percent of them still suffer from mouth diseases, according to the latest survey of oral disorders. The report, released by the Chinese Stomatological Association (CSA), said mainlanders' annual toothpaste consumption has jumped from 25 million tubes in the early 1950s to the current 5.2 billion. Chinese and 57 percent of their rural counterparts do not wash their teeth everyday. The Ministry of Health and the CSA have jointly launched a month-long "no tooth decay" campaign to educate the public about oral health and invite stomatologists to offer free oral health consultations in over 40 cities around the country.

**China Economic Information Service: August 25, 2006**

### **2.1.3 CHINA: CHINA'S EXPORT OF COSMETICS IN JULY 2006**

China exported 7,918 tons of cosmetics valued at 57.327 million US dollars in July 2006. The export in January-July reached 41,922 tons valued at 303.405 million US dollars, up 13.3 percent and 24.9 percent respectively year on year.

**China Economic Information Service: August 28, 2006**

### **2.1.4 CHINA: BEIERSDORF EXTENDS EUCERIN RANGE IN CHINA**

International skin and Beauty Company Beiersdorf plans to extend its range of skincare products in China in a bid to bolster its position as a key player in the growing pharmacy sector. The German group, which entered the Chinese market in March after launching 12 products under its sensitive facial skin, acne prone skin and dry skin lines, hopes to tap the country's fast growing dermo-cosmetic market. Hamburg-based Beiersdorf aims to become a key player in the growing pharmacy sector and to position Eucerin as the professional "medical skincare from Germany" among local consumers. In the first year, Eucerin will focus its resources to build up a distribution network in Shanghai in order to gain experience to best develop the brand further in other regions. Eucerin's eight new products, which treat sensitive facial skin and dry skin, will go on sale during August and September, 2006.

**Datamonitor: August 02, 2006**

### **2.1.5 CHINA: SUN PREVENTION CREAMS FAIL TO STOP CANCER-CAUSING UVA**

Most sun protection creams hardly protect the skin from ultraviolet A (UVA) rays, although they can withstand sunburn on the skin by ultraviolet B (UVB) rays, according to a report released by the Taipei-based Environment Quality Protection Foundation. In Taiwan's first report of its kind, UVA radiation is said to be more than 100 times the radiation UVB. Accordingly, both visible and invisible damage by UVA to human skin is much more serious than UVB. UVB rays, the sunburn rays, can cause keratitis, which is similar to sunburn on the eye, and may cause cataracts. The study also found that UVA and UVB post the largest amount of radiation every 10:00 p.m. to 3:00 pm. Meanwhile, local skincare experts called for consumers to adopt skincare protection creams with a higher sun protection factor (SPF) and

higher protection grade (PA). The experts said sun protection creams supplied by Japan and Germany usually feature higher SPF and PA than the U.S.

**The China Post: August 07, 2006**

## **2.1.6 CHINA: CHINA RAPIDLY EMERGES AS A WORLDWIDE HUB FOR COSMETICS**

With exports of cosmetic products from China expected to rise 20 per cent during the course of 2006, China is rapidly emerging as a world-wide hub for the cosmetics industry. But challenges for this burgeoning industry are on the horizon, a new report reveals. With the value of cosmetic and toiletry exports expected to reach \$630m this year on the back of increasing interest in high-end products, the industry is thriving, but so too are costs, as inflation and a world-wide increase in the costs of raw materials starts to take its toll.

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

## **2.2 KOREA & JAPAN**

### **2.2.1 JAPAN: JAPAN'S KANEBO COSMETICS TO PUMP UP CHINESE SALES NETWORK**

Kao Corp. subsidiary Kanebo Cosmetics Inc. plans to sharply expand its Chinese marketing network, seeking to increase sales 10-fold to 20 billion yen (US\$171.6 million) by the end of fiscal year 2009. It will boost the number of department stores that sell its products 150 per cent to 500, while the number of upscale drugstores will be raised 30-fold to 1,000. Demand for women's cosmetics is expected to grow dramatically in China. Now that Kanebo Cosmetics' operations have stabilized under the control of its former rival, it will widen the sales network to make the most of the opportunity. Kanebo currently sells the Aqua brand at about 200 department stores in China. The lineup includes such basic products as beauty washes and lotions. It plans to roll out two more brands that are sold in Japan.

**Asia Pulse Date: August 25, 2006**

### **2.2.2 KOREA: SOUTH KOREAN FIRM SENDS COSMETICS AID TO NORTH KOREA**

A South Korean cosmetics company said that it sent make-up products worth 430m won (449,500 US dollars) to North Korea last month as part of humanitarian assistance to the impoverished country. The cosmetics were provided to those residing around the North's scenic The assistance consisted of 500 kinds of cosmetic products ranging from moisturizers, face cleansers, shampoo and soap to lipstick and eye shadow, numbering 230,000 items in total, the company said. The company's officials said it refrained announcing its aid shipment for weeks amid rising tension over North Korea's missile tests on 5 July. Company officials said they hope to continue giving cosmetics aid to the North in the future. The company also operates about 50 stores overseas.

**BBC Monitoring: August 23, 2006**

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

### **2.3.1 SINGAPORE: UNILEVER BRANDS AIMING FOR YOUNGER TARGETS**

Two Unilever personal care brands - Lux and Clinic Clear - are eyeing younger consumers with new packaging, branding and benefit claims. Recently launched anti-dandruff hair care brand Clinic Clear is aiming to boost the category with an above-the-line (ATL) assault. The launch campaign, developed by Lowe Worldwide, delivers the straightforward message - 'Removes dandruff from the first wash' - through a no-frills TVC free of hair-flicking models. Clear will compete head-to-head with Procter & Gamble's established incumbent, Head & Shoulders. Meanwhile, Lux has launched its latest range of body washes with an entirely new brand platform, which taps into the insight that all women possess some degree of vanity.

**Haymarket Media: August 25, 2006**

### **2.3.2 THAILAND: SPANISH DELIGHT**

Ladies who care for their skin have a few new hi-tech products to select from at Natura Bisse Spanish skincare expert. Natura Bisse is set to make its mark in Bangkok with the brand's reintroduction of highly exclusive products. The brand's star products that have a following with ladies of Hollywood such as Sarah Jessica Parker and Molly Sims are their Anti-ageing Diamond Cream, the Inhibit-Dermafil complex - which is said to be the equivalent of a Botox injection - and Glycoline which is their best AHA-based exfoliating product line. Verges and Theerathada urge anyone interested in the products to visit a Natura Bisse counter and experience the products firsthand.

**The Nation: August 09, 2006**

### **2.3.3 THAILAND: AVIANCE DIVERSIFIES TO IMPROVE SALES**

Aviance, the direct-sales unit of Unilever Thai Trading Co. Ltd., is expanding its distribution channels to boost its average customer sales, which have been on wane this year. The multi-level marketing company will introduce three new business models in addition to a new business-networking model. They are the beauty "pro-advice" networking model, authorised shop networking model, and e-business networking model, and said sources at Aviance. Customer spending dropped 31 per cent from an average of Bt2, 200 per bill last year to Bt1,500 per bill in the first half of this year, she said. The new business models are aimed at increasing its membership by 30 per cent a year. The company has averaged 40,000 new members per year and hopes to increase that to 60,000 new members a year. The company aims to open 50 such outlets by 2009 - 30 in Bangkok and 20 around the country. The first five outlets are expected to open this year.

**The Nation: August 02, 2006**

### **2.3.4 THAILAND: L'OREAL REPORTS RISE IN REVENUE FOR FIRST HALF OF 2006**

L'Oreal Thailand's sales rose 12 per cent during the first half of the year, due to strong growth in its skincare, men's cosmetics and perfume and hair-colouring products. An overall 11-per-cent year-on-year sales boost in the skincare division was driven by anti-ageing and skin lightening products aimed at middle-income earners. Sales of L'Oreal Dermo

Expertise and Revitalift White products increased by 16 per cent, while sales of Garnier Skin Naturals rose by 34 per cent. In the men's skincare market, L'Oreal Men Expert, launched last year, has already become the second-biggest brand in the market, while its selective brand - Biotherm Homme - achieved 30-per-cent growth in department-store sales. Overall, the male skincare market experienced a growth rate of 113 per cent and is expected to continue rising. In addition, sales of men's fragrances grew by 33 per cent, while the fragrance market grew by seven per cent. Meanwhile, in the hair colour market sales of the company's L'Oreal Excellence brand grew by 13 per cent and its salon-exclusive L'Oreal Professionnel brand grew by 26 per cent. Overall the hair colour market grew two per cent following two years of no growth.

**Thai News Service: August 01, 2006**

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

### **2.4.1 INDIA: CHOLAYIL LAUNCHES MEDIMIX SANDAL**

Cholayil Private Ltd., the Chennai-based Rs.160-crore fast moving consumer goods Company manufacturing Medimix soaps, is chalking out major investment plans to foray into other skincare and personal care segments. The Company planned to exploit its Cuticura brand for the personal care segment. Sources said the company was now setting up a unit at Uttaranchal for soap manufacturing.

**Hindu: August 10, 2006**

### **2.4.2 INDIA: MUM'S THE WORLD FOR P&G**

Mothers have all the answers. Consumer products giant, Procter & Gamble (P&G), which spends millions on consumer research, has now identified word-of-mouth (WoM) as a powerful sales channel and is roping mothers with large social networks to generate higher pull for their brands. The company is also creating a structure around the practice to harness and direct the way WoM endorsement spreads. Globally, P&G has set up a programme called Tremor, which claims to have cracked the code on word-of-mouth methodology and helped P&G cut through the ad clutter and sharply increase sales. The idea is that the more people see a product being used in public or the more they hear about it from people they know and trust, the more likely they will be to buy it for themselves.

**Economic Times: August 10, 2006**

### **2.4.3 INDIA: INDIA'S MARICO PLANS TO EXPAND SKIN CARE VENTURE IN MIDEAST**

FMCG major Marico Industries venture Kaya Skin Care Ltd is all set to expand in the Middle East in a big way. The company will shortly open its fourth clinic at Fujera in UAE even as it looks at opportunities for alliances in the skin care sector. The company has set itself a target of 33 per cent growth in turnover at Rs600 million (US\$12.9 million) this financial year against Rs450 million in FY-06. Subsequently, the skin care clinic will expand in Kuwait, Saudi Arabia and Muscat, he said. Investments worth Rs50 million will be made by the end of this financial year for Middle East ventures, he said. The challenges in the Middle East are different as cosmetic dermatology is more advanced than it is in India.

**Asia Pulse: August 07, 2006**

#### **2.4.4 INDIA: SHAMPOO MAKERS PLAN BRAND REJIG**

Slowdown in growth, coupled with a maturing market, is forcing the domestic herbal shampoo makers to take recourse to a brand-centric strategy. Recently Cavinkare relaunched its 12-year-old brand Nyle with focus on the youth. The newly-introduced Nyle comes not only with a new formulation, but also a brand new packaging and a brand ambassador for the first time. As a result, the 8200 tonne herbal segment, valued at Rs.200-crore, declined by 3 per cent in the past one year. The compounded growth of the segment over the last three years was at 3 per cent compared with the overall shampoo segment growth of 15 per cent. Vatika, which has a market share of about 32 per cent in the herbal shampoos category, is said to be planning new product launches in two quarters to combat the saturation in the herbal and anti-dandruff categories in which it operates.

**Exchange 4 Media.com August 02, 2006**

#### **2.4.5 INDIA: MADE OVER**

CavinKare has launched the all-new Nyle herbal shampoo. The brand, in the market since 1993, now claims to have a superior formulation enriched with pure extracts of natural ingredients. Apart from traditional ingredients such as aloe vera, tulsi, reetha and shikakai, exotic ingredients like apricot, green tea, chamomile and lemongrass have been added. It is available in three variants \_ moisturising, nourishing and daily cleansing shampoo. It is available in SKUs of 8 ml, 100 ml, 200 ml, 450 ml and 900 ml and is priced at Rs.1.50, Rs.27, Rs.48, Rs.88 and Rs.160 respectively.

**Business Line: August 17, 2006**

#### **2.4.6 INDIA: MARICO'S ENTRY INTO BABYCARE PRODUCTS IS ALSO A TRANSITION OF SORTS.**

The Rs.1,147-crore consumer goods company has been attempting to change its profile from a hair oil and edible oil products company to a personal and health care player, making forays into premium categories (such as value added hair creams and wellness services) that deliver substantial value growth with higher margins. The baby care segment offers operating margins that are 5-10 percentage points higher than adult personal care. And, Marico has been striving to build up a healthy pipeline of new products and services, contribution of which has increased from 5 per cent of total sales in 2000-01 to 16 per cent in 2005-06.

**Business Standard: August 01, 2006**

#### **2.4.7 INDIA: AMWAY WANTS TO DOUBLE SALES HERE**

Amway India, the largest direct-selling company in the country, has set its eyes on becoming an Rs.1,500-crore Company in the next 3-4 years. The direct selling company clocked revenues of Rs.633-crore in fiscal year '04-05 and has projected sales of over Rs.700-crore this fiscal. Having invested \$35m in India so far since '98, the company now has five third-party manufacturers making 85% of products sold in the country. Launching an anti-ageing product in the country, company sources said, health and wellness contribute about 45-50% of our revenue in the country while beauty, which is a growing category, contributes about 10%.

**Economic Times: August 10, 2006**

## **2.4.8 INDIA: FOR HER**

Hugo Boss has launched 'Hugo pure purple' for women. It is available across all major stores. The eau de parfum spray (90 ml) costs Rs.3,725; the 50 ml spray costs Rs.2,800 and the deodorant spray costs Rs.860 for 150 ml.

**Business Line: August 17, 2006**

## **2.5 PACIFIC: AUSTRALIA & NEW ZEALAND**

### **2.5.1 AUSTRALIA: COSMETIC GIANT IN COURT OVER PRICING**

Cosmetics group, Jurlique, has been taken to court for allegedly refusing to allow retailers to sell its products at a discount. The company has also been accused of withholding supplies of its products from retailers that did sell them at prices below those Jurlique had recommended. The Australian Competition Consumer Commission lodged the claims, which cover the period between 1991 and 2003, in the Federal Court of Australia in Brisbane. The competition regulator has also launched claims against one of the company's founders, Jurgen Klein. A hearing is scheduled to take place on 10 October

**The Age: August 23, 2006**

### **2.5.2 AUSTRALIA: AIRPORT DUTY-FREE SALES DRY UP**

Normally busy as hundreds of people buy duty-free goods before they head off on business, holidays or to visit family in the US, the shop assistants had very little to do. United Airlines was telling customers they could not take on board anything liquid or in gel form. The ban included alcoholic drinks, sun lotion, perfume, hair gel and liquid cosmetics. As a result of the new restrictions, the company urging Australians departing on short holidays to pre-order their duty-free goods. This means they can have their holidays and pick up their duty-free goods on the way back into the country. Australia is one of the few countries where this can be done.

[www.news.com.au](http://www.news.com.au)

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

### **3.1 GREATER CHINA: HONG KONG, CHINA AND TAIWAN**

#### **3.1.1 CHINA: THE YUXI RICE-FLOUR NOODLE WANTED TO REMOULD TO BE MAGNIFICENT**

Yuxi rice-flour noodle is Yunnan one kind of place famous specialty flavor food, by color and pattern varieties many, Boils the system technology uniquely, the flavor tasty, the history glorious deeply consumer's affection. But recent years, in the market economy flood tide, the Yuxi rice-flour noodle has lost the former day's elegant demeanor gradually. The concerned expert believed on the other day, the Yuxi rice-flour noodle the reason that deteriorates gradually, was as a result of the jade The brook rice-flour noodle management threshold excessively is low, the enterprise scale is small, the enterprise does not have ability to act according to the market economy gauge Law adjustment management mentality

and management pattern. The technological level is irregular, in standardized production, tube in the principle lags obviously, service level universal low, created the Yuxi rice-flour noodle overall quality to decline.

**Shanghai Daily: August 26, 2006**

### **3.1.2 CHINA: SEAFOOD MARKETS STOP SNAIL SALES**

The city's two major aquatic products wholesale markets halted sales of apple snail, a large freshwater snail, on the weekend after food poisoning cases were reported in Beijing. In the Beijing cases, people ate raw apple snails. Meanwhile, fisheries experts reminded the public not to buy shellfish from unlicensed vendors and never eat raw snails. The city's largest aquatic product wholesale market on Tongchuan Road put up notices inside the bazaar telling vendors to stop selling apple snails. It is a popular dish in both northern and western China.

**Shanghai Daily: August 21, 2006**

### **3.1.3 SINGAPORE: SINGAPORE'S CHINA LIFESTYLE, SUPER COFFEEMIX IN JV TO MAKE SNACK FOODS**

Singapore-listed China Lifestyle Food & Beverages Group Ltd and Super Coffeemix Manufacturing Ltd said they have formed a joint venture company in Tianjin, China with Chance Cove Group Ltd to make snack foods for the Chinese market. Tianjin Super Lifestyle Food Development Co Ltd will have an initial capital of 5mln usd and will have three production lines with a total capacity of 4,000 tonnes a year, China Lifestyle and Super Coffeemix said in a joint statement. The food products are expected to hit the shelves in the second half of next year and the joint venture firm aims to achieve annual sales of 1 bln yuan in five years. Chance Cove Group is owned by China Lifestyle's chief executive Zheng Yu Long, who has an indirect interest of 18 pct in the joint venture. Super Coffeemix will take up a 50 pct stake while China Lifestyle will own 32 pct.

**XFN Daily News: August 21, 2006**

### **3.1.4 CHINA: DANISCO BUYS CHINESE CMC PRODUCER**

Danisco, the world's biggest ingredients company, will start supplying the texturising agent CMC to customers, after acquiring one of Chinas leading producers for an undisclosed sum. The Danish group already markets a large range of different texturisers and says that adding CMC completes the portfolio. In addition, Zhangjiagang Sanhui Chemical, located 120km from Shanghai, has an efficient, low-cost plant and already supplies a number of multinational food companies.

**NOVIS Food&Beverage News: August 28, 2006**

## **3.2 KOREA & JAPAN**

### **3.2.1 JAPAN: SWEET DUMPLINGS NAMED AFTER KOIZUMI PROVING POPULAR AMONG JAPANESE**

The Japanese Prime Minister now has a sweet snack named after him and they are proving very popular with the people. The boxes of sweet dumplings features Japanese Prime Minister, along with the main candidates for the ruling Liberal Democratic Party's (LDP) presidential elections. The manufacturer has decided not to modify the packaging to exclude him, but customers say it really doesn't matter. In his most controversial move before he steps down, each box costs US\$7 and contains 15 dumplings.

**Channel News Asia: August 26, 2006**

### **3.2.2 JAPAN: FROZEN CHOCOLATE AND OTHER COLD TREATS IN DEMAND**

Demand for chocolate, cheese and other food items that can melt in the hot weather usually slows in the summer, but consumers are now taking a second look at these items when they come frozen. At convenience stores in the Kanto and Koshinetsu regions in late July, a frozen desert, the Kit Kat Ice Stick made by Kobe-based Nestle Confectionery K.K. made its debut in ice cream cases. Its cream has been improved so it does not become stiff when frozen. Demand for chocolate plummets in the summertime. And to remedy this situation, Nestle began freezing the Kit Kat, its main product, in 1995. People also take by less cheese in the summer. Snow Brand Milk Products Co. began selling a frozen bite-size cheese cakes in March and sales have been favorable. Osaka-based House Foods Corp. is selling a frozen milky desert, Smoothie Fruiche until late August as demand for Fruiche becomes slows in the summer because of the popularity of ice cream. Sakashita Seika, a Japanese-style confectionery shop in Munakata, Fukuoka Prefecture, began selling frozen rice cakes stuffed with sweetened bean paste four years ago. As the cakes do not lose their taste even after being defrosted, orders from across the country via the Internet are pouring in.

**Kyodo News: August 30, 2006**

### **3.2.3 JAPAN: THE WILD APPLE CONCENTRATION JUICE SUCCESS INFILTRATES THE JAPANESE MARKET**

The Company 160 ton wild apple concentration juice success sells to Japan. In 2006 presses out the season, the Iraqi strength especially wild fruit development company completes the year wild apple to produce Canada smoothly The labor duty, altogether purchases the wild apple raw material more than 1600 tons, produces the wild apple concentration juice more than 160 tons. The wild apple output is in 2004 greatest output 1.6 times, again creates historical new high. Is worth specially one Raise, before the production, the wild fruit development company on already accepted this year by the good price A Japanese company's order form, produces the wild apple concentration juice to export Japan completely. Because the wild apple includes many kinds of nutrition ingredient, the nutrition is rich, the feeling in the mouth is unique, moreover using extremely widespread, not only the product uses in the fruit punch mixing,

moreover also uses in the medicine putting on make-up The aspects, the domestic and foreign customer favor, every year the product all fall short of demand deeply.

**China Daily: August 23, 2006**

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

#### **3.3.1 MALAYSIA: COSMOPAL TO EXPAND CORN BUSINESS TO MORE STATES**

Cosmopal, a subsidiary company of Arus Zaman Sdn Bhd, is planning to expand its corn snack business to Kelantan, Negeri Sembilan and Melaka very soon. The company's general manager said that Cosmopal currently supplied corn to its network of franchise holders around the Kuala Terengganu and Selangor areas. The popular corn snack food is sold in cups.

**Bernama Newswire Date: August 18, 2006**

#### **3.3.2 MALAYSIA: ICE-CREAM WITH KIT KAT TREAT**

IF you are an ice-cream lover who also enjoys the popular Kit Kat chocolate wafer, then you are in for a treat. The Nestle Drumstick with Kit Kat is a rich, creamy experience with a surprise inside. Foong noted that Nestle Drumstick has enjoyed steady growth in its popularity amongst Malaysians. Based on its market tracking, Drumstick consumption frequency and brand awareness have grown over the years. It is now the biggest brand that accounts for more than 20 per cent of total Nestle Ice Cream Malaysia turnover, she said. Nestle Drumstick with Kit Kat is priced at RM2.50 and available at all Nestle Ice Cream freezers.

**New Straits Times: August 30, 2006**

#### **3.3.3 PHILIPPINES: BRITISH CONSUMERS KEEN ON RP BISCUITS, SNACK FOOD**

Local fruit juices, biscuits and other so-called comfort food have a potential in the huge British consumer market. A consultant who worked as a senior buyer for Tesco, the international supermarket chain based in the United Kingdom and the largest British retailer, said UK's rising population and increasing immigrants have led to a globalized food consumption pattern among British nationals and the growth of exotic foods. Orledge said Philippine food products would gain attention from British consumers by arranging trade fairs in UK, creating promotional materials and meeting its food standards. The British food expert was in Manila as guest speaker in a symposium organized by the Center for International Trade Expositions and Missions and the Brand Management Team for food of the Department of Trade and Industry.

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

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

#### **3.4.1 NEPAL: CONSUMPTION OF LIQUOR IN THE HISTORY OF SHAH DYNASTY**

After King Gyanendra seized power and ruled Nepal for 15 months, the royal palace in Kathmandu saw the maximum consumption of liquor in the history of Shah Dynasty with a record import of costly foreign spirits. During his direct rule, the royal couple went on several foreign tours when they spent millions of rupees on shopping, including buying expensive liquors, the Jana Aastha weekly reported. Besides hundreds of bottles of foreign spirits, the royal family also bought hundreds of cartons of Benson and Hedges and 555 cigarettes. The weekly said according to the records at the king's secretariat, 19 brands were imported several times, ranging from costly brandies to wines. The royal family splurged the state money on Black and Blue Label whiskey as well as a rose wine, the report said. In one year, the palace ordered 720 bottles of the queen's favourite wine in addition to 1224 bottles of other wines. In roughly one year, the royal family bought 4392 bottles of different brands of liquor, with the cost borne by the state treasury. Besides regular and premium whiskey, the list included cognacs, brandies, white and red wines, crème de menthe, sherry and champagne  
[www.Nepalnews.net](http://www.Nepalnews.net)

#### **3.4.2 INDIA: BUNGE UNVEILS NEW DALDA RANGE**

Bunge India Private Limited, a 100 per cent subsidiary of Bunge Limited, unveiled a new range of Dalda edible oils, in two variants — refined soyabean oil and refined sunflower oil. Bunge is an integrated, global agribusiness and food company operating in the farm-to-consumer food chain with worldwide distribution capabilities, according to a release  
**Hindu : August 08, 2006**

#### **3.4.3 INDIA: GENERAL MILLS GETS SPECIAL**

The flour-and-dough company is going up the value chain with fancy cookies and granola bars. After staples, snacks and convenience foods General Mills is segmenting the market into well defined consumer groups by introducing two new brands — Nature Valley and Dip Trix. The US-based foods major is targeting kids and working adults with its offerings in the Indian market. Having tried segmenting its Pillsbury atta in the past with a Punjabi atta, it is now continuing to create specific consumer segments with new brands. Take the case of its two new launches - Nature Valley Crunchy Granola Bars and Dip Trix Cookies and Crème. While the former targets working professionals who need a healthy snack the latter is meant for kids who like to play with their food. In the case of Nature Valley it will be unleashing an activation programme with a separate sales team to cater to offices apart from retailing the imported bars at selected stores.

**Business Line: August 31, 2006**

#### **3.4.4 INDIA: CADBURY INDIA BANKS ON NEW PRODUCTS FOR DOUBLE DIGIT GROWTH**

Having successfully exorcised the ghost of a worm in chocolates controversy, Cadbury India is setting targets of achieving healthy double digit growth on the back of new product introductions. Sources said the company expected to

post a "strong double digit growth" this year with newly introduced products expected to do well. Asked if the company would enter the chewing gum segment, which has been seeing a revival, he replied in the negative.

**Asia Pulse: August 21, 2006**

### **3.4.5 INDIA: FOR SOME CRUNCH**

FritoLay India has launched Kurkure 'Masti Squares' in a sweet-and-sour flavour. They can even be used as a snack base with various toppings. The product is offered at two price points: a 45gm pack priced at Rs.10 and 110gm pack at Rs.20.

**Business Line: August 24, 2006**

### **3.4.6 INDIA: TATA TEA LOOKS AT BUYS IN US**

Tata Tea, which now occupies nearly 45% of the global beverage space, is looking at fresh acquisitions in the US to increase its presence in the specialty tea segment. With the proposed acquisitions, the Tata Tea group - which includes Tata Coffee and Tata Tea (GB) - is aiming to achieve an Rs.7,000-cr turnover by '08-09.

**Economic Times: August 09, 2006**

### **3.4.7 INDIA: COOKIE MAN CHALKS OUT AGGRESSIVE GROWTH PLANS FOR A BIGGER BITE OF THE SNACK PIE**

Cookie Man is looking at catching the fancy of Indian consumers. Though a big name in the South, especially Chennai and Bangalore, the Australian cookie major is now looking at expanding to other markets in India. Cookie Man has sold about 380 tonnes of cookies in India last year with a turnover of Rs.15-crore. Riding on the USP of "Fresh baked Australian cookies" concept, the aroma of cookies being baked right in front of the customer is seen as the 'advantage' factor. Recently, Cookie Man initiated a local store marketing programme, wherein each outlet aimed at brand building via local events such as school annual day, mall promotions and local festivals. Also during festival seasons the company has introduced new packaging solutions designed to go with the occasion.

**Exchange4media - Newsletter: August 10, 2006**

### **3.4.8 INDIA: INDIA'S TATA TO SPEND 677 MILLION DOLLARS ON GLACEAU WATER**

The Tata group, India's second largest conglomerate, announced that it would spend a record 677 million dollars for a 30 percent stake in US-based bottled water company Glaceau. The deal, already approved by the board of holding company Tata Sons, would be the largest-ever overseas acquisition by an Indian company. Glaceau, which makes bottled waters enhanced with nutrients, showed revenues of 150 million dollars for the year ending 2005 and expects strong future growth.

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

## **3.5 PACIFIC: AUSTRALIA & NEW ZEALAND**

### **3.5.1 AUSTRALIA: MCGUIGAN SAYS OPEN TO ACQUIRING NEW BRANDS**

Winemaker McGuigan Simeon Wines Ltd. says it is open to acquisitions, possibly to help gain market share in the \$10-\$20 a bottle wine range. McGuigan posted a full year loss after writing down its inventory by almost \$30 million as a result of the grape glut in Australia. The company's net loss for 2005/06 was \$11.55 million, after net write downs of \$29.09 million.

**AAP Business and Financial News: August 23, 2006**

### **3.5.2 AUSTRALIA: HART'S STONY STANCE ON MORE FOR BURNS**

Rank Group has declined to adjust its \$A1.10-a-share offer for Australasian food company, Burns, Philp. That is in spite of efforts by hedge funds to extract a "squeeze margin" from the \$A1.3 billion privatisation. Rank's offer is conditional on obtaining at least 90 per cent of Burns shares. In late August 2006, Hanover Finance, which is representing one US hedge fund, has essentially given up hopes that Rank will offer minority shareholders a premium to net asset value. Hanover and its client claim an offer of about \$A1.15 a share would have come closer to offering fair value. If the Burns privatisation is unsuccessful, Rank's Graeme Hart will recommend that Burns return cash to shareholders by way of a capital return and dividends

**The Australian Financial Review: August 30, 2006**

### **3.5.3 AUSTRALIA: COKE TO MARKET SABMILLER BEERS**

Coca-Cola Amatil (CCA) is moving into alcoholic beverages. The Australian soft drink company has announced the formation of Pacific Beverages, a joint venture with large UK brewer SABMiller. CCA will distribute premium SAB brands Pilsner Urquell, Peroni Nastro Azzurro and Miller Genuine Draft. CCA will be able to capitalise on skyrocketing Australian sales of boutique beers. Initially the beers will be imported from SAB's foreign brewing facilities, but CCA may later consider constructing its own domestic brewery. Analysts were unimpressed by the 10 August 2006 announcement, given that the three brands hold just 0.13% market share in Australia

**The Australian: August 11, 2006**

### **3.5.4 AUSTRALIA: MORE NEW COKE IN OLD BOTTLES**

More Coca-Cola Amatil (CCA) customers in Australia will soon be drinking from the company's traditional glass bottles. CCA has announced plans for wider distribution of its unique bottles, currently limited to selected restaurants and coffee shops. The company will also enter the energy-drinks market with its coffee-cola blend, Blak. Blak, introduced to the US and European markets in January 2006, will challenge Red Bull and V for a slice of the \$A52m Australian energy drinks market. Blak will be packaged in a dark glass bottle with gold lettering

**The Sydney Morning Herald: August 10, 2006**

### **3.5.5 AUSTRALIA: PRE-PACKED ICE TAKES BOTTLED WATER'S CAKE**

A new product has been released that takes the hugely successful concept of bottled water one step further. AqualICE is water in sealed, ready-to-freeze ice trays. It offers consumers a convenient way to have ice made from pure water that will not contaminate their beverages with unwanted tastes or odours. The trays of 10 blocks freeze in an hour. Sources believes AqualICE will leverage a market trend for pure water into an area of growing consumer demand

**Packaging: August 22, 2006**

### **3.5.6 AUSTRALIA: CCA DEVELOPS A THIRST FOR BEER**

First it was juice, water and coffee, now Australia's biggest soft drinks maker Coca-Cola Amatil has developed a thirst for beer. The bottling giant has moved into the alcohol market, forming a joint venture with the world's second biggest brewer, SABMiller plc, to sell imported beers like Peroni Nastro Azzurro and Miller Premium Draft into Australia. CCA managing director said it was a natural step for the company, providing more opportunities in the hotel, restaurant and cafe market.

**AAP Business and Financial News: August 10, 2006**

### **3.5.7 AUSTRALIA: HARDY WINE COMPANY TO DISTRIBUTE PREMIUM WA BEERS**

Company has found a premium beer to distribute as it attempts to tap Australia's growing thirst for boutique brews. The Constellation Brands owned company re-entered the beer market through a distribution deal with Western Australia's Gage Roads Brewing Co. Hardy, which used to distribute Coopers Brewery and James Boag & Sons brands during the 1990s, will now distribute Gage Roads' lager, mid strength PILS and IPA (Indian Pale Ale) beers. Hardy declined to reveal a dollar value for the deal. Australia has been flooded with premium beer in the past five years, causing the price of the likes of Dutch beer Heineken to flatten.

**AAP Business and Financial News: August 01, 2006**

### **3.5.8 AUSTRALIA: JALNA TARGETS YOGURT DRINK GROWTH**

Jalna Dairy Foods is determined to increase its products in the yogurt drink category. Con Tsaconas, national sales and marketing manager of the company, said his fact-finding trip to the US convinced him that Australian consumers would respond favourably to new yogurt drinks. In the US and Europe, yogurt smoothies are very popular. Jalna Dairy has recently changed the packaging on its Yogurt on The Go and Vitalize drink range to stress their creamy and smooth characteristics

**Food Week: August 01, 2006**

### **3.5.9 AUSTRALIA: MUSHROOMS MAKE FOR TASTIER TARGET**

The Tradefresh joint venture's hopes of gaining control of Chiquita Brands South Pacific appear to have struck a hurdle. The Timbercorp and Costa Group joint venture has offered \$A108 million for the Australian group. However, in late August 2006, it was revealed that Chiquita plans to buy Queensland Mushrooms for \$A29 million, which has the potential to hamper the Tradefresh bid. Chiquita will release a target statement over the coming two weeks, which will

contain details of the Queensland Mushrooms purchase. Stock in the fruit and vegetable distributor closed steady at \$A0.735 on 29 August

**The Australian Financial Review: August 30, 2006**

### **3.5.10 AUSTRALIA: FOSTERS TO RELAUNCH ROSEMOUNT WINE LABEL**

Global beverages firm Foster's Group Ltd said that the staggered global roll-out of its relaunched Rosemount wine label would mean that the revitalised brand would have a limited financial impact in 2006/07. Foster's announced that it would relaunch the label, which had been in decline while under the umbrella of winemaker Southcorp, which Foster's acquired in May 2005. Foster's chief executive said that Foster's expected the wine oversupply in Australia to last another couple of years, but the wine supply was in balance in the Americas.

**Asia Pulse: August 29, 2006**

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

### **4.1 GREATER CHINA: HONG KONG, CHINA AND TAIWAN**

#### **4.1.1 CHINA: HONGTA'S BLENDED CIGARETTE EXPORTS UP**

Exports of blended cigarettes by Hongta International Ltd (HIL) during the first seven months of this year were up 21 per cent on those of the same period of last year, according to reports. HIL is the foreign trade arm of the Hongta Group. The increase was said to be in line with a State Tobacco Monopoly Administration instruction to concentrate on the export of blended cigarettes rather than famous brand flue-cured cigarettes. The exports by HIL included the blended products Marbon and Heaven. From January to July, HIL registered year-on-year increases of eight per cent in its total exports, six per cent in its cigarette exports, and 159 per cent in its cut tobacco exports.

**[www.Tobacco.org](http://www.Tobacco.org)**

#### **4.1.2 CHINA: CHINA EXPORTS ABOUT SEVEN BILLION CIGARETTES**

China appears to have exported about seven billion cigarettes during the first half of this year. According to a report magazine datelined, China sold 1,030.58 billion cigarettes on the domestic market between January and June 2006, 40.67 billion or 4.1 per cent more than during the first half of 2005. But a Tobacco China Online report last month put sales, presumably total sales, at 1,037.54 billion, up 41.82 billion or 4.2 per cent. At the same time, total production during the first six months of this year was given as 1,031.40 billion, while production for the domestic market was put at 1,023.79 billion. Meanwhile, the production of Grade One, Grade Two and Grade Three cigarettes was up by 19.0 billion, 26.0 billion and 66.1 billion cigarettes respectively during January-June 2006, and the percentages of these products within the total cigarette production mix was 9.9 per cent, 17.1 per cent and 46.1 per cent. Production of Grade Four and Grade Five cigarettes fell by 73.6 billion and 8.0 billion respectively, and they now account for 23.9 per cent and 3.0 per cent of the total production.

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

#### **4.1.3 CHINA: LOCAL MACHINERY TO PLAY MAJOR ROLE IN CHINA**

The State Tobacco Monopoly Administration (STMA) has outlined major targets for technical innovation by China's tobacco industry during the next 15 years, one of which is aimed at seeing domestic machinery play a leading role in the industry's development. Report, the focus will be on developing key technologies for supporting the research and development of Chinese-style cigarettes. STMA director-general, announced an outline program of measures aimed at ensuring the industry's technical and scientific development between 2006 and 2020 in a speech.

**China tobacco August 24, 2006**

#### **4.1.4 CHINA: BRITISH AMERICAN TOBACCO AND CIGARETTE SMUGGLING IN CHINA**

The researchers found that BAT's own documents describe the company's efforts to improve its earnings from China by restructuring operations and controlling the supply chain—that is, how cigarettes are manufactured and legally exported, are handled by various “agents” or middlemen, and then are sold illicitly as contraband.

**Public Library of Science: August 18, 2006**

#### **4.1.5 CHINA: NICOTINE INHALER MAKER SEEKING US\$500 MILLION**

SBT Holdings, a China-based manufacturer of nicotine inhalers, may rise up to US\$500 million in a Hong Kong initial public offering next year, according to a report. SBT's inhalers, which are used by people trying to quit smoking, are said to be more effective than are nicotine patches or chewing gum because their method of delivery means that nicotine reaches the brain more quickly than it does with other systems. The newspaper said SBT's primary markets were the US and Europe.

**South China Morning Post: August 29, 2006**

#### **4.1.6 HONG KONG: NICOTINE INHALER MAKER PLANS \$500 MILLION HONG KONG IPO-PAPER**

SBT Holdings, a Chinese nicotine inhaler maker, may raise up to US\$500 million in a Hong Kong initial public offering next year. SBT's primary markets are the United States and Europe and the firm's inhalers, which are used by people who are trying to quit smoking, are said to be more effective than nicotine patches and chewing gum as they deliver nicotine to the brain faster. The newspaper, quoting the World Health Organisation, said there were about 215 million smokers in Europe and 50 million smokers in the United States. It said about 16 million people of those in the U.S. were trying to quit smoking each year.

**Reuters: August 28, 2006**

#### **4.1.7 HONG KONG: CUSTOMS CLOSE ILLICIT CIGARETTE CENTRE**

Customs officers have closed down a cigarette repacking centre in Kowloon Bay, and seized about 700,000 illicit cigarettes worth about \$1.12 million with a dutiable value of about \$560,000. At about 3pm; Customs officers stopped two men while they were removing cartons of illicit cigarettes from an industrial flat. Inside, they found the operators were using a hot-seal machine to repack the illicit cigarettes into gift boxes for local retail sale. This is the first time Customs had seen this type of operation.

**[www.News.gov.hk](http://www.News.gov.hk)**

## 4.2 KOREA & JAPAN

### 4.2.1 JAPAN: JAPAN TOBACCO USES CAFE CULTURE TO LURE YOUNG SMOKERS

Unlike the owners of many smoke-free cafes and bars in the US and Europe, where health regulations are becoming increasingly stringent, the presence of cigarette smoke does not perturb the proprietor of the Shibuya cafe. For its owner is Japan Tobacco, the world's third-biggest tobacco company. Faced with a shrinking Japanese population and a declining percentage of smokers - although still among the highest of any industrialised nation - Japan Tobacco has come up with inventive ways to market its cigarettes to its most crucial demographic: young adults. Overall, the number of smokers has declined in Japan due to better awareness of the health risks of smoking and tougher regulation. In 2005, 46 per cent of Japanese men smoked, compared with 61 per cent in 1990, according to the ministry of health. But among those in their twenties, 52 per cent of men and 21 per cent of women smoked in 2005. In particular, the smoking rate of Japanese women has remained relatively stable over the past 20 years

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

### 4.2.2 JAPAN: JAPAN TOBACCO POSTS RISE IN 1Q PROFIT

Japan's biggest cigarette maker, Japan Tobacco Inc., reported a profit increase of more than 60 percent for its first quarter due to last-minute buying by smokers prior to a tax hike and sale of its idle properties. The company earned 76.25 billion yen (\$668.86 million) for the April-June quarter, up from 47.52 billion yen a year earlier. Overall revenue rose 12.1 percent to 1.29 trillion yen (\$11.32 billion) from 1.15 trillion yen a year ago, said Japan Tobacco, the world's third-largest maker of tobacco products.

[www.Tobacco.org](http://www.Tobacco.org)

### 4.2.3 JAPAN: JAPAN TOBACCO TO TRIM PRODUCTS

Japan Tobacco Inc., the world's third-biggest tobacco company, said it aims to cut the number of cigarette products it sells domestically by about 30 percent to 80, in order to market them more efficiently. Cigarette sales volumes are also expected to be hit by a tax rise that went into effect this month.

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

### 4.2.4 KOREA: KT&G SHARES DROP AFTER ICAHN, LICHTENSTEIN CUT TIES

Shares of KT&G Corp., South Korea's biggest tobacco company, had their biggest decline in six months after billionaire investor Carl Icahn and Warren Lichtenstein ended an alliance, making it easier for them to cut their stakes. The stock dropped 4.9 percent to close at 56,100 won, the largest decline since Feb. 7, on speculation the investors may sell shares and end a campaign seeking higher returns for stockholders. Funds controlled by Icahn and hedge fund manager ended an agreement to act together, according to an after-market filing in Seoul.

**Bloomberg News: August 28, 2006**

#### **4.2.5 KOREA: USELESS WARNING NOTES ON CIGARETTE PACK**

Smokers don't care much about warning notes on cigarette packs. According to a recent survey of Korea Health Industry Development Industry (KHIDI), 78.7 percent of respondents said that warning notes on cigarette packs have not brought home the harm cigarettes do to them. The survey asked 1,200 people consisting of 310 smokers and 890 non-smokers about the effectiveness of cigarette warning labels. Only 21.3 percent of the respondents said they noticed the warning note. While 87.2 percent of the respondents said current warnings should be intensified, 12.8 percent replied that they should stay as they are or be removed.

**Korea Times (kr): August 15, 2006**

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

#### **4.3.1 INDONESIA: FOREIGNERS EYE INDONESIAN SMOKES**

Indonesia's tobacco market, the world's fifth largest, is primed for foreign takeovers. Tough economic conditions have recently taken the buzz out of Indonesia's top four cigarette producers' profits, as spiraling inflation and higher excise taxes have driven the country's estimated 141 million smokers to trade down from premium, high-margin brands to cheaper sticks. The cigarette industry has witnessed a 12.4% decline in sales in the first half of this year, with national cigarette consumption down to 94.8 billion smokes compared with 108.3 billion during the same period in 2005. Cigarettes are huge business in Indonesia, and foreign investors are just beginning to get into the action. Some 70% of men and nearly 20% of women smoke, and last year Indonesian smokers puffed their way through 225.5 billion cigarettes, according to industry statistics.

**Asia Times: August 11, 2006**

#### **4.3.2 MALAYSIA: MALAYSIA TO REDUCE TOBACCO PRODUCTION**

Malaysia wants to gradually reduce its tobacco production in line with long-standing policy to discourage smoking among some of its 25 million populations. The government said that all tobacco growers, especially those in the east coast region, would be encouraged to switch to kenaf cultivation instead. Tobacco growers would be given incentives to cultivate kenaf and other crops.

**Asia Pulse: August 25, 2006**

#### **4.3.3 MALAYSIA: EXCISE DUTY INCREASES CONTINUE TO HIKE UP THE PRICE OF LEGITIMATE CIGARETTES**

For a fast moving consumer goods (FMCG) company are concerned that consumers may be tempted to purchase illegal cigarettes or cigarettes from the very low-priced segment that emerged recently, if excise duty increases continue to hike up the price of legitimate cigarettes. In the year to date, industry volume as measured by the Confederation of Malaysian Tobacco Manufacturers contracted by 9.2%, pressured by the resurgence of high levels of illicit trade and the rapid

growth of the very low priced cigarette segment, as a result of consecutive tax-led price increases over the past two years.

**The Star: August 02, 2006**

#### **4.3.4 MALAYSIA: SAMPOERNA SPENDS RP 2.8 TRILLION ON KARAWANG CIGARETTE FACTORY**

PT HM Sampoerna, one of Indonesia's major clove cigarette manufacturers, plans to invest Rp 2.8 trillion (about US\$302.7 million) on a new cigarette factory to be built in the Karawang International Industrial City (KIIC), West Java. The new plant, which will occupy an 85-hectare site on the industrial estate, will include a primary processing plant to process cloves and tobacco, a secondary processing plant to produce machine-rolled "kretek" (clove-blended) cigarettes, and warehouses to store non-tobacco materials, finished goods, tobacco and cloves. The Karawang factory is expected to commence operations in 2008.

**Jakarta Post: August 01, 2006**

#### **4.3.5 MALAYSIA: LOWER TOBACCO LEAF PRICE IN 2010**

Malaysia is geared towards bringing down the price of locally-grown tobacco leaf to RM9 per kg in 2010 from RM14 per kg currently in order for the country to remain competitive in the post-Asean Free Trade Area (Afta) environment. British American Tobacco (M) Bhd (BAT) head said Malaysia's tobacco leaf industry needed to narrow the huge gap between the price of local tobacco and that of its neighbouring counterparts such as Thailand, Vietnam, the Philippines, Cambodia and Indonesia. The country's cured tobacco leaf price is currently the highest in Asean and one of the most expensive in the world.

**The Star (my): August 03, 2006**

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

#### **4.4.1 BHUTAN: BLACK MARKET IN TOBACCO THRIVING IN BHUTAN**

Bhutan's Trade Department is asking town representatives in Thimphu to help clamp down on the town's thriving black market in tobacco, according to a report. More than a year after the government banned the sale of tobacco, regulators report that many shops sell tobacco products either under the counter or through other outlets.

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

#### **4.4.2 BANGLADESH: TK 5.5CR SMUGGLED CIGARETTE SEIZED FROM CONTAINER**

After a tip-off by a clearing agent, customs officials confiscated a huge amount of foreign cigarettes inside a 40-foot container, which was officially declared to contain electric-touch-lamps, at the Inland Container Depot (ICD) at Kamlapur. Shipped from the Chinese port of Shen Zen; the container arrived at the Kamlapur ICD from Chittagong port. The estimated street value of the cigarettes would be around Tk 5.5-crore, customs sources said.

**Dhaka Daily Star (bd): August 04, 2006**

#### **4.4.3 INDIA: SHARP RISE IN INDIA'S HOOKAH PASTE EXPORTS**

India's leaf tobacco and tobacco products exports during the three months April-June were up 17 per cent on those of the same period of 2005, while the value of those exports was up 31 per cent, according to a newkerala.com report quoting Tobacco Board figures. Exports of un-manufactured and manufactured tobacco were up from 39,345 tonnes to 46,221 tonnes, while their value was up from Rs3.138 billion to Rs4.125 billion. The total of 46,221 tonnes comprised 40,123 tonnes of un-manufactured tobacco worth Rs3.143 billion and 6,098 tonnes of tobacco products worth Rs981.2 million; while the total of 39,345 tonnes comprised 35,030 tonnes of un-manufactured tobacco worth Rs2.450 billion and 4,315 tonnes of tobacco products worth Rs688 million. Exports of hookah tobacco paste increased by more than 89 per cent from 1,492 tonnes to 2,824 tonnes, while cigarettes exports rose more than 14 per cent from 1,184 tonnes to 1,354 tonnes.

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

#### **4.5 PACIFIC: AUSTRALIA & NEW ZEALAND**

##### **4.5.1 NEW ZEALAND: INVESTIGATION INTO MARKETING OF 'LIGHT' AND 'MILD' CIGARETTES**

The anti-smoking lobby is elated the Commerce Commission has launched an investigation into whether use of the terms "light" and "mild" on cigarettes breaches the Fair Trading Act. Commission spokeswoman said the probe would assess complaints received from anti-smoking groups and the public. Once the information was analysed, guidelines for the inquiry would be set down. Anti-smoking groups welcomed the decision.

**New Zealand Herald: August 30, 2006**

##### **4.5.2 AUSTRALIA: SMOKE PACKETS 'SHOULD NOT BE ALLURING'**

Half of Victorian adults support plain packaging for cigarettes, a new study revealed. The survey of 3000 Victorian adults shows 51 per cent of men and 53 per cent of women support the initiative. The anti-smoking lobby is pushing for plain packaging for cigarettes to reduce their appeal to consumers. The study, by the Cancer Council for Victoria, also shows that almost twice as many daily smokers approve of plain packaging for cigarettes rather than disapprove.

**The Border Mail (au): August 30, 2006**

##### **4.5.3 AUSTRALIA: SMOKING BAN CAUSES CHAOS AMONG HOTELS**

WA's controversial ban on smoking in pubs and clubs has caused chaos in the industry in its first week, with publicans in parts of the State reporting a catastrophic drop in trade. Bars in rural areas appear the hardest hit. One manager said she had been forced to lay off staff and was considering closing during the day because there were so few customers since the new law came into force on July 31.

**West Australian: August 05, 2006**

## **5. HOUSEHOLDCARE/OTHER PRODUCTS**

### **5.1 GREATER CHINA: HONG KONG, CHINA AND TAIWAN**

#### **5.1.1 CHINA: APPEARS THE COMPULSORY STANDARD MOSQUITO REPEL RAW MATERIAL NOT TO HAVE TO USE THE CAREINOGEN**

Shanghai recently issued an item of compulsory place standard, stipulated the mosquito repel does not have to use the careinogen to make raw material, safeguards this kind of product the security. In the warm moist area, the mosquitorepel, the vermifuges and so on are the home standing-by things. Because the mosquito repel, the vermifuge usually directly spread wipe in the human body skin, also the contact duration long, the area is big, with many easy to have created in the room the air pollution, affects the human body health. Shanghai recently issued the compulsory place standard, to repellent and so on mosquitorepel, vermifuge hygienic security aspect specifications, the testing method, the examination rule and so on makes the specific stipulation. This standard is clear about the request, repellent and so on mosquito repel, vermifuge raw materials does not have to use to the human body harmful chemistry careinogen, also does not have to use has the heredity toxic matter, guarantees the product safely reliable. In addition, repellent and so on mosquito repel, vermifuge effective protection time do not have to be short in 4 hours; On the symbol and the label must indicate the product range, the production date, the effective component name, the effective protection time, the application method and so on.

**People's Daily Online: August 25, 2006**

### **5.2 KOREA & JAPAN**

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

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

#### **5.4.1 INDIA: GODREJ SARA LEE TO LAUNCH MORE INSECTICIDES**

Godrej Sara Lee Ltd is planning to launch about 6-7 products over the next couple of months in the insecticide category. Company sources said the product expected to contribute Rs.5-7-crore to the company's earnings. The Company has created the product indigenously at its R&D centre and the direct investment for the launch in the region has been around Rs.5-6-crore. Priced at Rs.69 and Rs.135 for 250 ml and 500 ml respectively, the company claims that the product

reaches the remotest cracks and fissures, which are the breeding ground for cockroaches. While the company has 70 per cent market share by volume in the aerosol category in the domestic market, it is planning to scale up its overseas operations in Sri Lanka and Bangladesh.

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

#### **5.4.2 INDIA: ANOTHER ROUTE TO ORGANIC FOOD: GET THE PESTS DEAD DRUNK**

Now drink to the ingenuity of Telangana's farmers. First they sprayed soft drinks - in place of pesticides - on cotton crops. Now they are moving on to hard drinks. In some villages in Adilabad and Karimnagar districts, farmers are experimenting with cheap liquor on crops. And the results are encouraging, they say with all the seriousness of scientists in lab coats. The farmers turned to the bottle when the use of spurious pesticides led to crop failure. Liquor treatment is cost-effective too. A litre of cheap booze costs a little over Rs.100 and is enough to spray on two acres. If pesticides are used, it will cost the farmers Rs.3,000-4,000. The farmers say spraying liquor - instead of pesticides - is doubly beneficial: they do not get poisoned while spraying and the soil too do not be contaminated. But before they march to the local liquor shops, someone should check whether cotton still smells the same after being drenched in cocktails.

**Hindustan Times: August 08, 2006**

#### **5.4.3 INDIA: NIRMA PLANS PHARMA FORAY, TO FLOAT ARM**

Nirma, the Rs.2,243-crore detergent-makers and owner of the Nirma brand, is betting big on the pharmaceutical sector. The company is in the process of acquiring assets of the sick Core Healthcare, the largest intravenous fluid manufacturer in India. Nirma is drawing up plans to set up a separate healthcare division - Nirlife for making its pharma foray later during the current financial year.

**Economic Times: August 11, 2006**

#### **5.4.4 INDIA: CITIGROUP IN TALKS TO BUY 14% IN GHARI DETERGENT MAKER**

Citigroup Venture Capital India (CVCI) is in talks with Kanpur Trading Chemicals (KTC), the maker of Ghari detergent, to pick up equity stake in the company. It is learnt that the due diligence is on for a deal that could see Citigroup acquire around 14% in KTC. There were at least two private equity firms in the fray, but CVCI has emerged as front-runner. Over the past five years, Kanpur-based detergent maker, KTC has shot into prominence as a major regional force, which has given sleepless nights to FMCG giants like Hindustan Lever and Nirma in North India. Today, Ghari is one of the fastest growing brands with a market share of around 40% in UP and Bihar with close to 10% volume share on an all-India basis. It caters to the mass market through a wide network of 300 distributors and a million retail outlets spread from the smallest rural village to the largest metro with a strong base in North India.

**Economic Times: August 02, 2006**

#### **5.4.5 INDIA: GULF RETURNEES LAUNCH NEW PRODUCT**

The Kerala State Gulf Returnees' Welfare Association (KSGRWA) district unit will enter into marketing and manufacturing ventures in the current financial year. In the first phase of its initiative in entrepreneurship, the association will market 'Vijay' fabric whitener, a product of Gathi Group formed by members of the association. Association district

president and general secretary said the new products such as distilled water, mosquito repellent coil and sandal sticks would be launched in the financial year. A company named Pravasi Agro-Solution Pvt. Ltd. would be floated to collect biodegradable waste in town areas for treatment and production of organic manure; they said adding that a project report on this would be submitted to the Government and other agencies. The association was also planning to start the first ever medical amusement park in the country in Kasaragod. A draft project had already been prepared, they said. The association had already formed a charitable trust for offering assistance to financially weak Gulf returnees and their dependents, they added.

**Hindu: August 25, 2006**

## **5.5 PACIFIC: AUSTRALIA & NEW ZEALAND**

### **5.5.1 NEW ZEALAND: HYGIENE PRODUCTS ARE GLOBAL GROCERY HIGH-FLIERS**

A new study shows that some of the fastest-growing sales are for products that offer a clean, orderly, nice-smelling and germ-free house. It showed that health and wellness was a driving force in household products. Abrasive cleaning pads and disinfectants were the fastest-growing items, with sales of each jumping 13% in 2004-05. Next were garbage bags with 8% growth, followed by laundry stain remover and household cleaners, both growing by 6%. Developing markets were the driving growth in household products?

**Food Industry Week (NZ): August 15, 2006**

## **6. MEDIA NEWS**

### **6.1 GREATER CHINA: HONG KONG, CHINA AND TAIWAN**

#### **6.1.1 CHINA: CHINA ONLINE ADVERTISING MARKET SEEN AT 4.39 BLN YUAN IN 2006**

China's online advertising market is expected to hit 4.39 bln yuan in 2006, up 35.9 pct, Beijing IT research house Analysys International said. Search engine advertising will account for 32.37 pct of the total online advertising market, Analysys said in a statement. China's online advertising market was 2.1 bln yuan in the first half of 2006, Analysys said without providing a comparative figure. Sina.com was China's top online advertising vendor in the first half with a 20.66 pct share of the market. Sohu.com held a 16.32 pct of the market while Baidu came in third with a 15.37 pct share of the market. China's 2005 online advertising market stood at 3.23 bln yuan, up 59.83 pct year-over-year, according to the statement.

**AfxAsia: August 29, 2006**

## 6.2 KOREA & JAPAN

### 6.2.1 JAPAN: LAND OF THE RAPIDLY RISING ONLINE AD USE

Japan's mainstream advertising and marketing companies, notorious "late adopters" of new technology and applications, are now clambering online with a weight that is starting to rock the industry. Three years ago, web-related advertising activity had barely 2 per cent of the total advertising spend in Japan, still the world's second-biggest domestic market at 5.96 trillion yen (\$67.7 billion). What's possibly more striking is how some of the biggest players are exploring beyond the more obvious online formats - display advertising, "Rich media" (interactive and graphically complex, using Flash or similar technologies) and keyword search, or "click-through". However, Japan this year has seen a slew of new ventures involving agencies, content providers and portal operators aiming to colonise new territories for advertising in podcasting, weblogs and whatever new forms of narrowcasting are next coming down the pike.

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

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

### 6.3.1 THAILAND: ADVERTISING AGENCIES INCREASINGLY CASHING IN ON DIGITAL MEDIA

Digital media is catching on as one of the best and most cost-effective communications tools, which some advertising agencies are banking on to spread the message about their clients' products. The new media is gaining favour in the automobile, telecommunications, entertainment and consumer industries, with AIS cellular service, Axe men's deodorant, Microsoft, RS entertainment house and Nokia mobile phones as some notable champions. Since digital media is still a relative unknown in Thailand and the ways of using it are so varied, making it difficult to track, no agency is able to estimate the exact value of the media, its growth rate or its share of the overall ad industry. But the rough picture is that most companies in those industries would devote about 10 per cent of their total marketing and advertising budget to digital media, said executive business director of Carat Thailand. And digital media might account for 2 per cent of overall media value, he said.

**The Nation: August 29, 2006**

### 6.3.2 MALAYSIA: H1 ADEX UP ONLY 0.2% DESPITE WORLD CUP

The gross advertising expenditure (adex) for the first half of this year grew 0.2% to RM2.2bil in spite of the FIFA World Cup 2006 hype, said a Media Research. This year's World Cup generated about RM55mil in advertising, almost double the estimated RM33mil spent by advertisers in the previous World Cup in 2002. However, the injection of adex only managed to cushion an overall decline in a number of key categories such as mobile interactive services, hair shampoo/conditioner, airlines, manufacturers and residential estates in the first half of 2006.

[www.thestar.com.my](http://www.thestar.com.my)

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

### **6.4.1 INDIA: MARKETERS GEAR UP TO CASH IN ON FESTIVE FERVOUR**

The season of big bang consumer promotions is about to dawn in all earnest and manufacturers are betting on aggressive promotions, advertising and marketing spends and a jump in consumer spends, to turn things around. Hoping to cash in on the coming festive seasons, durable majors are planning to enhance the production capacities and advertising budget, sources said. With Rs.2,000-crore of television advertisings riding this festive season, marketers are looking at getting the bang from their ad buck. In fact, new launch-based promotions look like the promotional trend around Diwali-Onam this year.

**Exchange 4 Media.com: August 29, 2006**

### **6.4.2 INDIA: MARKETING PLANS**

Marketers may spend over Rs.2,000-crore on marketing activity for the Cricket World Cup 2007. No wonder the Caribbean countries are investing hundreds of millions of dollars to improve infrastructure and facilities for tourists and expect the benefits of the investment to keep coming long after the World Cup is over. Further, to make it easier for visitors to the Caribbean during the World Cup, the nine nations where the matches would be played would have a single visa. Several cricket/tourism packages are being planned. But it is not just the Caribbean nations that are rolling out high-decibel marketing initiatives. With the Champions Trophy tournament only three months away and the World Cup eight months away, the official global partners for the ICC events (which include LG Electronics, Pepsi, Hutch and Hero Honda) are betting on cricket to drive their sales this year. The ICC has got \$550 million from sponsorships of two World Cups and three Champions Trophy tournaments between 2000 and 2007. According to estimates, of this amount, more than \$300 million has come from India-specific companies. Further, as per estimates, over Rs.2,000-crore was spent on advertising in India during the last World Cup, and marketers expect similar investments this time too.

**Business Line: August 03, 2006**

### **6.4.3 INDIA: IMS MARKETING: FLOUTING THE LAW WITH IMPUNITY!**

Unaware of the fact that an Act governs the production, supply and distribution of infant food (IF), the stylish feeding bottles and infant milk substitutes have swept the market. Most of the industries involved in the production and marketing of infant food have been flouting norms mentioned in the Act, with impunity. The Infant Milk Substitutes (IMS), Feeding Bottle (FB) and Infant Food (IF) Regulation of Production, Supply and Distribution Act 1992 came into force on August 1, 1993. This was enacted by Indian Parliament to promote breastfeeding by regulating the IMS, FB and IB as per International Code for marketing of breast milk substitutes adopted by World Health Assembly, 1981. The Act prohibits the advertisement of any kind of milk substitutes or feeding bottles. It also prohibits the distribution of free samples or gifts of IMS or FB to others or health worker or any person. The Act also stops monetary incentive to any person for promoting IMS or FB. "Most important the Act prohibits the display of picture of any infant, woman or both

on the containers of infant milk substitutes. No educational material promoting sale of infant milk substitutes or feeding is allowed under the Act.

**Hindustan Times: August 05, 2006**

## **6.5 PACIFIC: AUSTRALIA & NEW ZEALAND**

### **6.5.1 AUSTRALIA: NET ADVERTISING ROCKETS UP 59.4PC**

New figures show that Australian advertisers spent \$A778m on internet advertising in 2005-06. This was 59.4 per cent higher than previously. Online display advertising rose by 60.7 per cent, to \$A247.5m, while search and directories advertising recorded 74.2 per cent growth, to \$A287.5m. Emitch CEO says online display advertising is set to continue to grow as more Australian households get broadband services. Frost Sullivan forecasts that online advertising expenditure will exceed that for magazine advertising by the end of 2006, if the current growth level is sustained

**The Australian: August 08, 2006**

### **6.5.2 AUSTRALIA: BEVERAGE BOTTLERS AGREE ON KEY MARKETING CHANGES**

Soft drink manufacturers will remove sugared drinks from school canteens and stop advertising directly to children in a major overhaul of beverage marketing. The Australian Beverage Council unveiled tough new guidelines in response to increasing pressure to alleviate childhood obesity. The policy was signed by almost all major bottlers of non-alcoholic carbonated, non-carbonated, juice and water-based drinks, and will be introduced over two years. Measures include the removal of all sugar-sweetened drinks from primary school canteens and supply to high schools only on request. The companies also propose to not advertise any such products directly to primary school-age children or in TV programs watched primarily by children.

**AAP General News: August 29, 2006**

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

### **7.1 GREATER CHINA: HONG KONG, CHINA AND TAIWAN**

#### **7.1.1 CHINA: "LIVES FRESH COW'S MILK PURCHASE STANDARD" SOON TO APPEAR**

The milk source contamination concern already became the milk quality security the key. According to the understanding, the revision manuscript has verified through National standards Committee correlation expert committee member, does not have the anti-milk recent GB code hopeful near future to appear officially. After the revised edition "Lives Fresh Cow's milk Purchase Standard" recent GB code will appear, "does not have anti-" becomes the dairy product enterprise newly "to live the dead line": If cannot defer to the stipulation production "not to have the anti-milk", the enterprise will certainly to receive the corresponding sanction, its product is also given up by the consumer.

**China Daily: August 15, 2006**

## **7.1.2 CHINA: NATIONAL QUALITY TESTING BUREAU TO FOOD PLASTIC PACKING IMPLEMENTATION MARKET ACCESS SYSTEM**

The inferior meal box, “the poisonous milk bottle” and so on the inferior food vessel which was worried the consumer is hopeful is been clear the market. Reporter learned that, National Quality testing Bureau to food with the plastic packing, the vessel production start market access system, will in the near future carry on the standard management, and in two years gradually to metal, paper, ceramics and so on all material quality food packing, vessel implementation market access. National Quality testing Bureau will start 39 kinds of foods to use the plastic packing, the vessel and the tool market access system in the near future. After the implementation admittance, these packing, the vessel production enterprise's product quality guaranteed ability must pass through the quality testing department to examine, after the qualified enterprise only then produces. Obtains the admittance the enterprise in to leave the plant links and so on examination, product quality, product label all receives the quality testing department strict supervising and managing, the enterprise must not have to contain quality correlation items and so on virulent the deleterious substance to the product to make the statement, must in the label, the instruction booklet mark the application method, the matters needing attention.

**C&P Information Technology Co., Ltd: August 25, 2006**

## **7.1.3 CHINA: CHINA CONSIDERS UNDER-AGE LAW**

China's legislature is considering imposing a ban on the sale of cigarettes and alcohol to people under the age of 18, according to a The draft amendment to the Law on the Protection of Minors, which was submitted to China's legislature for preliminary reading, contains 25 new provisions but does not specify penalties. The amendment would compel shopkeepers to display signs saying that cigarettes and alcohol will not be sold to minors. And it stipulates that shops or individuals caught selling tobacco and drink to minors would be asked to ‘correct their mistakes’ and suffer ‘administrative punishment,’ which could include fines. Health Ministry surveys have apparently shown that people are taking to smoking at a younger age than they were in the past, and there is said to be ‘growing official alarm’ in China at the long-term health implications of the nation's huge army of hardcore smokers. China has 300 million people under the age of 18 and 50 million of them are reckoned to be smokers.

**Xinhua News Agency: August 23, 2006**

## **7.2 KOREA & JAPAN**

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

### **7.3.1 VIETNAM: VIETNAM INDUSTRY FUND TO FIGHT ILLICIT TRADE**

A tobacco industry fund is likely to be established in Vietnam to support the fight against smuggled cigarettes following a proposal submitted to the Ministry of Finance. The Vietnam Tobacco Association estimates that illicit cigarette sales account for 11 per cent of the local market.

[www.vietnamnet.vn](http://www.vietnamnet.vn)

### **7.3.2 THAILAND: 7,000 SNACK BRANDS WILL HAVE TO SHOW HEALTH LABELS**

About 7,000 snack brands will soon be forced to provide health warnings in a bid to raise public awareness of high sugar and salt content in their products. The guidelines are expected to complete by early next year, after which a regulation will be issued to make labelling mandatory. The agency's move follows a study by the Thai Health Promotion Foundation on nutritional problems among Thai children, which recommended that the FDA primarily focus on five snack products - potato chips, popcorn, biscuits, crackers and cream-filled wafers. Red will signify products with high sugar content - over 24 grammes - are not good for children's health. Yellow will be used for snacks with a sugar content of between 12 and 24g, while green will be for products which contain less than 12g of sugar - the amount considered acceptable for consumption by children. Health Department director-general said excessive consumption of sugar could lead to heart problems, high blood pressure and obesity. Statistics show that five Thais die of heart disease every hour while more than 8.2 million Thai people, particular children, suffer from obesity, he said.

**The Bangkok Post: August 26, 2006**

### **7.3.3 MALAYSIA: PLAN FOR MORE HALAL PRODUCTS**

There are plans to amend the Trade Descriptions Act (Use of Halal Language) 1972, to widen the use of halal logos and its description on consumer products and clothing. Ministry took stern action against traders who misused the halal logo issued by the Islamic Development Department Malaysia (Jakim). Sources added that as of Aug 15, the ministry had seized over RM1mil worth of goods and issued RM57,700 in fines against traders who had flouted halal certification guidelines this year. Last year, 91 offenders were fined RM220,150 and RM448,545.95 in goods were seized, they said.

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

### **7.3.4 THAILAND: US TOBACCO AND ALCOHOL PRODUCERS VOICE OPPOSITION TO STRINGENT RULES**

The US ambassador led a group of American companies - mostly giant tobacco and alcohol producers feeling the heat from stringent government controls - on an unprecedented visit to the Public Health Ministry on August 24, to voice their concerns over new legislation, The Nation reports. The tobacco companies, including Philip Morris (Thailand), demanded the ministry's advertising controls be equally imposed on all forms of tobacco products, caretaker Public Health Minister said later. The companies complained that cigars and pipe tobacco were not subject to the same ad

controls as cigarettes, sources said. Regulations to extend the ban on tobacco ads to all forms of tobacco products have been drafted but still need Pini's approval. About 10 US firms had previously met and discussed their issues at the US embassy before the meeting with the Public Health Ministry, US Ambassador said.

**Thai News Service: August 29, 2006**

### **7.3.5 INDONESIA: PRODUCTS 'LACK DATA ON SWEETENER RISKS'**

Dozens of popular snack foods containing low-calorie sugar substitutes lack the required listing of potential health hazards on their packaging, a consumer advocacy group warns. The Jakarta Consumer Institute (LKJ) announced a recent survey found 49 widely distributed food products contained sweeteners without information on the potential side effects. The BPOM permits the use of 13 types of sweetener on the condition the product also does not contain pure sugar and that its packaging bears information on the ingredients. Producers are required to identify the sweetener and the amount contained in the product, as well as the acceptable daily intake. They also must list potential health hazards for certain types of sweeteners, including aspartame, manitol, lactitol and sorbitol. The National Standardization Body has also called for a limitation on the use of sweeteners like aspartame.

**The Jakarta Post: August 10, 2006**

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

### **7.4.1 INDIA: INDIAN STATE BANS SALE AND PRODUCTION OF COKE, PEPSI**

India's southern Kerala state banned the Indian subsidiaries of Coca-Cola and PepsiCo from manufacturing and selling soft drinks, news reports said. Several Indian states have banned the sale of Coke and Pepsi at schools and colleges after a New Delhi-based research body claimed they contained high levels of pesticide residue, but Kerala was the first state to impose a ban on production and sales across the board. The Center for Science and Environment in New Delhi said that it found pesticide residues in samples of Coke and Pepsi that were 24 times above the limits set by the Bureau of Indian Standards. The center said it carried out tests on 57 samples taken from 11 soft drink brands made by Coca-Cola India and PepsiCo India and found a "cocktail of three to five different pesticides," all apparently present in groundwater used to make the drinks.

**Associated Press Newswires: August 09, 2006**

### **7.4.2 INDIA: INDIA COURT TELLS COCA-COLA, PEPSICO TO DISCLOSE DRINK MIXES**

India's top court has asked the local subsidiaries of Coca-Cola (KO) and PepsiCo (PEP) to disclose the ingredients in the soft drinks they sell here, amid allegations that they contain high levels of pesticide. The toxins found in the soft drinks could, if consumed over a long period, cause cancer, birth defects and damage to the nervous system, the Center for Science and Environment said in a report released earlier.

**Dow Jones International News: August 05, 2006**

## **7.5 PACIFIC: AUSTRALIA & NEW ZEALAND**

### **7.5.1 AUSTRALIA: PLAN FOR LOW FIRE RISK CIGARETTES**

THE Federal Government should force tobacco manufacturers to produce low fire risk cigarettes, Labor said. The sale of reduced fire risk cigarettes in Australia moved a step closer as Standards Australia released a draft plan for testing their performance. The special cigarettes commonly have ultra-thin paper bands, known as speed humps, along their length that stop them burning unless they are being inhaled. The cigarettes were made compulsory in New York State in June 2004 and Canada in 2005, with California expected to introduce similar laws next year, Standards Australia said. According to an Australasian Fire Authorities Council review, cigarettes in Australia cause more than 12 fires a day

**Australian Associated Press: August 26, 2006**

### **7.5.2 AUSTRALIA: TOBACCO GIANTS MAY BE FINED OVER PUB, CLUB RIGHTS**

Tobacco companies that have purchased the exclusive rights for tobacco sales at Victorian pubs and clubs could be fined millions of dollars. The Victorian Government will investigate whether the arrangements constitute a breach of the Tobacco Act, which restricts the promotion of tobacco. It has been revealed that cigarette makers have made payments to pubs with open-air areas so they will be able to accommodate smokers once new smoking bans come into effect in 2007. Philip Morris agreed to make a contribution to a proposal for a nightclub in South Melbourne with large outdoor areas. British American Tobacco Australasia has also admitted to financial deals with pubs and nightclubs. The State Government will determine whether such conduct constitutes sponsorship, which is in breach of the Act

**The Age: August 08, 2006**

### **7.5.3 AUSTRALIA: VICTORIANS SUPPORT PLAIN PACKAGING**

Just over half of the 3,000 adults consulted during a survey in Australia's state of Victoria supported the idea of introducing plain packaging for cigarettes, according to a report. The survey revealed 51 per cent of men and 53 per cent of women in favor.

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

## **8. TURF ABROAD**

### **8.1 UNITED STATES**

#### **8.1.1 USA: MARS PUTS FORWARD ROLLS INTO CAKE ZONE**

The Mars brand is rolling out into the biscuit category with the launch of a cake bar that bears its name. Manufactured under licence by UBUK, Mars Mini Rolls consists of a sponge base with a soft caramel filling, which is covered in milk chocolate. It has been designed to mirror the appeal of the confectionery bar but in a format more suitable to accompany

a cup of tea or coffee. Bars come in packs of six with an rsp of £1.09 and carry similar labelling to the chocolate bars. In-store sampling and PoS material will back the launch.

**The Grocer: August 19, 2006**

### **8.1.2 USA: NEW TROPICANA PURE 100 PERCENT JUICE LINE SHOWCASES PURELY LUSCIOUS FRUIT**

Tropicana Products, Inc., a division of PepsiCo, Inc. it is going beyond the juice aisle into the produce section with the introduction of Tropicana Pure, a new line of 100 percent fruit juices. Building on Tropicana's juice leadership and record of innovation, Tropicana Pure goes beyond breakfast and Tropicana's flagship orange juice and debuts in four nutrient-rich blends that showcase the taste of purely luscious fruit in striking, clear one liter bottles. The four delicious varieties include: Pomegranate Blueberry, Mango Orange, Triple Berry, and Valencia Orange.

**www.prnewswire.com**

### **8.1.3 USA: STATE MULLS NEW RULES TO REGULATE 'LITTLE CIGARS'**

The state Department of Revenue is considering new rules to regulate so-called "little cigars," which critics say are taxed at a lower rate and manufactured and packaged to attract young smokers. The proposed changes, to be discussed at a meeting, would apply cigarette taxes to any product that meets two or more of eight criteria, including being sold in packs of 20 or 25 or cartons of 10 packs, having the same size and shape as regular cigarettes or having a filter. Health group representatives criticized the little cigars, which they noted are sold in flavors like cherry or mint chocolate and have saccharin in the filters to sweeten the taste. Aside from being wrapped in brown paper instead of white, they look a lot like cigarettes.

**www.AP.com**

### **8.1.4 USA: PERMIRA FUNDS DEVOURS UNILEVER'S EUROPEAN FROZEN-FOODS DIVISION**

Unilever, the world's second-biggest food and detergent company, agreed to sell most of its European frozen-foods unit to Permira Funds for 1.73 billion euros (US\$2.21 billion) to focus on more profitable brands. Unilever expects an after-tax profit of more than 1 billion euros on the sale, according to a statement released. The brands, which include Iglo and Birds Eye, had revenue of 1.24 billion euros last year. Earnings growth at Unilever, the maker of Lipton tea and Dove soap, is trailing gains at Procter & Gamble Co and Kraft Foods Inc, the world's No. 2 food company. The frozen-foods brands were put up for sale in February.

**Shanghai Daily: August 29, 2006**

### **8.1.5 USA: AMERICAN USE BIOLOGY SENSING TECHNOLOGY EXAMINATION FOOD TOXIN**

US Ministry of Agriculture, agriculture research service center chemist developed the biology on the other day Sensing technology. Depends upon this technology, may examine the ham, the milk and in food and so on the egg class resisting heat Toxin. It is reported, the American scientists develop biological sensing technology main use staphylococcus and table the surface plasmagene resonates (SPR) to examine the toxin. SPR use light reflection metal thin film, these on the membrane meets the enclosed toxin and the antitoxin immune body member. When these members bind when the thin

film surface, Can change the light refraction the route, the light intensity change may the transmitted light feeling detector monitoring, from this Confirmed in food sample includes how much toxin.

[www.Bloomberg.org](http://www.Bloomberg.org)

## **8.1.6 USA: AVIS, P&G GIVE FLIERS WITH 'SMILE PACKS'**

Travelers stripped of carryon toiletries because of heightened airport security will find a consolation gift when they pick up Avis Rent Car vehicles in the nation's major airports. Cincinnati-based Procter & Gamble Co. has donated "smile packs" with its Crest toothpaste, mouthwash and floss that Avis will leave on the front seats of cars at 25 U.S. airports starting soon, Avis spokeswoman said. Some hotel chains also are giving guests expanded offerings of free toiletries when they check in, as companies move quickly to soothe harried travelers and earn some good will with freebies. Sources said P&G contacted the rental car company to discuss a partnership, in reaction to stepped-up security that dramatically expanded carryon bans in the aftermath of a thwarted plot to blow up U.S.-bound planes using liquid explosives.

**AFX-ASIA: August 15, 2006**

## **8.1.7 USA: NEW TOOTHPASTE, BRUSH FOCUS ON HEALTH**

Focusing more on the hazards of yucky-looking plaque than the sex appeal of a white smile, Procter & Gamble Co. has launched a toothpaste 10 years in development, and a low-cost, rechargeable power toothbrush -- the first new Oral-B product since that brand was acquired in the Gillette Co. merger. National advertising blitzes this month are backing the products, with ads depicting dental experts in ties and lab coats reporting their effectiveness in fighting gum disease and other mouth problems.

**AFX-ASIA Pte Limited: August 16, 2006**

## **8.1.8 USA: CADBURY BUYS 7UP BOTTLER**

Cadbury Schweppes has bought US bottler Seven-Up Bottling Co. in a deal worth US\$48m. The UK-based drinks-to-confectionery group said that it has bought the San Francisco-based bottler from the Easley family. Cadbury said the bottler operates in 29 counties across northern California, employing around 600 people. Its revenues last year stood at around US\$140m. The deal follows Cadbury's move in April to take full control of the Dr Pepper/Seven Up Bottling Group. Cadbury bought the 55% stake it did not already own for US\$353m.

[www.Just-Drinks.com](http://www.Just-Drinks.com)

## **8.1.9 USA: SKY'S THE LIMIT FOR ADVERTISERS**

Airlines sell space where they have it in search for revenue Airlines, desperate to raise additional revenue, are offering advertisers opportunities to place their messages on surfaces that used to be left relatively untouched, including tray tables and air- sickness bags. And they're finding lots of takers among companies that want to reach people who are often affluent -- and always captive. Low-fare carrier AirTran charges companies as much as \$50,000 a month to advertise on napkins, Hutcheson says. The airline also promotes Coca-Cola products on napkins and beverage cups as part of a larger

deal with its official soft-drink provider. Similar ads on napkins and tray tables generate about \$10 million a year for US Airways, spokeswoman Valerie Wunder says.

**USA Today: August 08, 2006**

## **8.1.10 USA: PARLUX SELLS PERRY ELLIS RIGHTS**

Fragrance and beauty products maker Parlux Fragrances Inc. said it agreed to sell its rights to Perry Ellis fragrance to Victory International LLC for up to \$140 million. Victory will pay \$120 million for the rights and \$20 million for inventory. That includes a deposit of \$1 million, \$10 million for inventory at closing and up to \$9 million on delivery. The \$120 million will be paid in 60 equal monthly installments of \$2 million, beginning 90 days after closing. Parlux said it was selling the rights to focus on developing celebrity fragrance brands. It holds licenses for Paris Hilton fragrances and other products, along with licenses to make designer fragrances for Guess, XOXO, and other brands.

**AFX-ASIA Pte Limited: August 16, 2006**

## **8.1.11 USA: U.S. CONSUMER PRODUCTS COMPANIES EXPECT POSITIVE REVENUE GROWTH IN THE YEAR AHEAD, PRICEWATERHOUSECOOPERS FINDS**

U.S. consumer products companies continue to expect positive revenue growth over the next 12 months, according to PricewaterhouseCoopers' Retail & Consumer Industry Practice's Consumer Products Barometer, released. In fact, 84 percent believe the domestic economy is growing, versus 75 percent last quarter. Despite concerns about the impact of runaway energy costs, executives expect average growth of 6.2 percent, unchanged from the prior quarter - but still below the all-industries benchmark of 8.9 percent.

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

## **8.1.12 USA: FDA PROPOSES BAN ON CREAMS TO LIGHTEN SKIN**

The Food and Drug Administration proposed banning over-the-counter sales of skin-lightening products, triggering a four-month comment period likely to provoke strong protests from dermatologists and other skin experts. Publishing the proposed rule in the Federal Register, the FDA said that the creams contained hydroquinone, a drug that, according to studies on rodents, showed "some evidence" of possibly causing cancer. But because these creams are a huge part of the U.S. market — the FDA estimates that in the United States alone about 65 companies sell more than 200 skin-bleaching products containing hydroquinone — reaction was swift, and negative. Under the hydroquinone proposal, all skin-bleaching products, both prescription-only and over-the-counter, would be considered "new drugs" and manufacturers would have to seek FDA approval to sell them with a prescription.

**Los Angeles Times: August 30, 2006**

## **8.1.13 FRENCH: CHOCOLATE - THE DELICIOUS SKIN CARE INGREDIENT**

Sensation Chocolate Paris is due to launch a new skin care range on the market this winter that taps into increasing demands for exotic, natural and effective ingredients. The French company has built up a portfolio of cocoa-based products in the space of the last year marketed on the antioxidant and nourishing effects of the ingredient on the skin and is now set to launch three further products. The range is sold at the 150 Spa and Beauty Institutes throughout France, as

well as the flagship Galleries Lafayette store in Paris. Sensation Chocolat co-founder Salomon Melki says he is now looking to extend distribution of the product range to the rest of Europe and North America and is currently looking for retailers and distributors. The new additions to the company's extensive and increasingly renowned product portfolio include Le Fondant O Chocolat face cream, La Mousse O Chocolat facial mask and Le Granit O Chocolat body scrub. Le Fondant O Chocolat is a face cream that is said to provide nourishing and protective properties to the skin thanks to cocoa butter.

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

#### **8.1.14 USA: JANSON BECKETT INTRODUCES NEW ANTI-AGING SKIN CARE PRODUCTS**

The facial and body care products include a night cream, a daytime sunblock and moisturizer, an anti-cellulite and body firming cream and a day cream priced, all priced between \$35 and \$99 to give the new products a premium positioning on the market. The company said that each of the new launches has been developed to follow its focus on producing formulas that give consumers a safe and effective means of 'rejuvenating aging and damaged skin'.

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

#### **8.1.15 USA: HOME PRODUCT TESTING: TOSS AND GO**

OxiClean Detergent is a new, low-suds detergent ball made to stay in your washing machine at all times whether the machine is on or not. The ball of detergent gradually dissolves during each wash cycle. Suggested retail price: \$6.99 for a starter kit that includes one OxiClean detergent ball and one rubber Toss-n-Go dispenser. A refill pack of two detergent balls costs \$9.99. The detergent will be available on store shelves sometime this month. Insert the ball into the blue rubber dispenser. Drop it into your washing machine. With each load of laundry, the ball will gradually dissolve. The amount and temperature of the water and the level of agitation in the wash cycle activate the release of detergent. The detergent ball weighs less than a pound and should wash 25 or more loads of laundry. It works in all washers and at all temperatures. Once the ball shrinks to the size of a golf ball, throw it away and replace it with a refill. When washing with the detergent ball, you will see fewer suds than with other detergents. Don't panic. This is a low-suds product. Wait until the load is done, and you will notice that your laundry is clean and fresh.

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

#### **8.1.16 USA: NAIL POLISH MANUFACTURERS REMOVE POTENTIALLY HARMFUL CHEMICALS**

Three major nail varnish manufacturers say they will begin removing chemicals linked to cancer and birth defects from their formulations, lobbyists at The Campaign for Safe Cosmetics claim. OPI, Orly and Del Laboratories, which makes the Sally Hansen Brands, have all acknowledged this week that they have begun removing a number of the suspect ingredients from their nail varnish products. The move is the result of a long-standing campaign by the lobby group that has targeted specific brands of nail varnish that are said to contain ingredients including phthalates, formeldahyde and toluene – ingredients that have all been scientifically linked to health-related conditions in humans.

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

## 8.2 UNITED KINGDOM

### 8.2.1 UK: LAST-MINUTE BUYS ARE OUT

Last-minute duty-free purchases of perfumes and alcohol before flights to the United States and Britain are out. Passengers flying to these destinations from Malaysia have to refrain from any last minute buying of any goods containing liquids and gels including perfumes, mineral water, shampoo, shaving cream and liquor. These will have to be discarded before they are allowed to enter the departure halls. There have been reports from the United States about passengers gulping down bottles of wine after they were told that the items would be seized. Malaysia Airports sources said this was part of the security measures implemented by the airport. All liquids and gels will have to be discarded when passengers enter the last checkpoint at the departure gate, adding that whatever was discarded would be destroyed. It was also learnt from security personnel that a choice would be given to passengers at the last checkpoint to either consume the bottled drinks, including liquor, on the spot or to throw them away. Apart from this measure, passengers on such flights would also be subjected to a physical search.

**Star Daily: August 13, 2006**

### 8.2.2 UK: VASELINE REJUVENATES OLD-FASHIONED IMAGE

Unilever UK Home & Personal Care is slapping on a £4m marketing campaign to back the relaunch of its Vaseline skincare and deodorant range in September. Improved formulations, updated packaging and a new product for feet and legs will get support from TV and press ads, as well as online and in-store activity. Advertising executions will signal the need to moisturise daily by focusing the fact that we lose up to half a pint of water because of evaporation through the skin every day. The idea is to boost penetration and consumption in the category and encourage consumers to buy across the range. At the moment, only a fifth of women moisturise their bodies on a daily basis, according to the company, with 62% of hand and body lotion purchasers buying only once a year.

**The Grocer: August 29, 2006**

### 8.2.3 GREAT BRITAIN: BRITISH AIRPORTS OPERATOR BANS COSMETICS

The operator of Britain's main airports banned all passengers' cosmetics unless they were bought at shops in the departure lounge. Travellers are now forbidden from taking talcum powder, lipstick, eyeliner and mascara through security checks, in a move designed to end confusion, according to a spokesman for the British Airports Authority, which operates London's Heathrow and Gatwick airports. All of the items except lipstick had been exempt from a wide-ranging ban imposed nearly two weeks ago in the wake of Britain's announcement that it had foiled a terror plot involving blowing up US-bound passenger jets. On Aug 10, Britain arrested 24 people in connection with the alleged plot and raised its terror alert level to "critical" - it's highest - leading to elevated security levels at the country's airports.

**Daily Telegraph: August 22, 2006**

#### **8.2.4 UK: PANTENE TO CHALLENGE GIANTS IN COLOURED HAIRCARE MARKET**

Procter and Gamble (P&G) is taking on rivals L'Oreal and Unilever with the launch of its Pantene Pro-V brand in the colour-specific hair care market. The new shampoo and conditioner range, Pantene Pro-V Colour Expression, launches this week. The range will be supported by a television and print advertising campaign, created by Grey London, designed to position the range as a premium product within the Pantene portfolio. The new range, which comprises an individual shampoo and conditioner and intensive treatment with Pro-Vitamin formula for blondes, brunettes and redheads, is being marketed as a product that maintains healthy hair with shine. It will be positioned between the Sunsilk and John Frieda ranges, with the shampoos and conditioners priced at £2.99 per 250ml bottle and the intensive range retailing at £3.99 per 150ml bottle. The Pantene launch follows a £6.5m relaunch of the Sunsilk brand and new products from John Frieda, including the launch of Luminous Colour Glaze in June.

**Marketing Week: August 03, 2006**

#### **8.2.5 UK: NOT EXACTLY ZERO, BUT BLOKES' COKE SALES FIZZLE OUT IN BRITAIN**

Global beverage company, Coca-Cola, has had disappointing sales of its new Coke Zero in the UK. The new sugar-free product is aimed at young men. It was launched with a \$8 million (\$A20 million) advertising campaign, 10 per cent of which was used for online advertising. Sales were good in the summer months of June and July 2006 but have since fallen. Sales have also been disappointing in the US. However, Coke Zero has gained a 13 per cent share of the Australian market, after being launched in 2005 with an \$A18 million marketing campaign

**The Australian: August 28, 2006**

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

#### **9.1 FRANCE: BECKHAMS LAUNCH HIS AND HERS FRAGRANCES**

David and Victoria Beckham have launched their own his and hers fragrances and cosmetics line, Intimately, as part a contract with leading fragrance provider Coty that saw David Beckham launch his Instinct fragrance last year. One of the world's best recognized couples, the Beckhams signed the deal with Coty back in February 2005, when the company said that they were planning to make a series of launches using the Beckhams' image and name. The fragrance comes as an Eau de Toilette as 30ml, 50ml and 75ml bottles, while toiletry lines include a hair and body wash, deodorant spray and a deodorant stick all ranging from 2.50 (? = €1.48). Intimately Beckham for her fragrance is said to combine Casablanca Lily, tuberose, orange blossom, with layers of musk, vanilla and sandalwood to produce a perfume that is soft, feminine and floral.

**NOVIS Cosmetics News: August 25, 2006**

#### **9.2 NETHERLANDS: FRAGRANCE CONTINUES TO BE DRIVING FORCE FOR GIVAUDAN**

Sales of premium fragrances continue to be the main driving force behind a healthy performance for fragrance and flavours player Givaudan, as the Swiss company confirms it will be keeping its eye on opportunities to further consolidate its position in the market. The company beat market expectations by announcing a 28 per cent jump in first-

half net profits compared to the same period in 2005, to reach CHF215.7m (€137.2m) on the back of first half sales that were up 3.7 per cent in local currencies and 7.8 per cent in Swiss Francs, to reach CHF1.47bn. However, the results also showed that growth slowed down significantly in the second quarter, coming in slightly below market expectations.

**NOVIS Cosmetics News: August 07, 2006**

### **9.3 SWITZERLAND: DUTCH CIGAR INDUSTRY HOLDING ITS OWN**

Sales of cigars produced by the Dutch cigar industry last year, at 2.545 billion, were down slightly on those of the previous year (2.555 billion), but up on those of 2003 (2.201 billion). The industry exported 2.342 billion cigars last year, compared with 2.281 billion in 2004 and 2.183 billion in 2003. Of the 2005 'exports', 2.048 billion were to other countries within the EU. Meanwhile, the trend of increasing sales of cigarillos and falling sales of larger cigars, such as senioritas, has continued on the Dutch market. Of the 465 million cigars consumed in the Netherlands last year, 51 per cent were cigarillos, as against 48 per cent in 2004 and 47 per cent in 2003. Also in 2005, wild cigarillos accounted for 18 per cent of sales, senioritas for 12 per cent, wild senioritas for 11 per cent, and panatelas for four per cent, coronas for three per cent and bolknaks for one per cent. The share of flavored cigarillos is also increasing, and they accounted for 15 per cent of the market last year.

**[www.Tobacco.org](http://www.Tobacco.org)**

### **9.4 GERMANY: SCENT OF £50M AS P&G PUTS EAU DE COLOGNE UP FOR SALE; STANDARD REPORTER**

THE world's most historic perfume brand, 4711, the scent that put the 'eau' in Cologne, is up for sale. Owner Procter & Gamble said the brand and its preserved headquarters building in Cologne, Germany, will be sold for 'strategic reasons'. The asking price has not been disclosed, although is expected to be more than £50 million. The 4711 brand - pronounced four-seven-eleven - is derived from the shop's number in a 19th century numbering scheme of city buildings and was registered in 1875. Its exports from Germany have declined and the perfume is mainly associated with elderly ladies.

**The Evening Standard: August 16, 2006**

### **9.5 EUROPE: EUROPEAN UNION CLEARS KRAFT, UNITED BISCUITS DEAL**

European Union (EU) regulators have given the go-ahead to Kraft Foods' proposed acquisition of United Biscuits' (UB) European operations. The European Commission's antitrust approval of the \$1.07 billion (€840 million) purchase of the Spanish and Portuguese units will purportedly allow US-based Kraft to expand its cookie sales across Europe. The agreement also gives Kraft the rights to all Nabisco trademarks, including Oreo and Ritz, in the EU, Eastern Europe, the Middle East and Africa. The purchase includes seven plants in the region and the rights to all the group's local biscuit brands.

**Datamonitor News and Comment: August 29, 2006**

### **9.6 TURKEY: NESTLE WATERS ANNOUNCES MERGER WITH ERIKLI SU.**

Nestle Waters announced that its Turkish business will merge with local bottled-water producer Erikli Su into a joint venture company. Nestle Waters said that the deal between Erikli and Nestle Waters consists in an alliance with

reciprocal shareholding, leading to the creation of a common company combining the operations of both local companies. The statement released by Nestle Waters regarding the merger added that it will own a 60% stake in the joint venture and Hasan Aslanoba, current president of Erikli, will own the remaining 40%. Nestle Waters has two production facilities in Turkey. Erikli Su is the market leader and the company's sales were USD 55mn last year.

**Turkey Sectors and Companies Today: August 04, 2006**

#### **9.7 UAE: GULF BEAUTY MARKET SOARS TO \$800 MILLION**

The GCC beauty and fragrance market grew by 19 per cent in 2005 to \$800 million due to an increasing sophistication in retail and distribution networks, according to an International Cosmetic News-Middle East report. In its annual review, the publication rated Qatar as the fastest-growing market in the GCC followed by Kuwait, Saudi Arabia and the UAE. Saudi Arabia and the UAE remained the largest markets, accounting for a combined 72 per cent of sales of the \$800 million GCC beauty industry.

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

#### **9.8 UAE: NESCAFE LEADS SOLUBLE COFFEE MARKET WITH 88% MARKET SHARE IN MIDDLE EAST**

Nestlé, the world's largest food & Beverage Company, has announced that the consumption of NESCAFE in the Middle East has increased to 1.3 billion cups in 2005 – a remarkable annual growth of 15% (a steady growth during the past few years). Beverage consumption studies\* commissioned by Nestlé Middle East in the GCC States and the Levant, threw up interesting facts: instant soluble coffee's share of throat \*\* has grown five times from what it was in 2000. The category is lead by NESCAFE – 88% market share leader in the GCC and the world's Number One coffee.

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

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