

I-7 Key Factors and Driven Forces for the Development of Maltitol in China

The major driven forces are as follows:

- ✓ With the improving living standard and people's increasing awareness of health, the sugar free food is more and more popular in China, not only among diabetic people, but among the aged and young women as well. What's more, young people regard chewing gum as a fashionable food. Undoubtedly, the future of maltitol industry is promising.
- ✓ With the rapid development of sugar free food industry, especially the chewing gum industry, it is no doubt that the consumption volume of sugar alcohol in food industry will increase quickly. Among all the sugar alcohols, maltitol is the best choice for sugar free food, as its price is lower than other sugar alcohols except sorbitol and its security is the highest among all the sugar alcohols.
- ✓ More end users of cane sugar in the food industry change to use other sugar alcohols to take place of cane sugar, as the price of cane sugar has been increasing, from about RMB3,000/t in 2003 to RMB 5,700/t in 2006 and thus the profit of cane sugar end uses has been cut down. This greatly promotes the consumption of sugar alcohols including maltitol. At present, the profit of sugar free food is great and many end users have been trying to promote their products through advertisement in the market, which promote the development of maltitol industry greatly.
- ✓ In the past few years, a large volume of maltitol has been imported from France Roquette, while little domestic maltitol was exported. From this year on, however, France Roquette will cut down their export volume of crystalline maltitol and stop to export their liquid maltitol, to China. This is a good opportunity for domestic maltitol manufacturers to take the market being occupied by France Roquette.

I-8 Future Forecast on Maltitol in the Next 5 Years

The output of liquid maltitol and crystalline maltitol will increase with a CAGR of 18% and 29%, respectively in the next five years.

The development of maltitol industry is mainly driven by the domestic consumption. The export volume of maltitol will increase slightly and the export only takes a small share of the total actual output. As for the imported volume, it is predicted that it will decrease sharply in the next five years.

The current domestic production capacity of liquid maltitol is large and it can meet the demand, even the demand in the future. Actually, the current operation rate of maltitol production in many of the manufacturers is low and the manufacturers are producing according to orders they have received. That's why few of manufacturers will enlarge their liquid maltitol production capacity again.

However, the situation of crystalline maltitol is opposite. The production capacity of crystalline maltitol is still small and most of crystalline maltitol are used in chewing gum industry. It is predicted that the growth rate of crystalline maltitol will exceed that of liquid maltitol. With the increase of production capacity of crystalline maltitol, its price will be cut down.

The consumption areas of crystalline maltitol is wider than that of liquid maltitol and the profit of the former is higher than that of the latter, many domestic will launch the production of crystalline maltitol.

Most maltitol manufacturers will still use corn starch as the raw material because of its sufficient supply.

Figure: I-8-1 Forecast of the output of maltitol in China

