



World Flavors & Fragrances

Industry Study with Forecasts for **2014 & 2019**

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The best opportunities for flavors and fragrances will be found in the Asia/Pacific region, which will account for one-third of total value gains between 2009 and 2014.

Global demand to increase 4.3% per year to 2014

World demand for flavors and fragrances -- including flavor and fragrance blends, as well as essential oils and other natural extracts, and aroma chemicals -- is projected to increase 4.3 percent per year to \$23.5 billion in 2014. Overall advances will be stimulated by gains in food and beverage processing activity, which is the largest market segment. Growth in personal income levels and consumer spending will also stimulate demand for flavors and fragrances used in cosmetics and toiletries, a market segment historically concentrated in North America and Western Europe, but now seeing rapid advances in developing regions. The best opportunities for flavors and fragrances will be found in the Asia/Pacific region, which will account for one-third of total value gains between 2009 and 2014.

Gains in developing areas to outpace global average

While the US is by far the world's largest user of flavors and fragrances (accounting for one-quarter of world demand in 2009), the fastest growth will occur in developing regions. Advances in Asia, Central and South America, Eastern Europe and the Africa/Mideast region will all outpace the global average. Industrialization trends and increases in living standards will fuel demand for flavors and fragrances in these regions' generally underdeveloped end-user manufac-



turing industries. Over the forecast period, the Asia/Pacific region will surpass Western Europe to become the second largest regional consumer of flavors and fragrances, behind North America. In particular, China and India will see some of the fastest growth in both demand and output, as multinational producers continue to establish subsidiaries in these countries in order to meet local demand.

Food and beverage processing to remain largest market

Food and beverage processing, which accounted for 47 percent of aggregate

demand in 2009, will remain the largest market segment for flavors and fragrances. This is due to the widespread application of flavor materials in processed foods, snacks, soft drinks, candy and confectioneries, and other items such as meat and seafood products, sauces and condiments. The expansion of fortified foods -- as well as beverages -- will provide opportunities, given that flavors are often used to cover up the off-tastes of vitamins, minerals, antioxidants and other added ingredients. Trends toward fast food and other convenience-oriented food options (e.g., ready-to-eat meals) will further boost demand, as these highly processed items often require stronger flavor loadings.

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Sample Text, Table & Chart

ASIA/PACIFIC

China: Supply & Demand

Demand for flavors and fragrances in China totaled \$88 billion in 2009, representing 18 percent of the market in the Asia/Pacific region. Flavor blends will continue to account for the largest share of demand, due to the country's vast food and beverage sector. Demand for flavor blends will also be promoted by the country's large food and toothpaste manufacturing industries. China has one of the highest per capita consumption levels of flavors and fragrances in the world (in part to the country's large population), indicating very strong growth opportunities in domestic demand.

Through 2014, demand for flavors and fragrances in China is forecast to increase to \$110 billion in 2014, well above both the region and the world. Major product types are expected to expand, but growth will decelerate from the faster pace of 2009. Demand will follow similar patterns to 2009 (with some manufacturing activity). Continued healthy economic growth (especially food and beverages, and cosmetics), combined with strong gains in domestic expenditures on consumer products, will support flavor and fragrance demand through 2014.

In 2009, Chinese production of flavors and fragrances totaled \$1.1 billion, resulting in a trade surplus. In particular, China is a major net exporter of aroma chemicals, benefiting from low production costs. These products are shipped to other countries within the region (e.g., Japan), as well as outside the region (e.g., the US). China also exports significant amounts of fragrance blends to countries such as Vietnam, as well as the US.

Overall, China will continue to be among the world's largest producers of flavors and fragrances, with output forecast to increase through 2014.

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TABLE VI-8

CHINA: FLAVOR & FRAGRANCE SUPPLY & DEMAND
(million dollars)

Item	1999	2004	2009	2014	2019
Population (million persons)	1,212	1,329	1,371	1,413	1,455
\$ flavors & fragrances/capita	73	66	64	60	58
Flavor & Fragrance Demand	88	100	110	121	132
Flavor Blends	40	45	50	55	60
Fragrance Blends	10	12	14	16	18
Essential Oils & Natural Extracts	15	18	21	24	27
Aroma Chemicals	23	27	31	36	41
+ net exports	1	2	3	4	5
Flavor & Fragrance Production	1	2	3	4	5

SAMPLE
TABLE

SAMPLE
TEXT

CHART VIII-1

WORLD FLAVOR & FRAGRANCE MARKET SHARE
(\$19.0 billion, 2009)



SAMPLE
CHART

Sample Profile, Table & Forecast

TABLE VI-9
CHINA: FLAVOR & FRAGRANCE MARKETS
(million dollars)

Item	1999	2004	2009	2014	2019
Gross Domestic Product (bil 2008\$)	37	57	70	87	107
\$ flavors & fragrances/000\$ GDP	0.00	0.00	0.00	0.00	0.00
Flavor & Fragrance Demand					
Food & Beverages					
Toiletries & Cleaners					
Other					
% China					
Asia/Pacific Flavor & Fragrance Demand					

**SAMPLE
TABLE**

COMPANY PROFILES

Nagaoka Perfumery Company Limited
 2-6, Kitakyuhojimachi Chuo-Ku, 2-chome
 Osaka 541
 Japan
 81-66-268-345
<http://www.np>

**SAMPLE
PROFILE**

Annual Sales:
 Employment:

Key Products:

Nagaoka Perfumery manufactures and sells flavors and fragrances, food ingredients and extracts. The Company is privately held.

The Company's products include food flavors, fragrances and extracts. Food flavors from Nagaoka encompass such natural food flavors as water- and oil-soluble, emulsion and powdered types. Specific products include citrus and other fruit, dairy product, soft drink, vanilla, mint, spice, nut, meat and fish, seasoning, liquor and vegetable flavors. The Company manufactures fragrances for such applications as fine fragrances, skin care products, hair care products, cosmetics, personal care products, laundry and kitchen cleansers, other household cleaners, air fresheners, industrial products and insect repellents. Extracts from Nagaoka encompass tobacco, vanilla, beverage and herbal varieties. These products are intended for such end uses as confectionery items, beverages and cosmetics.

In Japan, Nagaoka maintains plants in Osaka and Shizuoka; research centers in Osaka (2) and Tokyo; and a sales office in Tokyo. The Company operates in China through the Shanghai Nagaoka Perfumery Company Limited subsidiary, which produces and distributes flavors,

"Strong growth is also expected in the toiletry and cleaner sector, led by gains in personal care items, such as skin care and hair care products. Rising consumer interest in higher-value items such as perfumes will further boost fragrance demand in the cosmetic and toiletry sector. While growth will be somewhat slower in the detergent and cleaner market, increases in production activity will support demand for ..."

--Section VI, pg. 163-4

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OTHER STUDIES

Enzymes

US demand for enzymes will rise 4.8% annually to 2014. Gains will be driven by continued expansion of higher-value specialty enzymes in pharmaceuticals, research and biotechnology, and biocatalyst markets. In the biofuels segment, growth will moderate as the industry transitions to cellulases for producing bio-mass ethanol. This study analyzes the \$2.2 billion US enzymes industry, with forecasts for 2014 and 2019 by market and product. It also evaluates company market share and profiles industry competitors.

#2670 September 2010..... \$4900

World Salt

Global salt demand will rise 2.6% yearly through 2013. Growth in developing countries will more than offset an expected contraction of salt demand in developed economies. The large chemical manufacturing market will generate most new demand, due to rapid growth in Chinese chemical production. This study analyzes the \$9.7 billion world salt industry, with forecasts for 2013 and 2018 by salt market, production method, world region and for 20 countries. It also evaluates company market share and profiles industry participants.

#2597 March 2010..... \$5700

Food & Beverage Additives

US demand for food and beverage additives is forecast to expand 3.5 percent annually through 2014. Flavor products and alternative sweeteners will remain the largest product types, while nutraceuticals (e.g., vitamins, minerals, herbal extracts, probiotics) will see the most rapid gains. This study analyzes the \$7.2 billion US food and beverage additive industry, with forecasts for 2014 and 2019 by product and application. It also evaluates company market share and profiles industry competitors.

#2607 February 2010..... \$4800

World Nutraceutical Ingredients

Global nutraceutical ingredient demand will rise 6.2% yearly through 2013. China and India will be the fastest growing markets while the US remains the largest. Best prospects include soy proteins; additives lutein and lycopene; vitamins A and E; minerals calcium and magnesium; and extracts ginkgo biloba and glucosamine. This study analyzes the \$16 billion world nutraceutical ingredient industry, with forecasts for 2013 and 2018 by product, world region and for 12 countries. It also details market share and profiles industry players.

#2565 November 2009..... \$5800

Soy Chemicals

US soy chemical demand will grow 7.8% annually through 2013, driven by the continued penetration of biodiesel, and by the adoption of alternatives to traditional, petrochemical-based materials in manufacturing. Soy oil derivatives such as methyl soyate, polyols, soy-based foamed plastics, waxes and fatty acids hold particularly good prospects. This study analyzes the \$1.9 billion US soy chemical industry, with forecasts for 2013 and 2018 by product and market. It also evaluates market share and profiles industry players.

#2538 September 2009..... \$4700

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