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RTS *Express*

Forecasts to 2010
Volume and value
Market trends and analysis
Company information
Demographics
Economic data

Western Europe
Ready Meals 2010

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About this report

RTS Express is a series of highly focused, data driven reports on the international market for **food** and **ingredients**.

Each report is designed to provide exactly the information needed, from background demographic and economic data to global market sizes, forecast consumption and expenditure, market trends and analysis and company information.

Ideal for
- **Marketing plans**
- **Sales presentations**
- **New product development**
- **Market assessments**
- **Board meetings**

The **RTS Express** series is designed to provide meaningful insight **quickly** and **cost-effectively.**

About the publisher

RTS Resource measures, analyses and forecasts the international market for **food**, **drink**, **ingredients** and **packaging**.

RTS offers a comprehensive range of services designed to help suppliers and manufacturers discover new ways to grow the business.

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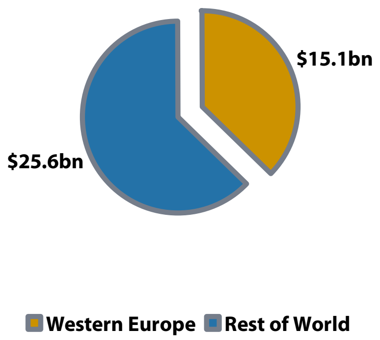
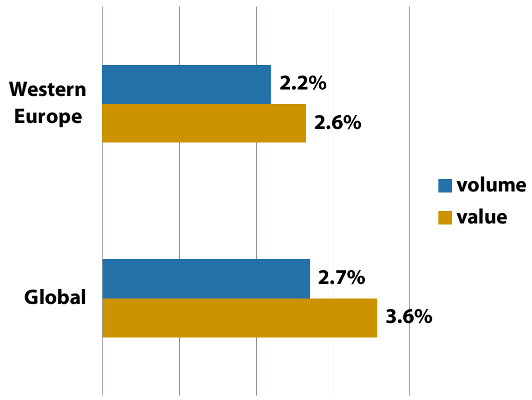


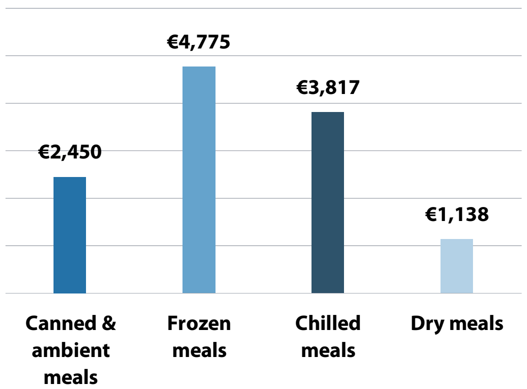
Share of global market:
$15.1bn

Western Europe expenditure on **ready meals** reached **$15.1bn** in 2005*



Forecast growth rate:
2.6%

Market value is **forecast** to grow at a rate of **2.6%** per year to 2010*



Key product:
Frozen meals
€4.8bn

Expenditure on **frozen meals** totalled **€4.8bn in** 2005*

*see report for full list of definitions

contents

Western Europe: Key facts, 2005

Capital	Brussels, Belgium
Population (m)	381.2
GDP ($tr)	$13.31
GDP Growth	1.7%
Inflation	2.2%

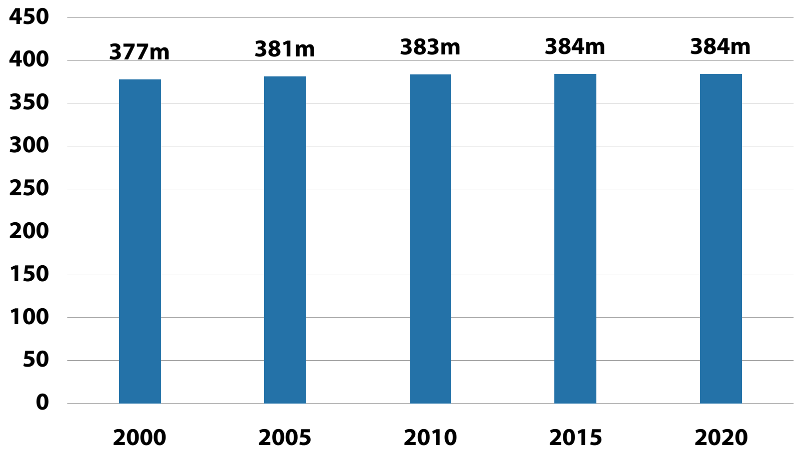
Source: **CIA** and **RTS Resource Ltd**
Note: GDP and inflation based on EU(25)

Source: **CIA**

Figure 1

Western Europe: Population trend, 2000 to 2020

millions of people



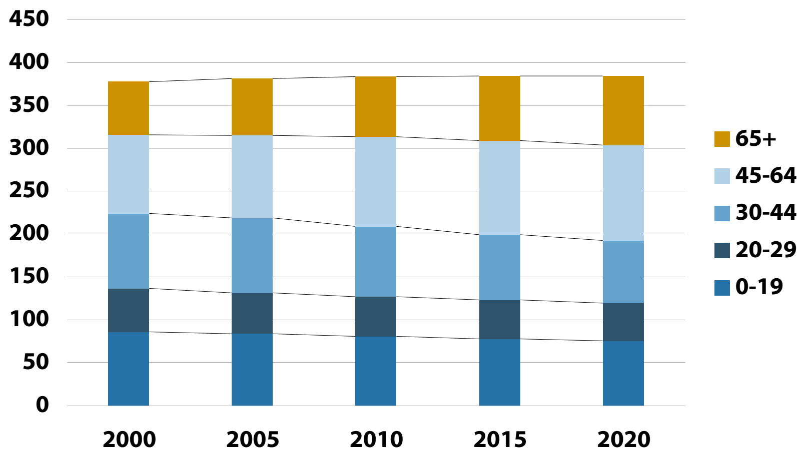
Source: **RTS Resource Ltd** from **United Nations**†

†see definitions for complete list of sources

Figure 2

Western Europe: Population by age group, 2000 to 2020

millions of people



Source: **RTS Resource Ltd** from **United Nations**†

†see notes for complete list of sources

General background

The international food industry is full of many developments as well as contradictions. There are trends towards low fat and healthy foods as well as indulgences, snacks and confectionery. Some of the key market trends identified include the following:

Key trends

- safety;
- traditional values and provenance;
- convenience of use/convenient to prepare;
- visual impact;
- low calorie/high quality;
- organic/environment-/animal-friendly;
- snack-ability;
- improved presentation;
- functional (nutraceuticals);
- imagery/fashion;
- better health and/or nutrition;
- functionality;
- value for money.

All the above factors conspire to shape an increasingly diverse food and drink market meaning that manufacturers and ingredient suppliers must gear up to produce and supply smaller quantities of a much wider variety of products, ingredients and blends.

It is one of the aims **RTS Express** to support the industry by supplying information designed to provide succinct, targeted and practical assistance in this complex environment.

New product considerations

The simple answer to the question “How will we eat in the future?” is “An increasing variety of foods in an increasing number of ways and in a wide variety of locations”
It follows that the industry must become more prepared to develop and target products to increasingly diverse sectors of consumer need. In addition, as foods

more closely represent, reflect and enhance lifestyles, so they will compete more directly with other consumer goods which reflect the same values - such as clothes and leisure goods. In other cases, foods may be complementary to fashion, trends and consumers' self-image.

As markets look set to continue to fragment, so it will be necessary to target products more precisely to specific areas. The way in which products' values are presented will also be crucial – whilst product developers must take all of these factors into account.

It should be apparent from this analysis that the task of new product development has become increasingly complex and that is likely to continue to be the case. The complexity of NPD is the result of the many factors covered above.

It is understood, therefore, that more care and better preparation are required if new developments are to improve their chances of success. One key element is to ensure that products are targeted specifically to clearly identified consumers, occasions and distribution channels.

In general terms, provenance combined with the creative use of packaging and ingredients are expected to play a greater role in the overall competitiveness of food and drink products through:

- the creation of new products;
- improved presentation;
- shelf-life enhancement;
- differentiation and development of imagery.

Background to ready meals

Ready-meals

Ready-meals can be divided into canned, frozen, chilled, ambient and dry categories. The total market sector is expected to continue to grow in most countries due to increasing demand for convenience with more working couples and consumers spending less time on food preparation. Future growth though, is expected to be steady, rather than dramatic, as most consumer demand in the major markets is already being satisfied. Also, growth of this sector is strongly aligned to changing lifestyles and increases in disposable income, which in the case of the world as a whole, is not expected to rise significantly over the next few years.
In the ambient meals sector, limited growth only is now expected although new products or market positionings will be essential to overcome consumer concerns about quality and the comparison between a shelf-stable meal versus the more favoured chilled and/or frozen variants. However, in the drive for greater

convenience, the ambient meal concept continues to open up opportunities for improvements in ingredients and quality, especially in markets where refrigerated storage is at a premium.

The further development of canned meals will also be adversely affected by the consumer continuing to favour frozen and chilled meals, where available. Where distribution exists, chilled meals should continue to grow at a rate much greater than for frozen alternatives as consumers generally perceive them as being fresher and of higher quality. The growth of chilled meals will favour the use of higher quality, fresher, or more authentic, ingredients.

Ready meals in Europe

European flavour trends

The use of traditional flavours in ready meals throughout Europe is still strong and an analysis of recent product launches in this segment demonstrates their continued popularity. Italian dishes tend to be well received across most countries whereas Asian, Mediterranean and Tex-Mex dishes are becoming more widely accepted and subject to further developments.

Whilst ready meals have always been associated with convenience, many are now incorporating messages of health, nutritional balance and well-being. In many cases, quality is being improved to overcome criticisms from both consumers and the media. Provenanced ingredients are playing an increasingly important role in underpinning quality and authenticity.

Analysis of the European ready meals market indicate that flavours trends can be grouped into seven broad categories for development:

- Traditional
- Mediterranean
- Asian
- Tex-Mex
- Emerging flavours and more regional ethnic cuisine
- Unusual flavours/flavour combinations/fusion
- Health and well-being

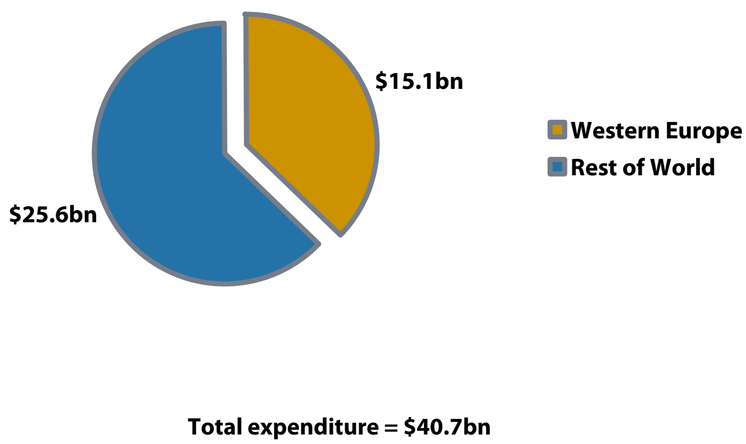
Traditional meals continue to dominate the European ready meals segment. A recent resurgence of traditional meals has been seen with latest products using better quality ingredients and providing a more “home-cooked” format. Asian cuisines are expected to maintain an increasing proportion of the market, with the launch of more ‘region specific’ dishes. The use of Tex-Mex and Mediterranean meals will continue to develop as the influence of the many regional flavours used in these cuisines is further exploited. As consumers become more adventurous, it is expected that the range of unusually flavoured and flavour combination (“fusion”) meals will increase. This will however remain a small but dynamic part of the overall market.

Two overriding themes will continue to be “quality” and “health”.

Figure 3

Global: Expenditure on ready meals, 2005

$bn

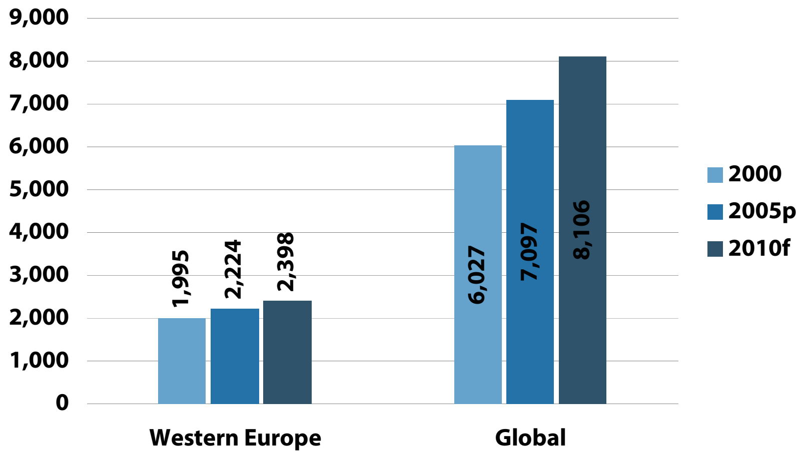


Source: **RTS Resource Ltd** (see notes)

Figure 4

Global: Consumption of ready meals, 2000 to 2010

000 tonnes

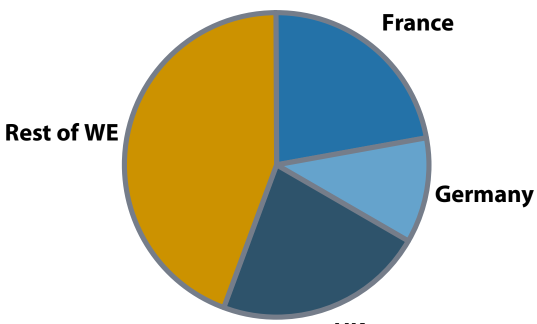


Source: **RTS Resource Ltd** (see notes)

Figure 5

Western Europe: Expenditure on ready meals, 2005

€bn



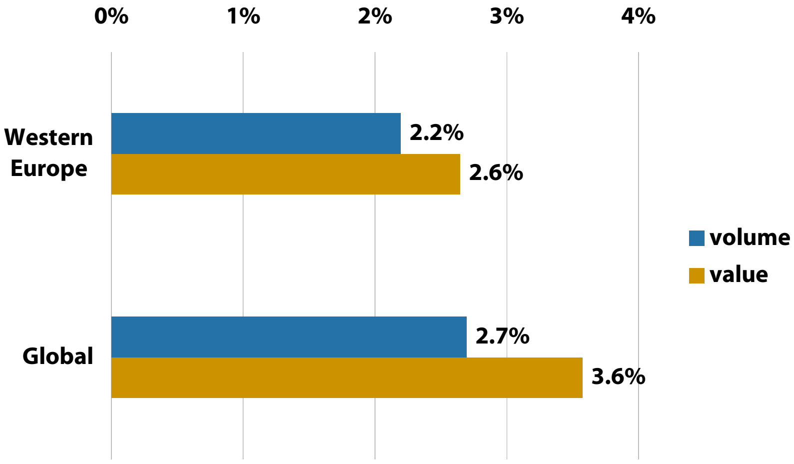
Total expenditure = €12.2bn

Source: **RTS Resource Ltd** (see notes)

Figure 6

Western Europe: Forecast growth in ready meals, 2005 to 2010

CAGR %

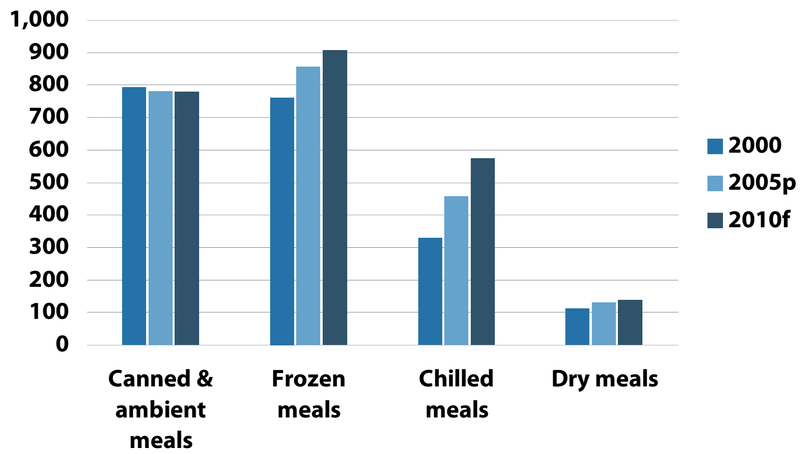


Source: **RTS Resource Ltd** (see notes)

Figure 7

Western Europe: Consumption of ready meals by product, 2000 to 2010

000 tonnes as sold

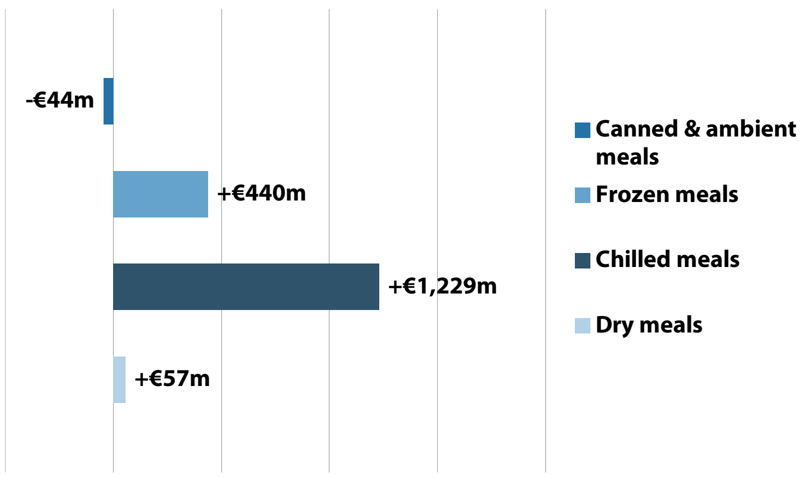


Source: **RTS Resource Ltd** (see notes)

Figure 8

Western Europe: Forecast growth in expenditure on ready meals by product, 2005 to 2010

additional growth (+/- €m)



Source: **RTS Resource Ltd** (see notes)

Table 1

Western Europe: Consumption of ready meals by product, 2000 to 2010

000 tonnes as sold

	2000	2005p	CAGR	2010f	CAGR
Canned & ambient meals	793	781	*-0.3%*	778	*-0.1%*
Frozen meals	761	857	*2.4%*	907	*1.1%*
Chilled meals	330	457	*6.7%*	574	*4.7%*
Dry meals	112	130	*3.0%*	139	*1.3%*
Total	**1,995**	**2,224**	***2.2%***	**2,398**	***1.5%***

Source: **RTS Resource Ltd** (see notes)

Table 2

Western Europe: Forecast expenditure on ready meals by product, 2000 to 2010

€m

	2005p	2010f	CAGR
Canned & ambient meals	€2,450	€2,405	*-0.4%*
Frozen meals	€4,775	€5,215	*1.8%*
Chilled meals	€3,817	€5,046	*5.7%*
Dry meals	€1,138	€1,195	*1.0%*
Total	**€12,181**	**€13,862**	***2.6%***

Source: **RTS Resource Ltd** (see notes)

key manufacturers

*Each **RTS Express** report contains a list of key manufacturers in each country and a link to the website.*

COMPANY	WEBLINK
Company 1	link to website
Company 2	link to website
Company 3	link to website
Company 4	link to website
Company 5	link to website
Company 6	link to website
Company 7	link to website
Company 8	link to website
Company 9	link to website
Company 10	link to website

definitions

List of abbreviations and terms used

000	thousand
$	1 US dollar
€	1 euro
AME	Africa & Middle East region, as analysed
AP	Asia-Pacific region, as analysed
bn	billion (1,000,000,000)
CSA	Central & South America region, as analysed
E	estimate
EE	Eastern Europe region, as analysed
EU	European Union
F	forecast
FAO	Food and Agricultural Organisation of the United Nations
Global	the countries and regions analysed herein
m	million (1,000,000)
Market volume	The size of a market in tonnes
Market value	The size of a market in US$
NAFTA	North American Free Trade Agreement region, as analysed
P	provisional
tonne	1 metric tonne = 1,000 kilos = 2,205 pounds
tr	trillion, one million million (1,000,000,000,000)
UN	United Nations
WE	Western Europe region, as analysed

Countries covered

The "global" market for food and ingredients as described throughout this report covers analysis of the following countries:

Western Europe (WE): Austria, Belgium (including Luxembourg), Denmark, Finland, France, Germany, Greece, Ireland, Italy, Netherlands, Portugal, Spain, Sweden, UK

NAFTA: USA, Canada, Mexico

Eastern Europe (EE): Bulgaria, Czech, Hungary, Poland, Romania, Russia, Slovakia, Ukraine

Central & South America (CSA): Argentina, Brazil, others

Asia Pacific (AP): Australia, China, India, Indonesia, Japan, Malaysia, Thailand

Africa & Middle East (AME): Egypt, Israel, RSA, Saudi Arabia, Turkey.

sources

To request a complete list of sources please e-mail mail@rts-resource.com and type "Sources" in the subject line.

notes

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