Swiss chocolate industry

Switzerland's 18 chocolate manufacturers, including such brands as Lindt, Frey and Faverger, sold 4,000 fewer tons last year than in 2011. The overvalued Swiss franc has made Swiss chocolate products more expensive as compared to cheaper imported chocolate from other countries.

CHOCOSUISSE, the Association of Swiss Chocolate Manufacturers revealed that chocolate sales fell around 2.2% in terms of quantity to 172,376 tons, while their turnover decline by 3.4% to 1.6 billion Swiss francs ($1.8bn). More than 60% of Swiss chocolates are exported, and foreign sales were hit especially hard.

In terms of volume, exports fell 2.9% to 103,897 tons, while the strong Swiss franc and overall slowdown of the world economy further contributed to the decline in foreign sales in value terms, which fell 7.3% to 760 million francs.

Germany is the biggest foreign market for Swiss chocolate, accounting for 18.3% of the exports, followed by Britain at 13.8% and France at 9.2%.

Apart from Germany, Britain and Belgium, most of the sector's European sales fell, the organisation said, adding though that Swiss chocolate had made great strides in places like Bahrain, China, India and Japan.

In Switzerland, turnover actually inched up 0.3% last year but sales volumes fell 1.2%, Chocosuisse said, pointing out that consumers had been dissuaded by "above-average temperatures" while "the decline in tourist numbers compared with the previous year" had also had an impact.

In addition, "price-conscious consumers have increasingly been buying the imported products, which have become cheaper as a result of the currency situation," the organisation said.

In 2013, the Swiss chocolate manufacturers hope to make up for the loss of market share experienced during 2012 on the highly saturated domestic market and to increase export business. As ever, products of high and consistent quality, made with such love and care, will continue to form the basis for these endeavours.

From the Swiss Government, the manufacturing companies are expecting good general conditions, such as additional free trade agreements, a macro economics balanced "Swissness" bill and proper balancing of the commodity price handicap for export products caused by Switzerland's agricultural policy.

Swiss Chocolate Industry

Facts and Figures

Number of companies:	**18**
Number of workers:	**4,279**
- of which women	1,998
- of which men	2,281
Sales in tonnes:	**172,376**
- of which domestic	68,479
- of which abroad	103,897
Sales in CHF (million):	**1,632**
- of which domestic	872
- of which export	760
Leading export markets: (share of export turnover)	
Germany	18.3 %
United Kingdom	13.8 %
France	9.2 %
Canada	6.9 %
Most important product categories: (share of sale quantities)	
- bars	49.9 %
- chocolate confectionery	20.4 %
- semi manufactures (incl. powder)	18.9 %
- mini-formats	5.9 %
- other (festive articles etc.)	4.9 %

Krones repositions itself in the fields of material flow technology and intralogistics

Krones - one of the market leaders for beverage filling and packaging technology, has acquired a 26% stake in Klug GmbH, a German company located in Teunz, Bavaria, which has been supplying intralogistical solutions featuring software systems developed in-house.

In 2011 Klug GmbH achieved a turnover of about 25 million euros with around 250 people on its payroll. Krones intends to upsize its stake in the medium term, with the aim of eventually acquiring a majority of the stock. This option has also been contractually guaranteed.

The price for the minority holding of 26% is in the medium single-figure million-euros range. To coincide with its stock purchase, Krones has concluded a cooperation agreement with Klug and will in future be able to offer its clients full-coverage intralogistical solutions through its new partner.

In view of this alliance, Krones' Executive Board has decided to discontinue during the course of the 2013 business year the firm's own operations in the fields of material flow technology and intralogistics, in which the company employs about 70 people. Through the cooperative arrangements, Klug will continue to offer Krones' clients solutions for their intralogistical operations.

With this strategic decision, Krones' Executive Board plans to achieve a lasting increase to its consolidated earnings. Material Flow Technology / Intralogistics is part of the group's Machine and Lines for Beverage Production / Process Technology Segment, whose share of Krones' turnover totalled around 260 million euros in 2011, for a pretax result of minus 19.3 million euros.

Products and services relating to material flow technology and intralogistics came to about 16 million euros, around 6% of the segment's total turnover. Out of the segment's losses, the operations that are now being repositioned accounted for a relatively high single-figure sum in millions of euros.

Pakistan to market rice in Central Asia

The Trade Development Authority of Pakistan (TDAP) – the state-run trade promotion agency – is developing a focused programme aimed at promoting rice exports to central Asian states, where aromatic basmati rice can capture a market share.

Under this programme, TDAP in collaboration with rice exporters will organize exhibitions to highlight the quality of Pakistan's rice and take two to three medium-sized delegations of exporters to Central Asia to seek potential markets for different varieties of rice, especially basmati.

TDAP Chief Executive Abid Javed Akbar belives that Central Asian states are under the influence of Turkish culture and fragrant basmati rice of Pakistan is an integral part of Turkish cuisine. This initiative will help our exporters to make inroads into these markets and earn foreign exchange for the country.

Assuring the exporters of support, he said TDAP would join hands with them and work together to realise the dream of achieving $4 billion in rice exports.

Responding to the issues raised by REAP Vice Chairman Sameeullah Chaudhry like mandatory membership of the association for rice exporters, he said he too was an advocate of strong associations and believed that mandatory membership was very important to keep the process transparent.

The rice exporters are setting up a technical institute to produce trained manpower for the industry, for which Akbar assured them of his full support.

Fragrant basmati rice of Pakistan is an integral part of Turkish cuisine.

Urea production declines by 11% in seven months of 2012

The present year has been tough for urea manufacturers, especially for those manufacturers who were hit by shortage of gas. They produced 104,000 tonnes less urea as compared to the previous year. The production of urea manufacturers dipped 11% on yearly basis during the first seven months of 2012, moreover, the trend kept on rolling during July 2012 as well with production faltering by 11% on monthly basis to about 40,000 tonnes in volumetric terms.

The production of country's second most widely used fertilizer, diammonium phosphate (DAP) on the other hand, grew by 27% during July 2012, suggesting that the plant has been run at highly efficient rate of 124% as against the monthly nameplate capacity.

However, production stops in February 2012, due to gas absence and turnaround during the above mentioned month, the production of Fauji Fertilizer Bin Qasim Ltd declined by 10% on yearly basis to 36,000 tonnes in terms of volume. The urea sales in June 2012 were reported at 1 million tonnes - highest ever offtake in a month - due to the one time downward price revision of Rs 3,000 per tonne, which was done in order to decrease the escalating levels of inventories that were held by the urea producers.

The said incentive was not present during the month of July as the urea offtake of local manufacturers faltered heavily and as a result the imported urea offtake jacked up by 58% on monthly basis. This implies that the dealers that came forward and bought urea in higher quantities during June 2012 and are still carrying high inventory of the commodity are expected to enter the market again once their stock levels subside.

The closing inventory level for July 2012 was recorded at 377,000 tonnes and with additional imports urea availability levels are bolstered by 200,000 tonnes for the month of August 2012, with additional 100,000 tonnes due to arrive shortly.

In addition to that, Trading Corporation of Pakistan has imported 200,000 tonnes of urea in the middle of September 2012 highlighting government urgency to avoid any urea shortage during the sowing period of Rabi season.

The fertilizer manufacturers have praised the Ministry of Petroleum's move to allow fertilizer manufactures on Bui Northern Gas Pipeline Ltd network to have contracts with exploration and production companies to ensure gas supply, but the move is still in its initial stages and requires quite some clarity before it can be converted into an actuality.

JBT Corporation: New fruit juice processing project

JBT Corporation announced that its JBT FoodTech business signed a contract in excess of $4 million for a new fruit processing project with Almacenes de Jugos de Citricos de Mexico, SAPI de CV. Almacenes de Jugos is made up by a conglomeration of many growers together with venture capitalists and a new entrant into the Mexican fruit processing industry.

JBT FoodTech will supply and integrate a turn-key fruit processing solution into a new Papantla, Veracruz, Mexico-based facility. This new plant, set to produce orange and other fruit juices, is projected to have a significant economic and social impact in the State of Veracruz. The project is currently scheduled to be operational in the second quarter of 2013.

"We are very pleased with Almacenes de Jugos' confidence expressed in JBT's leading fruit processing technologies," said Steve Smith, Vice President and General Manager for JBT FoodTech's Food Processing Systems Division. "This project is an excellent example of JBT's long-term support of the expansion of Mexico's fruit and juice industry." ◆