

Global Gum Arabic Market: Industry Analysis and Opportunity Assessment 2017 - 2025

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Introduction

- ❑ Gum acacia, also known as [gum Arabic](#), is the dried exudate gathered from acacia trees that grow in the Sahelian region of Africa
- ❑ It is widely used as emulsifies & stabilizes flavors in beverages, forms films and coatings in panned confections, enhances mouth feel in beverages, strong adhesive and binding properties
- ❑ These exudates are the result of the wound response to injury in the plant species from which they are harvested
- ❑ Production of gum Arabic is concentrated in African countries such as Sudan, Chad, Nigeria, and others, these countries export 80% of production to other countries such as France and the U.S., which are the major importers of gum Arabic

Objective of the study

- To analyze the various types in which gum Arabic is available across the globe
- To perform market assessment for gum Arabic in terms of value (US\$ Mn) across five different geographies
- To identify factors affecting the gum Arabic market as compared to overall food hydrocolloids market

Research Question

- To analyze how gum Arabic market is shaping up in next eight years?

Research Methodology

Research design: The research study is descriptive study

Data collection

Duration: 3 months

Statistical Analysis Software: MS Excel

Data Source: Secondary data and desk research through government websites, company annual reports, press releases, media houses, etc.

Websites: www.trademap.org, www.global.factiva.com, www.bvdinfo.com

Parent Market Overview

- Hydrocolloids are basically colloidal long chain of polymers which are composed of fine particles dispersed in water. Depending on the quantity of the medium such as water; these hydrocolloids exist as gels or semi-liquid solutions.
- Hydrocolloids is closely tied up with food and beverages industry for applications such as natural emulsifiers and binding agent owing to its exceptional ability to modify the rheology of the system to which it is added.

Major hydrocolloids available in the market are as follows:

1. Gelatin
2. Gum Arabic
3. Pectin
4. Agar
5. Guar Gum
6. Carrageenan
7. Xanthan Gum
8. Locust Bean Gum
9. Alginates
10. Others

Target Market

Gum Arabic is a natural emulsifier and a stabilizer extracted as hardened sap from the branches of acacia Senegal and acacia seyal trees. Production of gum Arabic is concentrated in African countries such as Sudan, Chad, Nigeria, and others. It is an oligopoly market, where Sudan accounts for around 80% of the global volume of gum Arabic produced.

Market Taxonomy

On the basis of gum type, global gum Arabic market is divided into:

- Acacia Senegal
- Acacia Seyal

On the basis of application, global gum Arabic market is divided into:

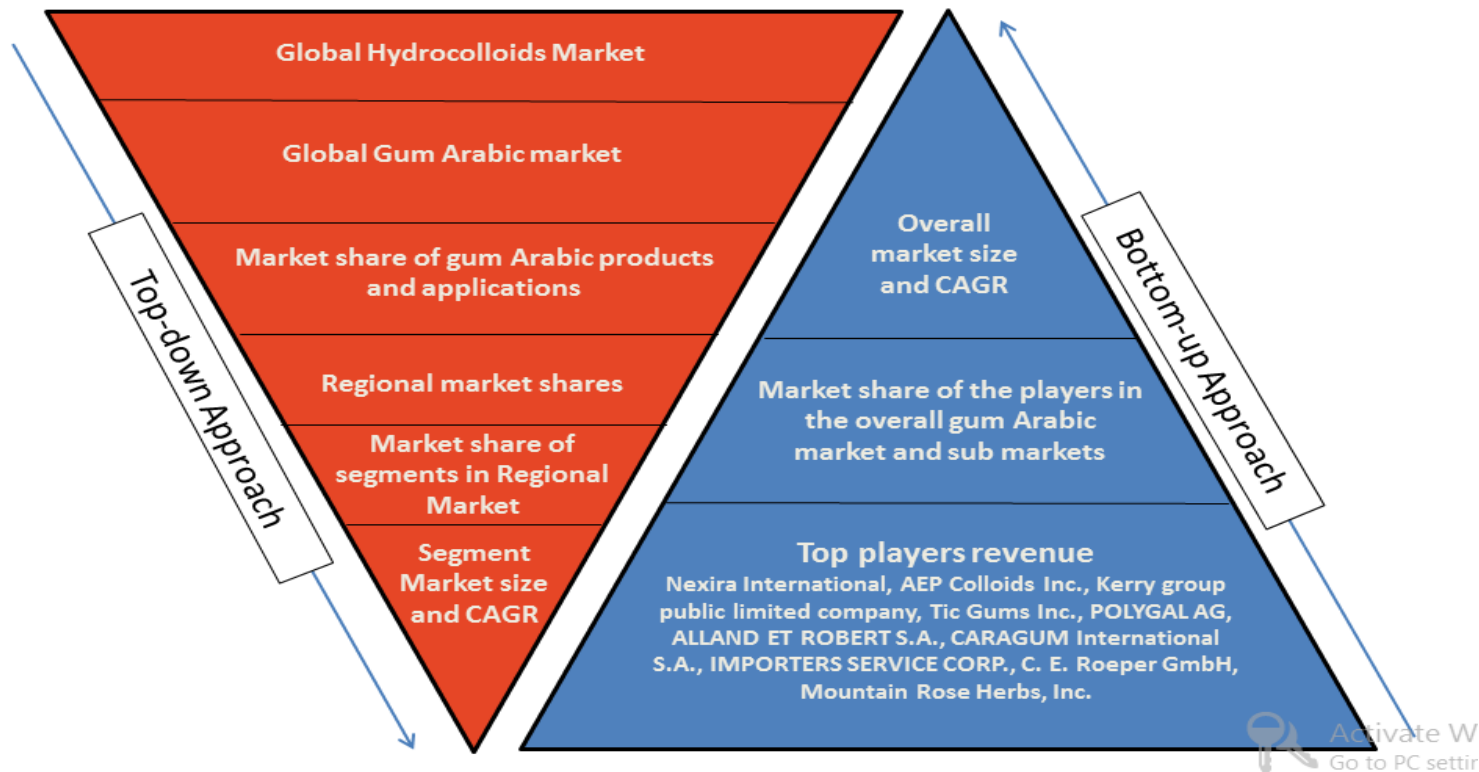
- Food and Beverages
- Pharmaceuticals & Dietary Supplements
- Personal Care & Cosmetics
- Paints & Inks
- Others (Meat processing, etc.)

On the basis of region, global gum Arabic market is divided into:

- North America
- Europe
- Asia Pacific
- Rest of the world

Market Breakdown:

- Bottom-up and Top-down approach





TRADE MAP

Trade statistics for international business development
Monthly, quarterly and yearly trade data. Import & export values, volumes, growth rates, market shares, etc.



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Mr. Vaibhav Maurya English

Product ... 130120 - Natural gum Arabic Product Group None

World Country All Country Group None

Partner All Partner Group None

other criteria Imports Yearly time series by country Values US Dollar

List of importers for the selected product Product: 130120 Natural gum Arabic

Unit : US Dollar thousand

Table Graph Map Companies

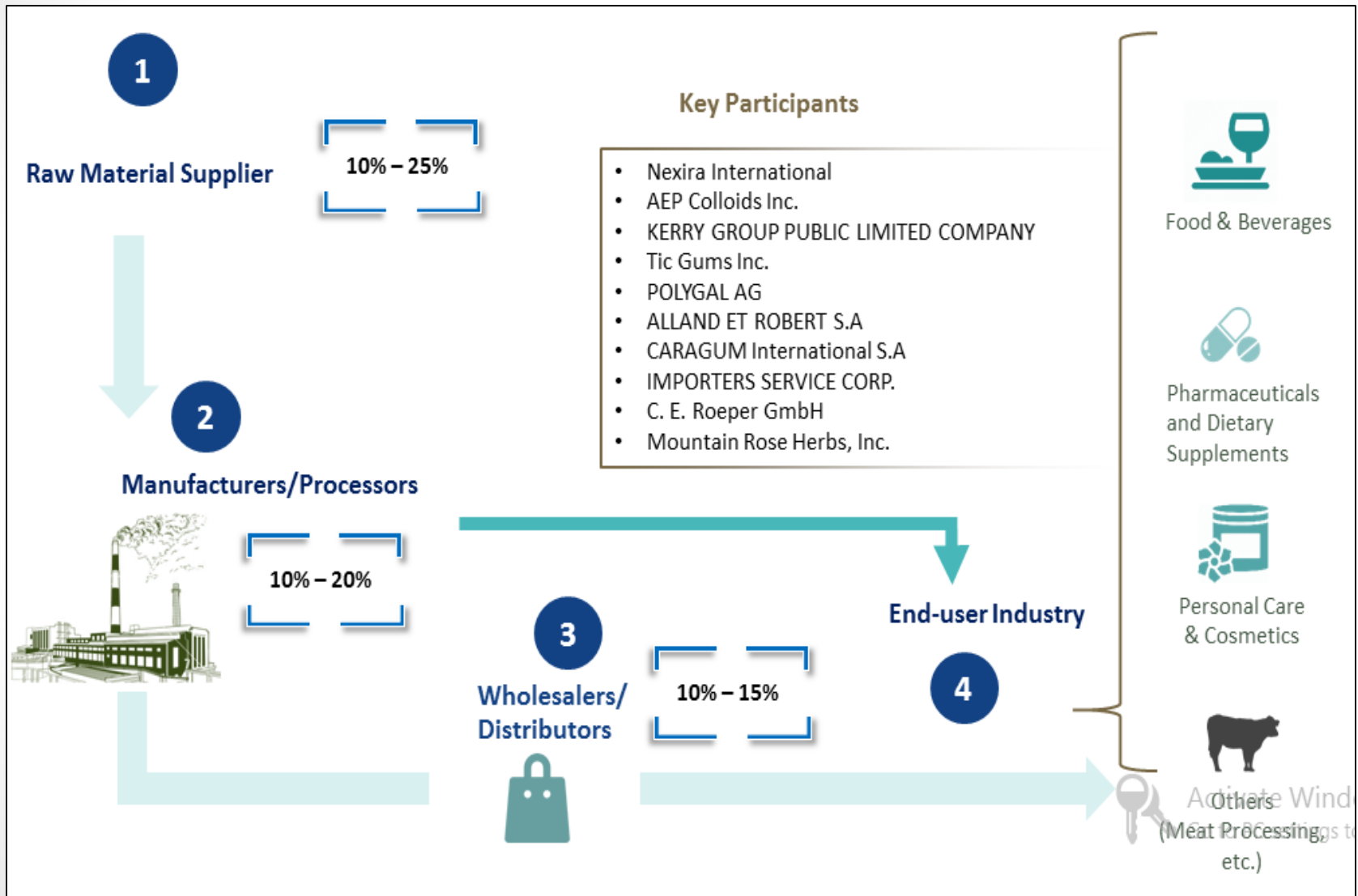
Public tenders FDI data

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Time Period (number of columns): 5 per page Rows per page Default (25 per page)

HS8	Importers	Imported value in 2012	Imported value in 2013	Imported value in 2014	Imported value in 2015	Imported value in 2016
	World	320,247	364,673	340,336	360,042	360,238
+	France	64,481	73,413	68,056	82,699	70,245
+	United States of America	43,834	54,760	53,419	53,295	51,283
+	India	14,473	21,824	21,629	29,640	46,888
+	Germany	15,354	19,313	20,398	19,636	19,226
+	United Kingdom	21,535	28,398	16,017	17,120	17,214
+	Ireland	10,688	14,548	15,148	15,267	15,438
+	Italy	12,568	14,077	11,642	15,279	13,863
+	Japan	10,597	9,062	10,828	7,842	8,528
+	Switzerland	7,106	6,686	7,497	7,240	7,270
+	China	14,141	12,790	14,637	13,147	7,214
+	Slovakia	408	274	306	4,170	7,146

Value chain analysis



Market Dynamics



Drivers

- *Gum Arabic as instant soluble solution*
- *Benefits as a natural dietary fiber*
- *Increasing demand for naturally derived gum Arabic from food and beverages industry*
- *Increasing application of gum Arabic in pharmaceutical industry*
- *Growing consumer preference for Organic Formulations*
- *Growing demand in other industrial applications*



Restraints

- *Availability of substitutes for gum Arabic as binders*
- *Dependency on few gum Arabic suppliers/sources*

Opportunities

- 
- *Gum Arabic products with clean labeling*
 - *Growing scope in dentistry*

Trends

- 
- *Manufactures are Focused on Increasing Business horizons for gum Arabic*
 - *Increasing adoption owing to high dietary fiber content*
 - *Powder encapsulation with instant soluble gum Arabic*
 - *Manufacturers filing petition for health claims promoting benefits of gum Arabic products*

Global Gum Arabic Market Analysis - (Findings and Interpretation)

8.1. Global Gum Arabic Market Analysis and Forecast, 2017-2025

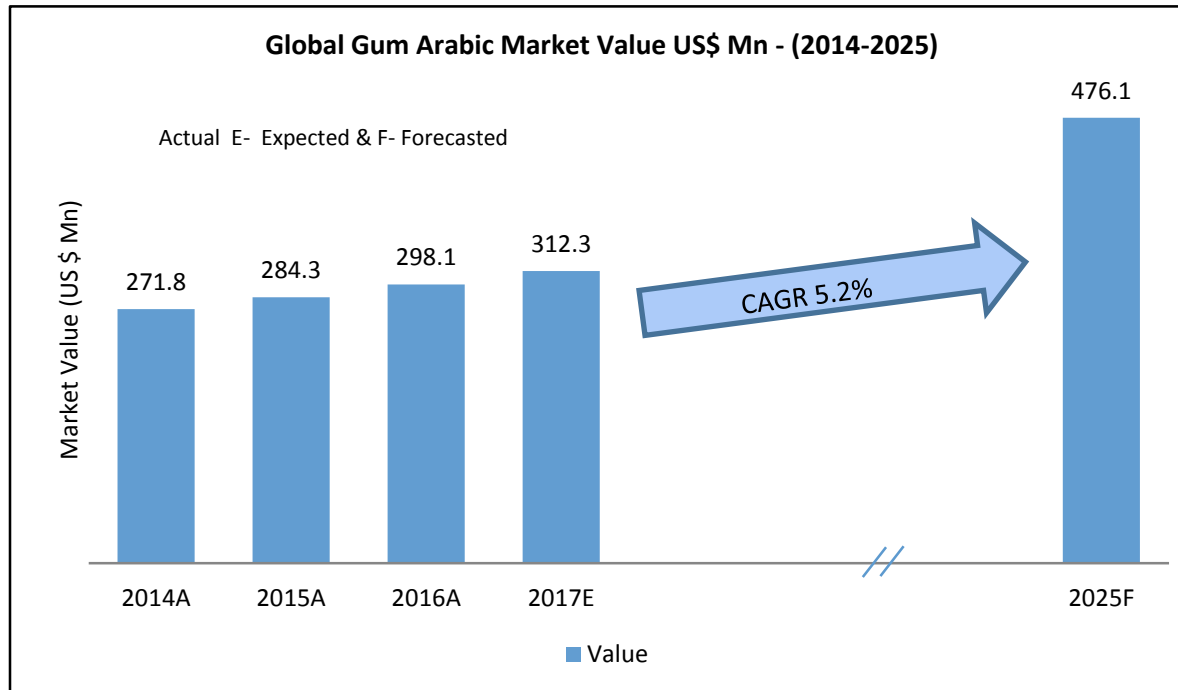


Figure 1: Highlights global gum Arabic market value US\$ Mn and forecast (2014-2025)

In value terms, total gum Arabic consumption stood at US\$ 286.2 Mn in 2016, and is expected to reach US\$ 476.1 Mn by 2025 with an anticipated CAGR of 5.2% during the forecasted period

Global	2014A	2015A	2016A	2017E	2018F	2019F	2020F	2021F	2022F	2023F	2024F	2025F	CAGR
Value	271.8	284.3	298.1	312.3	327.7	344.6	362.6	382.1	402.8	425.7	450.2	271.8	5.2%

Table 1: Global Gum Arabic Market Value (US\$ Mn), 2014–2025

Year on year growth projections

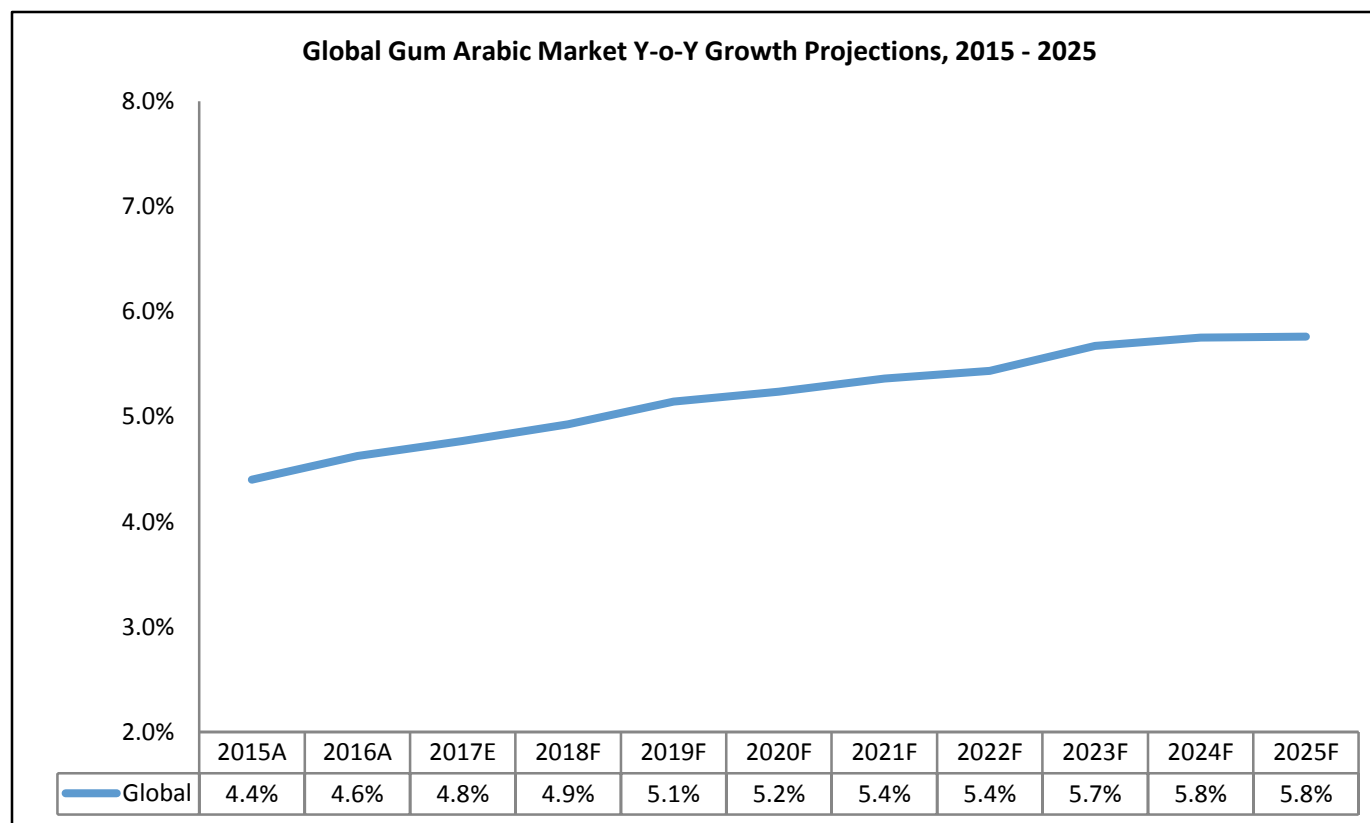


Figure 2: Indicates global gum Arabic market Y-o-Y growth projections (2015-2025)

The global market for gum Arabic is expected to register CAGR of 5.2% and steady growth rates over the forecast period

Global Gum Arabic Market Attractiveness by Gum Type

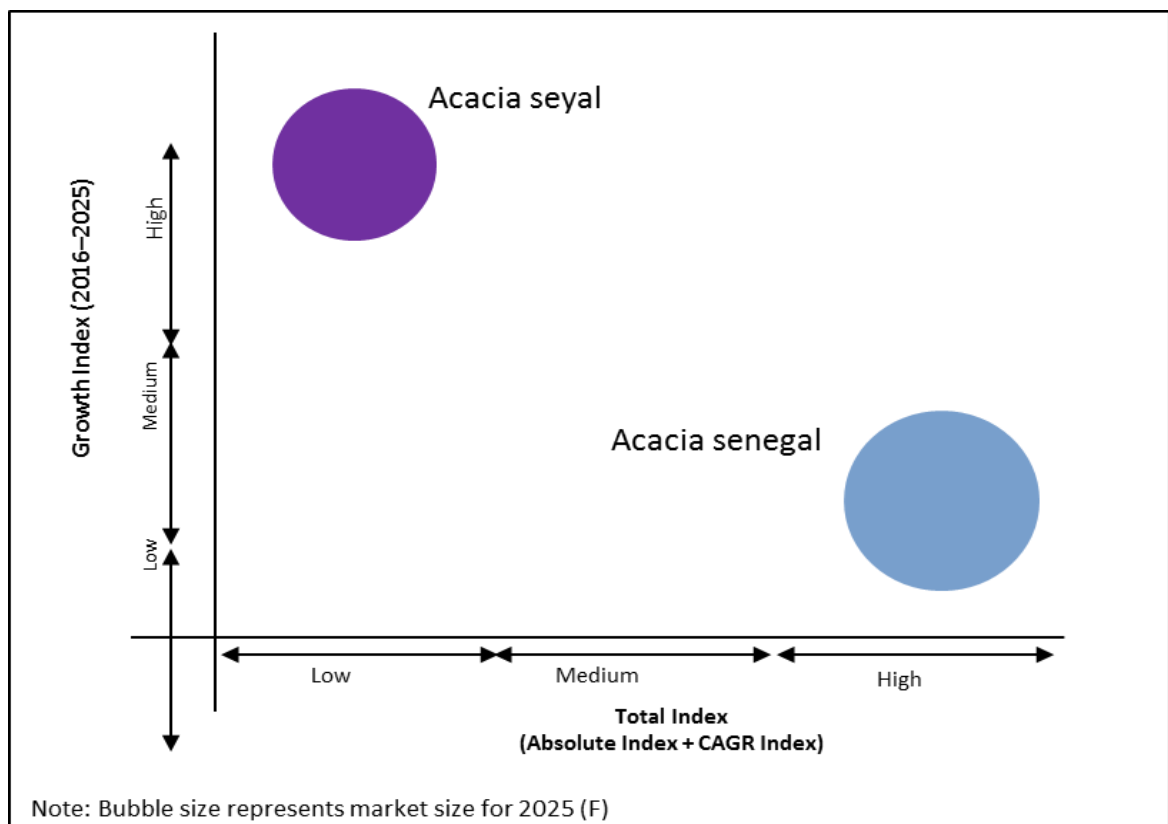


Figure 9: Indicates global gum Arabic market attractiveness by gum type (2017-2025)

Figure Indicates market share (2024), CAGR (2016-2024), and market size (2024), by gum type, and relative market attractiveness of the various segments in the global gum Arabic market

- Among both gum type segments, acacia seyal segment is expected to register a high growth rate in terms of value with a CAGR of 5.4%, followed by acacia Senegal with an expected CAGR of 5.2% by 2024

Global Gum Arabic Market Attractiveness by Application

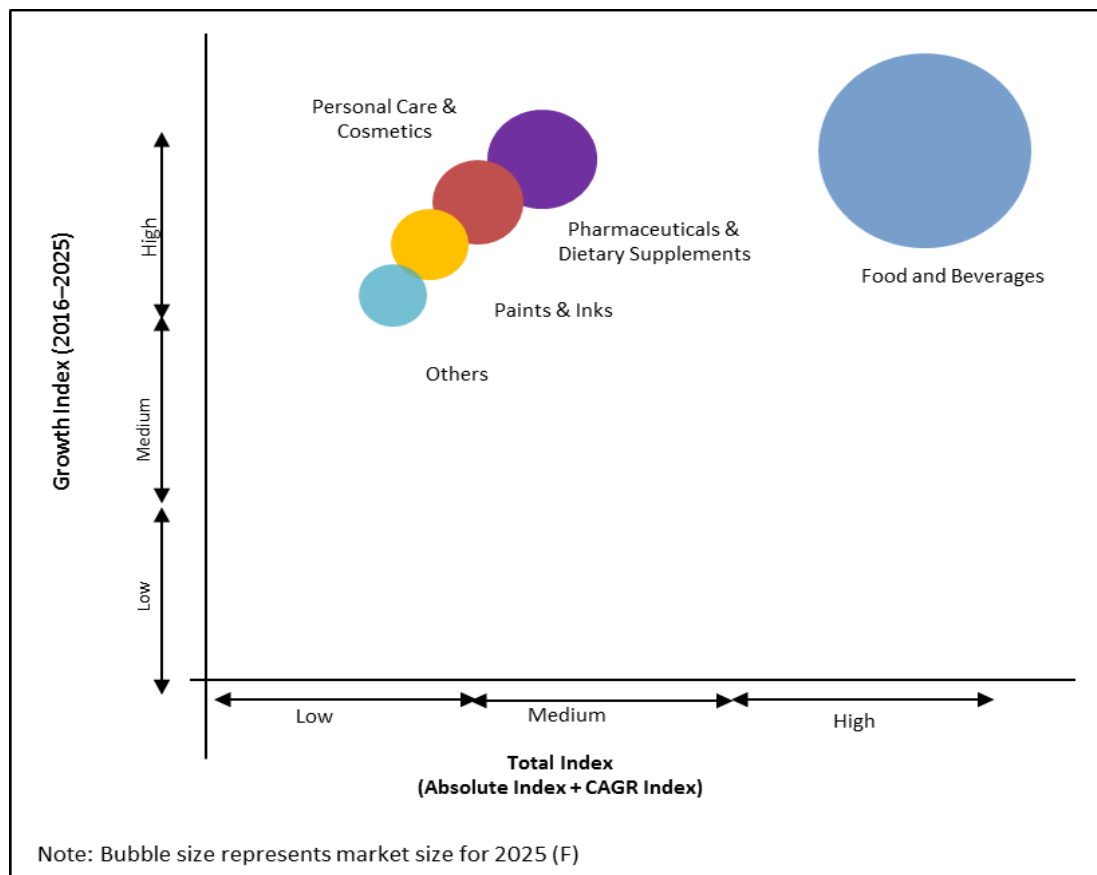


Figure 10: Indicates global gum Arabic market attractiveness by application (2017-2025)

- Figure Indicates market share (2024), CAGR (2016–2024), and market size (2024), by application and relative market attractiveness of the various segments in the global gum Arabic market.
- Among all application segments, food and beverages segment is expected to register a high growth rate in terms of value with a CAGR of 5.7%, followed by pharmaceuticals & dietary supplements with an expected CAGR of 5.6% by 2024

Global Gum Arabic Market Attractiveness by Region

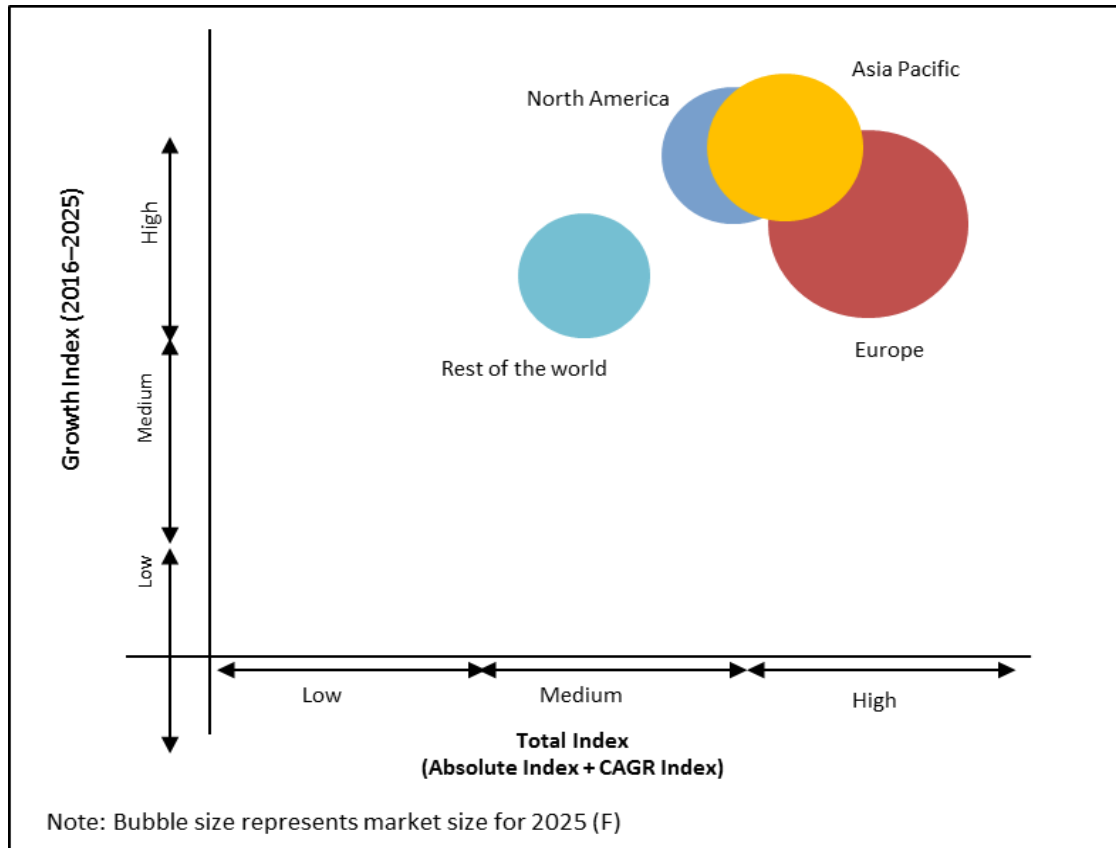


Figure 11: Indicates global gum Arabic market attractiveness by region (2017-2025)

- Figure Indicates market share (2024), CAGR (2016–2024), and market size (2024), by region and relative market attractiveness of the various segments in the global gum Arabic market
- Among all the countries, Asia Pacific market is expected to register a high growth rate in terms of value with a CAGR of 5.5%, followed by Europe market with an expected CAGR of 5.6% by 2024
- North America market is expected to register a relatively steady growth rate in terms of value with a CAGR of 5.2%, followed by rest of world market with an expected CAGR of 5.0% by 2024

Report Overview

- ❑ In this report, the gum Arabic market is segmented on the basis of gum type and application
- ❑ By gum type, the acacia Senegal segment is expected to reach US\$ 274.6 Mn in terms of value, with a significantly high CAGR of 5.2% during the forecast period
- ❑ By application, the food and beverages segment is expected to witness comparatively high CAGR of 5.7% during the forecast period
- ❑ The market in Europe is expected to account for 36.6% revenue share of the global market by the end of 2025
- ❑ Furthermore, markets in developing regions such as MEA and Asia Pacific are expected to record significantly high CAGRs during the forecast period

Overall Market Approach

- **Manufacturers:** Focus on developing innovative products to retain market share
- **Solution Approach:** Strengthen partnerships with an extensive network of high quality raw material suppliers in Africa to ensure security of supply
- **Consolidation:** Manufacturers of gum Arabic are focusing on expanding business horizons in order to enhance production capacity and meet increasing customer demand in various regions

Conclusion

- Gum Arabic offers an immense opportunity for manufacturer and processors to capitalize with the room for value creation. Exploring new application segment of gum Arabic will lead to substantial value creation. By communicating the health benefits of gum Arabic as dietary fiber, manufacturers can attract a large segment of population.
- Current trends in the target market such as high demand of gum Arabic in food and beverages industry, rising demand for powder encapsulation and coating agent for application in pharmaceutical industry represents a favorable market for the global players in the gum Arabic market.
- This report provides the market potential of gum Arabic products and various factors driving the growth of market. Market will continue to grow in the forecast period with an estimated CAGR of 5.2% and reach US\$ 476.1 Mn by the end of 2025 with Asia Pacific being the most attractive market, Acacia Senegal witnessing highest growth rate and food & beverages segment dominating the application segment.

Limitations

- The study is exclusive to information available on secondary platforms such as government websites, company annual reports, press releases, media houses etc.
- Consideration of organized sector only whereas countries such as India are largely driven by the sales from unorganized sector
- Conflicting set of data available
- Although most geographical regions are covered, the data for countries such as Somalia, Congo, Zaire, Cambodia, Afghanistan, Yemen, Maldives, Sudan, etc. has not been validated due to lack of information in secondary sources
- Certain economic and political factors have not been considered which could have affected the market dynamics in respective regions. For instances economic crises of 2007-2008 which led to slow growth in the European region, a linear growth is considered from the view point of future and present
- Certain manufacturer, despite being large scale manufacturers of gum Arabic products have very limited presence in the social media and tracking such manufacturer was beyond the scopes of this study

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Any Question?