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IN FOCUS...

WOMEN'S SELF PERCEPTION DRIVES COSMETICS INDUSTRY

According to a survey reported in Taiwan some months ago, only 2 percent of all women on the island think of themselves as physically attractive. Taiwan is far from alone. In fact, the same survey done by Research International, which polled 5,600 women in 21 different countries, showed that the 2 percent figure well applies to the rest of the world, as well. But other numbers indicate women in Taiwan are increasingly worried about their look. Out of those polled, 60 percent felt they were overweight, despite Department of Health statistics that put the actual number of overweight woman less than 16 percent. As a result, the island nation has become something of a dream market for beauty aid suppliers with several home shopping networks catering full time to women with those diminished egos. Then there are the commercials with celebrities promising true empowerment through looking good. "You deserve it," actress Gong Li announces in one. Amy Ho, who owns and operates Amy Go, a line of beauty aids and cosmetics, and Spring Clinic, a beauty clinic that offers plastic surgery among other less invasive procedures. But there are others whose names are immediately recognizable by an overwhelming majority of women in the country.

The China Post: February 27, 2006



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1. INDUSTRY NEWS

1.1 PACIFIC: AUSTRALIA & NEW ZEALAND

1.1.1 RETAILERS FORCED TO FACE NEW RISKS

Deloitte has released a study called "2006 Global Powers of Retailing". The consultancy ranks the world's 250 biggest retailers in the study and highlights the major risks to the retail sector. Deloitte notes that Australian retailers will contend with a stagnating housing sector, fluctuating petrol prices and the need to control supply chain costs in 2006. Globalisation is expected to affect the retail sector during the year, especially with regard to interest rate uncertainties and potential trade restrictions. Other risk factors identified in the report include talent management, terrorism, brand management and new media.

Inside Retailing: 22 February 2006

1.1.2 JB GETS HI-FI SUPERMARKET STORES

JB Hi-Fi has secured two of Hi-Fi Supermarket's outlets in Epping and Maribyrnong, Melbourne. Hi-Fi Supermarkets had gone into administration following concern over its financial standing, and has closed its third store in Mentone. The chain, which sold whitegoods, music, household electronics and mobile telephones, is also said to be in serious debt, with some \$A1.4m owing to Betta Stores. The two stores will be rebranded under the JB Hi-Fi name, and current staff will be retained.

Inside Retailing: 17 February 2006

1.1.3 METCASH, DRAKE JOINT VENTURE TO TARGET 25 SUPERMARKETS

Roger Drake believes that the formation of Dramet will help preserve the viability of the independent grocery trade in Australia. Dramet, a joint venture between Drake Foodmarkets and Metcash, will initially hold six Drake Supa IGA stores in Queensland and three Foodland IGAs in South Australia. Metcash will have a 26 per cent in Dramet and will provide two of its six directors. Drake says it is hoped that Dramet will increase the number of supermarkets it owns by 25 over the next five years. His agreement with Metcash includes an agreement for the latter to acquire his stake in Dramet and ownership of Drake Foodmarkets should he decide to leave the supermarket industry

Retail World Date: 15 February 2006

1.1.4 MACQ COUNTRYWIDE PREPARES FOR EUROPEAN EXPANSION

Shopping centre owner Macquarie Country Wide Trust is making preparations to expand into Europe after its recent purchase of a large US portfolio boosted its half-year net profit. The trust - which owns 250 shopping centres in Australia, New Zealand and the United States - today, reported an 86.5 per cent increase in first half net profit to \$135.4 million. During the six months ended December, 2005, comparable net operating income growth for the Australian shopping centres was 4.4 per cent, 3.1 per cent for New Zealand and 3.9 per cent for the United States. However the

analyst said the shops were being re-leased at higher rates, so it would be unlikely have a negative effect in the longer-term. Macquarie CountryWide securities closed two cents weaker at \$1.96. AAP

AAP Business and Financial News: February 20, 2006

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

1.2.1 CHAIN STORES SET UP HOUSE AS SUPERMARKETS GAIN POPULARITY

With the country experiencing a boom in supermarkets, many local supermarts will soon set up retail chains across the country, market experts said. Chairman of the Supermarket Association, people were increasingly shopping in supermarkets, witnessed recently during Tet (Lunar New Year), with smaller traders and markets fearing the worst in the future. Ha Noi, which had only two supermarkets in 1995, now has 75 marts around the city. According to Phu, also the former deputy director of the Ha Noi Trade Department, the rise of supermarkets had seen a simultaneous reduction in the number of smaller traders and markets in the country. Consumers were trooping to supermarkets because of superior quality, diversity of products at one store and better treatment provided by the staff, sources said. While currently in HCM City around 60 to 70 per cent people shop at supermarkets, in Ha Noi it was only 20 per cent. This could, in the next 10 years, go up by 90 per cent in HCM City and 50 per cent in Ha Noi.

Vietnam Economic Times: February 20, 2006

1.3 GREATER CHINA: HONG KONG, CHINA, TAIWAN

1.3.1 MALL CULTURE HITS CHINA

The rise of the moneyed Chinese consumer may be old news. But the rise of consumers who insist on parking as close as possible to a doorway and who drink cappuccinos above a skating rink while their five-year-olds run circles around a potted palmetto has just started to hit commercial developers. Shoppers who want more than to grab something, line up and pay for it got the attention of Singapore-based Capital and Retail Ltd in 2004, when the firm opened its flagship shopping mall, Raffles City, a 40,000-square-meter high rise mall next to People's Square in the core of China's business capital. It cost Capital and four partners US\$350 million. Capital and has 25 shopping malls in China, including two in , one in and 21 anchored by Wal-Mart in provincial capitals. They cover more than 1.1 million square meters, with assets worth about \$1.1 billion. Capital and is not alone. About 200 malls with an anchor store, a food court, entertainment and parking operate in China. More are on the way as Chinese consumers begin to show mall-rat tendencies. American-style malls in China have a reputation for quality goods and easier ground transit outside, customers say.

Asia Times Online: February 24, 2006

1.3.2 SUPERMARKETS ACCOUNT FOR 10% OF TOTAL DISTRIBUTION

According to the Trade Ministry's Domestic Market Policy Department, by the end of 2005, Vietnam had 200 supermarkets and 30 trade centres in 30 out of 64 provinces and cities. Meanwhile, there are 9,063 markets, 165 of which are key wholesale markets; 6,788 are in the countryside, accounting for 74.9% of the total, while 2,275 in cities, account for 25.1%. 40% of goods come through traditional markets, and 44% through independent retail shops, while modern distribution network undertake only 10% of the distribution volume. Manufacturers sell the remaining 6% direct to consumers. Supermarkets are located in big cities. At first they were seen in Hanoi and HCM City only, but then in other cities as well. Saigon Co-op is the biggest domestic distributor with 15 supermarkets and ten shops. Intimex comes second with six supermarket chains, An Phong Company comes third with five.

Vietnam Net Business News : February 27, 2006

1.3.3 COMPETITOR TO GO UP AGAINST BIG C, METRO

A new domestic distribution system and retail chain worth VND 6.1 trillion (US\$395 million) will soon be launched by the G7 Trade and Service Co Ltd, said a company representative. The company's G7 Mart aims to connect wholesale suppliers to the retail market and enhance the competitiveness of the domestic distribution system with large foreign distributors and retailers like Big C and the Metro supermarket who, a G7 research group warned, are dominating the domestic market. Vietnamese trademarks have been having a hard time finding effective distribution in the light of weak financial standing and poor business technology, the research group added. In five years, G7 Mart expects to have 10,000 stores, 18 warehouses, and seven trade centres, Vu confirmed.

Vietnam Net Business News: February 6, 2006

1.4 SOUTH ASIA: INDIA, SRILANKA, BANGLADESH, NEPAL

1.4.1 LUXURY NOW RS 65,000 CR BUSINESS

Here is good news for those looking for a fix on the luxury market in India: According to a report released by Technopak's The Knowledge Company recently, the current market size of luxury-very premium goods and services is Rs 65,000 crore and is growing at about 14 per cent every year. India currently has 1.6 million households earning over Rs 45 lakh per annum, and each of these households spends about Rs 4 lakh per annum on such goods and services. Announcing the findings, Arvind Singhal, chairman, Technopak Advisors Ltd, said the report had not just categorised luxury households but had given a size of each of the four distinct segments. While over 1 million luxury households have been slotted as "luxuriented" – the topmost segment – 6-7 million have been termed "very affluent," 10 million as "getting there" and up to 15 million upper middle-class households as "mid affluents".

Business Standard: February 17, 2006

1.4.2 BIG BUSINESS IN INDIA: 'BE MY VALENTINE'

Some years back, when a few love-struck Indians first began to celebrate Valentine's Day, a rose would suffice to mark the occasion. As consumerism catches on in India, incomes rise and a young population finds gainful employment, the

number of customers ready to pay for the requirements of love is getting larger and larger. The corporates have responded, cajoling lovers to spend big. October to March is a bonanza period in any case - it is the wedding season, the festival season (Diwali, the festival of lights, and Durga Puja in October-November; Christmas in December; New Year celebrations; and Holi, the festival of colors, in March). This is the period when business is best for the consumer-durable market, valued at US\$5 billion, and the fast-moving consumer goods (FMCG) sector - including clothes, soap, cosmetics, chocolates and so on, valued at \$10 billion. Valentine's Day fits perfectly into this period, and the figures confirm it. According to industry estimates, the gifts business centered on Valentine's Day is worth more than \$10 million. More than \$1 million of this is spent on cards, while sales of roses exceed 4 million stems - still a pittance by international standards. India's Valentine's Day rose exports account for 40% of annual sales, with Amsterdam alone this year ordering more than 2 million Indian roses. Delhi and its suburbs account for \$5 million of business at hotels and restaurants on February 14, most of which advertise Valentine's Day galas that approximate New Year celebrations. Valentine's Day holiday packages include popular destinations such as Goa, Bangkok and Singapore.

Asia Times Online : February 15, 2006

1.4.3 INNOVATION HELPS FMCG RIDE THE GROWTH CURVE

The Rs 48,000-crore fast moving consumer goods (FMCG) industry grew 5.3% in value terms in calendar year '05 over '04, according to Market study. Rise in food and personal care categories is fuelling this growth with biscuits growing over 13.8% and shampoos by 17.5% in value terms, against 9.8% and 8.6% growth registered in '04, respectively. Certain categories have posted a decline or stagnant growth. Detergent cakes, for example, which showed a 2.5% volume growth last year, has posted a decline of 8.1% this year. Packaged food will continue to become more significant as Indian consumers work longer hours, the number of working women continues to rise, and as large family units continue to decline in number. Quality will remain a key factor in controlling market share, as Indian consumers will continue to opt for products that can be purchased on a weekly or fortnightly basis, as opposed to earlier purchasing of farm produce or local unpacked groceries on a daily basis, said sources.

Economic Times: February 23, 2006

2. PERSONAL CARE

2.1 PACIFIC: AUSTRALIA & NEW ZEALAND

2.1.1 REXONA GOES FOR GAMES GOLD

Rexona is an official provider of deodorant products to the New Zealand (NZ) team for the Melbourne 2006 Commonwealth Games. NZ athletes will receive two limited edition deodorant variants, Team Black and Forever Gold. Geoff Bellingham, channel activation manager at Unilever Australasia, says the two fragrances are being marketed through television, magazines, radio and in-store activities. Fine fragrance make a category-wide impact

Grocers' Review: 24 February 2006

2.1.2 FINE FRAGRANCE MAKE A CATEGORY-WIDE IMPACT

BDM Grange believes it has created a new category of designer/premium deodorants. Emma Hislop, brand associate at the company, says the new category is based on a fragrance platform. The Lentheric Kaleidoscope female range consists of deodorants available in four fragrances: "Create a Stir", "Work the Room", "Look Don't Touch", and "Drop Dead Gorgeous". A range of the Lentheric deodorants for men has also been developed. Hislop said the response to the new deodorants had been "fabulous"

Grocers' Review: 23 February 2006

2.1.3 MEN FOLLOW THE PEACOCK PATH

Gillette's deodorants are very popular among male customers. The company's latest new product is a Gillette Cool Spray deodorant, characterized by effective wetness protection and a time-release system to control odour. Shawn Harvey, grooming business manager at Gillette, and Ross Leaver, trade marketing manager at SellAgen, say body sprays are the fastest growing segment in the deodorant category

Grocers' Review (NZ): 23 February 2006

2.2 GREATER CHINA: HONG KONG, CHINA, TAIWAN

2.2.1 L'OREAL SNIFFS SCENT OF SUCCESS

French cosmetics maker L'Oreal reported yesterday its sales in China's mainland and Hong Kong last year rose 15.7 percent to 426 million euros (US\$509 million). L'Oreal said China has surpassed Japan to become its largest market in Asia for the first time. The cosmetics maker generated sales worth 343 million euros from the mainland and 83 million euros from Hong Kong respectively last year, boosted by the strong performance of its Maybelline mascara and its first foray into male skincare market.

Shanghai Daily: February 24, 2006

2.2.2 US COSMETICS GIANT AWARDED CHINA'S 1ST LICENCE FOR DIRECT SALES

US cosmetics giant Avon Products Inc has been awarded China's first licence for direct sales, after the country lifted a seven-year ban on the business on December 1. The Ministry of Commerce (MOFCOM) on February 22 approved Avon's application on direct selling, allowing the company to hire independent promoters to sell products directly to consumers, the department of foreign investment administration of MOFCOM said on its website. The ministry also granted certificates to seven of Avon's employees, allowing them to train door-to-door vendors for the company.

Asia Pulse: February 28, 2006

2.3 KOREA/JAPAN

2.3.1 JAPANESE COMPANY DEVELOPS IMPROVED SEAWEED EXTRACT FOR COSMETICS

UBE Industries claims to have devised a new way of processing the seaweed extract Fuicoidan, an active ingredient used as a softener in hair and skin care applications. The new process, which will be unveiled at the forthcoming In-Cosmetics show held in Barcelona, Spain in April, is said to turn a once dark-colored gloopy extract into a pale yellow viscous substance that is significantly more compatible to formulate. The company says that its process involves treating the seaweed with ethyl alcohol, which removes the carotenoids that give the extract its thicker consistency and darker color. The ingredient then undergoes a further extraction process under alkaline conditions and a fine filtration process. After undergoing this process, the extract's higher viscosity makes it far more compatible with a host of other base and active ingredients, easing the formulation process considerably. Further to this it is odorless, non-irritating and anti-allergic, attributes that are key to the success of most ingredients within the sector.

Novis Cosmetics News: February 28, 2006

2.3.2 ITALIAN AND JAPANESE COMPANIES JOIN FORCES ON OLIVE EXTRACT

Italian botanicals manufacturer Indena and Japanese cosmetics giant Kanebo have joined forces to develop an olive fruit extract designed to provide moisturizing and anti-ageing properties for the skin care category. Tapping into a huge global growth in demand for naturally derived ingredients on the back of consumer demands for products that provide health and wellness properties, the two companies have spent five years co-researching and co-operating on the project. The resulting Opextan extract focuses on the the high levels of polyphenols found in olive fruit, and more specifically verbascoside. This particular polyphenol is found in high levels in the olive fruit extract and is claimed to be a highly effective active ingredient for skin care formulations. Consequently, both companies have filed patents for the ingredient's active properties as a treatment for UV damage, wrinkle formation and as a hair tonic. The joint agreement means that Indena will promote the ingredient worldwide, while Kanebo will market it in Japan under the name 'Bella Vista'.

www.cosmeticsnews.com

2.3.3 JAPAN EXPERIENCES ANTI-AGING BOOM

The combination of increasing economic confidence and the never-ending ambition to maintain health and youthful looks is leading to an unprecedented boom in anti-aging cosmetic treatments. Cosmetic companies have reported significant increases in sales of anti-aging creams, skin tonics and skin whitening creams in the past year as an aging population reaches out for products that aim to fight the physical effects of ageing. As a result cosmetic companies and retailers across Japan have reported a significant increase in a variety of products targeting specific areas related to aging, including treatments for blotchy and wrinkled skin, as hair care treatments and tonics aimed at nourishing tired or graying hair.

www.cosmeticsdesign.com

2.3.4 SHISEIDO, KOSE TAP MASCARA BOOM WITH NEW EYELASH COSMETICS

With almost 90 per cent of women in their late teens and early 20s now using mascara to bring attention to their eyes, Japanese cosmetics companies have begun releasing new products for eyelashes. Kose Corp recently released a liquid coating that fixes the eyelashes in shape once mascara has been applied to make the lashes stand upward. The coating is said to last for half a day. Kose has priced the product at 2,940 yen (US\$25) a bottle and has targeted marketing at the late-teen/early-20s crowd. Shiseido Co. (TSE:4911), meanwhile, has developed a product for women in their 30s and older, whose eyelashes have begun to naturally lose volume with age.

Asia Pulse: February 23, 2006

2.3.5 KANEBO SEES POTENTIAL GROWTH IN CHINESE MARKET

In spite of the setbacks once suffered by the company in China, Japanese cosmetics manufacturer Kanebo is reportedly looking to expand in the Chinese market. Kanebo's biggest department store brand in China is Aqua, and various advertising campaigns have been launched to revive the brand's image within the market. In line with the company's growth strategy, more recent advertising campaigns have sought to popularize other products, such as products belonging to its Sensai Cellular Performance range, which were promoted in the country through an advertising campaign last December. Reports suggest that in addition to launching new products, the company is also looking to stimulate growth by adding a new brand to its China portfolio.

Datamonitor - Newswire: February 6, 2006

2.3.6 S. KOREA'S COSMETICS EXPORTS TO ASIA RISE SHARPLY IN 2005

South Korean cosmetics exports to Asia, especially to Chinese-speaking nations, soared last year amid the growing popularity of South Korea's pop culture in the region, a government office said. South Korea exported US\$2222 million worth of cosmetics last year, up 35.6 per cent from a year earlier, the Korea Customs Office said. Such products did not include perfumes and bath goods. The largest importer of the nation's cosmetics was China with \$62.73 million in imports, up 32.8 per cent from the previous year, the office said. Taiwan's imports of cosmetics from South Korea surged 157.4 per cent from a year earlier to \$33.45 million. Japan's imports of South Korean cosmetics totaled \$29.79 million, up 32.8 per cent from the previous year, the office said. Hong Kong's imports gained 69.6 per cent to \$25.42 million last year, while Singapore's imports soared 73.8 per cent to \$7.63 million. South Korea exported \$6.69 million worth of products to Vietnam, up 4.5 per cent year-on-year, the office said.

Asia Pulse: February 22, 2006

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

2.4.1 BEIERSDORF POISED FOR ORGANIC GROWTH

German cosmetics giant and marketer of the Nivea brand, Beiersdorf, says it is poised to grow organically, with the Asian and me personal care market likely areas for investment. Chief executive Thomas-Bernd Quaas mentioned his

ambitions in an article published in today's WirtschaftsWoche magazine, when he also said that he was not ruling out the idea of strategic acquisitions. Quaas said that acquisitions would be carefully considered, as the wrong buy could weaken the company's position, particularly if it was a smaller player, adding that any acquisitions would have to endorse the company's leading market position.

Novis Cosmetics News: February 16, 2006

2.4.2 MAYBELLINE LAUNCHES XXL MASCARA

Women have tried many ways to beautify their eyes, and one of them is smoothing and lengthening their eyelashes with mascara. Cosmetics producer Maybelline New York on recently launched their XXL mascara, which can make eye lashes 40 percent longer and thicker. The mascara is formulated from microfiber, vitamin B5 and extract of cornflower. The product can be used for up to eight hours, does not smudge or flake, and can easily be cleaned with Maybelline 100% Oil Free Eye Makeup Remover.

The Jakarta Post: February 12, 2006

2.4.3 THAI COSMETICS FIRM SSUP TO BUILD 50 MORE BRANCHES

SSUP plans to open 50 more branches this year, a report in Krungthep Turakij said. SSUP now has 190 Orient Princess Branches, 105 Cute Press branches and 25 GNC branches in Thailand. This year the company intends to open 50 more branches, mainly Cute Press branches. Recently SSUP made an agreement to sell three kinds of health food supplements from Yoo Yan Sang of Singapore at its GNC stores.

Thai News Service: February 21, 2006

2.4.4 COSMETICS RETAILER TO GO INTO FRANCHISING

Cosmetics retailer HBC, Inc., the retail arm of the Splash Group of Companies, is set to foray into franchising to expand its reach in the local and international markets. The company will now allow other investors to put up HBC stores. There are currently 151 HBC stores that are either "community-based," or are inside malls. Company officials had said that besides the US, HBC is also targeting to enter Malaysia, Vietnam, Thailand, China, Indonesia and Hong Kong. HBC distributes products that are aimed at the broad-based market. Besides cosmetics, the company also distributes personal care and salon products. Among the brands that are being carried by HBC are San San, Vitasoft, Just Bug, Essentials Salon Tools, Hortaleza Professionals, and Implements.

Business World: February 21, 2006

2.4.5 BOI OF THAILAND OFFERS PROMOTIONAL PRIVILEGES TO FRENCH FRAGRANCE PRODUCER

The Board of Investment of Thailand (BOI) has awarded promotional privileges to a subsidiary firm of France's V. Mane Fils to manufacture fragrance compounds with an investment capital of about Bt11.1 million (US\$ 277,000), a senior BOI official said .BOI Deputy Secretary General Hirunya Suchinai said the promotional privilege was given to V. Mane

Fils (Thailand) Co., Ltd. to produce fragrance compounds and supply to manufacturers of fine soap, shampoo and cosmetics. V. Mane Fils (Thailand) is the first foreign fragrance compound producer in Thailand.

Thai News Service: February 21, 2006

2.4.6 JOHNSON & JOHNSON LAUNCHING NEW PRODUCTS

Johnson & Johnson Philippines, maker of pharmaceutical, personal hygiene and health care products such as lotions shampoos, is introducing at least five new products this year even as Filipinos continue to tighten their wallets, a ranking official said recently. The firm, a unit of New Jersey-based multinational Johnson & Johnson, will come out with smaller packaging materials and will make products available in smaller retail outlets such as sari-sari stores as consumers limit their spending on the more important goods such as food.

Business World: February 23, 2006

2.4.7 EXPORTS OF PERFUMERY & COSMETIC PRODUCTS TO EXCEED RM500 MLN

Malaysia's exports of perfumery and cosmetic products are expected to exceed RM500 million by end of this year compared with RM492.6 million in 2005, says Deputy International Trade and Industry Minister. last year, Malaysia's imports of perfumery and cosmetics products amounted to RM1.3 billion and exports valued at RM492.6 million, which showed opportunities for Malaysian companies in the industry to seize the market. Ahmad Husni said currently, the country's major sources of imports are Thailand (28.7 percent) and France (11.1 percent) while its main export destinations are Singapore (32.5 percent), Hong Kong (22 percent) and Thailand (6.9 percent). On the local front, the deputy minister said the industry is relatively small, consisting of 37 projects with a total investment of RM286.7 million. Apart from the 37 projects, more than 50 small and medium-sized enterprises are engaged in contract manufacturing for products such as shampoo and conditioners, hair care products and perfumes.

Bernama Newswire: February 21, 2006

2.4.8 L'OREAL LAUNCHES ANTI-WRINKLE CREAM FOR WOMEN AGED OVER 40

L'Oreal (Thailand) Ltd recently launched a new anti-wrinkle product called Biofirm Lift, meant for women aged about 40 and over. Product manager Preeyarat Suttapattanon said beauty-conscious women of that age were keen on quality skin-care aids, especially those that helped maintain healthy skin. The new product is part of L'Oreal's anti-wrinkle Biotherm brand, which Preeyarat oversees in Thailand. Biofirm Lift comes in formulas for dry and normal-to-oily skin. Further launches of the new product are being planned elsewhere in Asia. Biotherm expects to unveil more products in all its product lines this year than it did in 2005. Previously, the company sold two kinds of anti-wrinkle products, Age Fitness (for women aged between 25 and 30 years) and Line Peel. Preeyarat said the anti-wrinkle products accounted for 25 percent of Biotherm's total sales last year. Thailand was chosen as the first Asian country - and the second in the world - for the product because of its strategic importance. Aubert is also touring Singapore, Indonesia and Tokyo to launch the product there. The company's biggest Asian markets are South Korea, Hong Kong, China, Japan and Singapore. Aubert said that the Thai market was still small - in part because it does not normally experience the swings in air temperature of

most of those countries - but growing rapidly.

The Nation: February 28, 2006

2.4.9 THE NEWEST CROP OF SKIN BRIGHTENERS

Like clockwork, cosmetics and skincare companies began launching their Newest whitening lines earlier this year. While most of them will only be available in the next few months, the clamor for these products continues unabated. For a couple of years now, big companies like Clinique have been coming out with extensive whitening lines formulated for Asian skin. Its Active White Lab Solutions, however, will soon be replaced with Clinique Derma White. Even the Dallas-based direct selling company, Mary Kay Inc., has joined the bandwagon with its own range for Asian skin.

Business World: February 27, 2006

2.4.10 FIRST CONTAINER OF BAMBOO ESSENCE EXPORTED TO JAPAN

A company in the Central Highlands province of Lam Dong has sent its first container of bamboo essence and bamboo coal to Japan after over a year of experiments. Making use of locally available materials like bamboo, the Da Lat Urban Management Company has succeeded in making the products, thanks to technology transfers from Japan. The company plans to build an additional 200 furnaces to extract bamboo coal and bamboo essence in two communes of Da Hoai and Bao Lam, home to the largest bamboo forests in the province. Bamboo coal is used as activated charcoal and counter-poison for the medical sector and to grow clean vegetables in greenhouses. Meanwhile, bamboo essence is a biological product used in organic vegetables and pesticide production.

Thai News Service: February 24, 2006

2.4.11 PRICES OF CONSUMER GOODS RISE DURING TET

Prices of consumer goods and services rose 10 to 15 per cent prior to Tet (Lunar New Year) holiday, an official says. Market analysts said higher prices in HCM City and Hanoi were expected to continue, but could not say for how long, the Saigon Liberation newspaper reported. From December 15 to January 15, the Consumer Price Index grew 1.2 per cent, with food prices up 1.7 per cent, and non-food items, 0.5 per cent. Chicken as usual was in high demand, with the price rising from VND50,000-VND60,000 (US\$3.75) to VND90,000 (\$5.6) per kilogram in the two days prior to the holiday in HCM City. Chicken in Hanoi cost VND60,000 - 65,000 per kilogram, up 10 per cent, with vegetable and fruit prices also rising 10 to 15 per cent. Thoa said the culling of poultry due to bird flu fears had also contributed to higher prices.

Thai News Service: February 7, 2006

2.4.12 AVON TO CLOSE DOWN PLANT IN INDONESIA

Cosmetics producer PT Avon Indonesia will stop its operational activity in Indonesia as part of its global restructuring effort announced by its parent company, Avon Products, in November last year.

Asia Pulse: February 2, 2006

2.5 SOUTH ASIA: INDIA, SRILANKA, BANGLADESH, NEPAL

2.5.1 RUCHI SOYA LATHERS UP SOAP MAKING PLANS

To launch Ruchi No. 1 soaps in three variants Soya food and edible oil manufacturer Ruchi Soya Industries is lathering up plans to diversify into soap manufacturing business. Ruchi has an annual turnover of Rs 3,922. The company is currently test marketing its new soap brand 'Ruchi No 1' in Delhi, Gujarat and Chattisgarh. The soap brand will be launched in three fragrances — rose, jasmine and lime.

Daily News and Analysis: February 23, 2006

2.5.2 RETAIL SECTOR SMELLS FRAGRANT FOR LUXURY MAKER YSL

THE buoyancy in India's retail sector has provided a shot in the arm for luxury goods manufacturers. Global leaders in fragrances and beauty products are especially enthused with the boom in the domestic retail business. Among those that have stepped up efforts to cash in on the development is multi-brand luxury goods maker YSL Beaute, the fragrances and cosmetics division of the Gucci Group.

Business Line : February 15, 2006

2.5.3 POSTMEN WILL NOW SELL ALOE VERA PRODUCTS!

Don't be surprised if the ubiquitous postman comes to your door-step with cosmetic products like creams, gels and shampoos along with letters. The department of posts, Gujarat circle, and Sheetal Agro Industries (SAI), joined hands on Friday to sell aloe vera products through the post offices all over the state. Aloe Vera based products, which include gel, shampoo, scrub, massage and fairness cream, will be sold through counters in post offices.

Times of India: February 11, 2006

2.5.4 WELLA READY TO LET ITS HAIR DOWN IN INDIA

Indians are spending big money to get perfect their tresses. Hoping to cash in on this trend is Wella India Haircosmetics, the manufacturer of haircare products, beauty and skin care items, equipment for hair salons and perfumes. The company has drawn up big plans for the booming Indian professional hair care market that is pegged at Rs 90 crore and growing at 25per cent per annum. Over the next year, Wella India plans to double its presence in the country and sees Maharashtra, Delhi, Bangalore, Hyderabad, Chennai and Kolkata as the big potential markets. Wella has been present for over five years in India, where it has 400 exclusive salons. The company plans to double this number by June '07. Wella also supplies its products to 4,000 salons.

Economic Times: February 22, 2006

2.4.5 RYTHMX TO EXPAND COSMETICS NETWORK

Amritsar Preparing to take on cosmetics giants like Lakme and Revlon, Amritsar-based Rythmx Cosmetic Formulation is set to expand and increase its presence in the domestic market as well as in neighbouring countries. The company is planning to appoint 150 distributors for this. The firm manufactures colour cosmetics like lipsticks, nail paints, slim

sticks, etc. It has 15 distributors in the region. The firm is eyeing countries like Bangladesh and Nepal, apart from tying up with traders in Pakistan. Once trade starts through the Wagah border (cosmetics are not allowed through the Wagah route), the firm will export to Pakistan also. Then the South-East Asian market will be explored. Started two year ago, the company is growing at 15-20 per cent growth a year and by the end of this financial year, the turnover is expected to touch Rs 55-60 lakh.

Business Standard: February 28, 2006

ON THE SHELVES: Lifebuoy, The English company, Lever Brothers, an created Lifebuoy soap in 1895 and sold it as an antiseptic soap. They later changed its name to Lifebuoy Health Soap. Lever Brothers first coined the term "B.O." for bad odour as part of their marketing company for the soap.

3. FOOD / LIQUOR & BEVERAGES

3.1 PACIFIC: AUSTRALIA & NEW ZEALAND

3.1.1 PATTIES FOODS FIRST TO TRIAL RFID

Patties Foods, the maker of brands such as Herbert Adams and Four'N'Twenty pies, is to commence a trial of radio frequency identification (RFID). The testing, which is due to commence in November 2006, is the first of its kind in the Australian frozen foods sector. The MD of Patties Foods, says that one of the many benefits of RFID is that it will enable the company to ensure its marketing campaigns are in alignment with when its products reach the shelves of retailers. He says that the RFID trial is part of an ongoing review of its supply chain procedures that began in 2003

Retail World: 15 February 2006

3.1.2 FRENCH CHOCOLATE COMES TO SYDNEY

Jeff de Bruges has opened the first of what could be as many as six stores in Sydney, in King Street. Jeff de Bruges is the biggest chocolate retailer in France, although its products are made in Belgium. It has been in business for 20 years and has 240 stores in its home country. It sells around 70 different chocolates, and also ice cream. Its chocolates are claimed to be less creamy than those made in Switzerland or Belgium, as it uses cocoa oil in preference to vegetable oil. Neither are they very sweet, as it uses little or no sugar

Food Week: 2 February 2006

3.1.3 CHOCOLATE CHEESE - FONTERRA'S SWEET NEW EXPORT

It took just six months for Fonterra's chocolate cheese to capture 10 per cent of Taiwan's overall cheese market. The New Zealand dairy products group is now rolling out the novel cheese product across Asia. It is already available in Singapore

and is being launched in Malaysia, Indonesia and Thailand in early 2006. Fonterra is planning to launch a chocolate cheese filling for pancakes in partnership with a Singapore company, Jolibean

Food Industry Week: 2 February 2006

3.1.4 BURNS PHILP DEFENDS UNCLE TOBYS FROM SNACK ATTACK

Australian-listed food company, Burns Philp, has held its market share in the snack foods sector despite strong competition. The company has posted earnings of \$A191.4 million before one-off items for the six months to 31 December 2005. Earnings for the Uncle Tobys snacks business totalled \$A34.4 million, down from \$A41.7 million previously. Price cuts by competitors caused Uncle Tobys to lose market share, but it retaliated by lowering prices and launching new products, and regained its share of about 41 per cent. Burns Philp could be considering the sale of Uncle Tobys

The Australian: 17 February 2006

3.1.5 AUSTRALIANS PREFER SAVOURY OVER SWEET BISCUITS

There has been 3.4 per cent value growth in the Australian biscuit market in the last year. Market reports that savoury biscuits comprise 44 per cent of the \$A1.1 billion biscuit category in value terms, followed by sweet and chocolate biscuits with 38 and 18 per cent apiece. Report data shows that Campbell Arnott's is the leading biscuit manufacturer, with a value share of 58.3 per cent. Kraft Foods has a value share of 6.7 per cent, while home brand biscuits account for 7.2 per cent of the market. The cracker segment has been expanding by 14.9 per cent in value terms

Retail World: 15 February 2006

3.1.6 GOODMAN FIELDER TASTIER AS BENCHMARK BECKONS

Standard Poor's quarterly review of the SP/ASX 200 index is due to be released on 3 March 2006. According to UBS, Food Company Goodman Fielder will be included in the Australian index, which will help lift its share price. SP AusNet and Spark Infrastructure are also expected to make it on to the index. Those set to be dropped include Peptech, Ventracor and Thakral Holdings. Index funds will be forced to buy shares in newly included stocks to maintain a "marketweight" position

The Australian Financial Review: 14 February 2006

3.1.7 FONTERRA SHIFTS SOME PRODUCTION NORTHWARDS

New Zealand dairy products maker Fonterra is to relocate its brine making operations from its Clandeboye plant to its Lichfield factory during 2006. Around 30 jobs will go at Clandeboye, which is located in the South Island, as a result of the relocation, which followed a review by Fonterra of its manufacturing capacity. The review also recommended that the manufacture of parmesan and dry salt cheese be combined at Clandeboye, but no decision has been yet made on this proposal

Food Industry Week: 14 February 2006

3.1.8 DAMPIER SALT PLANS TO BOOST OUTPUT BY 30% IN AUSTRALIA BY '09

Dampier Salt Ltd., an industrial salt producer whose shareholders include Marubeni Corp. and two other major Japanese trading houses, is expected to spend around \$A50 million (\$US36.95 million) to raise annual output from its three salt fields in Australia by 30 per cent to 11 million tons by 2009.

Asia Pulse: February 8, 2006

3.1.9 FONTERRA LINKS WITH US IN WHEY TRIAL

New Zealand's Fonterra and US group Dairy Management Incorporated will jointly fund research into whey protein. Management aims for the research results to create a framework that can be used to validate health claims made in the marketing of whey protein. The research is intended to bolster the image of dairy foods. The joint approach is unusual, particularly in the early phase of the product development process

Food Industry Week (NZ): 28 February 2006

3.1.10 GOODMAN FIELDER HAS SPREADS COVERED

Goodman Fielder's margarine and related spreads are performing very well in New Zealand. The Australasian food company has achieved success by focusing on functional, value-added and gourmet products. Goodman's Meadowlea Logical brand was recently re-launched, with the promotion emphasising Logical's cholesterol-lowering characteristics. The marketing was a success, with Meadowlea overall holding a 17.4% market share in term of value as of 27 November 2005. Goodman's Olivani Avocado was launched in April, and it already holds a 17.7% market share

Grocers' Review (NZ): 24 February 2006

3.1.11 CONSUMERS SHOWING PREFERENCE FOR NZ OLIVE OILS

Sales of Telegraph Hill Extra Virgin Olive Oil are rising. Geoff Crawford, director of Telegraph Hill, expects the market for New Zealand extra virgin olive oils to continue to grow as a result of raising consumer awareness of this type of oil. The introduction of the "Olive Mark" certification process will strengthen the position of NZ oils on the local market. Telegraph Hill is well prepared for growth. In November 2005, the company won the Hawke's Bay Chamber of Commerce "Emerging Business of the Year" award

Grocers' Review (NZ): 24 February 2006

3.1.12 AZALEA BRAND SWEET SUCCESS

Azalea Grapeseed oil, marketed in New Zealand (NZ) by William Aitken Company, is very popular among local consumers. As multi-purpose oil, it is well-suited for use in salads, mayonnaise, shallow and deep frying, and cake making. The NZ grapeseed oil market expanded by 14.6 per cent in value during the last 12 months to exceed \$NZ1.5 million. Managing director of the company, says grapeseed oil is the fastest-growing sector of NZ's cooking oil market

Grocers' Review (NZ): 24 February 2006

3.1.13 INDULGENCE AND PRODUCT LAUNCHES DRIVE GROWTH IN CATEGORY

Market Research estimates that the Australian confectionery category has expanded by 4.6 per cent in the last year. Chocolate comprises 56.5 per cent of the category by value, while sugar confectionery accounts for 33.1 per cent. Cadbury Schweppes, Nestle and Master Foods are leading chocolate manufacturers. Julian Piddock, of Nestle, thinks further growth is likely in the chocolate bar market in 2006, following six per cent growth in the past year. Nestle is preparing for its biggest-ever product launch, of "KitKat Temptations". The company will spend \$A4 million on advertising and launch support

Retail World: 23 February 2006

3.1.14 REFRESHING THE MINT CATEGORY

Neil Fonti, of Ferndale Confectionery, thinks mint sales will continue to grow more rapidly than the overall confectionery category. In the last three years, the mint segment has achieved 20 per cent growth amid launches, extra promotional activity and new market entrants. Fonti thinks there is a need to challenge retailers' assumption that chocolate-based confectionery must dominate shelves near the checkout. Market calculates that gum commands 6.5 per cent of the confectionery category. Wrigley, the producer of the popular "Extra", is the market leader

Retail World: 23 February 2006

3.1.15 ENERGISING CONCEPTS SPARK UP THE GLOBAL DRINK MARKET

Thais were the world's biggest consumers of energy drinks in 2004, consuming 11.6 litres per person according to Zenith International. The Asia Pacific region consumed 58 per cent of the world's energy drinks in 2004, followed by North America (15 per cent). Red Bull is well and truly the market leader in the supply of energy drinks, according to Zenith's Sophie Carkeek. Worldwide consumption of energy drinks is tipped to reach 4,100 million litres by 2009, while the global consumption of soft drinks in 2004 totalled 480 billion litres

Retail World: 1 February 2006

3.1.16 FOSTER'S BEER IN BOON-LED REVIVAL

Australian beverages group Foster's reported its best beer sales in 10 years for the first half of 2005-06. During the period, Foster's ran a popular advertising campaign featuring cricketer David Boon, and the increased acceptance of premium beers among young drinkers was another factor contributing to the strong sales result for beer. Foster's recorded a 62% decline in bottom-line profit to \$A291.1m, while profit rose 10.5% to \$A333.3m on a like-for-like basis. Shares in Foster's fell \$A0.12 to \$A5.48 on 14 February 2006, after trading as low as \$A5.40

The Mercury: 15 February 2006

3.1.17 HEALTHY FIGURE DUE TO CUB BEER BOOM

Australian alcoholic beverages group, Foster's, unveiled its company results on 14 February 2006. CEO Trevor O'Hoy announced a 10.5 per cent increase in half-year net profit to \$A333.3 million, underpinned by its beer profitability. The Carlton United Beverages (CUB) arm increased EBIT 17.9 per cent to \$A371.6 million, with only a 6.2 per cent revenue

rise. Due to growing concerns about the wine division, including cost savings from its \$A3.2 billion Southcorp acquisition, Foster's closed \$A0.12 lower at \$A5.48. O'Hoy returned an interim dividend of \$A0.0975 per share to investors, representing a 5.4 per cent increase on the corresponding 2004-05 dividend, which will be payable on 3 April 2006

The Age: 15 February 2006

3.1.18 PACKAGING AND PRODUCTIVITY TO SPUR SPC GROWTH

SPC Ardmona earned about \$A45.7 million for Coca-Cola Amatil (CCA) in the 10 months since its acquisition by the beverages group. Over that period, the Australian group made \$A351.9 million in revenue. However, the result was lower than the forecasts of some analysts, who had predicted SPC could contribute more than \$A50 million. CCA has announced plans to expand on CCA's resealable fridge-pack capacity and will provide \$A115 million under a capital expenditure program

The Australian Financial Review: 10 February 2006

3.1.19 COKE LOSES FIZZ AS SUGAR PRICE DOUBLES

The share price of Australian beverage company, Coca-Cola Amatil (CCA), has fallen despite a good result for 2005. The company has posted a net profit of \$A320.5 million for the year to 31 December 2005, an increase of 16 per cent. Company sources say CCA performed well in spite of difficult conditions. However, costs are expected to rise by up to eight per cent in 2006. The price of sugar more than doubled in 2005.

The Australian: 10 February 2006

3.1.20 AN ADDITIVE THAT MAKES IT EASIER FOR ELDERLY JAPANESE TO EAT THEIR FOOD

One of the 10 best new consumer products has rated an additive that makes it easier for elderly Japanese to eat their food for 2005. Made by Kissei Pharmaceuticals, Kissei Through Partner Food Additive, and converts food into a jelly-like substance without having any adverse impact on the food's taste and flavour. Other products that made the Datamonitor top 10 for 2005 included a beer from the UK that contains no gluten and a whiskey from Suntory in Japan that has been matured in a way that gives it polyphenols, a type of antioxidant known to be good for the heart and traditionally associated with red wine

Food Industry Week: 10 February 2006

3.1.21 WILLOW RAISES PROFILE WITH NEW CHOCOLATE BARS

Willow Confectionery has been operating for 20 years. The Australian firm makes chocolate bars, Easter eggs and display boxes. The company has launched the "Willow Bar" in 2006. Jeffrey Smith, the general manager of Willow, says the self-named product marks a new promotional phase for the firm. Smith notes that the "Willow Bar" is the only chocolate bar in Australia guaranteed to be free of peanuts, gluten, egg and tree nuts. He says the new product is intended to be a prestige as opposed to "meat and potatoes" chocolate

Food Week: 22 February 2006

3.1.22 BIG BREAKFAST BRANDS SAGGING

To Sanitarium Health Food's delight, Australian consumers are making big cereal makers squirm. Consumer awareness about the ill-health effects of sugar-filled breakfast cereals is growing. As a result, sales of many products with unhealthy nutritional profiles sagged over the year to 29 January 2006. Sanitarium, which focuses on healthier, wholegrain cereals, enjoyed 9.6% sales growth. Its larger rivals Kellogg and Uncle Tobys suffered, dropping 1.8% and rising just 0.5% respectively. Sales of Kellogg's Nutri-Grain fell by 11%. To add to the big players' discomfort, Cereal Partners Worldwide has launched Nesquick cereal, a direct, but healthier, rival for Kellogg's Coco Pops

The Australian Financial Review: 20 February 2006

3.1.23 BOXED CHOCOLATES REMAIN A HOT SELLER

According to Market research the boxed chocolate category has expanded by around 3.5 per cent in value terms in the last two years. The boxed chocolate grocery category is valued at roughly \$A150 million in Australia. Derek Lath, of Ferrero, says the premium chocolate segment, which includes "Baci" and "Gyulian", has expanded by 23 per cent in the last two years. Sources report that Lindt is the Australia's most popular boxed chocolate brand, with a market share of 18.1 per cent. He says the brand has an annual turnover of \$A30 million

Abix Industry News: February 23, 2006

3.1.24 STARBURST HIT FOR SUGAR SHOPPERS

MasterFoods is extending its "Starburst" confectionery line. From March 2006, the food company will offer its "Starburst Soda Squirts" and "Starburst Soda Slammers" ranges in cola and lemonade flavours. The latter product will be available in an 180 gram bag and the former in 282, 141 and 56 gram packs. MasterFoods is also preparing to release "Starburst Sour Sucks" in the lollipop category

Retail World: 23 February 2006

3.1.25 AUSTRALIAN OLIVE LEAF EXTRACT MOVES INTO CANADA

Canadian based C.K. Foods Inc. has entered into an exclusive agreement with Olive Products Australia, the world's largest specialized olive leaf grower, to distribute its Fresh Olive Leaf Complex. Sales in Australia for the olive leaf extract have grown by more than AU\$1m (US\$0.74m) per month, with annual growth of the company of more than 50 per cent since 2001. Additionally, the powders are typically made from dried, reconstituted leaves, but the Olive Products Australia's Fresh Olive Leaf Complex was made from fresh 'alive' leaves. Distribution rights have been acquired for several patented ingredients targeted at nutritional/dietary supplements, and functional foods and drinks.

NOVIS Food Beverage News: February 23, 2006

3.1.26 ZERO HITS THE SPOT FOR COKE

Coca-Cola Zero (CCZ) has made a stunning debut into the Australian soft drink market. The new product from Coca-Cola Amatil and Coca-Cola Australia was launched at the start of 2006, and 90% of the target age group of consumers between 18 and 30 are already aware of its existence. CCZ has leapt to a 13.4% market share of supermarket cola soft

drink sales, and its appearance has in fact pushed the combined sales of all Coca-Cola varieties up by 22%. About half of the target age group has sampled CCZ, and of these, the majority has gone back for more

The Australian Financial Review: 27 February 2006

3.1.27 CCA ANNOUNCES HEALTHY PROFITS

A promotional budget of \$A18 million has helped Coca-Cola Amatil (CCA) get off to a very promising start with its new low-calorie product. Terry Davis, the MD of CCA, said it had sold the equivalent of 100 million 250ml bottles of Coke Zero in the first month of its launch. Davis was commenting at the release of CCA's latest annual results, with the company reporting a net profit of \$A320.5 million, up 16.8 per cent. He noted that one of the main features of the result was an "outstanding year in Indonesia"

Food Week: 24 February 2006

3.1.28 SDS SET TO GROW EXPORT BUSINESS

A management buyout of SDS Beverages Food Wine in 2005 will assist it in selling wines in the UK. The buyout was followed by the north-west Victorian company merging with HWCG, a UK-based importer to become known as Neqtar Limited UK. SDS Beverages Food Wine had previously been involved in the sale of bulk wines, but it now intends to move into the export of branded red and white wines. Aside from wine, the company is a major exporter of vegetable juices to Japan

Food Week: 24 February 2006

3.1.29 MCGUIGAN HIT BY GLUT

Australian company McGuigan Simeon Wines has reported a 61% decline in net profit to \$A6.19m for the first half of 2005-06. The result was affected by the oversupply of wine in Australia and increased competition, and the company warned that the wine surplus is likely to continue for another two years at least. Shares in McGuigan declined \$A0.03 to \$A3.01 on 22 February 2006

ABIX News: February 23, 2006

3.1.30 FOSTER'S TOP BEERS SPARE WINE HANGOVER

Australian alcoholic beverages group, Foster's, unveiled its company results on 14 February 2006. CEO Trevor O'Hoy announced a 10.5 per cent increase in half-year net profit to \$A333.3 million, underpinned by its beer profitability. The Carlton United Beverages (CUB) arm increased EBIT 17.9 per cent to \$A371.6 million, with only a 6.2 per cent revenue rise. Due to growing concerns about the wine division, including cost savings from its \$A3.2 billion Southcorp acquisition, Foster's closed \$A0.12 lower at \$A5.48. O'Hoy returned an interim dividend of \$A0.0975 per share to investors, representing a 5.4 per cent increase on the corresponding 2004-05 dividend, which will be payable on 3 April 2006

The West Australian: 15 February 2006

3.1.31 YEARS OF CELLARING IN AN INSTANT

A Japanese firm has created a technology that can rapidly age newly bottled wine. Within a few seconds, Innovative Design Technology's technique can age a wine to the same extent as if it had been cellared for several years. The technique has the capacity to greatly lower costs and hasten the development of complicated flavour molecules. Innovative Design's US offshoot, BW2 Holdings, is involved in talks with US wineries about use of the technology

Food Industry Week: 28 February 2006

3.1.32 WINE EXPORTS RAISE BAR, BUT DRINKERS WANT CHEAPER SHOTS

New data indicate that, while Australia is exporting more wine, wine groups are making less per bottle. Figures from the Australian Wine Brandy Corporation claim 704 million litres, worth \$A2.8 billion, were exported during calendar 2005. However, the average dollar value secured per litre dropped seven per cent to \$A3.96. Great Britain remains Australia's largest export market. However, there are indications the US will soon occupy that position. Meanwhile, McGuigan Simeon Wines has warned that a new record may be reached for the grape harvest for the current year

The Age: 8 February 2006

3.2 GREATER CHINA: HONG KONG, CHINA, TAIWAN

3.2.1 COCA COLA REPORTS 22% GROWTH IN CHINA BUSINESS

The yearly financial statement of Coca Cola has shown that the company saw its China business grow 22 percent last year. Li Xiaojun, vice president of Coca Cola (China) Co. Ltd., ascribed the robust growth to the company's readjusted strategy of diversifying its product lines, especially with the focus on non-carbonated beverages. Coca Cola, the world's biggest soda supplier, now owns a wide variety of soft drinks in China, ranging from mineral water and fruit juice, to tea and coffee.

CEInet -: February 24, 2006

3.2.2 INDIAN SPIRITS GIANT SEEKS TO TAP CHINA'S THIRST

India's UB Group, the country's biggest producer of spirits and beer, plans to start selling whiskey in China in the next six months to tap rising consumption as faster economic growth lifts incomes. UB will initially tie up with a local distributor to sell the spirits, Ravi Nedungadi, president and chief financial officer at the group, said in a recent interview in Shanghai. He expects to start exporting whiskey to China in six months. The group is seeking to tap the Chinese liquor market, estimated at US\$7.6 billion a year. Several Indian companies such as UB and Godrej Consumer Products Ltd are betting that rising incomes will boost demand for their products. The competitive advantage of local production is prompting them to consider setting up or purchasing plants in China.

Shanghai Daily: February 20, 2006

3.2.3 CADBURY PUMPS EARNINGS

Cadbury Schweppes Plc, the maker of Dr Pepper soda and Dairy Milk chocolate, said earnings increased 46 percent last year, helped by the disposal of less profitable brands and the fastest revenue growth in more than a decade. Net income rose to 765 million pounds (US\$1.33 billion), or 36.9 pence a share, from 525 million pounds, or 25.7 pence, a year earlier, the London-based company said. Sales advanced 7 percent to 6.51 billion pounds. Company is using money from last year's US\$2.2 billion sale of Cadbury's European soft-drinks unit and brands such as Grandma's Molasses to invest in the faster-growing chewing gum and diet-soda markets.

Shanghai Daily: February 22, 2006

3.2.4 NEW JV TAKES AIM AT OTHER TEA FIRMS

UNI-President Enterprises Corp and Nissin Hualong Foods Co Ltd have jointly established a beverage company in Beijing as part of their efforts to grab further share in the growing tea beverage market. An analyst said the deal teed off a coming period of merger & acquisitions in the tea beverage business, signaling less opportunity for further rapid growth in the booming market. The companies will jointly invest 1.8 billion yuan (US\$223.6 million) in the venture, named Kinmaio Drink (Beijing) Co Ltd, after Kinmaio, an instant noodle brands under the Nissin Hualong label. Its registered capital is 600 million yuan, with both sides holding a 50 percent stake.

Shanghai Daily: February 21, 2006

3.2.5 TAIWAN'S UNI-PRESIDENT, CHINA'S NISSINHUALONG, JAPAN'S NISSIN FOOD IN CHINA JV

Taiwan-based Uni-President Enterprises Corp said it is forming a bottled drinks joint venture in China with China-based Nissin Hualong Food and Japan's Nissin Food Products Co Ltd. The three firms are due to sign an agreement in Beijing on the venture, named Jinmailang Drink (Beijing) Co Ltd, according to a statement from Uni-President. Uni-President's wholly-owned President Enterprises (China) Investment Co Ltd will hold 50 pct of the 600 mln yuan-capitalized Jinmailang, while a NissinHualong unit will take 33.3 pct and Nissin's Hong Kong unit the remaining 16.7 pct. The joint venture is scheduled to start operations from the middle of March, with tea drinks as initial products, it added, noting that the unit's sales target for the first year stands at 900 mln yuan.

AfxAsia: February 17, 2006

3.2.6 CACTUS BOTANICS LAUNCHES BAMBOO LEAF EXTRACT

UK-based Cactus Botanics has launched its Bamboo Leaves Dry Extract, an extract rich in antioxidants that is intended for use in dietary supplements. The bamboo extract is a rich source of active compounds, including flavone, phenolic acid, lactone, polyose, amino acid, and microelements, which have been linked to enhancing a wide range of effect such as protection of blood vessels, the liver, improving sleep quality, protection against cancer, and anti-aging.

Novis Food&Beverage News: February 21, 2006

3.2.7 CHINA BEER MARKET CONSOLIDATING DRIVEN BY OVERSEAS INVESTMENT

China's beer market -- the world's largest by volume - is consolidating as overseas firms step up acquisitions here, analysts said. One of the latest overseas acquisitions of a Chinese brewer came last month when Belgium's InBev bought a 40 pct stake in Fujian Sedrin, saying it plans to buy out the largest brewer in southeastern China by the end of 2006.

AfxAsia: February 24, 2006

3.3. KOREA/JAPAN

3.3.1 COOPERS' YEAST SENT TO SUNTORY IN GOOD TASTE

Coopers Brewery may have solved its yeast disposal issues. Because yeast cultures double in size when they are used in beer making, the South Australian brewer has regularly had to dispose of roughly half of its yeast, while complying with environmental regulations and trying to minimise environmental impact. However, Japanese whisky distiller Suntory has been looking for a new yeast supplier, and Coopers has negotiated an agreement that may soon see Suntory taking all of Coopers' excess yeast. A trial shipment was sent in October 2005. Suntory needs yeast to add flavour to its whiskies

Ecos: 3 February 2006

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

3.4.1 SEAFOOD PRICES RISE ON STRONG DEMAND

Unprocessed seafood prices have increased as the US, the EU and Japan have placed many orders with the local seafood exporters, the Vietnam Association of Seafood Exporters and Producers (Vasep) said. Tra and basa fish now cost 11,500-13,000 dong per kilogram, up about 1,500 dong from the middle of January. Shrimp prices also rose by 30,000-40,000 dong per kilogram (about 30 shrimps) earlier this week and now costs 115,000 dong per kilogram. Vasep forecasts that unprocessed seafood prices will increase and continue at high levels until May.

Intellasia Business Briefs: February 9, 2006

3.4.2 BOAG'S MAY BE HIT BY SHAKE-UP

There have been reports Philippines food and beverages group San Miguel is considering a reorganisation of its Australian assets. Such a development could affect the future of Tasmanian brewer J Boag Son, a subsidiary of the company. San Miguel is reportedly considering a possible float of its Australian business and the sale of beer and food divisions. San Miguel also owns Australian dairy products group National Foods and fruit juice business Berri. US investment bank Morgan Stanley Company has developed a proposal for an initial public offering of San Miguel's Australian subsidiary, it has been reported

The Mercury: 22 February 2006

3.4.3 LOTTE MULLS ENTERING VIETNAM RETAIL MARKET

Lotte Shopping, a leading department store operator in South Korea, is planning to join the Vietnamese retail market, which is still restricted to foreign investors. The company intends to open a chain of wholesale and retail stores in HCM City, the country's southern business hub. If approval is forthcoming, Lotte Shopping is expected to spend around US\$15 million setting up the first store in HCM City, said a source close to the situation. The source said Lotte Shopping could join hands with a local trading company in HCM City to build the store on a 90:10 basis. Lotte Shopping is one of the retail operations of Lotte Group, which is seen as the eighth largest business group in Korea. Lotte Shopping, which operates the Lotte Department Store chain, Magnet discount store chain, and Lemon supermarket chain, has maintained the top ranking in the Korean retail industry for the past 22 years.

Saigon Times Daily: 16 February, 2006

3.4.4 DEMAND TO BOOST VIETNAM'S HONEY EXPORTS TO US

The United States will remain Vietnam's main long-term market for honey exports, forecast director of the Central Honey Company Dinh Quyet Tam. Tam based the forecast on the fact that the US had a large honey market and appreciated Vietnam's product - the US market consumed 180,000 metric tonnes of honey annually and demand was only increasing. The US previously imported honey mainly from China and Argentina, and first imported Vietnamese honey in 1992. Vietnam became the third largest honey supplier of the US in 2003, surpassed only by China and Canada.

Asia Pulse: February 20, 2006

3.4.5 JAPAN FIRM JOINS PRE-MIX FLOUR VENTURE

Nitto Flour Milling Co is to form a joint venture with Mitsubishi Corp in Vietnam to produce and market pre-mix flour for frozen meals. The new venture will be established in April and is expected to be operational by early-2007. Nitto is set to merge with Fuji Flour Milling Co in April, and the merged company will take an 85% stake in the Vietnamese venture, with Mitsubishi taking the remaining 15%. The operation is expected to have a total capitalisation of JPY280m (US\$2.4million). A 5,300 sq metre plant is to be built on the outskirts of HCM City with a total annual production capacity of around 2,400 tonnes. It is envisaged that the flour produced by the new company will be destined almost entirely for Japanese frozen-food companies operating in Vietnam.

www.Just-food.com

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

3.5.1 VIETNAM APPLIES QUOTAS ON SALT AND TOBACCO IMPORTS

The Ministry of Trade has applied import quotas on salt and tobacco materials this year, according to a recent decision made by the ministry. Under the decision, fixed import quotas on salt and tobacco materials are 200,000 tons and 38,204 tons, respectively. To reduce imports of industrial salt and intensify export of salt for civil use, Vietnam has been developing salt production in coastal central and southeast regions, the report said. It is also enhancing industrial salt

fields in the central region, to turn out 1.5 million tons of salt in 2010. Vietnam imported 100,000 tons of salt for industrial production in 2003, mainly from Australia and India, according to the country's state-owned Vietnam Salt Corporation.

Vietnam Panorama Economic News: February 15, 2006

3.5.2 CAMPINA BRANCHES DAIRY VENTURE TO THAILAND

International cooperative dairy company Campina has signed a 50/50 joint venture deal with Thai Dairy Industries for the local production of fresh and long-life consumer dairy products in Thailand. Campina said the joint venture with Thai Dairy, one of the largest dairy companies in Thailand, is an important expansion its existing activities in Thailand. The agreement, which will become operational on 26 January 2006, will involve the production of fresh and long-life consumer dairy products in the production facilities of Thai Dairy Industries in Ayuthaya. The joint venture represents another step in Campina's strategy to realise growth with consumer products in a select number of countries in Southeast Asia. Last year, the firm entered a joint venture in Vietnam with Vinamilk, the largest dairy organisation in Vietnam.

Datamonitor: 27 January 2006

3.5.3 DISTRIBUTOR ITALTHAI INDUSTRIAL TO PRODUCE OWN FRUIT JUICE

After 50 years of distributing food and beverage for other companies, Italthai Industrial Co has decided to launch its own fruit juice to capture revenue from a market worth more than four billion baht a year. After years studying the market, Italthai, which operates a variety of businesses, from construction to wine, has added its 100% fruit juice line, AC Fresh, to its product portfolio this month. Italthai planned to launch its premium grade fruit juice, 100% kiwi juice and 100% pink guava juice, in distribution channels such as supermarkets, hotels, hospitals, restaurants and bakeries. An Original Equipment Manufacturer (OEM) in Nonthaburi has produced the 100% kiwifruit juice AC Fresh, while the 100% pink guava product came from A&C Products in Ratchaburi province, from a Hawaiian strain.

Thai News Service: February 13, 2006

3.5.4 CROWDED GREEN TEA MARKET DOMINATED BY A FEW BIG PLAYERS

Though the seven-billion-baht green tea market may have appeared attractive and lucrative for investors, it has actually become a battlefield where only the tough and lucky survive, the Bangkok Post reports. Since the Taiwanese brand Unif launched green tea in the market in 2001, some 40 brands have flocked in, hoping to cash in on growing demand for the drink, widely considered to be healthy by consumers. But only a handful have proved successful, including Oishi, Unif, Ajinomoto's Sencha, T.C. Pharmaceutical's Puriku and Boon Rawd's Mochi. Over the last two years, a number of manufacturers have left the market, including Unilever Thai Holding's Lipton Wave, Sakura, Siam and other local brands. The juice producer Tipco is planning to stop selling its green tea temporarily this year, while Beverage Partners Worldwide, a joint venture between Coca-Cola (Thailand) and Nestle (Thailand) which owned the Shizen brand, is reportedly planning to stop producing green tea in near future.

Thai News Service: February 10, 2006

3.5.5 NESTLE AIMS TO SELL MORE DRINKING WATER THAN BOON RAWD

Nestle (Thai) Ltd has mapped out an ambitious plan to topple Boon Rawd's Singha as the country's best-selling drinking water brand. Prasopsuk Suttapirom, executive director for the water business at Nestle Thai, said the company had relaunched Nestle Pure Life with a new label to highlight its trendy and refreshing look. It plans to spend 100 million baht promoting the relaunched product, which was first introduced in the local market seven years ago.

Thai News Service: February 15, 2006

3.5.6 BEVERAGE MAKERS WANT TO IMPORT SUGAR DIRECTLY

The Department of Trade and Industry has expressed support to calls by local beverage makers to allow them to import sugar directly. The government imports sugar and sells it to traders through public bidding. The traders, in turn, resell the commodity to end-users such as beverage makers. Favila said the Philippine Sugar Millers Association informed him about the upward movement of sugar prices in the world market. The group assured Favila of sufficient supply of locally produced sugar and that rising prices of sugar abroad need not necessarily affect the price of the commodity in the local market. The government last month announced plans to import 50,000 metric tons of sugar to provide relief to consumers amid a surge in local prices. The proposed sugar importation is pushing through with the government waiting for the right time to make the order.

Manila Standard Online: February 28, 2006

3.5.7 SOUTHEAST ASIA OFFERS OPPORTUNITIES FOR NUTRACEUTICALS

The nutraceuticals market in Southeast Asia has high growth potential but companies must invest heavily in advertising to help consumers understand the health benefits, says new strategic analysis from Frost and Sullivan. The analysis is focused on six countries with vastly varying degrees of development of the nutraceuticals market: Thailand, the biggest market in terms of revenue, Malaysia, Singapore, Philippines, Indonesia and Vietnam, with combined populations of over 510m people. Despite the market being fragmented in the region and increasing market presence by local manufacturers, the main players continue to be multinationals such as DSM and BASF. Recent health crises such as SARS and now bird flu are heightening awareness and, as is increasing demand for weight management products. In Singapore, where consumers have higher purchasing power, the market is reported to be reaching saturation. Although differences clearly exist between each country, there does seem to be a trend towards specific products, like functional drinks.

Novis Food&Beverage News: February 23, 2006

3.5.8 NESTLE LAUNCHES UNSWEETENED CREAMER FOR TEA DRINKERS

Malaysians are great tea lovers, which can be seen from the number of the tarik stalls and restaurants in the country. Lately, however, there has been some concern over the impact of the tarik on a person's health, particularly the sugar content of the drink. To address this segment of the market, beverage and food products maker Nestle (Malaysia) Bhd launched Nestle Tea-Time, an unsweetened powdered dairy creamer, specially for tea. The product is expected to secure at least 2 per cent of the total creamer market. According to Nestle Products Sdn Bhd sales director Ganesan R.

Ampalavanar, 2 per cent is a realistic target as the local creamer market is largely dominated by condensed milk, with over 90 per cent market share. The product, which is available at Giant Hypermarkets, is expected to be made available to over 500 supermarkets and hypermarkets nationwide by the middle of March.

Business Times: February 24, 2006

3.5.9 DUTCH LADY TAPS YOGHURT DRINK MART

DUTCH Lady Milk Industries Bhd is confident that its newly -launched fat-free yoghurt drink will capture as much as 30 per cent share of the market by the end of the year. This will translate into sales of between RM15 million and RM20 million. Managing director said that now is the right time for Dutch Lady to strengthen its market share in view of the fast-growing yoghurt drink segment. Yoghurt drink is the fastest-growing among dairy products, with an annual growth rate in the country of 23 per cent. According to Ruygrok, the RM55 million market is anticipated to grow to RM70 million by the year-end.

Business Times: February 17, 2006

3.5.10 CROWN TO OPEN NEW BEVERAGE CAN FACILITY IN CAMBODIA

Crown Holdings, Inc. (Crown), a leading supplier of packaging products worldwide, announced that its subsidiary, CROWN Asia Pacific Holdings Ltd will construct a new wholly-owned beverage can production facility in Cambodia. Located in the suburbs of the capital city Phnom Penh and close to local customer filling plants, the plant will have an annual production capacity of approximately 500 million two-piece, 33cl aluminum beverage cans. Commercial production is scheduled to begin by mid 2007. With this investment, Crown will operate ten 2-pc beverage can plants in Asia -- four in China and six plants in South East Asia with two in Vietnam (Ho Chi Minh City and Hanoi) and one plant each in Malaysia, Singapore, Thailand and Cambodia.

PR Newswire: February 23, 2006

3.6 SOUTH ASIA: INDIA, SRILANKA, BANGLADESH, NEPAL

3.6.1 ITC FOODS FORAYS INTO INSTANT MIX SEGMENT, DISHES OUT 5 PRODUCTS

ITC Ltd recently launched 5 instant mix products in Coimbatore under the Aashirvaad brand. The Company has launched Rice Idli, Rava Idli, Rice Dosa, Gulab Jamun and Khaman Dhokla instant mix products. The products have a shelf life of 6 months and contain no preservatives. The Company also markets wheat flour under the Aashirvaad brand.

Business Line: February 22, 2006

3.6.2 NEW PRODUCTS FROM BAKERY INGREDIENTS MAKER AB MAURI

Bakery ingredients manufacturer AB Mauri India has decided to strengthen its presence by launching new products such as multi-grain bread concentrate, ingredients for cake improvement and speciality muffin mix concentrate. The Company has production units at Kolkata in West Bengal, Chiplun in Maharashtra and Sikandarabad in Uttar Pradesh for

producing yeast and other bakery ingredients.

Business Line: February 17, 2006

3.6.3 AMUL AIMS AT 1 MILLION-MARK FOR PIZZA BUSINESS

Amul plans to increase its capacity of frozen pizzas to one million per month. The Company has expanded its capacity from one lakh pieces to three lakh pieces in the first phase. The expansion in pizza capacity is in response to the increased demand for Amul's frozen pizza. The Company sells its pizzas through its 310 dedicated outlets across India.

Business Standard: February 17, 2006

3.6.4 MOTHER DAIRY RIDES ON PEAS TO BOOST ICE-CREAM MARKET

Mother Dairy has improved the market share for ice-cream in Mumbai to five percent by utilising the distribution network of its Safal brand of frozen peas. The Company had launched its ice cream in Mumbai in the summer of 2005. Mother Dairy has 5,500 stockists for Safal peas in Mumbai and sells ice cream through 1,500 outlets. The Company has entered the eastern market with butter, ice cream and ultra heat-treated milk in 2005.

Business Line: February 01, 2006

CHOCOLATE BREAK: -

Cocoa the main ingredient of the chocolate is the most pest-ridden tree in the jungle

4. CIGARETTE /TOBACCO PRODUCTS

4.1 PACIFIC: AUSTRALIA & NEW ZEALAND

4.1.1 SMOKESCREEN HID TRUTH ON LOW-YIELD CIGARETTES

Medical experts believe that the tobacco industry has lied to consumers for many years. The experts believe that tobacco groups have falsely promoted the safety of low-tar cigarettes and have duped consumers about how much nicotine is found in cigarettes. Medical experts believe that smokers will always adjust the way that they smoke to get a certain level of nicotine. Thus, they inhale more deeply when smoking so-called low-tar cigarettes. Critics of tobacco companies

allege that they alter the nicotine level of a cigarette to make the product more addictive. Only 17% of people in Australia smoke

The Australian Financial Review: 9 February 2006

4.1.2 CIG PACKS LIGHT UP FURY

Todd Harper, the CEO of anti-smoking group, Quit, has expressed concern at tobacco companies' new packaging initiatives. Harper claims that a trend towards attractive re-useable purse and flask-style cigarette packs are designed to

attract consumer attention and describe smoking as a "fun, novel-type activity". Harper has called for cigarette packaging to be limited to plain boxes displaying prominent health warnings. New anti-smoking and advertising laws are going to be introduced from 1 March 2006

Herald Sun: 15 February 2006

4.1.3 GRAPHIC ANTI-SMOKING WARNINGS UNVEILED

An emphysemic lung, a mouth riddled with cancer, and a swollen foot, blackened from gangrene, are among the graphic medical images to appear on cigarette packets from March 1. The images will cover 30 per cent of the front of cigarette packets and 90 per cent of the back and form part of a new tobacco health warning campaign. One of the 14 pictures is of a newborn baby attached to life-saving machines. The graphic health warnings provide a strong and confronting message to smokers, about the harmful health consequences of tobacco products, and they'll convey the 'Quit' message every time a person reaches for a cigarette.

Australian Associated Press: February 14, 2006

4.1.4 BAROKES WINES PATENT

It has been a long and expensive fight, but Barokes Wines has finally secured the innovation patent for Vinsafe. The Australian Patent Office ruled in favour of Barokes in December 2005, and the deadline for litigant Amcor to appeal had passed by mid-February 2006. Vinsafe is a technology that can be used to package wine in cans. Barokes says that it hired Amcor as a contractor to assist in developing the can for Barokes's Wine-In-A-Can product. Now, however, Barokes is free to make licensing deals with other wine companies

The Australian Financial Review: 14 February 2006

4.2 GREATER CHINA: HONG KONG, CHINA, TAIWAN

4.2.1 QLD RETAILERS WAIT AND SEE AS 1 METRE-SQUARE TOBACCO DISPLAY IMPLEMENTED

Smaller Queensland supermarkets derive up to 35 per cent of their sales from tobacco sales. One metre square display rules have applied to tobacco since the end of 2005. Neither Max Bonner, of FoodWorks, nor Peter Piccone, of Piccone's Supa IGA, have yet noticed a decline in tobacco sales. Bonner thinks it is too early to tell whether sales of brands behind shuttered areas will fall. Peter Pullas, a 5-Star Supermarket owner, thinks sales of non-displayed brands have fallen. A \$A9 million Australia-wide anti-smoking campaign could also affect sales

Retail World: 23 February 2006

4.2.2 HEALTH TAX ON CIGARETTE PACKS TO RISE

Soon smokers will have to pay more for cigarettes, as tobacco firms pass the latest tax hike on to consumers. Retail prices are expected to increase by between NT\$5 and NT\$10 per pack to reflect the rising costs, depending on each firm's marketing strategies, officials said. Taiwan Tobacco and Liquor Corp (TTL), the nation's sole tobacco manufacturer,

appeared cautious due to its state-owned status. TTL, which manufactures the leading cigarette brand "Long Life" , enjoys a 40 percent share of the tobacco market. The firm sold 1.7 million boxes of cigarettes last year, raking in over NT\$26 billion (US\$805 million) in revenues. The firm might absorb costs and hike prices by only NT\$5 per pack for some cigarette brands. Its other brands will still see prices rise by NT\$10.

Taipei Times: February 13, 2006

4.2.3 CHINA WILL NOT APPROVE NEW TOBACCO FACTORIES OR JVS

China will not allow any new cigarette factories or approve any new tobacco joint ventures with foreign companies, as part of efforts to reduce consumption, sources reported. The report said that the country will also impose strict controls on existing tobacco production, including industry restructuring and higher taxes. Philip Morris signed a deal with China National Tobacco Corp (CNTC) in December to manufacture Marlboro cigarettes under license in China. London-based British American Tobacco is also reported to be vying to set up up a joint venture in China for local production of its 555 brand cigarettes. According to the Chinese Association on Smoking Control, about 1.2 mln people die of tobacco-related diseases every year in China, one-fourth of the world's total.

AfxAsia: February 8, 2006

4.3 KOREA/JAPAN

4.4. SOUTHEAST ASIA: SINGAPORE, MALAYSIA, THAILAND, INDONESIA, VIETNAM, PHILIPPINES

4.4.1 BAT MALAYSIA 2005 EARNINGS REFLECT WEAKER DEMAND, HIGHER EXPENDITURES

Cigarette manufacturer British American Tobacco Malaysia Berhad said its net profit in 2005 fell to 592.802 mln rgt from 782.084 mln in 2004 as a result of weaker demand and higher expenditure. Pretax profit dropped to 832.969 mln rgt from 1.082 bln, although sales improved to 3.564 bln rgt from 3.263 bln previously, it said. The cigarette manufacturer said its earnings were affected by lower volumes, promotion pricing activities, increased marketing expenditure for Pall Mall and Dunhill, impairment of plant and machinery, expenses in relation to the restructuring of the local tobacco industry, compliance cost in relation to detuning of merchandising units and the cessation of the capacity reservation fee income. In 2005, BAT's cost of sales rose to 2.112 bln rgt from 1.741 bln in the preceding year. Turnover, however, improved during the year due to the significant tax-led price increase in September 2004 and the further tax-led price increase in September 2005, which helped offset the decline in volumes and downtrading.

AfxAsia: February 21, 2006

4.4.2 SMOKING NOW DIFFICULT IN SOUTHEAST ASIA

Once upon a time cigarette smokers could enjoy themselves across Southeast Asia, puffing in bars, restaurants and hotel lobbies without fear of fines or scolding. Those carefree days for tobacco puffers in this traditionally smoker-friendly

region are going up in smoke. Malaysia and Thailand, where smoking bans already exist in air-conditioned restaurants, government offices, airports and other public venues like shopping malls, are now seriously considering making bars and other entertainment venues no-smoking zones. Thailand, which along with Singapore is at the forefront of the region's anti-smoking campaign, has enacted a host of restrictions on the tobacco industry including bans on cigarette advertisements, on smoking in most public places and requirements that all cigarette packs include graphic photos depicting the ill effects of tobacco on health. The Ministry plans to hike tobacco taxes by another 13 per cent this year.

Asian Age: February 14, 2006

4.5 SOUTH ASIA: INDIA, SRILANKA, BANGLADESH, NEPAL

4.5.1 GODFREY PHILLIPS NET UP 12.4%

Godfrey Phillips India Ltd. has posted 12.4 percent higher net profit at Rs18.45 crore for Oct-Dec 2005 against Rs16.42 crore in Oct-Dec 2004. It has posted nine percent higher gross sales at Rs363.4 crore. Its revenue from sales of cigarettes and tobacco products was Rs350.08 crore and tea and related products, Rs13.39 crore. Net sales of the Company declined 3.29 percent to Rs170.01 crore (Rs175.8 crore).

Financial Express: February 01, 2006

4.5.2 SMOKING IT UP

Tobacco companies in India made more cigarettes during Apr-Jan 2005-2006 than they did in the previous 5 years despite the introduction of stringent norms by the Health Ministry of the Government of India to curb smoking. Production of cigarettes grew by 6 percent during Apr-Jan 2005-2006 to 96 million sticks. ITC grew by 7 percent to around 72 billion sticks, while Godfrey Phillips India Ltd. grew by 10 percent to 12 billion sticks.

Economic Times: February 10, 2006

SMOKER'S ZONE:-

1000 BC People start using the leaves of the tobacco plant for smoking and chewing. How and why tobacco was first used in the Americas no one knows. The first users are thought to have been the Mayan civilisations of Central America. Its use was gradually adopted throughout the nations of Central and most of North and South America.

5. HOUSEHOLD CARE/OTHER PRODUCTS

5.1 PACIFIC: AUSTRALIA & NEW ZEALAND

5.1.1 HENKELS BUYS PANDG DEODORANT BUSINESS

German consumer goods group Henkel is aiming to strengthen its cosmetic and toiletries operations with the purchase of Gillette Right Guard deodorant business in the US, a deal that forms part of requirements to comply with US monopoly laws following Gillette merger with P&G last year. The acquisition comes as Henkel releases fourth quarter and full-year financial results that show its cosmetics and toiletries business is performing considerably weaker than its other businesses, which include laundry and homecare, adhesives and a technologies division. The Dial Corporation, a US division of Henkel, signed an agreement with P&G that also acquires two other body care brands Soft & Dri and Dry Idea. The purchase price for the three brands amounted to \$420 million, while sales during 2005 totalled \$275 million. Henkel said that the deal was still subject to customary approval from anti-trust authorities and should be finalised by the end of the first quarter for this year.

Novis Cosmetics News: February 23, 2006

5.1.2 NEW FA VARIANTS TACKLE CONSUMER EXPECTATIONS

Schwarzkopf Henkel New Zealand has launched three new variants under the Fa brand in Roll-On and Aerosol formats. They are: Pink Paradise, Balm Plus, and Active Plus. Jeanie Woo-Flanagan, brand manager at the company, says a decision to buy an antiperspirant involves emotions. The three new fragrances are meant to appeal to the emotional side of consumers.

Grocers' Review: 23 February 2006

5.2 GREATER CHINA: HONG KONG, CHINA, TAIWAN

5.3 KOREA/JAPAN

5.3.1 CONSUMERS BOYCOTT US BABY FORMULA

Consumers are staging a nationwide boycott of U.S. baby formula Enfamil, posting angry letters and cases of foreign objects such as worms and metal pieces found in the products in their online community. Recently, the Ministry of Agriculture and Forestry confirmed consumers complaints about metal fragments found in the imported baby formula made by Mead Johnson & Company. In addition, some consumers claimed, on the Anti-Enfamil site on Internet cafe of Daum.net, that the babies who were fed the Enfamil are developing symptoms. The number of members passed 2,000, in morning and was rising.

The Korea Times: February 24, 2006

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

5.5 SOUTH ASIA: INDIA, SRILANKA, BANGLADESH, NEPAL

5.5.1 CONTRACEPTIVE INHALERS TO REPLACE PILLS

Contraceptive pills might soon be a passe. For, here comes contraceptive inhaler - both for men and women. Scientists at Vadodara university claim to be close to this major breakthrough that can drastically reduce side-effects of contraceptive medicines.

Times of India: February 28, 2006

5.5.2 COST PRESSURES HIT DETERGENT, SOAP MARGINS

The December '05 quarter has seen one of HLL's best performances in years, with most segments doing well on the sales front, with the exception of beverages. Cost pressures have taken their toll on soaps and detergents margins, price increases notwithstanding, though personal products has managed better. Overall, the segment profit margin declined a bit to 18.5% in the December '05 quarter from 18.9% in the previous corresponding period. The soaps and detergents segment has been worst affected due to competitive pressures in the detergents segment. The inability to pass on cost increases and on the other hand, the need to keep up the marketing spend to protect market share, have affected margins.

Economic Times: February 16, 2006

5.5.3 DETERGENT CAKES FACE WASHOUT

The washing soap and detergent industry is undergoing major rehaul, as the supremacy of detergent cakes is being challenged by oil-based washing soaps. In an interview with Business Standard, industry sources said the price of all petro-products had been rising due to a rise in petroleum prices. This had impacted detergents as well. In the last two years, an increase of 25 per cent had been registered in the price of detergents, bringing their prices close to those of oil-based soaps. This had led to a switch in consumer preferences from detergent to oil-based soaps. Although oil-based washing soaps are still more expensive than detergent cakes, nevertheless, the shift to oil-based soaps is quite significant. PSM has been in the business of oil-based washing soaps for close to five decades now. PSM has seen a major boost in its sales of oil-based soaps. It has already come out with a new semitransparent soap, Ghadar, which is attractively packed. Yet another attack on the detergent industry has come from within.

Business Standard: February 16, 2006

5.5.4 DABUR TO HIT HOMECARE SEGMENT

Dabur India is in the expansion mode. Not only has the company entered into completely new product categories such as toilet soaps, but has also decided to strengthen the portfolio of brands acquired from Balsara last year. On the anvil are several new launches in household care segment such as air fresheners, surface and toilet cleaners and even mosquito repellents. In fact, in a presentation to analysts last week, the company divulged plans to set up a manufacturing plant at an excise-free zone in Jammu to satisfy the increasing appetite for homecare products such as coils, mats and vapourisers. At present, it sells Odonil air freshner, Odomos insect repellent cream and Sani Fresh toilet cleaner.

Daily News and Analysis: February 15, 2006

5.5.5 GODREJ SARA LEE TO SET UP NEW UNIT IN JAMMU

Godrej Sara Lee Ltd, a company that manufactures and markets household insecticides, plans to set up a factory in Jammu, according to Vice-President, Marketing, Godrej Sara Lee Ltd. The company's manufacturing hub is located at Pondicherry with facilities at Goa and Guwahati, while some of the manufacturing is outsourced, sources said. Godrej Sara Lee, a joint venture between Sara Lee Corporation and Godrej, has a turnover of about Rs 600 crore. The company has grown between 12 and 13 per cent while the industry average is about 67 per cent. It plans to introduce new products at various price points this year and will be backed by an ad spend of Rs 30 crore, according to sources.

e-Eighteen Newswire: February 10, 2006

5.5.6 PELIKAN SET TO BRING ITS PRODUCTS TO INDIA, INDONESIA

Pelikan International Corp Bhd will enter into 51:49 per cent joint ventures in India and Indonesia to market Pelikan brand stationery. The joint-venture companies, in which Pelikan will hold the controlling stake, will commence operations on April 1. The joint-venture in India will be with Mumbai Stock Exchange-listed Camelin Ltd, a market leader for stationery in India, to market and distribute Pelikan brand stationery in India. Under the agreement, Pelikan brand products will initially be imported into India for distribution. Once the brand is established, it will consider giving the manufacturing rights to the local partner.

Business Times: February 24, 2006

5.5.7 MARICO FORAYS INTO BABY-CARE CATEGORY

Marico Ltd. launched massage oil, Sparsh, for babies in Chennai recently. Marico has priced the baby oil at Rs33 for a 50-millilitre pack and Rs61 for a 100-millilitre pack. The Company made turnover of Rs1,000 crore for 2004-2005 and hopes to double it in the next 5 years.

Business Line: February 22, 2006

5.5.8 INFANCY COEFFICIENT IS MADE OF NON-WOVEN FABRIC

Ginni Filament has launched its Cuddles brand of baby wipes made of non-woven fabric. The product has been developed based on a research by KSA Technopak. The product is priced Rs60 for 40 wipes. The Company plans to compete with dominant operators such as Johnson & Johnson and Wipro in the baby wipes segment.

Business Standard: February 16, 2006

IN THE BUCKET:-

Mosquito repellents don't repel. They hide you. The spray blocks the mosquito's sensors so they know you are there.

6. MEDIA NEWS

6.1 AUSTRALIA : THAT'S THE SPIRIT: ROCKER SINGS VODKA'S PRAISES

Swedish vodka brand, Absolut, will launch a new promotional campaign in Australia. The campaign will use musician, Lenny Kravitz, to promote the brand's values of clarity, simplicity and perfection. A music track and video will be available for download from Absolut's website. There will also be tracks from 10 musicians interpreting the performance. Ann Stokes, of Absolut, says the promotion aims to increase the value of the brand in the long-term, but it is not expected to produce increased sales in the short-term.

The Sydney Morning Herald: 23 February 2006

6.2 CHINA 2005 AD SPENDING UP 18 PCT, GROWTH EXPECTED TO SLOW THIS YEAR

Advertising spending in China last year grew 18 pct to around 30 bln usd but growth is expected to slow next year to around 15 pct, the Wall Street Journal reported, citing a report by CTR Market Research Co. This compares to the 22 pct growth recorded in 2004 and the 39 pct growth seen in 2003, the paper said. By contrast, ad spending in the US -- the world's biggest ad market -- rose only three pct to 150 bln usd last year, according to CTR joint venture partner TNS Media Intelligence. China's biggest marketers are seeking alternative means to reach their customers, such as digital televisions in office lobbies. And China's growing car culture led advertisers to increase spending on radio advertisement, which grew by 39 pct last year. Newspaper advertising spending dropped one pct.

AfxAsia Date: February 17, 2006

6.3 AUSTRALIA: ZERO'S \$18M MARKETING CAMPAIGN LAUNCH

Coca-Cola held an \$A18 million campaign to promote the launch of the no-sugar "Coca-Cola Zero". The campaign includes outdoor advertising, in-store promotions and a web site. The new product is forecast to increase the soft drink group's 80.7 per cent share of Australia's \$A928 million supermarket cola category. The MD of Coca-Cola Australia, Gareth Edgecombe, reveals that "Zero" is mainly targeted at men aged between 20 and 29 years.

Retail World: 23 February 2006

6.4 ALCOHOL ADVERTISEMENTS TO BE BANNED ROUND-THE-CLOCK IN THAILAND

A national committee on alcohol-consumption control has agreed that advertising of alcohol will be banned 24 hours on Thai television and radio with exceptions for international professional sports events. The agreement reached during a committee meeting, chaired by Public Health Minister Pinij Jarusombat. The proposal for the total alcohol-advertising ban will be forwarded to the Public Relations Department so that it will be implemented. Print ads or labels on alcoholic drinks will be considered later -- whether they should be under the control of the ministry's Food and Drug Administration (FDA) or under the Consumer Protection Board (CPB), which is under the supervision of the Prime Minister's Office.

Thai News Service: February 7, 2006

6.5 SUPERMARKETS: A POTENTIAL ADVERTISING CHANNEL FOR VIETNAMESE BUSINESSES

The healthy and convenient trading environment, high quality and sustainable prices offered by the Vietnamese supermarket system have made it a promising advertising channel for local businesses, according to the Trade Ministry. Supermarkets across the country currently have domestic goods accounting for 70 percent of their showcased commodities, primarily consumer goods such as food, clothes, and beverages, reported the Ministry. On average, the products traded by each supermarket come from between 2,000-3,000 Vietnamese producers. Supermarkets have also gained great attention from local businesses owing to their endeavors at modernisation to attract more customers. Many supermarkets offer their patrons such amenities as automatic teller machines (ATM) and e-commerce. By late 2005, over 200 supermarkets and 30 commercial centres were operating in 30 provinces nationwide.

Thai News Service: March 8, 2006

6.6 ARE CIGARETTE ADS THE SIGNS OF A SICK SOCIETY?

This is the moment you've been waiting for: The chance for revenge. OK, revenge isn't a great virtue in any faith. Many consider it a vice. But there are redeeming factors. Dispensation is available. We're talking about the Indonesian advertising business. It would be nice to say "Indonesian advertising art form" because that's its potential. But its grand possibilities are squandered when selling cigarettes -- a job not found in most other countries because it's illegal.

The Jakarta Post: February 5, 2006

6.7 PEPSI-COLA LAUNCHES CAMPAIGN TO PROMOTE LIPTON TEA

Pepsi-Cola (Thai) Trading is planning to take advantage of a current downturn in the green-tea market to launch an aggressive Bt100-million marketing and advertising campaign to push a changed image for its Lipton tea, The Nation reports.

Thai News Service: February 14, 2006

6.8 LEO BURNETT SEES GROWTH IN ADVERTISING INDUSTRY

Leo Burnett Bangkok, a major advertising agency, still sees growth opportunity in the local industry despite the absence of advertising spending by alcoholic beverage businesses, the Bangkok Post reports.

Thai News Service: February 24, 2006

THE REPORTER:-

Number out of 33 top advertising agencies in U.S.A that employ women as their creative directors are 4. Chances that employees of advertising agencies in America are women 2:3.

7. GOVERNMENT POLICY /REGULATIONS

7.1 PACIFIC: AUSTRALIA & NEW ZEALAND

7.1.1 CALL FOR MANDATORY IODINE SHOT IN SALT

Almost half of all primary school children in Australia have an iodine deficiency. Dr Mu Li of the University of Sydney, who led the research team, said in a paper published in February 2006 that the results of the studies are alarming. The researchers want it made compulsory to include iodine in salt. A lack of iodine can lead to thyroid problems later in life. It is also important that pregnant and breastfeeding women have enough iodine in their diet. Most salt consumed by Australians comes from processed food, and few manufacturers use salt containing iodine

The Age: 20 February 2006

7.2 GREATER CHINA: HONG KONG, CHINA, TAIWAN

7.2.1 CHINA TO BAN HARMFUL FARM PRODUCTS IN FOOD MARKET

Harmful farm products will be banned from sale if China's parliament agrees on a motion written to ensure product safety. The draft law on the safety and quality of agricultural products was submitted to the Standing Committee of the 10th National People's Congress (NPC), China's top legislature, for a second review on Feb. 25. The law will be enacted if it passes three rounds of reviews. The products listed by the draft law include those containing state-banned pesticides or farm chemicals, those containing excessive chemical residue or other poisonous substances, and products with infectious parasites, amoebas or animal toxins.

China Economic Information Service: February 27, 2006

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

7.3.1 JAKARTA EXCISE HIKE TARGETS TOBACCO, ALCOHOL

Amid new bylaws cramping their freedoms, smokers and drinkers in Jakarta may soon have another reason to quit their habit, with plans to raise the excise on products including cigarettes and spirits. Although some may hail the move as part of the government's bid to improve its citizens' health while padding state revenues, the proposal has quickly stirred debate on whether the increase could hurt the country's tobacco industry, a sector which contributes significantly to economic growth and employment. More controversy surrounds taxes on nonalcoholic beverages and, perhaps the most controversial, on cement -- both of which could have far-reaching economic impact. The law had set maximum rates of 55 percent and 250 percent respectively, applied both on locally made or imported products.

The Jakarta Post: February 6, 2006

7.3.2 THAI EXCISE DEPARTMENT TO INTRODUCE MICROCHIPS WITH RFID

The Excise Department is preparing to introduce microchips with radio frequency identification (RFID) to replace excise stamps on cigarettes and liquor products within the year, the Bangkok Post reports. The use of microchips will strengthen the department's efforts to identify counterfeit products, said director-general Uthit Thammawathin. The department uses sophisticated stamp-producing techniques but counterfeit stamps are almost as good as the originals in some cases. The RFID system, which is due to be introduced within the year, will also be linked to the department's database.

Thai News Service: February 21, 2006

7.3.3 THAI CABINET APPROVES TOTAL BAN ON TV SMOKING AND DRINKING

The Thai cabinet has approved in principle a 24-hour ban for drinking and smoking shown on television screens, Deputy Government Spokesperson said. According to the Ministry of Social Development and Human Security, showing cigarette smoking and alcohol consumption on TV, whether as images or sound, is now totally prohibited, he said. The decision effectively stops all advertising for alcohol and tobacco products on television. Smoking and drinking on TV has a strong influence on the general public, especially children, the spokesman explained, who tend to easily develop positive attitudes and values towards the two kinds of behaviours shown on TV, and eventually form their own smoking and drinking habits. The cabinet, therefore, approved the ban for 24 hours, not only on prime time as presently applied.

Thai News Service: February 16, 2006

7.3.4 HEALTH & ENVIRONMENT: VIETNAM TO SET UP 4 FOOD CONTROL CENTERS BY 2010

Vietnam plans to establish four food control centers in all national regions of the North, South, Central and the Central Highlands regions, by the end of 2010. The construction of those food poison and pollutants centers is part of a national action plan on food hygiene and safety until 2010 that was recently approved by the government. Under the plan 90% of food producers, 80% of food traders, 100% of managers, and 80% of consumers will be educated in the theory and practice of food hygiene and safety. The plan also points out that by 2010, 80% of Vietnam's food standards will come in line with international standards and 100% of food production establishments will apply hazard analysis critical control point (HACCP) standards. The government has assigned an interdisciplinary steering board on food hygiene and safety to oversee, guide, and control ministries, sectors, provinces, and cities to effectively implement the plan through the Ministry of Health. Total investment for the plan, however, has yet to be made available to date.

Vietnam Panorama: February 28, 2006

7.3.5 BRISBANE - DRINK LAWS TARGET 'HAPPY HOUR'

New alcohol restrictions will apply to Brisbane venues that are licenced to sell alcohol after 1:00am, such as nightclubs and pubs. The laws will specify when, and for how long, "happy hour" promotions can be held. Under the rules, only two happy hour sessions, separated by a mandatory one-hour break, may be staged before 9:00pm. Brisbane City Council hopes the measures will reduce the incidence of alcohol-fuelled violence in the city. Laws banning the advertising of free

or discounted drinks were introduced in 2005

The Courier-Mail: 13 February 2006

7.3.6 UNISTRAP TAKES NESTLE UK TO COURT IN LONDON

Sippah, the brainchild of Unistraw founder, took seven years to develop and fine-tune into a commercial product. Sippah is a type of drinking straw with flavour beads that converts normal milk into flavoured drink. During the course of developing Sippah, the Australian company engaged in talks with Nestle UK under a confidential agreement, but these discussions ended in 2004. In late 2005, Unistraw learnt that Nestle UK was planning a very similar product called Nesquik Magic Straws. As a result, it has launched legal action in the UK, claiming among other things that Nestle UK has "misused confidential information"

Retail World: 15 February 2006

7.3.7 INDONESIAN FOOD EXPORTERS MAY BE BARRED UNDER US BIOTERROR ACT

Most Indonesian food and beverage producers exporting their products to the United States have not been registered at the US Food and Drug Administration (FDA) and face being barred from entering the US market under the Bio-terrorism Act. Chairman of the Indonesian association of food and beverage companies (Gapmmi) Thomas Dharmawan told the newspaper Bisnis Indonesia only 22 per cent of 6,000 Indonesian food and beverage producers have been registered at the FDA. Indonesian companies of the consequences they are facing, adding that companies failing to register soon will likely not be allowed to export foods and beverage products to the United States. Registration, however, is still open although the Bio-terrorism Act has been effective as from August, 2004, he said last weekend. FDA reported that it has received registration of only 270,333 out of 420,000 companies including US importers supplying food and beverage products to the US market. US importers make up most or 116,117 of the 270,333 companies, followed by Japanese exporters 13,315 and Chinese exporters 13,010 companies.

Bername Newswire: February 17, 2006

7.3.8 CUSTOMS SEIZE SMUGGLED CIGARETTES

Cigarettes, worth RM362,838, were seized in two separate operations by the Customs Department in Hilir Perak and Manjung this week. Sources said the first operation was carried out at an oil palm plantation at Pantai Remis where Custom officers seized cigarettes worth RM313,950, with RM1.4 million in unpaid tax, from three lorries left in the area.

Bername Newswire: February 17, 2006

7.3.9 MINORS BANNED FROM BUYING BEER, CIGARETTES IN MAKATI

If you're in Makati City, better not ask a minor to go to a store to buy you beer or cigarettes. Chances are, the buyer could find himself in jail if caught by lawmen. City Ordinance No. 2001-082 prohibits any person from instructing, ordering, sending into an errand or co-opting any person of minor age to purchase or acquire beer, liquor and other intoxicating beverages, cigarettes and other tobacco products from retail store, sari-sari stores, convenience stores and other similar business establishments within the City of Makati. The ordinance penalizes both the buyer and the seller

who sold the beverage to the minor. It also mandates establishments to post a notice that selling of beer, liquor and other intoxicating beverages, cigarettes and other tobacco products to minors is prohibited by law and providing penalties for violators. Violators face a fine of R500, R1,000, R2,000 and imprisonment of 10 days for the first, second and third offense respectively. An out-of-school minor and a sari-sari store owner received a stern warning from a barangay captain for violating the Makati ordinance prohibiting minors from buying alcoholic beverages.

CIBI News: February 18, 2006

7.4 KOREA / JAPAN

7.4.1 PETITION FILED TO BAN CIGARETTE MAKING, SALES

Former President Kim Dae-jung and 157 other prominent figures have filed a petition to the National Assembly, calling for a ban on the manufacture and sale of cigarettes from 2015. Some 195 ruling and opposition lawmakers, including Rep. Yoo Jay -kun of the Uri Party, also expressed their intention to support the petition. The petition, tentatively named a "bill on prohibiting manufacture and sale of cigarettes", stipulates that anyone who makes and deals in cigarettes and their ingredients would be subject to a maximum of five years jail or a 50 million won (\$50,000) fine. Sources said petitioners decided to make the request to the Assembly since cigarettes and similar products are the main cause of various illnesses in humans, including lung cancer and cardiovascular diseases. But they decided to give a grace period of 10 years to tobacco plant growers, manufacturers, and sales people so that they have time to take up other jobs.

The Korea Times: February 23, 2006

8. TURF ABROAD

8.1 SWISS SUPERMARKET CHAIN PREFERS VIETNAMESE SHRIMP

A supermarket chain in Switzerland has been selling Vietnamese shrimp since 2001 when farms in this country began to pursue strict organic farming techniques to improve quality. Coop Volketswil imports many shrimp products from Vietnam which local consumers think are tastier than those from many other countries. The products are sold under Coop Volketswil's brand name but their labels carry the legend that the shrimp are naturally bred in Vietnam.

Asia Pulse: January 26, 2006

8.2 US TROLLEYS GET A GOOD CLEANING

A supermarket in the US city of Milwaukee is trialling what can only be described as a "car wash" for supermarket trolleys. Developed by PureCart Systems, it sprays trolleys with a lemon-scented disinfectant that is supposed to kill 99.99 per cent of all bacteria. The company's Jim Kratowicz says its new system is much more effective in terms of killing germs than giving shoppers a cloth with which to wipe the handles of the trolley they are about to use, something that thousands of US supermarkets are already doing

Food Week: 24 February 2006

8.3 TESCO ANNOUNCES US EXPANSION

UK retailer, Tesco, will enter the US market in 2007. It will establish its first stores on the west coast, using a new convenience format. It initially plans to invest about Stg250 million (\$A340 million) a year. It expects to break even by the end of the second year of operation. Tesco has stores in 12 countries and usually enters new markets via acquisitions, but it will expand in the US through organic growth

Food Week: 24 February 2006

8.4 ISM COLOGNE - PRODUCT SHOWCASE

Health innovations, caffeine and extreme sourness seem to be incoming trends in the lolly and biscuit industries. Some 1,634 companies from around the world presented at the 2006 ISM International Sweets Biscuits Fair in Germany. Their products and marketing reflected the increasing consumer interest in health and wellness. Many of the sweets had been fortified with vitamins or herbal supplements. Low-fat, low-sugar and artificially sweetened lollies and biscuits were common. There was a clear trend towards almost unbearably sour, "try if you dare" sweets. Energy lollies and breath strips containing caffeine were also popular

Food Week: 22 February 2006

8.5 L'OREAL MULLS BID FOR BODY SHOP

French cosmetics group L'Oreal signalled it was considering making a bid for British health and beauty chain Body Shop, a group with 1,900 outlets worldwide and a reputation for selling ethically produced hair and skin products. In a statement to the stock exchange, L'Oreal said its management was considering "a possible offer for Body Shop", adding that any offer would be made in cash.

Asian Age: February 25, 2006

8.6 KIMBERLY-CLARK TARGETS OLDER KIDS WITH WIPES RANGE

Tapping into a growing awareness of the need to serve the four to nine year-old age group, Kimberley Clark has launched a range of dry/wet wipes aimed at encouraging the post-toddler age group to use its own dedicated range of bathroom products. In recent years personal care experts have been pointing to a gap in the market. They say that the baby and toddler market and the tween age groups are now well served for personal care products, but that the age group in between has largely been forgotten. This has meant that older children have had to make do with either toddler products, or else have had to make the jump towards products aimed at more mature groups at an earlier stage. Kimberly-Clark's new Cottenelle range is another product aimed at filling that gap, adding to a still small but growing category. The range targets parents wanting to teach their kids bathroom and hygiene habits, in a format that is kid-friendly.

www.cosmeticsdesign.com

8.7 PROCTER & GAMBLE FILES LAWSUIT OVER MOUTHRINSE

Procter & Gamble has filed a US lawsuit against a private label manufacturer of health and beauty products, Vi-Jon Industries, alleging that the company copied its branding and packaging to market a similar product designed to compete against it.

www.cosmeticsdesign.com

8.8 NANO-BASED ANTI-AGING SKIN CARE RANGE LAUNCHED

Beyond Skin Science, a California-based skin care provider has launched a complete range of anti-aging skin care products formulated with its nano-derived NanoChem technology. The Eternalis Anti-Aging System features four products that combine to provide what the company calls a complete anti-aging treatment. The range includes a skin preparation cleanser, a day cream, a night cream and a face mist that combine the company's nanotechnology alongside antioxidant and anti-irritants as well as vitamins and nutrients. The company claims that when used in conjunction, the products work together to balance and improve the skin, a factor that is further enhanced by the nano particles helping to improve the products' efficacy. Nanotechnology has enabled cosmetic producers to formulate ingredients with particles that are 100,000 times smaller than the width of a human hair. The company says that combined with effective emulsions, the product is better able to bond and penetrate the skin to make it appear stronger and healthier.

www.cosmeticsdesign.com

8.9 ONLY YOU LAUNCHES MASS MARKET ORGANIC COSMETICS LINE

Homing in on the growing market for natural-based cosmetic products, Only You has launched a line of organic and non-toxic cosmetic products specifically targeting teen and middle-class consumers in US. The company says that the new product line, which includes organic-based nail polish removers, lipsticks, body lotions and fragrances, specifically targets new consumers to the organics market who have traditionally found such products prohibitively expensive.

www.cosmeticsnews.com

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