

MC BUSINESS NEWS

THE MANUFACTURING CONFECTIONER — The Business Magazine of the Global Sweet Goods Industry

Meiji Seika to build snack food plant in China

Japanese confectioner Meiji Seika Kaisha Ltd. will start building a snack food plant in Guangzhou in 2004 to boost its production capacity in China by 300 percent.

The company's annual shipments of snack food in China will be increased from the current ¥700 million (US\$6.35 million) to ¥3 billion (US\$27.23 million) after the plant is complete in 2004.

Meiji Seika started local operations in 1993 through a joint venture with a Hong Kong company. Business has been steadily expanding, with production almost reaching capacity.

Snack food products will be mainly supplied to Guangdong and other southern regions of the country, as well as big cities, including Shanghai.

Wrigley close to buying Joyco

Wrigley is reported to be close to a deal to purchase Spanish confectioner Joyco, whose estimated sales are approximately €300 million.

Joyco makes a wide range of sugar confectionery products, including *Trex*, *Solano*, *Boomer*, *Chimos*, *Dunkin*

and *Bang Bang*. It has a presence in 70 markets, and 14 production facilities worldwide, including Spain, China, India, Mexico, the Philippines, Poland, Russia and the United States. Twenty-five percent of its sales are made in Spain.

United Kingdom confectionery outlook

The U.K. confectionery market is showing a small but respectable rise in overall value, about 3 percent. Its total size is debatable, with estimates ranging from £3.6 billion (US\$6.08 billion) for impulse sales to £5.9 billion (US\$9.96 billion) if foodservice and vending sales are added.

Chocolate and Sugar

Chocolate and sugar confectionery are growing at roughly the same pace. Chocolate continues to be the market's largest sector. Within it, countlines, its largest segment, are still lackluster, but moulded bars are doing better. Bagged bite-sized

products have also performed well.

The boxed chocolates segment — chocolate's second largest segment — has slowed down a little, with Christmas gifting growing but Easter sales reeling from price deflation.

The major confectionery brands are mainly long-established. Among the top 10, only Wrigley's *Extra* and Masterfoods' *Celebrations* have been launched within the past 25 years.

Manufacturers are finding real advantages in expanding their flagship brands, including leveraging the power of a strong brand and better use of advertising dollars. Cadbury

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