

MarketWatch

@ ACNielsen Asia Pacific

<< fmcg >>

JUNE 2006

IN FOCUS...

AUSTRALIA: "MIDDLE CLASS" IS OUT, "SYMBOLS OF SUCCESS" IN

Which tribe do you belong to? Marketeers are now dividing consumers into tribal groups to more accurately describe their socio-economic status. Career professionals living in sought-after locations are known as "Symbols of Success". And if you are an independent older person with a relatively active lifestyle you belong to the "Grey Perspectives" group. International market analysis companies have come up with more than 60 subgroups or tribes. Speaking in Brisbane at Museums Australia's "Exploring Dynamics" conference, Sir Peter referred to a study by British think tank Demos, which identifies 10 broad types of people who use public space. Sir Peter said new markets were constantly emerging though a combination of demographic and lifestyle changes, and sellers of goods and services had to keep up with them to compete and survive. Although Sir Peter's research focuses on Britain, he says populations around the world can be subdivided into a wide range of tribes. Other tribal names include "Burdened Optimists" - first generation owner-occupiers, many with large amounts of consumer debt. Jim, from the UK sitcom *The Royle Family*, is an example of a "Home Bird" who lives a cocooned life. Dot Cotton from long running British soap *Eastenders* falls under the category "Mall Walkers" - older women, young mums and unemployed people who frequent shopping malls, department stores and bus stops to fight boredom. The British study mentions Harold Bishop from Australian soap *Neighbours*, who's referred to as a "Public Spirit", someone who is always ready to strike up conversation with a stranger.

AAP General News: May 16, 2006



INDEX

1. INDUSTRY NEWS	9
1.1 GREATER CHINA: HK, CHINA AND TAIWAN	9
1.1.1 China: China's export of edible oil in March 2006	9
1.1.2 USA/China: US's Warburg Pincus to acquire China's Gum	9
1.1.3 China: Givaudan on track with world's largest flavours plant	9
1.1.4 China: Hong Kong-listed Water Oasis to market Johnson & Johnson's Neutrogena products in China department stores	9
1.1.5 China: Shiseido to expand Chinese store network by 70% in fy06	10
1.1.6 China: China's output of canned food in March 2006	10
1.2 KOREA & JAPAN	10
1.2.1 Korea: Lotte's failure to acquire Carrefour casts shadow over expansion plan	10
1.2.2 Korea: Fries and potato chips could pose new health risk	10
1.2.3 Korea: PwC Japan loses first major client	10
1.3 SOUTHEAST ASIA: SINGAPORE, MALAYSIA, THAILAND, INDONESIA, VIETNAM, PHILIPPINES	11
1.3.1 Thailand: Oil crisis, tsunami boost Thai appetite for packaged food	11
1.3.2 Malaysia: GPO seeks to improve flexibility	11
1.3.3 Philippines: Henkel revenues hit P1.7B in 2005	11
1.3.4 Thailand's cosmetics business in year 2006: Focusing on quality ... differentiation ... expanded markets	12
1.3.5 Indonesia: Indonesian sweetener market surges on cheaper products	12
1.3.6 Malaysia: Prima Agri joins up with major food group to expand	12
1.3.7 Malaysia: Operators hit by sugar shortage	12
1.3.8 Malaysia: Malaysia's CAB sees 200 pct rise in chicken production next year - report	13
1.3.9 Malaysia: Moët Hennessy introduces its New World wines	13
1.3.10 Philippines: Unilever to tap halal mart	13
1.3.11 Philippines: Squeezing a fortune out of juice packs	13
1.3.12 Malaysia: Dairy farms seeks hike in tariff on foreign milk	14
1.3.13 Malaysia: Fruit juice makers target new markets	14
1.3.14 Philippines: Nescafé investing P600m this year	14
1.4 SOUTH ASIA: INDIA, SRI LANKA, BANGLADESH, NEPAL	14
1.4.1 India: Go rural: Fast moving consumer goods firms clock higher growth in small markets	14
1.4.2 India: FMCGs buck inflationary pressure to post volume growth	15
1.4.3 India: Global spirit high on desi whiskies	15
1.5 PACIFIC: AUSTRALIA & NEWZEALND	15
1.5.1 Australia: Australian food vulnerable to terrorists, says report	15

1.5.2	Australia: Coca-Cola Amatil loses fizz	15
1.5.3	Australia: Grape waste converted into dietary supplements	15
2.	PERSONAL CARE	16
2.1	GREATER CHINA: HK, CHINA AND TAIWAN	16
2.1.1	China: Germany's Gerresheimer buys majority stake in China's Shuangfeng Group	16
2.1.2	China: China produces 5.2 billion tubes of toothpaste in 2005	16
2.2	KOREA & JAPAN	16
2.2.1	Japan: Flavoured oxygen concentrate for sale in Japan	16
2.2.2	Japan: Shiseido's shampoo and conditioner	17
2.3	SOUTHEAST ASIA: SINGAPORE, MALAYSIA, THAILAND, INDONESIA, VIETNAM, PHILIPPINES	17
2.3.1	Philippines: Skin whiteners lead Unilever's bestsellers	17
2.3.2	Indonesia: L'Oreal means bye-bye wrinkles	17
2.3.3	Thailand: Scotch banks on collagen	18
2.4	SOUTH ASIA: INDIA, SRI LANKA, BANGLADESH, NEPAL	18
2.4.1	India: P&G bets on Max Factor launch in India	18
2.4.2	India: Godrej Consumer dips fingers into a different pie	18
2.4.3	India: Specially for skin	18
2.4.4	India: Germ protection	19
2.4.5	India: The real thing	19
2.4.6	India: For sun signs	19
2.5	PACIFIC: AUSTRALIA & NEWZEALND	19
2.5.1	New Zealand: Boots will open first Dubai outlet in June	19
3.	FOOD / LIQUOR & BEVERAGES	20
3.1	GREATER CHINA: HK, CHINA AND TAIWAN	20
3.1.1	China: China's export of fresh and frozen rabbit meat in February 2006	20
3.1.2	China: Roquette riding fast growth in Chinese confectionery	20
3.2	KOREA & JAPAN	20
3.2.1	Japan: Aussie wines are flowing freely in Japan	20
3.2.2	Japan: Japanese seafood firms add Thai sushi facilities	21
3.2.3	Korea: AgroLabs Thai Mangosteen healthful juice supplement	21
3.2.4	Japan/China: Japan's Suntory to double soft drink output in China by 2007 - report	21
3.2.5	Japan: Kikkoman Expanding U.S. Health Food Ops Via Country Life Unit	21
3.2.6	Korea: Doosan's New Soju Dominates Market	22
3.2.7	Korea: New York wines introduced to Korea	22
3.2.8	Korea: Gongxi Serves Juicy Dumplings	22

3.2.9	Japan: Japanese break down noodle curtain _____	22
3.2.10	Japan: Asahi to release new beer called Prime Time _____	22
3.3	SOUTHEAST ASIA: SINGAPORE, MALAYSIA, THAILAND, INDONESIA, VIETNAM, PHILIPPINES _____	23
3.3.1	Indonesia: Indonesian sweetener market surges on cheaper products _____	23
3.3.2	Thailand: Bumble Bee Foods buys stake in Thai tuna processor _____	23
3.3.3	Thailand: Pepsi sets high goals for diet cola _____	23
3.3.4	Thailand: French wine to go with Thai tom yum _____	24
3.3.5	Indonesia: Unilever to Acquire Tea Producing Company _____	24
3.3.6	Indonesia: Indonesian firm aqua to build drinking water plants _____	24
3.3.7	Philippine: Alaska to expand powdered milk line _____	24
3.3.8	Thailand: Cargill taps Thai tapioca potential _____	24
3.3.9	Malaysia: Mofaz Dagang Aims Rm28.8 Mln Sales For Mecca-cola By 2nd Qtr Next Yr _____	25
3.3.10	Malaysia: moa to promote m'sian fruits to NAM member countries _____	25
3.3.11	Philippines: Heinz to continue distribution in the Philippines _____	25
3.3.12	Philippines: Flour, ice cream sales lift RFM's net _____	25
3.3.13	Philippines: Purefoods goes into snack foods _____	25
3.3.14	Philippines: Petra Foods to concentrate manufacturing in 2 sites _____	26
3.3.15	Thailand: Water filter maker expands into bottled water _____	26
3.3.16	Thailand: Thai Frozen Union Products Plc acquires 76.5% stake in Indonesian Tuna Company _____	26
3.3.17	Thailand: Baker plans new B300m factory _____	26
3.3.18	Vietnam: Arla Foods prepares to move into Vietnam _____	27
3.3.19	Thailand: Joint venture launches green tea _____	27
3.3.20	Vietnam: Dairy firm launches first products _____	27
3.3.21	Vietnam: Sabeco to Build \$80Mln Beer Factory in Can Tho _____	27
3.3.22	Vietnam: Vietnamese tea producers seek markets in Thailand _____	28
3.3.23	Thailand: Lamphun firm pushes health drink to drive Thai fruit exports _____	28
3.3.24	Thailand: Unilever Thai Trading expands Wall's ice cream business _____	28
3.3.25	Vietnam: US food giant invests in Vietnam _____	28
3.3.26	Thailand: Thai Beverage Plc eyes Vietnam beer market _____	28
3.4	SOUTH ASIA: INDIA, SRI LANKA, BANGLADESH, NEPAL _____	29
3.4.1	India: Jollibee mulls bringing Chinese food brand to India _____	29
3.4.2	India: Ready to serve _____	29
3.4.3	India: ITC adds 10 more Slurpies to its 'kitchens of India' menu _____	29
3.4.4	India: Fast food _____	29
3.4.5	India: Snack away 'Sattu' power _____	29
3.3	PACIFIC: AUSTRALIA & NEWZEALAND _____	30
3.3.1	Australia: NatFoods and Berri boost San Miguel _____	30

3.3.2	Australia: Golden Circle sells baby food business _____	30
3.3.3	Australia: Maersk in the soup with Heinz _____	30
3.3.4	Australia: Arla Foods launches phospholipids milk extract _____	30
3.3.5	Australia: Chocolate on a stick _____	31
3.3.6	New Zealand: Orchardists launch new apple juice brand _____	31
3.3.7	Australia: Burns Philp cashes in snacks _____	31
3.3.8	Australia: FoodWorks responds to healthy trend with Best Buy fruit buys _____	31
3.3.9	Australia: Nestle, Aldi in dispute over display of imported coffee brands _____	31
3.3.10	Australia: Sanitarium promotes better lunches _____	32
3.3.11	Australia: Wine glut to knock McGuigan _____	32
3.3.12	Australia: Refresh Group Acquires Plant in Kalgoorlie _____	32
3.3.13	New Zealand: Mr Chips' profit loses some flavour _____	32
3.3.14	Australia: Nestlé expands nutritious snack business _____	33
3.3.15	New Zealand: New Zealand vodka maker plans to double Australian sales _____	33
3.3.16	Australia: Alcohol on Coke's horizon _____	33
3.3.17	Australia: Wine lake heads for 800m litres _____	33
3.3.18	Australia: Low fats brands capturing an evolving market _____	34
3.3.19	Australia: Seasonal soup segment grows as competition heats up _____	34
3.3.20	Australia: Basco's gluten free soup offering _____	34
4.	CIGARETTE /TOBACCO PRODUCTS _____	34
4.1	GREATER CHINA: HK, CHINA AND TAIWAN _____	34
4.1.1	China: Cigar lovers delight in new stogy store _____	34
4.2	KOREA & JAPAN _____	35
4.2.1	Korea: Tobacco Industry Faces Price War _____	35
4.2.2	Korea: Bat Korea raises share of s. Korean tobacco market to 16 pct _____	35
4.3	SOUTHEAST ASIA: SINGAPORE, MALAYSIA, THAILAND, INDONESIA, VIETNAM, PHILIPPINES __	36
4.3.1	Thailand: Cigarette maker Phillip Morris asks Thai government for fair treatment on taxation _____	36
4.3.2	Philippine: Tobacco losses seen to reach P1B mark _____	36
4.3.3	Indonesia: Cigarette Excise Tariff to be reviewed _____	36
4.3.4	Malaysia: Ban on Sale of Cigarette Packets of 14 Sticks and Less from June 1 _____	37
4.3.5	Thailand: World Cup 2006 spurring tobacco consumption _____	37
4.4	SOUTH ASIA: INDIA, SRI LANKA, BANGLADESH, NEPAL _____	37
4.4.1	India: Tobacco, products exports up 2% _____	37
4.4.2	India: Snuffing out smoking with pictorial health warnings _____	37
4.4.3	India: ITC posts 24 percent increase in profit _____	38

4.5	PACIFIC: AUSTRALIA & NEWZEALAND	38
4.5.1	Australia: Wilson in to bat for tobacco giant	38
5.	HOUSEHOLDCARE/OTHER PRODUCTS	39
5.1	GREATER CHINA: HK, CHINA AND TAIWAN	39
5.1.1	China: Healthcare products supplier Kimberly establishing its China HQs in Shanghai	39
5.2	KOREA & JAPAN	39
5.3	SOUTHEAST ASIA: SINGAPORE, MALAYSIA, THAILAND, INDONESIA, VIETNAM, PHILIPPINES	39
5.3.1	Thailand: Kimberly-Clark blowing Bt84m into tissue factory	39
5.3.2	Philippines: Kimberly-Clark joins Davao technology show	39
5.3.3	Philippines: German Detergent Bar to Enter Philippine Market	40
5.4	SOUTH ASIA: INDIA, SRI LANKA, BANGLADESH, NEPAL	40
5.4.1	India: Arpita Agro eyes a bigger canvas	40
5.4.2	India: Reckitt Benckiser to expand Dettol range	40
5.4.3	India: Coiling up to unleash repellents	40
5.4.4	India: Henkel India goes thro' SHEQ audit	41
5.5	PACIFIC: AUSTRALIA & NEWZELAND	41
6.	MEDIA NEWS	41
6.1	GREATER CHINA: HK, CHINA AND TAIWAN	41
6.2	KOREA & JAPAN	41
6.3	SOUTHEAST ASIA: SINGAPORE, MALAYSIA, THAILAND, INDONESIA, VIETNAM, PHILIPPINES	42
6.4	SOUTH ASIA: INDIA, SRI LANKA, BANGLADESH, NEPAL	42
6.4.1	India: Fast moving consumer goods back in action abstract	42
6.4.2	India: Ice-cream sector hotting up this summer	42
6.4.3	India: Rexona flags off fight against body odour in Mumbai	42
6.5	PACIFIC: AUSTRALIA & NEWZELAND	43
6.5.1	Australia: Health bodies join lobby against junk food ads	43
6.5.2	New Zealand: TV car ad scoots away from complaints	43
6.5.3	Australia: The rise of the mall	43
7.	GOVET POLICY/REGULATIONS	44
7.1	GREATER CHINA: HK, CHINA AND TAIWAN	44
7.1.1	China: Safety alert on counterfeit seasonings	44
7.1.2	China: Quality watchdog says benzene content of ROK beverage within required limit	44

7.1.3	China: Biacore targets China with food analysis kits _____	44
7.1.4	China: Anti-dumping duties imposed on imported food additives _____	45
7.1.5	China: China gears up for Japan's tough residue limits _____	45
7.1.6	China: Candy firm gets delayed payment _____	45
7.1.7	China: Alarm over tainted baby bottles _____	45
7.2	KOREA & JAPAN _____	46
7.3	SOUTHEAST ASIA: SINGAPORE, MALAYSIA, THAILAND, INDONESIA, VIETNAM, PHILIPPINES __	46
7.3.1	Malaysia: Malaysia to certify halal cosmetics _____	46
7.3.2	Malaysia: Banned substance readily available _____	46
7.3.3	Philippines: Millions lost to VAT-free sugar sale by cooperatives _____	46
7.3.4	Thailand: European Union unlikely to step up hygiene rules until 2011 _____	47
7.3.5	Malaysia: Global Halal Mart Can Reach Us\$1 Trillion, Halal Forum Told _____	47
7.4	SOUTH ASIA: INDIA, SRI LANKA, BANGLADESH, NEPAL _____	47
7.4.1	India: 'White Paper' sought on act banning tobacco-related advertisements _____	47
7.4.2	India: Levy of central excise _____	47
7.4.3	India: Imports to be eased to curb prices _____	47
7.5	PACIFIC: AUSTRALIA & NEWZELAND _____	48
7.5.1	Australia: New bottled water code _____	48
7.5.2	Australia: Juice maker forced to change labels _____	48
7.5.3	Australia: Demand for food labelling ignored _____	48
7.5.4	Australia: Country labels canned _____	48
7.5.5	Australia: Australia moves to ban confectionery in schools _____	49
7.5.6	Australia: Purple pain for Cadbury _____	49
8.	TURF ABROAD _____	49
8.1	UNITED STATES _____	49
8.1.1	USA: Church & Dwight profit, sales rise _____	49
8.1.2	USA: Hulk Hogan to launch energy drink with Bliss Beverage _____	49
8.1.3	USA: Estee Lauder and Revlon both post big profit drop _____	50
8.1.4	USA: Food companies going after Hispanic families _____	50
8.1.5	USA: Colgate has a response to new Crest toothpaste _____	50
8.1.6	USA: Nina Ricci unveils major new women's scent _____	51
8.1.7	USA: Beverage firms to stop selling sodas in US schools _____	51
8.1.8	USA: California sues Coca-Cola, alleging Mexican-made Coke contains lead _____	51
8.2	UNITED KINGDOM _____	51
8.2.1	UK: Stilton launch blue cheese perfume _____	51
8.2.2	UK: Unilever takes top spot from P&G in UK's top 100 advertisers _____	52

8.2.3	UK: Kraft and Premier Foods eye United Biscuits _____	52
8.2.4	UK: Nestle investigates smart labels _____	52
9.	REST OF THE WORLD _____	52
9.1	Czech Republic's: Czech scientists brew menopause beer _____	52
9.2	France: Skintech expects to bank on upscale men's positioning _____	53
9.3	Italy: Coty Prestige revs up Chopard's masculine business with a new flagship fragrance _____	53
9.4	Brussels: Tighter rules to combat misleading food labelling in Europe _____	53
9.5	Brazil: Brazil is the fourth largest cosmetics market in the world _____	54
9.6	Russia: Russian Ban on Georgian Mineral Water _____	54
9.7	Finland: Cancer-fighting gum developed in Finland _____	54
9.8	Belgian: Inbev looks for further deals in China _____	55
9.9	Australia: Old spices find a new squeeze _____	55
9.10	Dubai: Emirates keen to push kl halal hub plan _____	55
9.11	Dubai: Boots will open first Dubai outlet in June _____	55

Disclaimer:

The news has been collated from published information in the public domain and does not violate any copyright.

We are not responsible for the veracity or accuracy of the information.

This information is being supplied free of cost.

For further Details & suggestions,

Please contact

India, Baroda Info-Centre@acnielsen.co.in

1. INDUSTRY NEWS

1.1 GREATER CHINA: HK, CHINA AND TAIWAN

1.1.1 CHINA: CHINA'S EXPORT OF EDIBLE OIL IN MARCH 2006

China exported 35,159 tons of edible oil valued at 23.118 million US dollars in March 2006. The export in January-March reached 113,480 tons valued at 76.320 million US dollars, up 318.3 percent and 206.7 percent respectively year on year.

China Economic Information Service: May 29, 2006

1.1.2 USA/CHINA: US'S WARBURG PINCUS TO ACQUIRE CHINA'S GUM

Warburg Pincus, a US buy-out firm, plans to acquire Gum, a producer of a food additive, with about 100mln usd in financing in a leveraged buy-out, the South China Morning Post reported, citing an unidentified source. The Hong Kong newspaper's source did not disclose how much Warburg Pincus is paying for Gum, or the size of the stake it plans to buy. Gum produces xanthan gum, made from fermented corn sugar, which can be substituted for gluten in food that is baked, such as pizza dough. The chemical is also used as a thickening agent in cosmetics and in the oil industry. Gum has an annual production capacity of 20,000 tonnes, mainly for export, and supplies multinational food companies such as Kraft and Unilever. This is Warburg Pincus's second attempt at a buy-out in China.

Afxasia: May 26, 2006

1.1.3 CHINA: GIVAUDAN ON TRACK WITH WORLD'S LARGEST FLAVOURS PLANT

Leading flavours house Givaudan says a new facility in Shanghai, claimed to be the world largest flavours plant, will allow it to capture rising demand for quality and innovative flavours in the Chinese food and beverage market. The new creation, technology and production centre, first announced in 2004, is on track to be fully operational from August, and technical and commercial staff will start moving in at the end of this month. China accounted for 3-4 per cent of Givaudan's SF2.8bn (€1.8bn) revenue in 2005 but represents a significant opportunity for future growth, according to the company.

NOVIS Food&Beverage News: May 11, 2006

1.1.4 CHINA: HONG KONG-LISTED WATER OASIS TO MARKET JOHNSON & JOHNSON'S NEUTROGENA PRODUCTS IN CHINA DEPARTMENT STORES

Water Oasis Group Ltd. said it has entered into an agreement with Johnson & Johnson China Ltd., under which it will distribute Neutrogena skin care products for Johnson & Johnson exclusively at department stores in China. The agreement grants Water Oasis a 3-year exclusive right, which can be renewed for another three years, to operate Neutrogena counters and render related value-added services.

Afxasia Newswire - Global: May 15, 2006

1.1.5 CHINA: SHISEIDO TO EXPAND CHINESE STORE NETWORK BY 70% IN FY06

Japan's Shiseido Co. plans to raise the number of its boutiques in China to 1,700 by the year ending March 2007, a 70 per cent increase from the previous fiscal year. Japan's largest cosmetics manufacturer also aims to lift its Chinese sales to 40 billion yen (US\$356.45 million), up from 30 billion yen in fiscal 2005. In a bid to catch up to French firm L'Oreal SA as well as other U.S. and European rivals, Shiseido will tap demand outside of major cities by broadening its sales channels. Because Shiseido anticipated that its customers would consist primarily of high-income earners, it has been setting up shop mostly in department stores. Of China's roughly 3,500 department stores, the firm considers about 500 to be high-end because of their lineup of foreign brands and extensive customer service.

Asia Pulse: May 22, 2006

1.1.6 CHINA: CHINA'S OUTPUT OF CANNED FOOD IN MARCH 2006

China produced 274,100 tons of canned food in March 2006. The output in January-March reached 779,100 tons, up 9.3 percent year on year, according to the National Bureau of Statistics.

China Economic Information Service: May 22, 2006

1.2 KOREA & JAPAN

1.2.1 KOREA: LOTTE'S FAILURE TO ACQUIRE CARREFOUR CASTS SHADOW OVER EXPANSION PLAN

Lotte Shopping Co.'s unexpected loss in the acquisition battle over Carrefour SA's Korean unit last month has scuppered the retail giant's plans to expand its discount store unit and become a market leader, experts say. Most experts expected Lotte, operator of the country's largest department store, to win the acquisition bid because it had the funds on hand from the \$3.54 billion raised from its flotation in February. The company had announced in its New Year corporate plan to step up investment in its discount business this year of expansion to strengthen its market position.

The Korea Herald: May 19, 2006

1.2.2 KOREA: FRIES AND POTATO CHIPS COULD POSE NEW HEALTH RISK

French fries and potato chips contain higher levels of a substance believed to cause cancer than was previously thought, an environmental civic group said. However, the nation's health watchdog said it has not yet been determined whether the quantities are enough to pose any harmful effect on health. In the meantime the Korea Food and Drug Administration said it is seeking ways to reduce levels of the substance, acrylamide, in food.

The Korea Herald: May 03, 2006

1.2.3 KOREA: PWC JAPAN LOSES FIRST MAJOR CLIENT

Chuo Aoyama PwC has lost its first major client after last week's revelations that the firm would be suspended for two-months because of its audit of Kanebo. Shiseido, the world's fourth biggest cosmetics company, has publically revealed

that it will no longer use Chuo Aoyama PwC as its auditors, the FT reports. The cosmetics giant will now use KPMG Azsa & Co as its auditors. The group said its auditor needed to maintain 'independence and impartiality'.

www.FT.com

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

1.3.1 THAILAND: OIL CRISIS, TSUNAMI BOOST THAI APPETITE FOR PACKAGED FOOD

Soaring oil prices and a tsunami did little damage to packaged food sales in Thailand last year and instead, brought increased consumption ahead of anticipated price rises. Most food products enjoyed continued sales growth, while categories like snack bars and ready meals recorded a jump in sales, reveals a new report. Sales of snack bars rose by 12.6 per cent during the year in value terms, while ready meals increased by 8.9 per cent, according to the Euromonitor report. These products are being boosted by the shift to a modern lifestyle and resulting demands for convenience. The amount spent on all packaged foods increased by 6 per cent during 2005, to BT197 billion (4 billion).

NOVIS Food&Beverage News: May 23, 2006

1.3.2 MALAYSIA: GPO SEEKS TO IMPROVE FLEXIBILITY

The Government Pharmaceutical Organisation (GPO) plans to revamp its structure to make it as flexible as the private firms it competes with in the lucrative food-supplement and cosmetic markets, its managing director said. The revamp would enable the GPO to double sales to Bt10 billion a year within five years. The government agency under the Ministry of Public Health manufactures and sells medicines. It has also launched a new product line that includes skincare products, which competes with products from multinationals.

The Nation: May 28, 2006

1.3.3 PHILIPPINES: HENKEL REVENUES HIT P1.7B IN 2005

A world leader in laundry and home care; cosmetics and toiletries; and consumer and craftsmen adhesives announced it was putting greater stress on social development efforts after growing its revenues to about P1.7 billion as of 2005. President of Henkel Philippines Inc., said in a press conference the firm had built up its sales performance a thousand times from about P1.3 million over the past 30 years since the German parent company first put up its subsidiary here. The Henkel group is known worldwide through the Vernel fabric conditioner, Persil heavy-duty detergent, Pril dishwashing liquid, Dial bath soap, among other brands. Goldberg said the company would soon announce various projects related to sustainability and corporate social responsibility amid its “buoyant business outlook as a long-term (investor)” in the country.

www.moreover.com

1.3.4 THAILAND'S COSMETICS BUSINESS IN YEAR 2006: FOCUSING ON QUALITY ... DIFFERENTIATION ... EXPANDED MARKETS

At present, Thai consumer behavior is showing increased interest in cosmetics. Cosmetics have become an important part in the daily lives of many consumers of both genders and all age groups ranging from the teenagers and students to the working-aged persons, among not only female consumers, but also males; a relatively new group whose importance is increasing. Cosmetics are used to enhance beauty as make-up or are skin care preparations, preparations for hair, as well as oral and dental hygiene, shaving, bathing and personal deodorants. At present, cosmetic products in Thailand have an aggregate market value of more than THB20 billion. As for the domestic market in 2006, Kasikorn Research Center (K Research) holds the view that it will likely remain unchanged from last year at around 8-10 percent due to the slowing economy. Products that are reaching market saturation include shampoos, conditioners and soap bars, while cosmetic products with healthier trends include sunscreen lotions, wrinkle treatment cream and whitening products.

Thai News Service: May 31, 2006

1.3.5 INDONESIA: INDONESIAN SWEETENER MARKET SURGES ON CHEAPER PRODUCTS

Use of sweeteners in Indonesia has surged in the last year, as food and beverage makers seek cheaper alternatives to sugar. Imports of lactose, glucose and fructose rose 120 per cent during 2005 to 67,000 tons, up from 30,000 tons the previous year, according to a recent report from the US department of agriculture (USDA). But demand for synthetic sweeteners has had an even stronger boost. Data released from the National Consumer Protection Board last week shows that saccharin imports were up by 1,700 per cent to 23.23 tons in the first 11 months of 2005 from only 1.3 tons in 2004. Around 95 per cent of the saccharin came from China.

NOVIS Food&Beverage News: May 22, 2006

1.3.6 MALAYSIA: PRIMA AGRI JOINS UP WITH MAJOR FOOD GROUP TO EXPAND

The firms have agreed to create a joint venture, to be called Comgroup Prima that will take over Prima-Agri's current business supplying beef patties to fast-food giants like Burger King, A&W and TGI in Malaysia. But it is also in negotiations to enter lucrative markets within the region such as China and the Middle East, said the companies in a release. The deal was reached during the World Halal Forum, a conference on halal food production in Kuala Lumpur earlier this month. The demand for halal food has never been measured but estimates of its current size range from US\$150 to 500 billion. It is growing with the rising purchasing power of Muslim countries.

NOVIS Food&Beverage News: May 26, 2006

1.3.7 MALAYSIA: OPERATORS HIT BY SUGAR SHORTAGE

A sugar shortage has forced several small- and medium-scale food manufacturers in three districts in Kedah to cut production. The makers of chilli and rojak sauce, carbonated drinks and 3-in-1 coffee claimed supply had been erratic over the past two weeks, forcing them to reduce production or buy sugar from retailers. Kedah Rural Industry Chamber chairman said the shortage had affected operators here and in Pendang and Sik for the past two weeks.

New Straits Times: May 08, 2006

1.3.8 MALAYSIA: MALAYSIA'S CAB SEES 200 PCT RISE IN CHICKEN PRODUCTION NEXT YEAR - REPORT

CAB Cakaran Corp Bhd, which was transferred to Bursa Malaysia's main board, aims to increase its production of dressed and processed chickens, The Star reported. The poultry division is expected to contribute 50 pct of revenue within two years, with the remainder split equally between the marine products and value-added chicken-based products division. CAB Cakaran's production of dressed and processed chickens will increase 200 pct a month to 1.5 mln birds upon completion of its new plant in Sungai Petani by third quarter of 2007, the newspaper said.

Afxasia: May 04, 2006

1.3.9 MALAYSIA: MOET HENNESSY INTRODUCES ITS NEW WORLD WINES

Moet and Hennessy are names synonymous to champagne and cognac but at a recent lunch with officials from Moet Hennessy Asia Pacific, the topic was the company's range of New World wines. The wines served that afternoon included a crisp sparkling wine from Green Point in the Yarra Valley, a Sauvignon Blanc from Cloudy Bay that tasted faintly of blackcurrants and tropical fruit, and a Green Point Pinot Noir, again from the Yarra Valley.

Business World: May 25, 2006

1.3.10 PHILIPPINES: UNILEVER TO TAP HALAL MART

Food and personal care products maker Unilever Philippines Inc. is set on tapping the multibillion-dollar-yearly halal market through its mayonnaise products. However, the cost of factory adjustments was one of the main reasons why the company was taking its time on the matter. Halal is an Arabic word generally translated as “permissible” and, in relation to consumables, refers to products that Muslims are allowed to use, eat and drink in the observance of Islam. Unilever sells a product line of mayonnaise that comes in tuna, chicken and ham flavors—the latter prohibited among Muslims. The global halal food industry is said to account for about \$150 billion in revenues a year. The immediate market for Unilever’s halal mayonnaise would be Malaysia, where the firm is already exporting its other products.

Philippine Daily Inquirer: May 29, 2006

1.3.11 PHILIPPINES: SQUEEZING A FORTUNE OUT OF JUICE PACKS

Most Filipinos may not know it, but the Tetra Pak milk, juice; oil and sauce cartons that households throw away with the rest of their trash are worth something. Tetra Pak (Philippines) Inc. managing explains that, because Tetra Pak uses top-quality fiber, its patented packaging materials can be broken down and used again to produce other materials, such as sturdy composite boards and paper products. Tetra Pak is already working with two recycling firms in the country that want to use as much Tetra Pak cartons as possible. These firms turn recycled Tetra Pak material into paper and boards, which are also used by the Tahanang Walang Hagdan to produce household items, such as picture frames.

Philippine Daily Inquirer: May 25, 2006

1.3.12 MALAYSIA: DAIRY FARMS SEEKS HIKE IN TARIFF ON FOREIGN MILK

Dairy farmers in the country are demanding the government to raise importation tariffs on liquid milk and to release funds, mandated by law, for the development of the local dairy industry. They also want government to correct the alleged “mislabeling” of liquid milk products.

Sun Star News: May 25, 2006

1.3.13 MALAYSIA: FRUIT JUICE MAKERS TARGET NEW MARKETS

General Santos City - Processors of fruit juice in Central Mindanao have tied up with caterers and hotel owners in the provinces of South Cotabato and Sultan Kudarat in a bid to explore new markets and as part of moves to penetrate the fruit beverage market even at provincial levels, officials said. The President of the Fruit Industry Development Council in Central Mindanao said several hotel and restaurant owners and even school operators in the two provinces have booked orders for fruit juice and other fruit-based products processed by the council members.

Business World: May 25, 2006

1.3.14 PHILIPPINES: NESCAFÉ INVESTING P600M THIS YEAR

Nestlé Philippines Inc. will invest at least P600 million in its Nescafé plant in Cagayan de Oro City this year. Factory manager told reporters that the company would spend around P300 million for the acquisition of new generator sets to augment power capacity and another P300 million to bankroll improvements within the facility. The plant has gensets with a current power output of 4 mw. As part of efforts to further bring down production costs, Nescafé is recycling its spent coffee grounds as fuel.

Manila Standard Online: May 24, 2006

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

1.4.1 INDIA: GO RURAL: FAST MOVING CONSUMER GOODS FIRMS CLOCK HIGHER GROWTH IN SMALL MARKETS

Fast moving consumer goods companies in India have registered faster growth in rural and semi-urban markets when compared to urban markets in 2005-2006. Analysts say that the average growth in rural and semi-urban markets has been twice that of the industry growth of 12-15 percent in 2005-2006. Companies such as Reckitt Benckiser, Cargill Foods and Dabur have introduced variants and categories at pick-up prices acceptable to small town consumers. Dabur says that it derives 50-55 percent of revenues from rural and semi-urban markets, and it is no planning smaller SKUs for mass-market brands such as Dabur Amla. Reckitt Benckiser is planning extensions of most of its brands including Aerosol and Lysol.

Economic Times: May 17, 2006

1.4.2 INDIA: FMCGS BUCK INFLATIONARY PRESSURE TO POST VOLUME GROWTH

Despite inflationary pressures felt in the last quarter, the FMCG sector was on a roll largely due to growth in sales and earnings. Most companies witnessed a rise in their operating profit margins (OPM) mainly due to higher volumes and implementing cost-efficient measures. Godrej has also expressed concern about increases in oil price affecting its margins, as the cost of soap production might increase with increasing industrial oil prices.

Business Line: May 24, 2006

1.4.3 INDIA: GLOBAL SPIRIT HIGH ON DESI WHISKIES

India has emerged as the largest international whisky market, overtaking the United States (US) by volume. In 2005-2006, Indian whisky reported depletions of about 60 million cases of 9 litres each. Comparatively, in the US, the combined sales of Bourbon, American and Scotch whiskies are estimated at 48-50 million cases. However, Indian whisky is a non-matured alcohol mostly made from molasses and is not considered a whisky by the Scotch Whisky Association. Indian whiskies account for 98 percent of the whisky consumption in India and is growing at 8-10 percent per annum, making it one of the fastest-growing whisky markets in the world.

Economic Times: May 02, 2006

1.5 PACIFIC: AUSTRALIA & NEWZEALND

1.5.1 AUSTRALIA: AUSTRALIAN FOOD VULNERABLE TO TERRORISTS, SAYS REPORT

The Australian newspaper said that it had seen a classified document produced by the government-funded Food Chain Infrastructure Assurance Advisory Group, which has spent the last two years assessing food security in Australia. It found that the sector could be at risk owing to its limited ability to identify unconventional contaminants, said the paper. The chair of the advisory group, the Australian Food and Grocery Council (AFGC) chief executive Dick Wells, could not be reached to confirm the newspaper report. However in an AFGC statement, Wells said that the study had showed up some areas for concern.

NOVIS Food&Beverage News: May 04, 2006

1.5.2 AUSTRALIA: COCA-COLA AMATIL LOSES FIZZ

Coca-Cola Amatil's (CCA) profit guidance on 3 May 2006 disappointed investors. The Australia-based soft drink company forecast net profit of up to \$A335m for calendar 2006, which would represent profit growth of no more than 4.5%. The market, accustomed to CCA's consecutive double-digit profit rises, sent the share price down to \$A7.02. High input costs have affected CCA, and it intends to increase the supermarket retail prices of its products in mid-2006.

The Australian Financial Review: May 04, 2006

1.5.3 AUSTRALIA: GRAPE WASTE CONVERTED INTO DIETARY SUPPLEMENTS

After grapes are made into wine, a number of waste grape products are left behind. The New Zealand Grape Seed Company has developed technology to transform the waste seeds from wine grapes into a healthy powder that will be

sold across the globe. The seeds are rich in antioxidants, which protect the body against the harmful effects of free radicals. The seed extract can be sold for up to \$NZ200 per kilogram and will be exhibited at the international food show in Geneva. The powder can be added to products such as bread and water, to make them healthier

Food Industry Week (NZ): May 24, 2006

2. PERSONAL CARE

2.1 GREATER CHINA: HK, CHINA AND TAIWAN

2.1.1 CHINA: GERMANY'S GERRESHEIMER BUYS MAJORITY STAKE IN CHINA'S SHUANGFENG GROUP

Germany's Gerresheimer Group said it has bought a majority interest in Chinese pharmaceutical packager Shuangfeng Group. Gerresheimer, which makes pharmaceutical and cosmetics packaging, did not disclose the value or size of the stake. However, a company statement said the acquisition allows it to enter the Chinese market for tubular glass packaging for the first time and to develop a base for targeted transfers of products to China and/or servicing of new low-price market segments. The statement noted that an extra plant is being built on a Greenfield site to accelerate expansion plans.

XFN Daily News: May 30, 2006

2.1.2 CHINA: CHINA PRODUCES 5.2 BILLION TUBES OF TOOTHPASTE IN 2005

As the world's largest maker of toothpaste, China's 5.2 billion tubes earned toothpaste producers a net profit of more than 70 million US dollars in 2005, the China Oral Care Products Industry Association said. Executive chairman of the Association, said that China's toothpaste makers not only supply people at home, but export to consumers in at least 80 countries and regions worldwide. China, which began turning out toothpaste in 1922, only made 2,100 tubes of toothpaste by the time of national liberation in 1949. And almost all provinces, autonomous regions and municipalities had had their own toothpaste factories in the 1960's along with the rapid growth of toothpaste production around the country.

China Economic Information Service: May 12, 2006

2.2 KOREA & JAPAN

2.2.1 JAPAN: FLAVOURED OXYGEN CONCENTRATE FOR SALE IN JAPAN

Japanese shoppers can soon pick up cans of oxygen, available in different flavours at convenience stores, media reports said. O2 Supli, 3.2 litres of oxygen supplements, will be on sale from May 24 for customers to relieve stress and recover from fatigue at Seven-Eleven stores across the country, reported Mainichi Shimbun. One can, which contains 95 percent concentrated oxygen as compared to 21 percent in free air, costs 600 yen (\$5). The high levels of refreshing oxygen -

available in flavours of peppermint and grapefruit - are inhaled through a transparent mask connected to the can's spray nozzle. One can of O2 Supli, if inhaled up to six times a day for two seconds, can last about a week.

www.Newsonjapan.com

2.2.2 JAPAN: SHISEIDO'S SHAMPOO AND CONDITIONER

Just one month after its release in late March, Shiseido Co.'s Tsubaki shampoo and conditioner became best-sellers and saw the cosmetics firm jump to No. 1 in the shampoo market.

Asia Pulse: May 31, 2006

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

2.3.1 PHILIPPINES: SKIN WHITENERS LEAD UNILEVER'S BESTSELLERS

Unilever sells hope in a bottle; hope to be fairer, prettier, and cleaner. Skin whiteners now top its bestsellers. Non-users need not scoff nor grumble about Asians wanting to look like Caucasians. Skin whiteners do not whiten skin they just make skin pigments or coloring even. These skin products will ensure that the local unit of the Anglo-Dutch giant will maintain the 10-percent growth it posted in the first quarter. Skin products like lotion, facial wash and skin whitening and deodorant are the fastest growing segments of Unilever's personal care products which also include shampoo, soap, body wash and toothpaste. It's the aspiration...to be whiter, to be prettier, to be cleaner, sources said. Local prices, they said, are being squeezed for products that are very price -sensitive like shampoo and detergent. Sources also said exports of deodorant are similarly growing. Locally, Unilever and other personal care products manufacturers are seeing improved sales with the partial eradication of bogus products in the market. Unilever is part of the Soap and Detergents Association of the Philippines, which in 2001 put up an anti-counterfeit unit to fight off fake shampoos and other personal care products. These are either smuggled or imported from China but some are locally manufactured. Sources said at the height of the proliferation of counterfeit, one brand alone, Vaseline shampoo, saw 25 percent of its share eaten by its fake counterpart.

CIBI News: May 31, 2006

2.3.2 INDONESIA: L'OREAL MEANS BYE-BYE WRINKLES

L'Oreal Paris has recently launched a new anti-wrinkle cream, Revitalift, which helps tighten women's skin, especially on the face and neck. The speed and efficacy of the new cream has been tested on 40 women. Revitalift is composed of two parts: a pink half that works to tighten skin immediately and a white half that helps fight wrinkles. Formulated in L'Oreal laboratories, Revitalift contains Pro-Retano A, an active ingredient that works actively to combat wrinkles.

The Jakarta Post: May 21, 2006

2.3.3 THAILAND: SCOTCH BANKS ON COLLAGEN

Scotch Industrial (Thailand) Co Ltd, local manufacturer of Bird's Nest drinks and chicken essences, hopes the launch of its new skin-care range, 'Scotch Collagen-E', will rake in sales of Bt100 million over the next year. The new product targets affluent women aged 25 and above and according to Sompoch Chavalvechakul, marketing manager of Scotch Industrial (Thailand), is the first consumer product in Thailand that has collagen as a main ingredient. Collagen products, which reportedly improve skin strength and elasticity, have been on sale in Thailand for several years but are usually produced in cream or serum form and not as an additive to beverages. Sompoch admitted that reaching the Bt100-million sales target would be a challenge, as the product was relatively new to the Thai market, compared with countries like Japan.

The Nation: May 31, 2006

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

2.4.1 INDIA: P&G BETS ON MAX FACTOR LAUNCH IN INDIA

After having brought its selective-fragrance brands to India, US consumer goods giant Procter & Gamble (P&G) is entering the upper-mass makeup segment this month with the launch of Max Factor. Until now, India has offered consumers a limited choice of international upper-mass makeup brands, including front-runners L'Oréal Paris and Modi Revlon, Chambor, Pupa, Bourjois and Arcancil. Baccarose, a leading distributor with a portfolio of more than 50 beauty brands including fellow P&G stablemates Escada, Lacoste, Valentino and Jean Patou, represents Max Factor in India. P&G's mass-market offer in the country is limited to shampoos.

www.cosmeticnews.com

2.4.2 INDIA: GODREJ CONSUMER DIPS FINGERS INTO A DIFFERENT PIE

With the industry pundits predicting a blockbuster growth for the fast moving consumer goods segment, Godrej Consumer Care has been encouraged to dabble into newer product categories. Sources said the company will launch new products like toothpastes, detergent powders, hair oils and shampoos. They also said Evita, the premium moisturising soap, will be re-launched with a new positioning. The soap, which earlier had a creamy branding, has been repositioned as an age-control, anti-wrinkle soap and has been priced at Rs.12. The soap contains AHA, a kind of organic acid extracted from natural resources like fruits and sugarcane, which contains anti-wrinkle properties.

Daily News and Analysis: May 04, 2006

2.4.3 INDIA: SPECIALLY FOR SKIN

Cadila Healthcare has introduced a new range of skin products under the name 'Derma Care'. The products fall into three categories — Sun protection: A range of Sun Block Creme and Lotion with varying degrees of SPF and for different skin types with sun block agents which offer up to 97 per cent protection; Complexion Enhancement: Breakthrough Matte. Fairness Lotion with SPF 25 and lightening cream; and Skin Repair: For acne and anti aging creme. The range includes the following products - EverYuth Daily Sun Block Creme/Lotion SPF-30; EverYuth Daily Matte Sun Block Creme

SPF-30; EverYuth Sensitive Skin Sun Block Lotion SPF-15; EverYuth Derma Care Daywear Matte Fairness Lotion SPF-25; EverYuth Derma Care Light and Clear Skin Lightening Creme; EverYuth Derma Care Age Defence Anti Aging Cream and EverYuth Derma Care Acne Control Gel. The products are priced from Rs.85 to Rs.195 and are available at all leading stores in the city.

Hindu: May 11, 2006

2.4.4 INDIA: GERM PROTECTION

Hindustan Lever has re-launched its Lifebuoy range — Lifebuoy Total, Lifebuoy Deo-Fresh, Lifebuoy Nature and Lifebuoy Gold Care variants. Lifebuoy Total is for mothers who fear hygiene threats to their kids. It promises germ protection for kids for hours after a bath. It is available at Rs.12 for 125gm, Rs.10 for 100gm and Rs.5 for 55gm. Lifebuoy DeoFresh is targeted at youth and offers them daylong germ protection. It is available at Rs.10 for 100gm. Lifebuoy Nature is for those who believe in natural ingredients. It comes with neem and tulsi and is available at Rs.10 for 100gm. Lifebuoy Gold Care is targeted at those with sensitive skin. It offers mild and balanced germ protection and is available at Rs.10 for 100gm.

Hindu: May 11, 2006

2.4.5 INDIA: THE REAL THING

CavinKare has introduced the all-new Meera shampoo with 'pure herbal particles' that can be seen and felt. They include almond, shikakai, tulsi and hibiscus to clean and nourish the hair. The shampoo is available in an 8 ml sachet and 100 ml bottle priced Rs.2 and Rs.39 respectively.

Business Line: May 25, 2006

2.4.6 INDIA: FOR SUN SIGNS

Fair & Lovely has launched Active Sunblock Lotion. It claims to fight the six signs of sun damage — darkening and tanning, sunburn, freckles, premature ageing, breakdown and weakening of skin cells. This product is priced at Rs.30 per 2 5-ml pack and Rs.60 per 50-ml pack.

Business Line: May 25, 2006

2.5 PACIFIC: AUSTRALIA & NEWZEALND

2.5.1 NEW ZEALAND: BOOTS WILL OPEN FIRST DUBAI OUTLET IN JUNE

UK health and beauty chain Boots has officially announced the mid-June opening of its first Dubai store in the Ibn Battuta Mall. As reported in Gulf News last week, the retailer will open more stores in the Jumeirah Village, Mall of the Emirates and at a high street location, which has yet to be announced. The move is a partnership with M.H. Alshaya, one of the Middle East's leading retail groups, which runs brands including Pizza Express and Starbucks. Boots is a firm high street favourite in the UK and has expanded to Asia, Europe, the US and Australasia. The cosmetic use of the mercury-chloride or hydroquinone used is banned in the EU.

www.nzherald.co.nz

ON THE SHELVES: Sunscreen is regulated by the FDA as an OTC drug. Cosmetics that make sun-protection claims are regulated as both drugs and cosmetics. Look for products with a sun protection factor (SPF) of 15 or more. The higher the number, the better the protection.

3. FOOD / LIQUOR & BEVERAGES

3.1 GREATER CHINA: HK, CHINA AND TAIWAN

3.1.1 CHINA: CHINA'S EXPORT OF FRESH AND FROZEN RABBIT MEAT IN FEBRUARY 2006

China exported 136 tons of fresh and frozen rabbit meat valued at 0.323 million US dollars in February 2006. The export in January-February reached 909 tons valued at 2.383 million US dollars, up 18.2 percent and 27.7 percent respectively year on year.

China Economic Information Service: May 10, 2006

3.1.2 CHINA: ROQUETTE RIDING FAST GROWTH IN CHINESE CONFECTIONERY

Confectionery companies in China are rapidly catching up with other markets by offering healthier, sugar-free products, but not without their own traditional flavours and texture, says leading ingredient supplier Roquette. The French starch derivatives group opened its first Asian applications lab in Shanghai one year ago, and says the facility is constantly fully booked. Chinese companies are trying to synthesise a version of imported products with their own ideas, for example, using tea extracts.

NOVIS Food&Beverage News: May 11, 2006

3.2 KOREA & JAPAN

3.2.1 JAPAN: AUSSIE WINES ARE FLOWING FREELY IN JAPAN

The Japanese market for Australian wines is growing slowly but has potential for expansion. Japan is regarded as a prospective market because of high incomes and the adoption of Western products, but it has proved to be difficult, with wine consumption at a low level. However, imports of Australian still wines increased by nearly 24 per cent to 8.7 million litres in 2005. McWilliam's Wines entered the market in 2005 and is optimistic about its prospects. The market needs to expand and McWilliam's believes that this trend will occur in Japan

The Australian: May 10, 2006

3.2.2 JAPAN: JAPANESE SEAFOOD FIRMS ADD THAI SUSHI FACILITIES

A number of Japanese seafood and frozen food companies will this year add new capacity for sushi products at plants in Thailand, according to a report. The Maruha Group is building a production line at its new Thai factory, which is slated to begin operations in June, that will specialize in processing seafood for consumption as sushi, reported the Nikkei news last week. The line will have an annual processing capacity of 2,000 tons and the company is expecting to make Y2 billion from the segment, said the report. Western consumers have developed a taste for the Japanese dish in recent years but there has recently been a strong increase in orders from European and US wholesalers for seafood to be prepared as sushi, according to the paper.

NOVIS Food&Beverage News: May 23, 2006

3.2.3 KOREA: AGROLABS THAI MANGOSTEEN HEALTHFUL JUICE SUPPLEMENT

Integrated BioPharma's Wholly-Owned Subsidiary, AgroLabs, Reports Another Product Launch in South Korea and Increased Business in Its Asian Markets AgroLabs, Inc., a wholly-owned subsidiary of Integrated BioPharma, Inc., began selling its proprietary AgroLabs Thai Mangosteen healthful juice supplement at Costco Wholesale Corporation warehouses throughout South Korea in May 2006. AgroLabs, Inc. distributes and markets healthful nutritional products under the following brands: Naturally Aloe, Naturally Noni, Naturally Pomegranate, Naturally Thai Mangosteen and most recently, Acai Extreme Energy. These products are distributed nationwide through major mass market, grocery, drug and vitamin retailers.

PR Newswire: May 26, 2006

3.2.4 JAPAN/CHINA: JAPAN'S SUNTORY TO DOUBLE SOFT DRINK OUTPUT IN CHINA BY 2007 - REPORT

Japan's fourth-largest beer maker Suntory Ltd. plans to double soft drink output to 5mln cases a year by 2007 while converting a Chinese joint venture and its affiliate into wholly owned subsidiaries, in a move to beef up its beverage operations in China, the Nihon Keizai Shimbun reported without citing sources. In 1995, Suntory set up a manufacturing and sales venture with Shanghai Maling Aquarius Co and others. Its Chinese unit will acquire its partner's stakes of 30 pct in the joint venture and 6.4 pct in its affiliate for about 1bln yen, the business daily said.

Afxasia: May 09, 2006

3.2.5 JAPAN: KIKKOMAN EXPANDING U.S. HEALTH FOOD OPS VIA COUNTRY LIFE UNIT

Kikkoman Corp. is actively expanding its health food business in the U.S. The company in April turned Country Life LLC, a joint venture it established last spring with U.S. health food producer Consac Industries Inc., into a wholly owned subsidiary by acquiring the U.S. partner's stake in Country Life for an undisclosed amount. By making Country Life a wholly owned unit, Kikkoman hopes to make progress at introducing its products to major natural food supermarkets and boosting its brand image. In addition, Kikkoman will direct nutritional supplement researchers to develop new products that can be sold in both Japan and the U.S. The Japanese company will also build a structure that can supply the raw materials needed for supplements sold by Country Life.

Asia Pulse: May 12, 2006

3.2.6 KOREA: DOOSAN'S NEW SOJU DOMINATES MARKET

Doosan Liquor BG's soju brand "Cheoumcheorum" became Korea's best-selling spirit about three months after its debut. Doosan sold 2.1 million boxes or 63 million bottles since its release on the local market 100 days ago, according to the liquor company. This beats the sales record of Doosan's competitor "Chamisul" of Jinro which sold less than one million boxes in the same 100-day period. The two soju manufacturers have been engaged in a fierce competition over soft and mild tasting brands of soju.

The Korea Times: May 18, 2006

3.2.7 KOREA: NEW YORK WINES INTRODUCED TO KOREA

The U.S. Embassy in Seoul introduced wines from New York to more than 40 potential buyers through a "virtual wine tasting" event at the Information Resource Center in Namyeong-dong. The two-hour event conducted live via video conferencing promoted five Hudson Valley wineries simultaneously while attendees enjoyed wines from that region.

The Korea Herald: May 15, 2006

3.2.8 KOREA: GONGXI SERVES JUICY DUMPLINGS

For lovers of Chinese style dumplings, especially of "xiaolongbao," or small-sized steamed pork dumpling, Seoul's only leading restaurants were two branches of renowned franchises – Taiwanese franchise Din Tai Fung and China's Nanxiang. Now, they have a reason to celebrate. Near the Din Tai Fung restaurant in Myongdong, downtown Seoul, the newly launched 'Gongxi Myonkwan' is slowly getting customers' attention. A basket of xiaolongbao is served for only 4,500 won, and along with a sample-size chajangmyon, or black bean sauce noodle! It's almost about half the price of other places. The restaurant serves three more kinds of dumplings, none of which are priced above 6,800 won. About a dozen other dishes are available in a price range of 11,000 - 16,000 won.

The Korea Times: May 19, 2006

3.2.9 JAPAN: JAPANESE BREAK DOWN NOODLE CURTAIN

A Ballarat business was created by a Japanese dried noodle company during a difficult trading period in the 1990s. Hakubaku Japan, a brand-name company in Asia, employs 300 people from turnover of \$A200 million. However, in the 1990s after more than 50 years of trade, Hakubaku was feeling pressure from retailers to offer low-value and cheap products. It resisted the strategy and opted to produce noodles from the best raw materials. This led to the formation of Ballarat operations so that Hakubaku could benefit from Victorian wheat and its partnership with Bunge, now Allied Mills

The Age: May 05, 2006

3.2.10 JAPAN: ASAHI TO RELEASE NEW BEER CALLED PRIME TIME

Asahi Breweries Ltd said it will release a new beer product called Prime Time on June 28 in line with its strategy of tapping Japan's growing market for premium beer. The new canned beer will come in two sizes — 350 milliliters and 500 ml, with the 350-ml version expected to retail at some 240 yen. The market has expanded because the numbers of

people who opt to drink higher-than-average grade beer "to reward themselves" on occasions such as days when their workload is particularly heavy is increasing, an Asahi official said.

www.Kyodonews.com

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

3.3.1 INDONESIA: INDONESIAN SWEETENER MARKET SURGES ON CHEAPER PRODUCTS

Use of sweeteners in Indonesia has surged in the last year, as food and beverage makers seek cheaper alternatives to sugar. Imports of lactose, glucose and fructose rose 120 per cent during 2005 to 67,000 tons, up from 30,000 tons the previous year, according to a recent report from the US department of agriculture (USDA). But demand for synthetic sweeteners has had an even stronger boost. Data released from the National Consumer Protection Board last week shows that saccharin imports were up by 1,700 per cent to 23.23 tons in the first 11 months of 2005 from only 1.3 tons in 2004. Around 95 per cent of the saccharin came from China. President of the country's food and beverage association said that the high sugar prices were directly responsible for this increase. The USDA expects consumption to increase to 3.85 million tons in 2005/06 from 3.6 million tons in 2004/05 owing to growth in the food and beverage industry.

NOVIS Food&Beverage News: May 22, 2006

3.3.2 THAILAND: BUMBLE BEE FOODS BUYS STAKE IN THAI TUNA PROCESSOR

The US seafood company Bumble Bee Foods said that it has entered into a memorandum of understanding to invest in Thai tuna processor Sea Value Company. The company says it is already one of the largest buyers of canned and frozen tuna products from Thailand. By buying a stake in a domestic processor it gains a greater presence in one of the world's largest seafood markets. As part of the transaction, Bumble Bee will enter into a supply arrangement with Sea Value to acquire canned tuna and frozen tuna loins. The two companies will also collaborate in developing process technology and new product opportunities to support their respective growth objectives. The investment would help Bumble Bee realize its long-term strategy of being a low cost provider of shelf stable tuna products.

NOVIS Food&Beverage News: May 23, 2006

3.3.3 THAILAND: PEPSI SETS HIGH GOALS FOR DIET COLA

Pepsi-Cola (Thai) Trading Co. Ltd. has high hopes for the recently revived Pepsi Max, a low-calorie pop, in spite of a gloomy growth outlook in the domestic cola market. Marketing director of Pepsi-Cola (Thai) Trading said the cola market was already so saturated that additional growth is next to impossible. But as healthier beverage alternatives have gained in popularity during the past few years, hopes to capitalise on trend by marketing the soda, which the company touts as having "less than one calorie".

The Nation: May 20, 2006

3.3.4 THAILAND: FRENCH WINE TO GO WITH THAI TOM YUM

With a goal to increase the number of Thai restaurants in Europe by 25% to 2,860 this year, the Commerce Ministry signed a collaboration agreement between its Thai Kitchen to the World programme and l'Institut National des Appellations d'Origine of France. The two agencies agreed to promote the matching of French wine with Thai dishes soon.

The Bangkok Post: May 16, 2006

3.3.5 INDONESIA: UNILEVER TO ACQUIRE TEA PRODUCING COMPANY

PT Unilever Indonesia Tbk plans to acquire an aromatic tea producing company in a bid to boost its sales to US\$2 billion in the next four years. The Chief Financial Officer of Unilever Des Dempsey said the company has such plan, but he declined to mention the name of the company to buy.

Bisnis Indonesia Daily News: May 24, 2006

3.3.6 INDONESIA: INDONESIAN FIRM AQUA TO BUILD DRINKING WATER PLANTS

Bottled drinking water producer PT Aqua Golden Mississippi Tbk has disclosed its plan to build new factories in Maluku and Papua to ensure the adequate supply of hygienic drinking water in the eastern regions. The plan would turn into reality when the sales value of the product in those regions had achieved an economical level, Aqua Secretary said at the Jakarta Stock Exchange (JSX) building. Several newspapers have recently reported that PT Aqua Golden Mississippi has planned drinking water processing factories in Maluku and Papua.

Asia Pulse: May 18, 2006

3.3.7 PHILIPPINE: ALASKA TO EXPAND POWDERED MILK LINE

Milk market leader Alaska Milk Corp. is spending \$5 million to expand its powdered milk line as it banks on further increasing its market share over the next few years. The expansion will increase its capacity to produce powdered milk by another 2 tons an hour, from 1.5 tons an hour, at its spray drying facility in San Pedro, Laguna. The new facility will be operational by the first quarter of next year. Spray drying refers to a process that converts treated skim milk into powdered milk. This year, however, will be tough for the milk products producer, with net earnings expected to contract 15 percent from P300.9 million in 2005 due to its decision to hold off price increases.

Philippine Daily Inquirer: May 24, 2006

3.3.8 THAILAND: CARGILL TAPS THAI TAPIOCA POTENTIAL

Cargill's finalised acquisition of a major Thai tapioca flour business in Thailand underlines its commitment to establishing a globalised ingredient-sourcing network. The acquisition, which comprises all production assets of Chai Charoen, will help the firm to better target emerging markets in Asia and cut development costs. Chai Charoen Tapioca Flour Factory Company specialises in developing and producing native tapioca starches primarily for the food industry. This is the latest in a line of acquisitions designed to establish Cargill's position in a variety of ingredient sectors. Such acquisitive behaviour has helped the firm to diversify, but higher capital expenditure has also affected its ability to service debt.

NOVIS Food&Beverage News: May 02, 2006

3.3.9 MALAYSIA: MOFAZ DAGANG AIMS RM28.8 MLN SALES FOR MECCA-COLA BY 2ND QTR NEXT YR

Newcomer to Malaysia's carbonated, mineral water and energy drink market, Mofaz Dagang Sdn Bhd, expects to secure close to RM28.8 million sales from Mecca-Cola, its latest carbonated soft drink product line up, by second quarter of next year, its chief executive officer, said. Sources said that 35,000 cartons of Mecca Cola had been sold in the country since it entered the market last month.

Bernama Newswire: May 14, 2006

3.3.10 MALAYSIA: MOA TO PROMOTE M'SIAN FRUITS TO NAM MEMBER COUNTRIES

The Ministry of Agriculture and Agro-Based Industries (MOA), through its Agri-food Business Development Centre (BDC) is inviting investors particularly from the Non-Aligned Movement (NAM) member countries to invest in the local fruits business. BDC assistant secretary said the ministry had set up a booth at the NAM Coordinating Bureau (NAM-CoB) ministerial meeting to promote investments in Malaysian fruits.

Bernama Newswire: May 26, 2006

3.3.11 PHILIPPINES: HEINZ TO CONTINUE DISTRIBUTION IN THE PHILIPPINES

US-based food and condiments conglomerate HJ Heinz Company will continue to distribute its products in the Philippines after it sold its stake in a joint venture company with UFC Philippines, Inc. a company official said. Heinz, maker of Heinz Ketchup and Lea & Perrins sauces, among other products, earlier announced that it sold its 50% stake in Heinz-UFC Philippines to its joint-venture partner, Campos-owned NutriAsia, Inc. The joint-venture company used to manufacture and distribute Heinz ketchup in the local market. Heinz said the sale of the Philippine company is in line with its move to divest non-core businesses.

Business World: May 23, 2006

3.3.12 PHILIPPINES: FLOUR, ICE CREAM SALES LIFT RFM'S NET

Strong sales of flour, ice cream and baked goods boosted RFM Corp.'s net income for the first three months of the year, registering a five-fold increase from its earnings in the same period a year ago. RFM said its net income reached P20 million, up from P4-million in the first quarter of 2005. In a report submitted to regulators, RFM said good operating fundamentals and judicious spending combined to sustain the recovery of the listed company. RFM's net sales increased by 2.4 percent to P1.44 billion. The Company's operating income rose 45 percent to P71 million. The continuing positive trend in the RFM group was attributed to the strong performance of its flour, ice cream and baked goods businesses, while other segments focused on lowering their cost structures and improving their margins, RFM said. A 16-percent reduction in its interest expenses to P46 million this year also helped improve the company's bottom line, it said.

CIBI News: May 17, 2006

3.3.13 PHILIPPINES: PUREFOODS GOES INTO SNACK FOODS

San Miguel Purefoods Co. Inc. will spend P2 billion this year to strengthen its core businesses and venture into manufacturing of branded snack foods. Purefoods chairman and chief executive officer said the company would bring

cheese, yogurt and milk products from recently acquired National Foods Ltd., Australia's largest dairy company, into the domestic market through its subsidiary, Magnolia Inc. The company, through its new business cluster for milled commodity and cereal-based value added products San Miguel Mills Inc., will start producing snack food items to compete with Jack 'n Jill of Universal Robina Corp., the food manufacturing arm of the Gokongweis.

Manila Standard Online: May 15, 2006

3.3.14 PHILIPPINES: PETRA FOODS TO CONCENTRATE MANUFACTURING IN 2 SITES

Petra Food Limited (Petra Foods) will concentrate its chocolate manufacturing facilities in the Philippines and Indonesia, and supply to other regional markets from Southeast Asia's two largest chocolate confectionery markets. In a letter to the Singapore Stock Exchange, the company, one of the world's major manufacturers and suppliers of premium cocoa ingredients and branded confectionery products, said it would reposition its branded consumer division's chocolate confectionery manufacturing capacity in the region as it redeploys to two location from three geographic locations previously. Thus, it is maximizing its chocolate manufacturing facilities and continuing to tap on the growth potential on the \$700 million per annum sales in the Asian chocolate confectionery market.

Business World: May 08, 2006

3.3.15 THAILAND: WATER FILTER MAKER EXPANDS INTO BOTTLED WATER

Pi Water Treatment is investing in a bottled water plant; Krungthep Turakij reported. Pi Water Treatment has been successful in selling water filters in Thailand. Now the company is branching out into a bottled drinking water production business. It has already received certification from the Food and Drug Administration and should be ready to produce and distribute its products in June. The initial production volume at its plant in Haad Yai will be 24,000 600-mm bottles a day.

Thai News Service: May 24, 2006

3.3.16 THAILAND: THAI FROZEN UNION PRODUCTS PLC ACQUIRES 76.5% STAKE IN INDONESIAN TUNA COMPANY

As part of its business expansion to tap the world's growing tuna market, Thai Union Frozen Products Plc (TUF), the country's largest tuna exporter, has acquired a 76.50% stake of an Indonesian tuna company for 154.07 million baht (US\$4.054 million) in cash, the Bangkok Post reports. TUF president Thiraphong Chansiri said the board on May 16 approved the acquisition of 20,655 common shares of PT Juifa International Foods Co. at the par value of US\$100 (about 3,800 baht) each.

Thai News Service: May 18, 2006

3.3.17 THAILAND: BAKER PLANS NEW B300M FACTORY

President Bakery Plc, the manufacturer of Farmhouse bread, has set aside 300 million baht to build a new factory to serve the growing demand from domestic and export markets. The new factory in Bang Chan subdistrict, in Min Buri district of Bangkok, to be completed by 2008, will increase output of bakery products including sliced bread, burger and hotdog

buns, snack bread and snack cakes, to one million packs per day, from 600,000 currently. According to a company study, younger Thais, especially in the capital and other big cities, are consuming bread products.

The Bangkok Post: May 16, 2006

3.3.18 VIETNAM: ARLA FOODS PREPARES TO MOVE INTO VIETNAM

With big plans to establish their products on the Chinese market, Arla Foods are already tilling Southeast Asian soil as the Danish-Swedish dairy company targets Vietnam as their next new market. A large-scale effort to win over the Chinese market has been launched by Arla Foods, and according to the Scandinavian dairy company - which is owned by Danish and Swedish farmers - this attempted market entrance will not be their last in Asia. The products that Arla Foods will use in their Asian campaign are the ready-for-sale full cream milk powder brands such as Dano and Milex, which the dairy company have already been selling on a large scale in places like the Dominican Republic and the Middle East through their sub-company, Arla Foods Ingredients.

Thai News Service: May 03, 2006

3.3.19 THAILAND: JOINT VENTURE LAUNCHES GREEN TEA

Kirin Beverage Corporation of Japan and Thailand's Osotspa Co are spending 300 million baht to launch Namacha brand green tea, aiming to capture a 10% share in the local market in its first year. Kirin puts sales in Thailand's ready-to-drink green tea market at 20 million cases (of two dozen 500ml bottles) a year. Kirin and Osotspa set up Siam Kirin Beverage Co, with registered capital of 60 million baht, in May last year to exclusively market Namacha green tea in Thailand.

The Bangkok Post: May 27, 2006

3.3.20 VIETNAM: DAIRY FIRM LAUNCHES FIRST PRODUCTS

The local joint venture Vietnam-US High Technology Dairy Corp, or Milky US, will launch its first products on the local market at a ceremony at the New World Saigon Hotel in HCM City's District 1. The Milky US sterilised fresh milk will mainly target children from 6 to 12 years of age, but the company will add more lines of products to target all walks of life, said the company's general director. The products to be launched would come in Tetra Pak's packs and are processed with raw materials imported from New Zealand and Europe.

Saigon Times Daily: May 19, 2005

3.3.21 VIETNAM: SABECO TO BUILD \$80MLN BEER FACTORY IN CAN THO

The Saigon Beer, Alcohol and Beverage Company (Sabeco), Vietnam's largest beer producer, is going to construct the Saigon beer factory at total cost of some \$80 million with an annual capacity of 200 million liters in the Can Tho city, state media reported. The plant that will cover an area of 50 ha in the city's Tra Noc No2 Industrial Park in Binh Thuy district is hoped to meet the rising beverage demand of the region and to create jobs for local people, according to Sabeco.

Vietnam Panorama Industry News: May 29, 2006

3.3.22 VIETNAM: VIETNAMESE TEA PRODUCERS SEEK MARKETS IN THAILAND

The Vietnam Tea Association (VTA) plans to study and exploit Thai tea market, which annually consumes around 1 million USD worth of imported tea products, according to VTA Vice Chairman. In 2005, Vietnam exported about 90 tonnes of tea products, ranking seventh in the world after India, China, Sri Lanka, Kenya, Indonesia and Turkey. Vietnam is expected to produce 200,000 tonnes of tea by the year 2010, including 155,000 tonnes for export.

Thai News Service: May 23, 2006

3.3.23 THAILAND: LAMPHUN FIRM PUSHES HEALTH DRINK TO DRIVE THAI FRUIT EXPORTS

Move would benefit smaller insurers Charoen Kittikanya Somporn Thapanachai The introduction of green tea a few years ago took the Thai market by storm, promoting health awareness and the popularity of herbal drinks among consumers that have since caught on. Now Khun Numtha Processing Co wants to ride the wave further with its instant longan tea.

The Bangkok Post: May 29, 2006

3.3.24 THAILAND: UNILEVER THAI TRADING EXPANDS WALL'S ICE CREAM BUSINESS

Unilever Thai Trading Co. Ltd. said on May 23 that it would invest Bt1 billion in its ice cream business to reinforce its position in Thailand, The Nation reports. Chairman said more than Bt100 million would be spent expanding the number of Wall's ice cream mobile stalls from 50,000 to 60,000 by the end of the year. It will also expand production at its ice cream factory. The Company aims to increase Wall's share of the ice cream market has set an aggressive target to increase its current market share of Wall's to 46 per cent by the end of the year from the current 44 per cent. According to the company's research, Thais eat an average of 0.6 litres of ice cream each year. However, in Bangkok the figure is closer to 6 litres per year.

Thai News Service: May 26, 2006

3.3.25 VIETNAM: US FOOD GIANT INVESTS IN VIETNAM

US food producer Gannon Group has invested in a 10-million USD project in Vietnam to establish the Vietnam-US hi-tech milk joint-stock company after testing the market with imported products.

Thai News Service: May 23, 2006

3.3.26 THAILAND: THAI BEVERAGE PLC EYES VIETNAM BEER MARKET

Thai Beverage Plc (ThaiBev), Thailand's biggest alcohol producer, is looking for foreign markets to expand in the hope of overtaking the Philippines' San Miguel as the market leader in Southeast Asia. They included government tax-collection changes, which have led to an increase in product prices, and tighter advertising rules on alcoholic beverages. Under the expansion plan, the company plans to push not just Chang beer, but also Mekhong and Sangsom rum in the region. Vietnam and the Philippines are among its target markets.

Bangkok Post: May 18, 2006

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

3.4.1 INDIA: JOLLIBEE MULLS BRINGING CHINESE FOOD BRAND TO INDIA

If publicly listed Jollibee Foods Corp. cannot find a fastfood chain to acquire in India, it may bring one of its Chinese food brands to the South Asian country, its top official said the other night. Jollibee chairman, President and chief executive officer told BusinessWorld that the firm is looking at bringing either Yonghe or Chowking to India as a fallback option for its plan to acquire a fastfood chain in the country.

Business World: May 24, 2006

3.4.2 INDIA: READY TO SERVE

Satnam Overseas is planning to phase out its commodity and unbranded business segments and move towards becoming a branded foods player. The Company's branded product portfolio has grown at the rate of 20 percent and accounts for 55 percent of its total revenues at present. The Company has targeted a turnover of Rs.1,000-crore by 2008-2009, with branded products contributing 90 percent of revenues. The Company presently sells ready-to-eat products such as dals and biryanis, with new sales of about Rs.23-crore in 2005-2006. Satnam Overseas is looking for an alliance with Reliance Retail for its branded products.

Economic Times: May 22, 2006

3.4.3 INDIA: ITC ADDS 10 MORE SLURPIES TO ITS 'KITCHENS OF INDIA' MENU

ITC Foods proposes to add 10 products under its Kitchens of India brand. The products will be priced Rs.35-98. It had launched Pasta Treat under the Sunfeast brand. The Company exports 40-50 percent of its products of Kitchens of India brand to the US, the UK, Canada and Switzerland.

Daily News & Analysis: May 08, 2006

3.4.4 INDIA: FAST FOOD

CG Foods India, a subsidiary of Cinnovation Group of Singapore, has announced the launch of WAI WAI 1-2-3, its brown noodle brand in Mumbai. Unlike other noodles, WAI WAI 1-2-3 is pre-cooked and ready-to-eat. The pack comes with 3 seasonings, chilli powder, and masala tastemaker and onion oil, giving the noodles its unique, savoury taste. The WAI WAI range of noodles is priced competitively at Rs.10 for 75g pack and at Rs.10 for the Express noodles 100gpack.

Economic Times: May 24, 2006

3.4.5 INDIA: SNACK AWAY 'SATTU' POWER

'Sattu' now comes in bar coded packages. And, it's selling like hot cakes. Forget the grain weighed out by the handful. It's the modern 'healthy, diet food'. Now departmental stores, malls, fancy grocery-general stores, and even neighborhood grocery stores have this simple, convenient, nutritious, healthy and cheap traditional food on their racks. And the Sattu packets don't gather dust on the racks. At Shree Keshav House, Janpath a-top-of-the-line grocery store, 'Jau-Chann Sattu' and 'Channa Sattu' have pride of place alongside fancy original Italian pasta packets. And they are being grabbed

as health and convenient food. 'Sattu' is an age-old traditional food.

Hindustan Times: May 07, 2006

3.3 PACIFIC: AUSTRALIA & NEWZEALAND

3.3.1 AUSTRALIA: NATFOODS AND BERRI BOOST SAN MIGUEL

Two major Australian food groups are owned by the Philippine conglomerate, San Miguel Corporation. In the first two months of 2006, Australia's National Foods and Berri garnered sales revenue of \$A268 million for the San Miguel parent company. San Miguel is a major corporation in the Philippines. Its operations make up about 3.4% of the Philippines' gross domestic product and contribute 5.6% of state tax revenues

Food Week: 3 May 2006

3.3.2 AUSTRALIA: GOLDEN CIRCLE SELLS BABY FOOD BUSINESS

The Golden Circle food manufacturer is based in Brisbane. It is an unlisted public company owned by a co-operative of fruit and vegetable growers. In early 2006, Golden Circle organised a deal to sell its baby food business to the Dutch infant food group, Numico. The sale will garner around \$A40 million for Golden Circle. Numico owns the Nutricia infant formula brand in Australia. Golden Circle had financial difficulties in 2003-04, but it restructured with the help of Babcock Brown. It may be floated within two years of 2006

Food Week: May 09 2006

3.3.3 AUSTRALIA: MAERSK IN THE SOUP WITH HEINZ

Maersk Line's merger with PO Nedlloyd has not been the success so far that food company Heinz had thought it would be. Stephen Cox, Heinz's global seafreight manager, said it had had numerous problems with deliveries being late and documents being incorrect since the beginning of 2006. Cox said he had supported the merger and had not expected so many problems, and that Heinz had to resort to using airfreight as a result. A spokesperson for a well-known Australian food brand said that most of Maersk's problems seemed to be occurring outside of Australia

Lloyd's List Daily Commercial News: May 08, 2006

3.3.4 AUSTRALIA: ARLA FOODS LAUNCHES PHOSPHOLIPIDS MILK EXTRACT

Arla Foods Ingredients has developed an innovative cosmetic ingredient from milk fat globule membranes. The extract has been created using a specially developed processing technology to create a blend of functional phospholipids. Lacprodan PL-75 is said to be far more compatible with a variety of skin types, easier to formulate and acts as an effective emulsifier. On top of that it also has highly effective moisturising properties making it suitable for a variety of skin care formulations. Phospholipids are highly useful ingredients for modern cosmetic formulations as they fulfil a dual and synergistic function for a host of skin care products.

NOVIS Cosmetics News: May 17, 2006

3.3.5 AUSTRALIA: CHOCOLATE ON A STICK

Australia-based Kinnerton Confectionery is launching a chocolate on a stick. "Cocoa Deli" is also made with no trace of nuts. The product was tested in Target stores in December 2005 and will be available in Big W, Kmart and confectionery stores in May 2006. It will be advertised on the streets by Adshel during May. Kinnerton says it is important to have recognition of packaging as it is a high-impulse product

Food Week: May 17, 2006

3.3.6 NEW ZEALAND: ORCHARDISTS LAUNCH NEW APPLE JUICE BRAND

There is a new apple juice product on the market in New Zealand (NZ). Orchardists Bill and Erica Lynch have created the apple juice drink "Crushed Apple" from the apples grown at their orchard near Nelson. The drink is being marketed by the Mediterranean Food Warehouse in Wellington. The Lynchs make the 100% pure juice from the apples at their orchard and each batch is manufactured separately, so the juice is more like a boutique wine

Food Industry Week (NZ): May 24, 2006

3.3.7 AUSTRALIA: BURNS PHILP CASHES IN SNACKS

Burns, Philp appears to have made a sound decision when it excluded Uncle Tobys from the Goodman Fielder float. The Australasian company has secured Nestle and General Mills as buyers for the Uncle Tobys business. The \$A890m sale price represents a multiple of roughly 11.5 times the breakfast and snack foods operation's 2005 EBITDA. Added to the proceeds from Goodman, for which it achieved a nine times multiple, Burns, Philp will have free capital of about \$A2.5bn. Its remaining assets will be the Bluebird salty snacks business and a 20% Goodman stake. The company is taking its time in seeking new acquisitions

The Australian Financial Review: May 24, 2006

3.3.8 AUSTRALIA: FOODWORKS RESPONDS TO HEALTHY TREND WITH BEST BUY FRUIT BUYS

FoodWorks has announced the release of new products within its "Best Buy" house brand range. The Australian supermarket operator launched Best Buy in mid-2005. The line includes ice cream, frozen foods and, most recently, fruit bars. There are three flavours within the fruit bars range - Apple, Blueberry and Apricot. The Best Buy fruit bars are 97 per cent fat free and are free from artificial colours. Chris Dean, category manager for Private Label at Foodworks, says to date that all of its Best Buy products are made in Australia, a claim that some of its rivals cannot make with some of their house brands

Retail World: May 24, 2006

3.3.9 AUSTRALIA: NESTLE, ALDI IN DISPUTE OVER DISPLAY OF IMPORTED COFFEE BRANDS

Nestle Australia and Aldi are at odds over the latter's importation and sale of Nestle coffee products made in Brazil and Indonesia. The food company is refusing to supply a range of its products to the supermarket chain, including "Milo" and "Nescafe Blend 43" coffee, unless Aldi promotes and displays the imported coffee in a way that makes it clear that they

are distinct from its Australian-made brands. For its part, Aldi claims the imported coffee brands are made from different coffee beans and taste different to Nestle's Australian coffee. The dispute between the two is currently before the Australian Competition Consumer Commission

Retail World: May 24, 2006

3.3.10 AUSTRALIA: SANITARIUM PROMOTES BETTER LUNCHES

The Sanitarium Health Food Company in Australia is keen to see people eat healthier lunches. Sanitarium has created the Sanitarium Lunch. Heat and serve lunch products. It has also sponsored Lunch Week, with a major advertising campaign. An ACNielsen poll for Sanitarium asked 1,400 Australians what they had for lunch. Some 61% of respondents said that they eat takeaway food for lunch, including hamburgers and meat pies. A number of those polled do not eat lunch. Sanitarium is keen to make lunch an important meal

Food Week: May 23, 2006

3.3.11 AUSTRALIA: WINE GLUT TO KNOCK MCGUIGAN

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

The Sydney Morning Herald: May 30 2006

3.3.12 AUSTRALIA: REFRESH GROUP ACQUIRES PLANT IN KALGOORLIE

Refresh Group has acquired country bottled water company, Goldfields Pure Water, to fast track the Group's plans to set up a plant in the WA mining town of Kalgoorlie. The new plant is recognised by council as the only registered bottled water company in the Goldfields region. The acquisition has brought the company's plans for Kalgoorlie forward by nearly three months. It will stock the full range of Refresh products from 15L containers to 600mL bottled, including the super-oxygenated pure water brand, Oxyfresh. The plant will also stock a small quantity of home distillers.

Co. News - Signal G Digest: May 01, 2006

3.3.13 NEW ZEALAND: MR CHIPS' PROFIT LOSES SOME FLAVOUR

An 80 per cent drop in full-year profit for potato chip-maker Mr Chips has been put down to overstocked inventories and a high dollar denting earnings. Mr Chips posted a net profit after tax of \$297,000 for the 12 months to March 31, compared with \$1.45 million the previous year. The profit dip - flagged to the market last September - was due to being overstocked in a competitive market, the strong NZ dollar cross rate with the Australian dollar, and a dependence on external cold storage. Total operating revenue rose 23 per cent to \$43 million, with domestic operations performing steadily. Prospects looked better for this year, with the cross rate moving sharply in Mr Chips' favour recently. The

company also commissioned its own cold store on its East Tamaki, Auckland, site, eliminating the need for external storage. Mr Chips improved market share and, at balance date, its finished goods inventory was at "optimum levels".

www.Newzealandherald.com

3.3.14 AUSTRALIA: NESTLÉ EXPANDS NUTRITIOUS SNACK BUSINESS

Nestlé is to strengthen its presence in the Australian nutritious snack market through the acquisition of the nation's Uncle Tobys snack business. The acquisition, which amounts to a total of AUD 890mn (€524mn) and which is due to be completed by the middle of the year, also includes the rights to the brand in New Zealand. The company's breakfast cereal sector currently accounts for more than 40 per cent of overall sales, and will be acquired under the deal by Cereal Partners Worldwide (CPW), a joint venture between Nestlé and cereal giant General Mills. CPW, which entered the Australian market in 2003 with the Milo, Cheerios and Nesquik brands, claims the latest acquisition makes it the number two player in the market, and one of the largest in the world.

www.confectionerynews.com

3.3.15 NEW ZEALAND: NEW ZEALAND VODKA MAKER PLANS TO DOUBLE AUSTRALIAN SALES

New Zealand-based vodka maker 42 Below Ltd (ASX:FTB) is looking to double Australian sales this financial year as the company invests heavily in the market. 42 Below chief executive said the Australian market would be a priority in 2006/07.

Asia Pulse: May 30, 2006

3.3.16 AUSTRALIA: ALCOHOL ON COKE'S HORIZON

Australian soft drink manufacturer Coca-Cola Amatil (CCA) has signalled it may enter the ready-to-drink alcoholic beverages market. A new "Coke with rum" product might be a possibility, after it has already expanded its product line with new flavours such as "Vanilla Coke". The group has already diversified into fruit juices and bottled water in order to cope with a decline in sales of its traditional fizzy soft drink offerings. The alternative products now make up 20% of overall revenue

The Australian: May 29, 2006

3.3.17 AUSTRALIA: WINE LAKE HEADS FOR 800M LITRES

Another bumper grape harvest has set Australia on course for an 800 million-litre glut of wine by the end of 2006. That is enough to fill more than a billion wine bottles or 256 Olympic-sized swimming pools. The result has been a crash in prices of both grapes and wine. Murray Valley Winegrowers CEO said Chardonnay grapes that sold for \$A1000 a tonne in 1996 might fetch only \$A150 a tonne in 2006. The Australian Wine Brandy Corporation has estimated that 1.4 million litres of wine will be produced in 2006. Domestic and export sales cannot cope with this amount on top of an existing surplus of 500 million litres. Wine export prices have fallen by one-third between 2002 and 2006, with 40 per cent of Australian wineries expected to lose money in 2006

The Australian: May 05 2006

3.3.18 AUSTRALIA: LOW FATS BRANDS CAPTURING AN EVOLVING MARKET

Australians consumed more than 2,000 million litres of milk in 2004-05, the first time that that figure has been exceeded. Consumption of milk was up 1.5 per cent on the previous year, according to Dairy Australia. So far as grocery sales are concerned, sales of white milk increased by 2.3 per cent in value in the year to March 2006, with the reduced fat sub-segment growing by 7.6 per cent. With house brand milk becoming more prominent, milk producers like National Foods are working hard to promote their brands.

Retail World: May 17, 2006

3.3.19 AUSTRALIA: SEASONAL SOUP SEGMENT GROWS AS COMPETITION HEATS UP

The Australian soup market consists of five sub-segments, including instant/packet and wet soup - premium. The overall soup market is worth just under \$A279 million and is growing at 2.1 per cent annually in terms of its value, while the wet soup market is valued at over \$A160 million. Campbell's Arnott holds a very slight lead over Unilever, which makes Continental and Heinz Wattie in terms of market share. Campbell Arnott's has 27.7 per cent as compared with 26.6 per cent for Unilever and Heinz Watties with 26.4 per cent. The soup market is very seasonal, with most sales occurring between April and October

Retail World: May 18, 2006

3.3.20 AUSTRALIA: BASCO'S GLUTEN FREE SOUP OFFERING

Green Foods is planning to launch two more flavours in its Basco range of gluten-free soups during 2006. The first two flavours in the range, Chicken and Vegetable, were launched in Woolworth stores in mid-2005. The soups, along with the other range of Basco's gluten-free products, have been endorsed by the Coeliac Society of Australia as being suitable for sufferers of coeliac disease. The two new flavours in the Basco soup range are Creamy Tomato and French Onion

Retail World: May 18, 2006

DRINK COFFEE TO PERSUADE PEOPLE: The next time you want someone to agree with your views, just put forth your ideas before him/her, over a cup of coffee, as a new research has revealed that caffeine works best to get messages through in the morning. Researchers have discovered that a morning dose of caffeine can work wonders to drive home a persuasive message.

4. CIGARETTE /TOBACCO PRODUCTS

4.1 GREATER CHINA: HK, CHINA AND TAIWAN

4.1.1 CHINA: CIGAR LOVERS DELIGHT IN NEW STOGY STORE

Cigar lovers can now enjoy the city's largest cigar gallery - with more than 100 kinds of cigars - in Pudong's New Shanghai Business City. A cigar club, or cigar bar, with regular gatherings, is to open there in June. The emporium

opened over the Labor Day holiday. Located in the Food Inn on Zhangyang Road, the store, called Enva, offers more than 100 kinds of cigars from famous production centers such as Cuba, Dominica, Nicaragua, Jamaica and Spain. It also offers cigars from four Chinese factories in Sichuan, Hubei, Anhui and Shandong provinces. All the cigars have an international rating over 80 - 100 being the highest evaluation score. For a top-grade cigar, top tobacco leaves are needed. They undergo three years of fermentation and then are made into cigars after as many as 222 procedures, said a senior consultant of Pudong Tobacco, Sugar & Wine Co. Ltd. The highest grade and most expensive cigars are Cohiba brand cigars from Cuba, each selling for 300 yuan (US\$36) to 500 yuan.

Shanghai Daily: May 09, 2006

4.2 KOREA & JAPAN

4.2.1 KOREA: TOBACCO INDUSTRY FACES PRICE WAR

A 200-won pack of cigarettes is about to be marketed - a price one tenth the normal price for a packet of cigarettes. The conundrum is that the low-priced cigarettes may trigger a price war, forcing KT&G and foreign brands to cut their prices and perhaps encouraging more people to pick up the smoking habit. The Need Trade, a tobacco importer, will sell the low-priced cigarettes produced in Laos beginning next month. A pack of Need cigarettes contains a large amount of nicotine and tar, between one and 11.5 milligrams, compared to the Time brand of KT&G that contains between 0.5 and 5.5 milligrams. In its sales promotion, Need Trade emphasizes the financial burdens on smokers as tobacco products increase in price. Meanwhile, some lawmakers are pushing for a bill imposing additional taxes of 1,200 won on a pack of cigarettes to protect public health. In March, police caught four people smuggling fake Korean-brand cigarettes from China and selling them here.

The Korea Times: May 30, 2006

4.2.2 KOREA: BAT KOREA RAISES SHARE OF S. KOREAN TOBACCO MARKET TO 16 PCT

British American Tobacco Korea (BAT Korea) said it has raised its share of the South Korean tobacco market to 16 per cent thanks to strong sales of its Dunhill, Vogue and other cigarette brands. The company has seen its market share rise by 2 percentage points every year since it established a local production facility in Sacheon, South Gyeongsang Province, in 2002. The number of its employees has grown from 200 to 1,100. South Korea is one of the most dynamic markets globally and has well-developed markets for low-tar and premium cigarettes, sources said. The market, however, is likely to shrink a bit as global tobacco market turns downward.

Asia Pulse: May 25, 2006

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

4.3.1 THAILAND: CIGARETTE MAKER PHILLIP MORRIS ASKS THAI GOVERNMENT FOR FAIR TREATMENT ON TAXATION

Philip Morris, the world's largest tobacco company, is calling for fair treatment from the Thai government on the taxation of manufactured cigarettes and roll-your-own products, the Bangkok Post reports. Local taxes for roll-your-own products made from non-native tobacco are also very low at only 0.1%. The excise tax on roll-your-own products has not been raised for 15 years, which has substantially widened the price gap between the two tobacco products. Taxes on loose tobacco are much higher in most other countries, according to data collected by Philip Morris (see chart). As well, roll-your-own products are treated differently by local tobacco regulations. They are not subject to health warnings, ingredient disclosures, advertising curbs, contributions to public-health funds, and local taxes.

Thai News Service: May 23, 2006

4.3.2 PHILIPPINE: TOBACCO LOSSES SEEN TO REACH P1B MARK

Tobacco farmers here harvested 20 million kilograms during the February to March harvest season but the production was below the usual 50 million kg of Virginia tobacco that they harvest in a year. Citing latest National Tobacco Administration figures, Ilocos Sur Rep. A kilogram of semi-processed Virginia tobacco sells for P40. Cigarette manufacturers like Fortune Tobacco and Philip Morris Philippines International would have to import from China, the United States and South Africa as a result of the drop in local production of Virginia tobacco, Sources said. The US Department of Agriculture reported that Filipinos smoke about 75 billion cigarette sticks a year, which is 3 percent of the total cigarette consumption in East Asia and Pacific. Singson said the usual cost of imported tobacco is about \$5 (P257.3) to \$6 (P308.76) a kg.

Philippine Daily Inquirer: May 07, 2006

4.3.3 INDONESIA: CIGARETTE EXCISE TARIFF TO BE REVIEWED

The Department of Finance promises that the Tariff Team will review the application of cigarette excise tariff that has currently been accused of triggering the emergence of illegal cigarette factories in Central Java and East Java. The review will try to find out the real impacts of the application of the excise tariff. Sri explained that in principle any increases in excise tariffs were prioritized to be applied to hazardous goods or commodities. Since cigarette was included as one of hazardous material, its excise tariff was raised to reduce the national consumption rate. The increase in cigarette excise tariff is stipulated in Minister of Finance decrees No.43/PMK.04/2005 jo No.16/PMK.04/2006 and No.17/PMK.04/2006 that determines the increase in retail sales price by 10% and the range of excise tariff. The annual increase of averagely 25.09% in cigarette excise tariff in 2000-2005 periods has triggered the high circulation of illegal cigarettes.

Bisnis Indonesia Daily News: May 10, 2006

4.3.4 MALAYSIA: BAN ON SALE OF CIGARETTE PACKETS OF 14 STICKS AND LESS FROM JUNE 1

The sale of cigarette packets containing 14 sticks or less of cigarettes will be banned from June 1, the Health Ministry announced. The decision was made in accordance with the Tobacco Revenue Control Procedures 2004 on the sale of cigarettes in Malaysia, the ministry's Disease Control Division Director said in a statement. The penalty for various offences ranged from RM1,000 to RM50,000 and up to two years' jail, including for those who advertised the products or failed to adhere to the packaging and labelling requirements. The government banned cigarette advertisements and posters at public places, including coffee shops and mini markets, in 2004. Cigarette companies are not allowed to sponsor soccer tournaments since 2004 and the Formula 1 race since last year.

Bernama Newswire: May 27, 2006

4.3.5 THAILAND: WORLD CUP 2006 SPURRING TOBACCO CONSUMPTION

Research - While all eyes are now on the 18th World Cup - the world's biggest sporting event hosted by Germany that will kick off on June 9, 2006, many may fail to remember the World No Tobacco Day, designated by the World Health Organization to fall on May 31 every year. The World No Tobacco Day aims to raise awareness in all countries around the globe of the danger and losses caused to smokers' health, the economy and society. All countries have been urged to launch public no-tobacco campaigns, instilling 'no-smoking' values into young people and helping to regulate public policies for tobacco consumption control. Based on polls on "Bangkok Residents' Smoking Behavior" made during the years when the World Cup and UEFA Cup were held, and in-depth interviews on the same topic conducted in 2006, it was found that increased tobacco consumption had much to do with major football matches. This is because viewers have a greater opportunity to join with their compatriots and may feel tense while cheering for their favorite teams.

Thai News Service: May 29, 2006

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

4.4.1 INDIA: TOBACCO, PRODUCTS EXPORTS UP 2%

Exports of tobacco and tobacco products from India have gone up by two percent to 1,65,882 tonnes in 2005-2006 (1,62,933 tonnes in 2004-2005). The value of exports has gone up to Rs.1,405-crore (Rs.1,362-crore). Exports of un-manufactured tobacco have gone up to Rs.1,017-crore (Rs.969-crore). Exports of tobacco products have declined to Rs.388-crore (Rs.393-crore).

Business Line: May 12, 2006

4.4.2 INDIA: SNUFFING OUT SMOKING WITH PICTORIAL HEALTH WARNINGS

Smokers may have been told in no uncertain terms that cigarette smoking is injurious to health. But the Centre expects to snuff out the smoker's interest further, with graphic health warnings such as pictures of lungs affected by cancer, for instance, on cigarette packs. Rules on pictorial health-warnings have been developed and tested and are awaiting the final

green signal from the top brass of the Union Health Ministry. The rules are likely to be notified in a couple of months, a Ministry official said. The tobacco industry will be given time to re-work its packages.

Business Line: May 30, 2006

4.4.3 INDIA: ITC POSTS 24 PERCENT INCREASE IN PROFIT

Diversified conglomerate ITC Ltd. registered a 24.1 percent increase in net profit at Rs.22.80 billion for the financial year ended March 31. The Company's gross turnover grew 21.5 percent to Rs.162.24 billion, driven by good topline growth across all its businesses. Cigarette sales grew by 13.3 percent over the previous year and the non-cigarette businesses grew by 46.2 percent as a result of the ramp up of the new FMCG businesses, growth in agri-business and strong performance of the hotels and paperboards segments, a company spokesperson said. The board of directors, which met here, recommended a dividend of Rs.2.65 per ordinary share of Re.1 each, entailing a total cash outflow of Rs.11.34 billion.

www.indiaenews.com

4.5 PACIFIC: AUSTRALIA & NEWZEALAND

4.5.1 AUSTRALIA: WILSON IN TO BAT FOR TOBACCO GIANT

The former chairman of Australian law firm, Clayton Utz, will be a witness in a case to be heard by a New South Wales court. The Dust Diseases Tribunal was told that Brian Wilson may give evidence for British American Tobacco Australian Services (BATAS) in the trial that begins on 26 June 2006. In the 2002 Rolah McCabe case in Victoria, he was accused of being involved in the shredding of BATAS documents. BATAS is being sued by Brambles, which is claiming back the compensation it paid a worker who died of lung cancer. Brambles will call US tobacco whistleblower, Jeffrey Wigand

The Australian: May 26, 2006

SMOKER'S ZONE: In Mararashtra - A little tobacco in your toothpaste? Did you know that over 13 per cent of adolescents in Maharashtra get a tobacco high through dental care products? This startling fact was discovered by Dr. P. C. Gupta, senior research scientist with the Tata Institute of Fundamental Research, studying tobacco usage among youngsters as part of a global survey...

5. HOUSEHOLDCARE/OTHER PRODUCTS

5.1 GREATER CHINA: HK, CHINA AND TAIWAN

5.1.1 CHINA: HEALTHCARE PRODUCTS SUPPLIER KIMBERLY ESTABLISHING ITS CHINA HQS IN SHANGHAI

Kimberly, the world's largest healthcare products supplier based in the US, recently set up its Chinese headquarters in Shanghai. Kimberly has previously set up 4 plants in Beijing, Nanjing, Shanghai and Guangzhou, with a combined investment of over 250 million USD. As the world's largest paper products manufacturer, Kimberly pledges not to make paper out of virgin forests in China but only recyclable forests.

CEInet: May 19, 2006

5.2 KOREA & JAPAN

NO NEWS...

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

5.3.1 THAILAND: KIMBERLY-CLARK BLOWING BT84M INTO TISSUE FACTORY

Tissue product manufacturer Kimberly-Clark Thailand Ltd. will spend Bt84 million to expand its manufacturing base in Thailand. The US-based company will install additional machinery at the Samut Prakan manufacturing plant. The company will also recruit 100 new employees as it increases production of tissue products that it intends to export to Australia and New Zealand. The expansion will boost tissue production capacity at the plant by 8,500 tonnes, or 1.6 million cases, valued at Bt1.5 billion per year. Combined with the plant in Pathum Thani, the new machinery at the Samut Prakan factory will make Thailand one of Kimberly-Clark's largest production sites in Southeast Asia.

The Nation: May 12, 2006

5.3.2 PHILIPPINES: KIMBERLY-CLARK JOINS DAVAO TECHNOLOGY SHOW

Kimberly-Clark Professional is proud to offer a range of wiper products and dispenser systems that will make your wiping job better, safer and faster as opposed to using ordinary cloth rags and other wiping substitutes. From heavy-duty industrial cleaning to the hygienic requirements of food service, hospitals and laboratories, the Kimberly-Clark Professional wiper systems range has a specifically-designed wiper for every cleaning job which will be showcased during the Manufacturing Technology Davao 2006.

Sun Star News: May 17, 2006

5.3.3 PHILIPPINES: GERMAN DETERGENT BAR TO ENTER PHILIPPINE MARKET

Henkel Philippines Inc., a local subsidiary of Henkel Germany, is set to introduce its newest product - a detergent bar. This is part of Henkel's aggressive expansion in the Philippines since it started doing business in the country 30 years ago. Such aggressive stance signals Henkel's shift in the marketing strategy for Henkels laundry and home care products, which are mostly catering to the high-end products. The strategy is also to boost the company's push for sustainability after growing between 10 to 15 per cent annually in the past five years. Last year, the local unit registered P1.7 billion (US\$32.2 million) in total sales from only P1.3 million in 1976.

Asia Pulse: May 26, 2006

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

5.4.1 INDIA: ARPITA AGRO EYES A BIGGER CANVAS

Calcutta-based Arpita Agro Products, maker of neem-based household cleaner, Nimyle, is set to go national. The Company plans to reach out to 1 lakh retail outlets in the north and south in three years. It has earmarked Rs.1-crore for annual ad-campaigns. Arpita Agro has become a leading maker of neem-based products, grossing over Rs.7-crore annually. The Company currently makes about 1 lakh tonnes of the neem-based liquid mixed proportionately with citronella, tulsi and other essential oils. Apart from flagship brand Nimyle, which accounts for 80 per cent of the turnover, Arpita Agro's home product range include Nimit, a mosquito, fly, ant and insect repellent, and Nimclean, a liquid kitchen utensil cleaner. Arpita Agro has also launched Nimgreen, an insect repellent for organic farming.

Telegraph: May 22, 2006

5.4.2 INDIA: RECKITT BENCKISER TO EXPAND DETTOL RANGE

Reckitt Benckiser is taking a re-look at its Dettol portfolio in a bid to get a larger play in the consumers' everyday life. The FMCG major is planning the brand's extension into new product categories in the beauty and health space. Simultaneously, the company is set to re-launch many of its low-key products within the Dettol umbrella. Little surprise then, that Reckitt has set aside an ad budget of Rs.50-60-crore for Dettol this year. The Company plans to storm the market with a new campaign in the next few days, along with on-ground promotion in schools and hospitals. Meanwhile, there are plans to re-launch the original Dettol, shaving cream, talc and even medicated plaster. At present, high on the agenda for the company is to guard its turf from arch-rival, Lifebuoy which has been nudging Dettol on the 'germ protection' platform and has been aggressive with its recent mega, 'Naha Ke Jao' campaign.

Exchange4media – Newsletter: May 15, 2006

5.4.3 INDIA: COILING UP TO UNLEASH REPELLENTS

Mosquitoes beware! The Rs.1,000-crore mosquito repellent market is gearing up for some action, with at least three new players jumping into the fray. This market is dominated by Godrej Sara Lee with brands GoodKnight, Jet and Hit, which together command 36-37% of market share. Now, Delhi-based Gopal Group - makers of Gopal Zarda and Joie incense sticks - has launched its Shatkiman brand of mosquito repellent coils. And snapping at Godrejs heels is another worthy

competitor - Dabur India - which has initiated a detailed market study for entering the coils segment in its bid to expand the home care product range acquired from Balsara last year. Kolkata-based battery major Eveready Industries has just entered this competitive market with Eveready Poweron brand of repellent coils. The repellent market comprises gels, liquid vapourisers and mats also but all the action appears to be restricted to mosquito repellent coils. Industry experts point out that coils comprise the biggest segment of repellents at almost 50% market share. Besides, unlike the vaporisers and mats, coils dont need electricity to function and are thus popular in semi-urban and rural markets. Dabur India is also entering the fray and has already begun an extensive study of repellent coils in three formats - 8 hours, 10 hours and 12 hours. Industry watchers point out that the company may well extend the Odomos brand from cream to coils in the coming months. Godrej, on its part, has decided to expand its product portfolio by launching more repellent formats. It has begun by launching GoodKnight gel in Tamil Nadu and is also working on some other formats.

Daily News and Analysis: May 31, 2006

5.4.4 INDIA: HENKEL INDIA GOES THRO' SHEQ AUDIT

Henkel India has recently implemented a safety, health, environment and quality (SHEQ) audit at all levels of the company. The SHEQ audit by Henkel Global details the requirements of the Code of Corporate Sustainability in the areas of safety, health and environment protection. The Company has made an investment of about Rs.70 lakh for achieving compliance. Henkel India has also collaborated with the Institute of Management Technology to set up a Centre for Excellence in Environment Management at Ghaziabad.

Business Line: May 06, 2006

5.5 PACIFIC: AUSTRALIA & NEWZELAND

NO NEWS...

6. MEDIA NEWS

6.1 GREATER CHINA: HK, CHINA AND TAIWAN

NO NEWS...

6.2 KOREA & JAPAN

NO NEWS...

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

NO NEWS...

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

6.4.1 INDIA: FAST MOVING CONSUMER GOODS BACK IN ACTION ABSTRACT

The fast moving consumer goods (FMCG) sector in India is the highest spender on advertisements. The FMCG sector contributed 59 percent to the overall advertisements displayed on television in 2005 (25 percent increase over 2004). Printed advertisements increased by seven percent. The FMCG companies are launching new products and categories as customers are spending more on consumer goods.

Business World: May 01, 2006

6.4.2 INDIA: ICE-CREAM SECTOR HOTTING UP THIS SUMMER

Companies such as Mother Dairy, Amul and Hindustan Lever Ltd. (HLL) in the branded ice creams sector in India are finalising fresh communication strategies to upgrade consumers from the unorganised to the organised sector. With the abolition of excise duties on ice-creams by the Government of India, the companies will also spend more money on advertising and promotions to increase volumes. Mother Dairy is increasing its advertising expenditure by 20 percent in 2006-2007 and will also launch its ice-creams in Pune and Goa. The Gujarat Co-operative Milk Marketing Federation Ltd. (GCMMF) will launch mass media advertising campaigns designed by FCB-Ulka for its Amul brand of ice creams. GCMMF will also increase Amul ice-cream parlours from 400 to 1,000 by Nov 2006.

Financial Express: May 05, 2006

6.4.3 INDIA: REXONA FLAGS OFF FIGHT AGAINST BODY ODOUR IN MUMBAI

Rexona, the deodorant brand from HLL, has kicked off a nationwide 'No BO' (body odour) movement in Mumbai with Mandira Bedi. This movement against body odour will reach over 1.5 million young Indians spread over 1,000 colleges and IT and BPO companies in seven cities – Mumbai, Delhi, Hyderabad, Chennai, Bangalore, Pune and Kolkata. Each person who signs up for the 'No BO' movement with Rexona Deo Roll On will pledge to start the movement with oneself. The 'No BO' movement is part of Rexona's campaign to make people aware that everyone is at risk of body odour.

Exchange 4 Media.com: May 27, 2006

6.5 PACIFIC: AUSTRALIA & NEWZELAND

6.5.1 AUSTRALIA: HEALTH BODIES JOIN LOBBY AGAINST JUNK FOOD ADS

Two of Australia's leading health bodies say the government should introduce stronger regulation to restrict junk food advertising and improve education about proper nutrition to fight the alarming rise in childhood obesity. The Victorian arms of Diabetes Australia and The Cancer Council said in a joint statement issued recently that they supported decision by education minister to ban sugar-laden and carbonated drinks in Victorian schools later this year. But they want to see this ban widened to other unhealthy products as well as further action from regional and state government to restrict the marketing of junk foods to children. The call follows a growing campaign by parents and consumer groups to make the food industry accountable for the alarming rise in childhood obesity.

NOVIS Food&Beverage News: May 02, 2006

6.5.2 NEW ZEALAND: TV CAR AD SCOOTs AWAY FROM COMPLAINTS

A car advertisement which drew complaints from some viewers for being "irresponsible" and encouraging bad driving has been dismissed by the Advertising Standards Complaints Board. The television advert involved a Toyota Yaris parked outside a tow truck depot which toots its horn and squirts its screen washer, inviting the trucks to chase. The advert shows the tow trucks pursuing the Yaris and coming to grief in various ways in their efforts to find it. In its ruling the board said it took into account the advertisement was shown in an industrial-type yard and environment and that none of the vehicles shown had drivers. The entire advert "showed a situation of pure fantasy". The board found the advert did not encourage unsafe practices, or glorify excessive speed and unsafe driving practices. While a majority did not uphold the complaint, a minority of the board had some sympathy with the complainants.

www.Nzherald.co.nz

6.5.3 AUSTRALIA: THE RISE OF THE MALL

Advertising within shopping centres (in-centre advertising) is the fastest-growing outdoor advertising category in Australia. According to the Outdoor Media Association, the street furniture segment, which includes in-centre advertising, increased its revenue by 25 per cent in the first quarter of 2006. Advertisers are attracted by the huge number of people that visit shopping centres each year and by the fact that their mindset is likely to make them amenable to advertising. It is reckoned by Westfield that 8.2 million people visit its centres each week, while AMP's centres attract over 100 million people each year. Currently, the group's property development activities are mainly in Klang, Selangor, involving three housing projects - Bandar Bukit Tinggi, Bandar Bukit Tinggi 2 and Bandar Parklands - which will keep it busy until 2013. It also has 4.96 hectares of land in Kelana Jaya, Selangor, which it acquired for RM83 million last years. Early this year, the group ventured into Sabah in its move to expand its development activities by acquiring a piece of 99-year leasehold land measuring 8.6 hectares in Kota Kinabalu for RM57 million. The land is located about 2.5 kilometres from the central district of Kota Kinabalu and in the prime tourist belt near Sutera Harbour with a waterfront view.

Ad News: May 24, 2006

7. GOVET POLICY/REGULATIONS

7.1 GREATER CHINA: HK, CHINA AND TAIWAN

7.1.1 CHINA: SAFETY ALERT ON COUNTERFEIT SEASONINGS

Food quality and safety inspectors in Pudong New Area began to track down the sources of counterfeit McCormick brand seasonings after raiding two underground workshops in Sanlin Town. The fake seasonings are suspected to contain poisonous chemicals mixed by the illegal workshops in production, officials said. They said the seasonings were likely to be sold at wet markets and small stores, not major supermarkets with regular supply chains. Rewards are being offered for information about the seasonings and their makers. Officials of the district Bureau of Quality and Technical Supervision broke up two underground seasoning workshops in Sanlin after villagers' tips. They confiscated 260 packages of seasonings, more than a ton of mildewed rice and 100 kilograms of dyed ginger - all production materials. At one workshop in Jinguang Village, officials found that pepper powders had been mixed with some chemicals and leftover cooking oil to make the seasonings look and taste better.

Shanghai Daily: May 26, 2006

7.1.2 CHINA: QUALITY WATCHDOG SAYS BENZENE CONTENT OF ROK BEVERAGE WITHIN REQUIRED LIMIT

The benzene content in beverage imported from the Republic of Korea (ROK) is within China's required limit, the country's quality watchdog said earlier this week. The result came from sample tests which the State Administration of Quality Supervision, Inspection and Quarantine made in response to media reports said that the content of benzene, a harmful chemical substance, in ROK drink product Vita500 was higher than the limit allowed by China. The administration conducted 106 sample tests on 79 kinds of ROK drink products imported by the ten cities of Beijing, Shanghai, Guangdong, Shandong, Liaoning, Jilin, Tianjin, Zhejiang, Ningbo and Shenzhen. Benzene is designated as a cancer-causing chemical by the International Agency for Research on Cancer and the World Health Organization. It is often detected in polluted air, subterranean water and food products.

China Economic Information Service: May 05, 2006

7.1.3 CHINA: BIACORE TARGETS CHINA WITH FOOD ANALYSIS KITS

The Swedish supplier of food testing equipment, Biacore International, is taking over from its sales agent in China and launching a full business operation in the market. The Company, which opened a new office in Shanghai, has been selling its life science analysis products in China for several years via the sales network of GE Healthcare. But its own office will allow it to develop new opportunities in the food market. The Chinese food industry is increasingly demanding higher quality and quality control, with recent scandals heightening consumer awareness of food safety. Biacore's Qflex kits are designed to test vitamin content in food and beverages and also detect veterinary drug residues in a wide variety of food-related products. The Company claims that its assays are faster and more reliable than traditional

methods. Terry Pizzie, vice president of the group's commercial operations, said Biacore sees significant opportunities for pesticide testing in Chinese honey.

NOVIS Food&Beverage News: May 16, 2006

7.1.4 CHINA: ANTI-DUMPING DUTIES IMPOSED ON IMPORTED FOOD ADDITIVES

China has imposed anti-dumping duties on nucleotide-type food additives imported from Japan and the Republic of Korea. The move came after the Ministry of Commerce (MOC) decided the import of the products constituted dumping and damaged Chinese relevant industries. The duties ranging from 25 to 119 percent will last five years and cover Disodium 5-Inosinate, Disodium 5-Guanylate and Disodium 5-Ribonucleotide, said an MOC circular released here on May 12. The Ministry has required importers to pay the duties to customs offices. Nucleotide-type food additives are mainly used to improve the flavor of dressings such as soy sauce and monosodium glutamate.

China Economic Information Service: May 15, 2006

7.1.5 CHINA: CHINA GEARS UP FOR JAPAN'S TOUGH RESIDUE LIMITS

China's ministry of commerce has issued guidelines to the country's farmers and farm produce exporters on how to meet tough new standards in Japan, one of China's biggest export markets. Japan will introduce new criteria on chemical residues in food next week (29 May), which are being considered among the strictest in the world. Authorities will test 302 food products for 799 agricultural chemicals, enforcing 54,782 maximum residue limits. Included in the screening list are 448 pesticides. It is thought that most food analysis laboratories in China do not yet have the resources to test for each of these residues. The ministry of commerce said in a risk assessment that meat products, vegetables, fruit, seafood, grain and tea will be particularly at risk of being refused at customs.

NOVIS Food&Beverage News: May 26, 2006

7.1.6 CHINA: CANDY FIRM GETS DELAYED PAYMENT

An Italian candy maker has finally received part of almost 1 million yuan (US\$124,724) in compensation it won from a Fujian company accused of copying its packaging. The payment comes after an extended legal process that saw employees of Italy's Perfetti Van Melle stalked by men wielding sticks and judges sent to retrieve the money threatened and forced into a car. In April Shanghai No. 2 Intermediate People's Court ordered Jinjiang Yonghe Xufuji Brothers Food Co to pay 980,000 yuan to Perfetti after the court agreed that packaging for Zomliamma toffees made by the Fujian company was similar to Perfetti's popular Alpenliebe toffees. But Xufuji failed to pay the compensation and Perfetti applied for enforcement this March. The court froze the eight trademarks owned by Xufuji.

Shanghai Daily: May 23, 2006

7.1.7 CHINA: ALARM OVER TAINTED BABY BOTTLES

Health officials in Shanghai began checking supermarkets for baby bottles that may have been made from recycled compact discs and contain a dangerous chemical. As of last night, inspections by the Shanghai Food and Drug Administration had not turned up any of the tainted bottles. Meanwhile, health authorities in a Zhejiang Province city where the bottles reportedly originated shut down several factories linked to the scandal. The shoddy bottles surfaced

first up in Shijiazhuang in northern China's Hebei Province, according to a recent report on China Central Television. On April 29 during a routine market spot check, officers from the city's industrial and commercial bureau found 10 boxes of Aibao brand bottles that were discolored and failed to carry proper manufacturing information, the TV report said.

Shanghai Daily: May 30, 2006

7.2 KOREA & JAPAN

NO NEWS...

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

7.3.1 MALAYSIA: MALAYSIA TO CERTIFY HALAL COSMETICS

Malaysia is to certify cosmetics that meet Islamic laws, religious authorities said while denying that imports would be banned from the mainly Muslim country if they do not qualify. The Director-General of the Department of Islamic Development Malaysia (JAKIM), said authorities would issue certificates and logos to cosmetic and toiletry products deemed halal, or allowed under Islam. This is to give guidelines to the companies if they want to have the halal certification.

Bangladesh Daily Star: May 15, 2006

7.3.2 MALAYSIA: BANNED SUBSTANCE READILY AVAILABLE

The Consumers Association of Penang advises consumers to refrain from eating beef, mutton and pork as our tests show that they are tainted with Salbutamol, a banned growth enhancer. In a random sampling, three out of six samples tested were found to contain Salbutamol, a beta-agonist. The samples were bought at wet markets in Penang. In June 2004; the Health Ministry acknowledged that local farmers were using beta-agonists to produce more marketable lean meat. According to the ministry, 70-84 per cent of beef and pork contained the drug.

New Straits Times: May 10, 2006

7.3.3 PHILIPPINES: MILLIONS LOST TO VAT-FREE SUGAR SALE BY COOPERATIVES

Government has not done anything to stamp out the irregularities resulting from the supposed value-added tax (VAT)-free sale of sugar by cooperatives. It still remains baffled, though, as to why chronic collection shortfalls plague the country's tax agency. Starting from the enactment of the original VAT law during the Ramos administration, however, big sugar planters also created their own "cooperatives" and used them to increase profit margins. The source added that the P85 VAT is distributed with the amount of P50 given to the cooperative, P20 to some personnel of the BIR and P15 to the trader. If the VAT collected is increased to 12 percent or slightly above P100 from P85, this would be an extra cost

for owners of sugar millers and refiners, who are howling in protest against the perceived unequal playing field with the cooperatives and traders.

CIBI News: May 16, 2006

7.3.4 THAILAND: EUROPEAN UNION UNLIKELY TO STEP UP HYGIENE RULES UNTIL 2011

The European Union is unlikely to impose any more food hygiene regulations for imports over the next five years, according to minister counsellor of the European Commission to Thailand. Sources said the EU had already introduced new legislation for food hygiene, effective on Jan 1, limiting the amount of chemicals, such as pesticides, allowed in food.

The Bangkok Post: May 19, 2006

7.3.5 MALAYSIA: GLOBAL HALAL MART CAN REACH US\$1 TRILLION, HALAL FORUM TOLD

The global market value of halal food trade, estimated at US\$580 billion annually, can reach more than US\$1 trillion if products such as pharmaceuticals, cosmetics and other services are added in, says World Halal Forum 2006 chairman. Sources said the potential of this market on demographic projections alone is staggering as Islam is the world's fastest-growing religion, with an estimated global Muslim population fast approaching two billion.

Bernama Newswire: May 09, 2006

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

7.4.1 INDIA: 'WHITE PAPER' SOUGHT ON ACT BANNING TOBACCO-RELATED ADVERTISEMENTS

The Government should bring out a "White Paper" on implementation of the Cigarettes and Other Tobacco Products (Prohibition of Advertisement and Regulation of Trade and Commerce, Production, Supply and Distribution) Act, 2003, former Chief Justice of the Karnataka and Kerala High Courts, has said.

Hindu: May 31, 2006

7.4.2 INDIA: LEVY OF CENTRAL EXCISE

The government has declared levy of central excise duty on the basis of declared retail price on components and assemblies for automobiles, plant growth regulators and toothbrush. The levy will be effective from June 2006.

Hindustan Times: May 30, 2006

7.4.3 INDIA: IMPORTS TO BE EASED TO CURB PRICES

The increase in prices of essential commodities during 2005-2006 has forced the Government of India to take steps to facilitate easy import of sugar, pulses and wheat, so as to keep their prices under control. The government has proposed to initiate a tariff rate quota regime as against lower duty to facilitate import of sugar, to eliminate import duty on pulses

and enable easy import of wheat. The wholesale price of wheat has increased by 10.90 percent, sugar; by 7.80 percent and gram by 26.20 percent during 2005-2006, despite no fall in production.

Financial Express: May 22, 2006

7.5 PACIFIC: AUSTRALIA & NEWZELAND

7.5.1 AUSTRALIA: NEW BOTTLED WATER CODE

A new code will guarantee that bottled water in Australia is pure and fit to drink. The Australasian Bottled Water Institute (ABWI) is a not-for-profit organisation. It has developed a model code, a certification program for the bottled water industry. The new code provides for auditing of plants and equipment by independent auditors. Only certified ABWI bottlers will be allowed to use the "ABWI Certified Bottler" logo on their label. Certification will also distinguish Australasian-bottled water from cheap imports

Food Week: May 09, 2006

7.5.2 AUSTRALIA: JUICE MAKER FORCED TO CHANGE LABELS

A fruit juice company in Australia has to change the name of its products. The "Just Squeezed" company sells a range of fruit juice drinks, many of which are made of reconstituted juice. The Australian Competition Consumer Commission (ACCC) has ruled that the labels and name were misleading, because consumers would expect that the juices were totally fresh. The company has agreed to change the labels and name, to avoid breaching the Trade Practices Act

Food Week: May 03, 2006

7.5.3 AUSTRALIA: DEMAND FOR FOOD LABELLING IGNORED

The Australian Government will not introduce mandatory country-of-origin labelling on packaged food products. This is in contrast with new regulations to come into force on 8 June 2006 for fresh produce and seafood. Parliamentary Health Secretary noted the estimated added cost burden of \$A160m per annum if packaged food such as fruit juices or canned vegetables were to be included, and said a voluntary code would apply instead. While he argued that only 10% of consumers wanted stricter labelling, a campaign in Western Australia for the change had been very successful in late 2005

The West Australian: May 03, 2006

7.5.4 AUSTRALIA: COUNTRY LABELS CANNED

A report by Food Standards Australia New Zealand recommends against extending country of origin labelling to some packaged foods. It concludes that the cost, at \$A120 million a year, would outweigh the benefits to consumers. The agency was asked by the Australian Government to investigate whether its new country of origin standard could be extended to cans and packages containing two main fruit or vegetable ingredients. The standard, introduced in October 2005, covers fresh fruit and vegetables, seafood, pork and other packaged foods

Herald Sun: May 03, 2006

7.5.5 AUSTRALIA: AUSTRALIA MOVES TO BAN CONFECTIONERY IN SCHOOLS

The sale of unhealthy foods such as chocolates and doughnuts will be outlawed under new guidelines for ACT (Australia Capital Territory) government schools, reflecting similar moves in the rest of the country. The Victorian Government for example announced last month that soft drinks would no longer be sold in government schools by 2007. This move was welcomed by both the Victorian arms of Diabetes Australia and The Cancer Council, which nonetheless want to see the ban widened to other unhealthy products. There are also initiatives underway to ensure that schools sell fruit every day and reduce sales of cakes and confectionery. Approximately 10 per cent of Australian children were overweight or obese in 1985 but this figure has risen to around 30 per cent in 2005, according to official statistics. And experts estimate that by 2025 nearly half of all children will be overweight or obese. Obesity significantly raises the risk of serious conditions

NOVIS Food&Beverage News: May 12, 2006

7.5.6 AUSTRALIA: PURPLE PAIN FOR CADBURY

Cadbury Schweppes has lost its case against Darrell Lea in the Federal Court of Australia. Cadbury Schweppes had sued Darrell Lea under the Trade Practices Act over its use of the colour purple in the packaging of its chocolate. Cadbury claimed it had been using purple in its packaging since the 1920s, and that consumers might get confused between the two companies, or think that they were connected. In rejecting Cadbury's case, Justice Heerey noted that other Australian confectioners also used the colour, and that Cadbury "does not own the colour purple"

Lawyers Weekly: May 16, 2006

8. TURF ABROAD

8.1 UNITED STATES

8.1.1 USA: CHURCH & DWIGHT PROFIT, SALES RISE

Consumer-products Company Church & Dwight Co. said that first-quarter income rose, helped by solid sales of liquid laundry detergent and pet products, as well as higher selling prices. Church & Dwight, whose brands range from Arm & Hammer baking soda to Xtra laundry detergent, said income increased to \$39.9 million or 60 cents a share, from \$37.7 million, or 56 cents, a year ago. Sales for the three months ended March 31 rose to \$442.4 million from \$420.7million a year earlier. Analysts polled by Thomson First Call forecast earnings, on average, of 53 cents a share on sales of \$439.4 million. Higher selling prices and the addition of the SpinBrush battery-powered toothbrush business also helped results, the company said. Church & Dwight acquired SpinBrush last year from Procter & Gamble Co. as part of the regulatory approval process for the latter's acquisition of Gillette Co.

Afxasia Newswire - Global: May 09, 2006

8.1.2 USA: HULK HOGAN TO LAUNCH ENERGY DRINK WITH BLISS BEVERAGE

Pop culture icon and professional wrestler Hulk Hogan has announced the release of his new energy drink, 'Hulk Energy Powered by Socko'. Developed and produced by Bliss Beverage, Hulk Energy will be made available to retailers

throughout Socko Energy's existing and expanding distribution network in the US and abroad. The traditional Socko can has been redesigned and re-branded with a specially designed Hulk Hogan image. Entertainment and marketing company Bischoff-Hervey Entertainment, responsible for branding Socko on a global level through non-traditional, entertainment-based marketing initiatives, approached Hogan months ago to create the high-impact energy drink.

www.Datamonitor.com

8.1.3 USA: ESTEE LAUDER AND REVLON BOTH POST BIG PROFIT DROP

Two of the leading cosmetic players in the US have simultaneously posted a big drop in their profits as they are hit by costs associated with restructuring plans that aim to shape up the businesses. Cosmetic and fragrance manufacturer Estee Lauder reported that its third quarter net earnings dropped 44 per cent to reach \$59.5m, compared to a year earlier, when earnings stood at \$106.2m. The company said that the figure had been impacted by a \$3.7m charge relating to the sale of its Stila business as well as heavy restructuring charges. Meanwhile the company's net sales continue to pick up, rising 3.5 per cent to reach \$1.578bn. Currently the company's long-term debt stands at \$1.3bn, compared to \$1.41bn one year ago.

www.cosmeticsdesign.com

8.1.4 USA: FOOD COMPANIES GOING AFTER HISPANIC FAMILIES

From "Tony el Tigre" on Frosted Flakes boxes to a Latin-dance exercise video, Kellogg's is in hot pursuit of Hispanic grocery shoppers. It's not alone. With young families and growing numbers, Hispanics are among the food industry's most coveted customers. Kellogg Co., the nation's dominant cereal maker, says it's boosting marketing to Hispanics by 60 percent. Kellogg took the unusual step of focusing solely on Hispanic marketing at this week's Food Marketing Institute Show, the annual trade show for supermarkets in Chicago. And the company is just one example. Unilever, maker of Hellmann's, Lipton and Skippy, among other brands, released results at the show of a study on how Hispanic customers shop for food. Unilever had about 800 Hispanic households keep diaries and receipts from 3,621 trips to the store. The survey found that Hispanic shoppers tend to plan their shopping ahead, more so than shoppers generally, with an eye toward discount specials.

www.msnbc.com

8.1.5 USA: COLGATE HAS A RESPONSE TO NEW CREST TOOTHPASTE

Colgate-Palmolive Co. has a response to the new Crest Pro-Health toothpaste that Procter & Gamble Co. plans to launch and remains confident in its Colgate Total product. Colgate knows the technology and market positioning for the new Crest product. Colgate Total has been in the U.S. market since 1997 and has about a 14 percent to 15 percent share of the market, Company sources said. They declined to compare the product to Colgate Total, but said it would have a similar position in the market, as comprehensive toothpaste with multiple benefits and patented technology.

www.Reuters.com

8.1.6 USA: NINA RICCI UNVEILS MAJOR NEW WOMEN'S SCENT

The new women's fragrance by Puig-owned Nina Ricci brand, Nina, is billed as the most important launch for the brand in 10 years. The Company hopes the rejuvenation of the Ricci fashion combined with the hefty advertising investment behind the launch will strengthen the brand's positioning in the fragrance market, particularly in Asia.

www.cosmeticnews.com

8.1.7 USA: BEVERAGE FIRMS TO STOP SELLING SODAS IN US SCHOOLS

The distributors, working with a joint initiative of the William J. Clinton Foundation and the American Heart Association, also have agreed to sell only water, juice and low-fat milks to elementary and middle schools, said spokesman for former President Bill Clinton. Cadbury Schweppes PLC, Coca-Cola Co., PepsiCo Inc. and the American Beverage Association have all signed onto the deal, spokesman said, adding that the companies represent "a very significant market share." The American Beverage Association represents the majority of school vending bottlers. Nearly 35 million students nationwide will be affected by the deal, The Alliance for a Healthier Generation said in a news release. The agreement affects all public schools that have contracts with the distributors.

Manila Bulletin: May 03, 2006

8.1.8 USA: CALIFORNIA SUES COCA-COLA, ALLEGING MEXICAN-MADE COKE CONTAINS LEAD

The State of California and the City of Los Angeles are suing Coca-Cola Co, seeking to stop distribution here of Coca-Cola made in Mexico because of concern about its alleged lead content. The lawsuit alleges that elevated levels of lead have been detected in the paint used to decorate the outside of glass Coca-Cola bottles, and in the cola itself.

www.finanznachrichten.de

8.2 UNITED KINGDOM

8.2.1 UK: STILTON LAUNCH BLUE CHEESE PERFUME

The makers of Stilton have come up with a unique way of promoting their pungent blue cheese - a Stilton-scented perfume. Eau de Stilton will, apparently, "re-create the earthy and fruity aroma of Blue Stilton cheese in an eminently wearable perfume". It will feature a "symphony of natural base notes including yarrow, angelica seed, clary sage and valerian", according to the Stilton Cheese Makers Association (SCMA), who commissioned it. The fragrance is part of the association's Stick on Stilton campaign to encourage more people to eat the cheese. They have, perhaps cheekily, approached Cat Deeley, the TV presenter, to be the face of the scent as she, like the cheese, hails from the Midlands. Nigel White, from the SCMA, brushed off suggestions that Stilton was not the most alluring of aromas." Blue Stilton cheese has a very distinctive mellow aroma and our perfumier was able to capture the key essence of that scent and recreate it in what is an unusual but highly wearable perfume that we are very proud to put our name to," sources said.

www.telegraph.co.uk

8.2.2 UK: UNILEVER TAKES TOP SPOT FROM P&G IN UK'S TOP 100 ADVERTISERS

Unilever has toppled Procter & Gamble to take the number one spot for the first time in Marketing's annual list of the top 100 advertisers in the UK. The centralisation of the FMCG giant's three divisions into a single entity, coupled with an overall 7.6% year-on-year increase, ensured that Unilever topped the list with a total media spend of over Â£208m in 2005, according to figures provided by Nielsen Media Research. P&G came second in the Top 100 list with a total spend of Â£179.5m, a 12.6% decrease on 2004. Bernard Balderston, P&G's associate director of media, attributed the downturn to timings of category activity as opposed to a determined cut in overall spend. P&G's recent merger with Gillette, which spent Â£17.9m on advertising last year, means that less than a Â£1m separates the total advertising spend of the top two firms going into 2006. COI Communications maintained its third spot on this year's list, marginally increasing total to Â£167.2m in 2005.

www.brandrepublic.com

8.2.3 UK: KRAFT AND PREMIER FOODS EYE UNITED BISCUITS

US food giant Kraft is partnering with Britain's Premier Foods to launch a bid for United Biscuits, according to industry insiders. Reports in the British press suggest the pan-Atlantic pair, together with a Dutch private equity firm, is set to offer around £2.3bn for privately-owned UB. Kraft Foods, maker of Dairy Lea cheese and Ritz crackers, currently holds a 25 per cent share of the biscuit firm. Reports suggest it is now interested in upping its stake to include UB's Southern European operations, which already manufactures Kraft's flagship Oreo brand under licence. Premier Foods confirmed in the Financial Times newspaper last week it is also in acquisition mode, but would not reveal target brands or areas. Its wish-list is thought to include UB's top-selling British brands Jaffa Cakes and McVitie's.

www.meatprocess.com

8.2.4 UK: NESTLE INVESTIGATES SMART LABELS

Global food group, Nestle, is testing "smart labels" in the UK. They are used in conjunction with use-by information to show consumers how much shelf-life remains on a product. Typically, the labels gradually change colour. The technology was developed by UK-based Timestrip and can monitor time over periods ranging from less than a day to six months. The labels were attached to Maggi brand cooking sauces in late 2005. If testing is successful, Nestle may apply the technology to more of its product range

Food Week: May 23, 2006

9. REST OF THE WORLD

9.1 CZECH REPUBLIC'S: CZECH SCIENTISTS BREW MENOPAUSE BEER

Czech scientists say they have created a new non-alcoholic beer that contains 10 times the normal amount of phytoestrogen, intended to help women suffering from the menopause. The beer, developed by the Czech Republic's Research Institute for Brewing and Malting, is intended to relieve menopausal symptoms and maintain bone density by tackling a lack of the oestrogen hormone in many Czech women. The development marks a sizeable breakthrough in the

realm of functional beer, at a time when functional foods are becoming more popular in many markets. Oestrogen levels drop significantly in women at the onset of the menopause and remain low from then on. Studies have linked a lack of the hormone to increased risk of various health problems, including heart disease and osteoporosis. Czechs drink an average 161 litres of beer each every year, compared to 121 in Germany, 84 in the US and around one litre in India. Scientists have known for some time that hops used to make beer naturally contain phytoestrogen, a form of the estrogen hormone found in plants. The technique should also enable them to make the beer non-alcoholic yet preserve taste by maintaining the same levels of hops and malt as a normal alcoholic lager.

www.nutraingredients.com

9.2 FRANCE: SKINTECH EXPECTS TO BANK ON UPSCALE MEN'S POSITIONING

Swiss-based firm Briceline Cosmetics is entering France with its first ever product offering—a high-end men's skincare line dubbed SkinTech—under the newly created Gil Brice brand. The 10-sku line will be available exclusively at French department-store chain Printemps (PPR) until the end of the year, with an initial presence of six locations. SkinTech is the fruit of the collaboration between luxury advertising and communications veteran Fabrice Spilborghs, who founded the company with his bio-chemist brother Gilles in January 2005.

www.cosmeticsonline.com

9.3 ITALY: COTY PRESTIGE REVS UP CHOPARD'S MASCULINE BUSINESS WITH A NEW FLAGSHIP FRAGRANCE

Italy's famous Mille Miglia race (held this year from 11-14 May) was the backdrop for the latest men's fragrance launch from the house of Chopard, a key sponsor of the race since 1988. Chopard pour Homme – created in conjunction with Coty Prestige – is described as a new flagship scent designed to kick-start Chopard's masculine fragrance business. It will be introduced worldwide in the second half of the year. The various elements of the new fragrance were unveiled at each rest stage or “pit stop”. The Chopard pour Homme fragrance is being positioned as the olfactory embodiment of the “male dream”. It is described as a modern classic that reinterprets the timeless elegance of Chopard with style and savoir-faire. It is aimed at the contemporary Chopard man, viewed as someone passionate and successful, with a winning attitude to life.

www.moodiereport.com

9.4 BRUSSELS: TIGHTER RULES TO COMBAT MISLEADING FOOD LABELLING IN EUROPE

Consumer groups are warning that foods high in fat, sugar or salt are able to make misleading nutritional claims on packaging. The European Parliament to approve a new set rule which would tighten up product labelling. It says companies do not currently have to prove the accuracy of nutritional claims before goods go on sale. MEPs in Brussels are set to vote this week on new rules which set out when health nutrition claims can be made on food and drink packs.

www.24dash.com

9.5 BRAZIL: BRAZIL IS THE FOURTH LARGEST COSMETICS MARKET IN THE WORLD

With financial turnover of US\$ 13.8 billion last year, Brazil jumped from the sixth to the fourth position in the world ranking of consumption of personal hygiene, perfumery and cosmetics products. The figures are supplied by Euromonitor, which accompanies the consumption of the ten largest industries in the world. The increase of national consumption of sector products was 34.2%, against a world average of 8.2%. The three countries ahead of Brazil are the United States, Japan and France. According to the Abihpec president, there are some reasons for this accelerated growth: the reduction of taxes on products like sunblock lotion, toilet paper and hygienic pads, the creation of new consumer habits and the consistent effort of the sector industry to launch new competitive products. The market in greatest expansion is that of the United Arab Emirates, followed by Lebanon, Jordan and Libya. According to information supplied by the Abihpec, the organization is seeking expansion of the scope of sector buyers, mainly supporting the participation of Brazilian companies in international fairs.

www.anba.com.br

9.6 RUSSIA: RUSSIAN BAN ON GEORGIAN MINERAL WATER

Russia has banned imports of Georgia's Borjomi and Nabeglavi mineral water, a little more than a month after clearing the country's supermarket shelves of Georgian wines. In the letter, Onishchenko also asked the Federal Customs Service to enforce the ban on Georgia's mineral water, citing poor quality and inaccurate nutritional information on the labels. Sergei Rybak, a spokesman for Borjomi's producer and distributor, Georgian Glass and Mineral Water Company, said recently that it was "an odd coincidence" that the mineral water ban followed so soon after the wine ban. The import and sale of Borjomi and Nabeglavi would be resumed when the companies addressed "the reasons behind and the environment for" the violations, Onishchenko said. After Onishchenko announced the water ban Georgian and European officials rapped Russia over the move.

www.sptimes.ru

9.7 FINLAND: CANCER-FIGHTING GUM DEVELOPED IN FINLAND

The new gum, produced by Finnish company Biohit Oyj, underlines the increasing use of the confection as a vehicle for health-giving properties. It has been estimated that in developed countries, up to 80 per cent of the cancers of mouth, pharynx and oesophagus are caused by smoking and alcohol drinking. According to the Finnish researchers, these epidemiological findings can in part be explained by the fact that alcohol drinking and smoking result in a strong local exposure of the upper digestive tract to acetaldehyde. They have proved that acetaldehyde exposure can be markedly prevented by a tablet that releases an amino acid called l-cysteine. This amino acid is able to bind effectively to the acetaldehyde and thereby eliminate its toxicity. This hypothesis has been strongly supported by Japanese studies showing that digestive tract cancer risk is markedly increased in Japanese drinkers, who have a decreased ability to remove acetaldehyde because of a gene mutation. The first commercial product based on this patented method is l-cysteine containing chewing gum, which was launched on the market at the 11th International Congress of Oral Cancer on 14 to 17 May in Italy.

www.confectionerynews.com

9.8 BELGIAN: INBEV LOOKS FOR FURTHER DEALS IN CHINA

InBev, the Belgian-based brewer, is seeking further acquisitions in emerging markets such as China and Russia, and could sign deals to bolster its position in Latin America, already the company's largest market. InBev's chief financial officer, said that the company would be interested in "two or three" further deals in China, describing the market as a "priority" for the group. In January, InBev bought Chinese brewer Fujian Sedrin for 614m to increase its presence in the world's largest beer market. The producer of Beck's, Stella Artois and Brahma has snapped up businesses in emerging markets as consumers in Western Europe drink less beer in favour of spirits and wine.

www.FT.com

9.9 AUSTRALIA: OLD SPICES FIND A NEW SQUEEZE

Queensland-based Botanical Food Company GM, Craig Agnew, is pleased with the success of the "Gourmet Garden" brand. Since its formation in 1998, Agnew has overseen the herb and Spice Company's meteoric rise. Using a patented technological innovation of Dr David Lewis and Dr Victor Lewis, Agnew helped to create packaging which protects herbs from harmful UV light. Queensland's Department of Primary Industries also linked herb and spice farmers to the business. The main driver of its growth is exports to Britain, Canada, Spain and the US, plus various Asian countries. For instance, compared with 2000 Australian supermarkets stocking Gourmet Garden herbs and spices, it has 8500 US outlets

The Australian: May 26, 2006

9.10 DUBAI: EMIRATES KEEN TO PUSH KL HALAL HUB PLAN

Dubai-based Emirates Airline aims to be at the forefront in helping the Government position Malaysia as a global halal food hub. Based on the geographical location of its hub in Dubai, seen as a meeting point between East and West, Emirates Malaysia cargo manager is optimistic that the airline can provide the much-needed synergy in the distribution of Malaysia's halal food products globally. The move will also help pave the way for more Malaysian food producers to penetrate the West Asian fresh food supply market.

Business Times: May 08, 2006

9.11 DUBAI: BOOTS WILL OPEN FIRST DUBAI OUTLET IN JUNE

UK health and beauty chain Boots has officially announced the mid-June opening of its first Dubai store in the Ibn Battuta Mall. As reported in Gulf News last week, the retailer will open more stores in the Jumeirah Village, Mall of the Emirates and at a high street location which has yet to be announced. The move is a partnership with M.H. Alshaya, one of the Middle East's leading retail groups which runs brands including Pizza Express and Starbucks. Boots is a firm high street favourite in the UK and has expanded to Asia, Europe, the US and Australasia.

www.Gulfnews.com