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July 31, 2002

For Immediate Release

SURFACTANT GROWTH FORECAST TO IMPROVE
 IN SECOND HALF OF THE 2000s

North American surfactant consumption in consumer products was over 4.3 billion lbs in 2002, with an estimated market value of \$3.6 billion. These surfactants were used in 25.5 billion lbs of consumer products, worth \$42.5 billion in retail value, according to *Surfactants for Consumer Products - North American Forecast to 2010*, a new multiclient study by Colin A. Houston & Associates, Inc. (CAHA), a consulting firm in Brewster, NY.

Table 1						
NORTH AMERICAN CONSUMER PRODUCTS SUMMARY, 2002						
	Surfactant Consumption		Product Consumption		Product Value-Retail	
	million lbs	percent	million lbs	percent	billion \$	percent
U.S.	3312	76%	20809	81%	35.8	84%
Canada	292	7%	1721	7%	3.8	9%
Mexico	771	17%	3013	12%	2.9	7%
TOTAL	4375	100%	25543	100%	42.5	100%

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The U.S. accounted for over 81 percent of the 25.5 billion lb North American consumer products market. Surfactant consumption in household products will grow 3.0 percent/year, faster than the products themselves, primarily due to the trend toward ultra laundry and dishwashing products. Growth in the consumption of personal care products will be negatively impacted by a decline in the consumption of toilet soap bars. This factor is also responsible for a decline in overall surfactant consumption in personal care products, since toilet soap bars include high levels of surfactants.

Table 2						
U.S. - CONSUMER PRODUCTS AND SURFACTANTS, AND AVERAGE ANNUAL GROWTH RATES, 2002-2010						
	Product Consumption			Surfactant Consumption		
	2002	2010	Annual Growth	2002	2010	Annual Growth
	(billion lbs)		(percent)	(billion lbs)		(percent)
Household	15.92	19.24	2.4%	2.5	3.17	3.0%
Personal Care	4.94	5.51	1.4%	0.82	0.78	-0.6%
TOTAL	20.86	24.75	2.2%	3.32	3.95	2.2%

Alcohol ethoxysulfates have increased their lead as the major surfactant in consumer products, and will continue to be among the fastest-growing surfactants through 2010. Alcohol ethoxysulfates, soap, linear alkylbenzene sulfonates, alcohol sulfates and alcohol ethoxylates together account for over 72 percent of the total consumed. A range of specialty surfactants are also used, especially in personal care products. The study discusses surfactant trends and new developments, such as the

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introduction of methyl ester sulfonate into heavy duty laundry detergents by Huish.

Table 3			
U.S. - CONSUMPTION OF SURFACTANTS IN HOUSEHOLD PRODUCTS SUMMARY, 2002 and 2010 (million lbs)			
	2002	% Annual Growth	2010
Anionics	2191.7	2.1%	2596.2
Nonionics	729.3	2.3%	872.3
Cationics and Other	392.4	2.6%	480.4
TOTAL	3313.4	2.2%	3948.9

A number of factors have influenced the consumer products market in recent years. “The economic downturn accelerated by the events of September 11, 2001 led to low levels of consumer confidence. Additionally, Wal-Mart, Costco, and other discount and club stores continue to shape consumer spending habits. The combined effect of these two factors has been a pressure on consumer product manufacturers to lower prices. Consumer product companies have responded to this pressure by rethinking corporate strategies, engaging in mergers and acquisitions, and building brand strength,” says Joel Houston, CAHA President.

Laundry detergents account for nearly 54 percent of household products in the U.S. Liquids continue to dominate, and their volume share of the detergent market is forecast to reach 90 percent by 2010. Laundry tablets were introduced in 2000, but never captured a significant share of the market. CAHA’s study discusses these developments and other current market trends, such as the recent proliferation of

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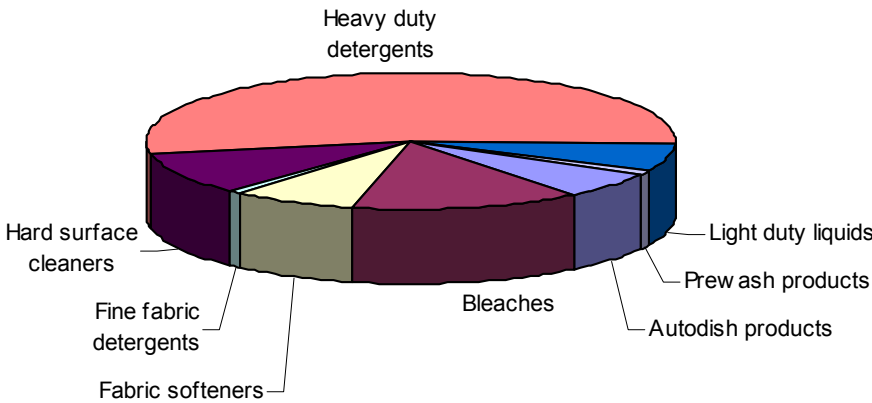
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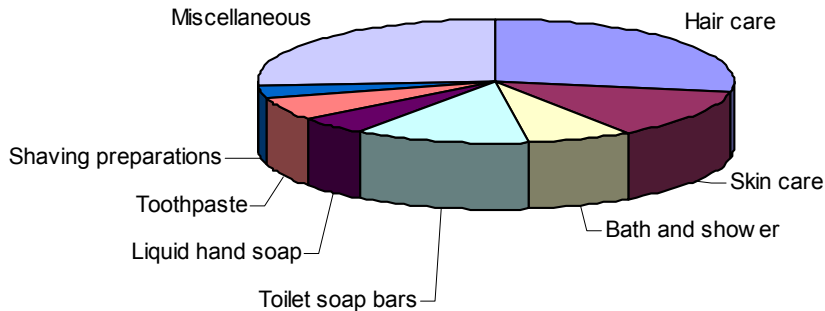
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value and private label brands. The following figure illustrates the relationship of household product market segments.



The personal care market, for the most part, is mature. However, significant growth is forecast for body washes, which will continue to replace some toilet soap bar use. Additional growth will be generated by niche markets within each segment; anti-aging skin care, men’s toiletries, and ethnic hair care are a few examples. The hair care category leads volume sales of personal care products, with nearly 30 percent of the market. The following figure illustrates the relationship of personal care product market segments.



The leading suppliers of surfactants used in consumer products are Cognis, Goldschmidt, Huntsman, Rhodia, Sasol, Shell and Stepan. Other important suppliers include BASF, Clariant, Dow, Lonza, Pilot and Uniqema. CAHA's study includes both household and personal care sales and market share data for these and other surfactant suppliers.

Surfactants for Consumer Products - North American Forecast to 2010 is available in hard copy. Other CAHA publications include *Surfactant Developments - Forecast to 2010*; *Detergent Alkylates -- World Markets 1995-2010*; the bimonthly newsletters *The LAB Market Report*, *Agglomerations: The International Detergents Newsletter*, and the new *Surfactant Developments Newsletter*. Details of CAHA's publications are available at: www.colin-houston.com or by contacting Colin A. Houston & Associates, Inc., Phone: 845 279-7891 or email: marketing@colinhouston.com.