

Savoury ingredients market in the Middle East and Africa



Photo credit: Giract Sari

MSG rounds out umami and flavours.

The acceptance of umami flavour as the fifth taste sensation has contributed to the development of flavour enhancers. Flavour is affected by processing and flavour enhancers play a significant role in restoring lost flavour and enriching umami and meaty flavours in processed foods.

Meaty flavours from vegetarian sources

Savoury flavour enhancers are ingredients that enhance the overall sensory quality of a food product. The key savoury ingredients are yeast extracts (YE) (brewers', baker's and torula), hydrolysed vegetable protein (HVP), hydrolysed animal protein (HAP), monosodium glutamate (MSG) and nucleotides. Savoury enhancers are used specifically for

meaty umami flavour notes and are made from a non-meat-based raw material source, with the exception of HAP. Food manufacturers can thus give their products a meaty flavour without actually using any animal source ingredients.

Challenges faced by the savoury ingredient market

The key trends related to the use of savoury ingredients are salt reduction, MSG-free, clean labelling, regional and diverse flavour requirements. The market for savoury ingredients in key markets in the Middle East and Africa (United Arab Emirates, Saudi Arabia, Iran, Turkey, South Africa, Nigeria, Algeria and Egypt) is growing by between 2 and 4% CAGR. The region holds potential for savoury ingredients mainly due

to regional flavour requirements. The dominance of the meat sector and preference for regional flavours create greater demand for savoury ingredients, specifically monosodium glutamate, in order to enhance the umami and meaty flavour profiles.

With flavours being region-specific, food manufacturers are developing innovative flavour profiles so as to increase their market presence. This not only creates a need to develop different flavours, but also for cost-effective and clean-label ingredients. Although flavour enhancers are used to boost umami flavours, the affordability of new formulations that do not use "harmful" ingredients is also a concern. The health issues associated with monosodium glutamate consumption have been the major factor negatively affecting its usage

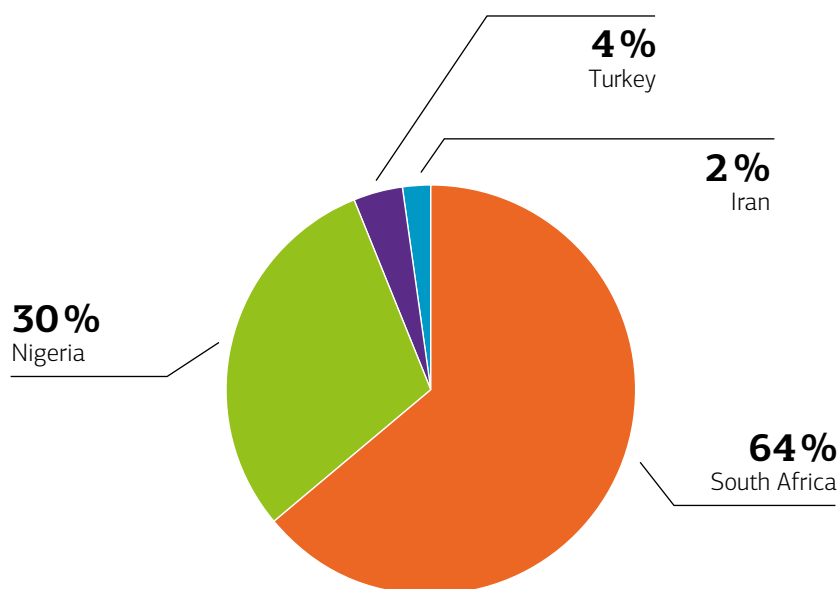
in processed foods. Consequently multinationals such as Nestlé and Unilever are on the path to MSG reduction and using replacers like YE, HVP and nucleotides. However, MSG is not expected to be completely eliminated as it is also widely used in the unorganised segment, especially in food service.

The availability of ingredients in the domestic market is also a key challenge as demand is met mainly by imports. From a supply point of view, export-oriented savoury ingredient production can be observed only in South Africa, Nigeria, Iran and Turkey (amongst the selected MEA countries), with South Africa dominating production volumes. South Africa produces YE, HVP and HAP. With low production volumes in other countries of the region, demand is met mainly by imports. The lower volumes of yeast extracts produced in Iran and Turkey are mainly for export markets as the domestic market demand is supplied by imported YE. The end user's long-term association with existing reliable savoury ingredient suppliers (through imports) is the reason for the non-use of domestically produced YE in Iran and Turkey. In addition, production volume is by far not adequate to satisfy demand in these countries.

Seasoning blends for unique flavour requirements

The requirements of specific flavour profiles are being met by seasoning mix producers and by end users themselves who produce custom-made blends using savoury ingredients to suit their needs. Seasoning mixes are a key part of the savoury ingredients sector in the MEA region under consideration. In the past, individual savoury enhancers were used in defined dosages varying from 0.2 to 3%, depending upon the type of ingredients and the food products used. However measuring smaller dosages was considered difficult and convenient, tailor-made blends were developed. In the current scenario, innovation in the form of added-

Savoury ingredients production in the MEA region - 2016 (tons)



Source: Giract, based on supply-demand analysis

value savoury intermediates provides high-quality products with short processing times.

Savoury intermediates are generally tailor-made so as to suit the requirements of the food producers as even slight alterations in flavour enhancers might change the overall flavour of the food product. Savoury intermediate producers are expected to concentrate on providing authentic flavour blends as well as take cost management into account. The seasoning market is subject to strong fluctuations in terms of annual volumes since, dominated by customized blends, the volumes required by end users tend to vary on a yearly basis. Standard blends are therefore not the preferred option.

Low-MSG and MSG-free foods

The partial replacement of MSG with yeast extracts, HVP or nucleotides by multinationals like Nestlé and Unilever is driving the market for MSG replacers. Due to the inadequate production of savoury ingredients in the MEA region under consideration, and therefore a quasi-total dependence on imports, end users influence the volumes and geographical origin of imports. Ingredients imported from

China are duty free whereas those imported from other Asian countries are subject to a 5% import duty.

MSG reduction and MSG-free are wishes communicated by consumers and heeded by producers. Domestically produced items contain MSG whereas products destined for export must fulfil the flavour requirements of the importing country. There are no specific restrictions on the use of MSG from a legislative point of view, except in Turkey where MSG use in traditional meat products is not permitted.

The different level of consumer awareness in these countries regarding "harmful" ingredients (MSG, HVP) compared to Western countries is probably leading to slower replacement by the industry since there is less consumer and retailer pressure. Complete replacement of MSG and HVP is therefore not expected to happen in the near future. Competition from spices has also been observed in the region. Spices are used to a much greater extent in the MEA region as compared to Western countries; this reduces the use of additional flavour enhancers.

Sodium reduction in processed foods is achieved through the use of

Opportunities for savoury ingredient demand in the MEA region, 2016-21

Country	Key opportunity for savoury ingredients
Algeria	Moderate potential as market for MSG
Egypt	High potential as market for MSG and moderate potential for HVP
Iran	Moderate potential as market for MSG
Nigeria	High potential for MSG and HVP with other savoury ingredients exhibiting moderate potential
South Africa	High potential as market for HAP and moderate potential for MSG
Saudi Arabia	Moderate potential as market for YE, HVP and MSG
Turkey	High potential as market for YE and HVP and moderate potential for HAP
UAE	Moderate potential as market for YE, HVP and MSG

Source: Giract, based on supply-demand analysis

ribonucleotides, especially in noodles, snacks and soups. This is the current trend observed in the food industry on a global level. Overall, the market for nucleotides across MEA is limited mainly due to high unit costs.

Key end sectors for savoury ingredients in the MEA region

Trends in demand for the creation of regional flavours and MSG-free /low-MSG products are explained by key findings for the MEA region: Nigeria is the largest user of yeast extracts with instant noodles, bouillon/stock cubes and seasoning mixes being the most important end user sectors. However, MSG is the main savoury ingredient used in this sector followed by HVP and yeast extracts. Marmite produced by Pioneer Foods is one of the largest users of yeast extracts in South Africa. The demand for HVP in other countries is not as strong as in Nigeria and South Africa due to HVP being irreplaceable in sectors like bouillon and instant noodles.

The hydrolysed animal protein (HAP) market is limited in the region. Halal regulations prohibit its use in food products in the majority of countries, and pet ownership, and consequently pet food consumption, is low. HAP is being used in Turkey,

Nigeria and South Africa in pet food, whereas use in meat-flavoured products is only observed in Nigeria and South Africa. Ribonucleotide use is negligible.

Opportunities for savoury ingredients in the MEA region

This greater dependence on importing savoury ingredients from reliable suppliers with sustainable solutions is considered to offer potential for ingredient producers. The strategic positioning of countries such as the UAE and Turkey serves to make them gateways between Europe, Asia and Africa on the one hand and other Middle Eastern countries such as Iran, Oman, Iraq, Saudi Arabia and Qatar on the other. In the context of current trade and political relations, the removal of UN sanctions on Iran is expected to have a dramatic impact on foreign trade.

With the dominance of the Muslim population in the Middle East region, halal products offer great potential, with a market value of US\$2 trillion. Halal-certified ingredients are mandatory in the food sector in most countries in this region. This is also considered to be an opportunity for savoury ingredients producers from Islamic countries and for halal-certified producers.

The trend toward declining MSG

demand especially in Turkey is expected to potentially create a market for yeast extracts. This trend should also benefit HVP which is an affordable replacer for MSG. Nigeria and South Africa are potential markets for HAP in the MEA region as this ingredient is used not only in pet food but also in meat-flavoured foods. In addition, Turkey has a pet food industry that uses HAP as a palatability enhancer.

Providing varied flavours, especially in the form of savoury ingredient blends, at competitive prices is the foremost challenge for ingredient providers. Blends of savoury ingredients are preferred over single ingredients due to ease of measurement. The shift towards partial replacement of MSG in food sectors is expected to accelerate up to 2021 with YE, HVP and ribonucleotides gaining from this substitution. However, complete replacement of MSG is not expected to take place as its strong umami flavour profile and cost effectiveness make it difficult to imitate. |

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Sini A is Assistant Project Manager at FirstMR Business Analytics, a business associate of Giract, Switzerland. She has seven years' experience in analysing the global food ingredient market and has expertise in the South Asian and Middle East regions.