

Australian Confectionery Industry Profile

In 1998, the retail sales value (RSV) of confectionery in Australia approached \$2.4 billion dollars. This represented a 7 percent increase on the previous year, further building on the industry's recovery from the recession years of the early '90s.

This continued growth reflects both the number of new brands and product launches along with the continued high levels of advertising, investment and promotional activity. Over \$100 million was spent on consumer advertising and promotion in 1998 supporting key brands.

With some 5,000 different confectionery products and packs available in the marketplace, the Australian confectionery marketplace remains intensively competitive. Virtually every major global player is represented, along with 100 or so local suppliers.

The overall confectionery market is dominated by Cadbury Schweppes (35%), Nestlé Confectionery (25%) and Mars Confectionery (15%). Shares for major categories are detailed in Figure 1 below.

Confectionery sales have more than doubled since 1983. For the first time in many years, sugar confectionery growth in 1998 surpassed chocolate (8% versus 7%). The decline in the sugar confectionery category ended five years ago as marketers began to devote increasing shares of their budget to support a growing number of sugar brands.

In sales terms, chocolate accounts for approximately two-thirds of the total confectionery market with the major segments being chocolate bars (42%), block (26%) and boxed (10%).

The growth of the confectionery market has outstripped other snackfood categories, accounting for some 60 percent of total snack food dollar sales (Figure 2).

Australian Confectionery Market 1998 — Market Shares
Total Retail Sales Value A\$2.36 Billion (US\$1.54 Billion)

Chocolate Confectionery		Sugar Confectionery		Gum	
Cadbury	46%	Nestlé	38%	Wrigley	98%
Nestlé	24%	Cadbury	10%	Others	2%
Mars	18%	Mars (+Kenman)	10%		
Ferrero	2%	Ferrero	2%		
House, generics	1%	House, generics	9%		
Others	9%	Other	31%		
RSV \$	A\$1,579 mil.		A\$657 mil.		A\$131 mil.
	US\$1,030 mil.		US\$428 mil.		US\$85 mil.
RSV %	67%		28%		6%

RSV: Retail Sales Value

Figure 1

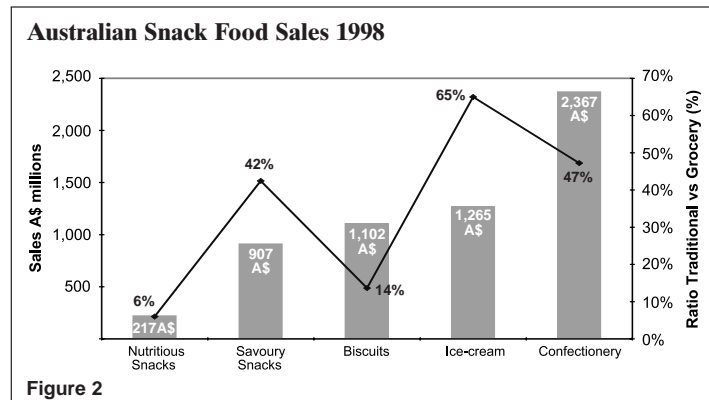


Figure 2