



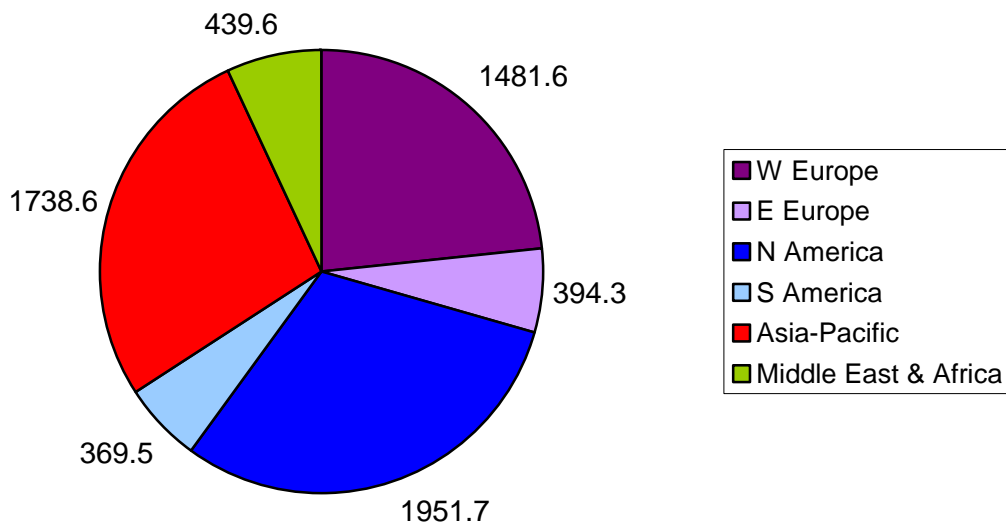
AN OVERVIEW OF THE GLOBAL FLAVOURS AND FRAGRANCES MARKET

IAL Consultants is pleased to announce the availability of a new global study for the chemical industry in *An Overview of the Global Flavours and Fragrances Market*.

The global market for flavours and fragrances has been valued at US\$ 12.6 billion in 2006, and in value terms will grow by about 3.5% pa to reach US\$ 14.9 billion. The flavours sector accounts for slightly more than 50% of the market and the fragrances sector just less than 50%.

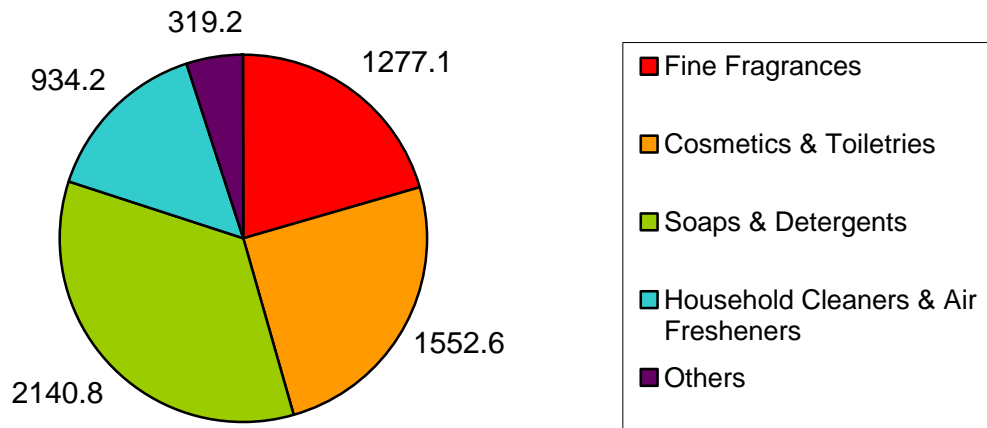
A regional breakdown of the global flavours market and an application breakdown of the global fragrances market are both given below.

Global Market for Flavours by Value, 2006 (US\$ Million)



Source: IAL Consultants

Global Market for Fragrances by Application, 2006 (US\$ Million)



Source: IAL Consultants

The emerging markets of Eastern Europe, Asia and the Middle East and Africa will be of most value to the industry in the future in terms of growth, while the more mature markets of Western Europe and North America offer much higher value and more sophisticated products. This is quite separate from some of the developing markets of Asia.

A selection of some of the trends and facts which have been found include the following:

In Europe

- The trend towards low- or no-sugar foods and drinks, including low-carbohydrate options, continues to drive the market for flavours, as these need heavier flavourings. In some countries the low-carb craze is thought to have peaked, but such offerings are still available.
- The identification of unusual food sources as possible nutraceuticals, such as pomegranates and cranberries has a positive impact on the market, as these are quite tart and require more flavourings.
- Automated air fresheners are becoming more established for domestic use.
- An ageing EU population (17% aged 65+) is driving the market for anti-ageing products and the market for products that have been specially formulated for older skin.
- REACH legislation is expected to have a variety of impacts on the market and industry. The trend towards fragrance-free cosmetics on the market, as seen in the USA, may provide one positive way of dealing with this.

In Asia

- Growing urbanisation in Asia is fuelling the popularity of ready meals and convenience foods. Consumption of such products in rural areas is still very low, however.
- Asian demographics reveal a rising younger population, which are usually linked to experimenting with new and different products.
- China, India and Indonesia will be good markets for biscuits. This is a strong sector in India, however for many the emphasis will be on healthy types such as digestives.
- Shower gels and liquid soap are still novelties in the Asia-Pacific region, with bath soap being dominant for bathing and showering.
- Air fresheners have only a marginal presence in most Asian markets, with the exception of Australia, New Zealand, Japan and Korea.

In The Americas

- The consumption of carbonated drinks in mature markets is shifting towards diet and low-calorie drinks, but growth of their regular counterparts in the emerging markets is compensating for this.
- Healthy alternatives such as green tea and organic food are new market drivers in the USA and Canada. Some producers are striving for totally organic products, which still poses some challenges in term of organic flavours and their certification, while green tea tends to be marketed in a variety of flavours.
- Vigorous growth in the nutraceuticals market, targeting cholesterol, heart disease etc is expected to continue.
- Mexican demographics favour the confectionery market as over a third of the Mexican population is aged under 14.
- Male cosmetics and male fine fragrance remain very good growth areas in the US and Canada.

An Overview of the Global Flavours and Fragrances Market is now available from IAL Consultants, price €3,000. Sections priced individually will be shortly be available to buy online from IAL's website:

www.ialconsultants.com

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