

Termites make their presence felt

The termite control sector is becoming increasingly important as the pest spreads and consumer spending on control increases. *Frances McKim* reports on the presentations made at the PestBusiness.com European termite market conference held last month

The threat of termites can no longer be perceived as an American or Far Eastern problem; it is a global phenomenon that now poses a real threat within Europe. Yet, with threats come opportunities, such as a new market awaiting those bold enough to exploit it. This was the realisation that dawned on attendees of the European termite market conference held last month.

Beyond Agriculture . . .

Putting the global termite market into perspective, Rod Parker of Agricultural Information Services placed it within a larger market, which he dubbed "Beyond Agriculture". This incorporated all sectors of the pesticide market outside of crop protection, such as home and garden, pest control, turf, ornamentals, timber, forestry and public health. This market has grown at 4-5% per annum since 1992, rising from a mere €3,000-4,000 million (\$4,100-5,400 million at the current rate) at the end-user level in 1992 to €17,000 million (\$23,100 million) in 2009, Mr Parker informed the audience. Given its size and growth rate, this sector can no longer be considered peripheral to the pesticide market, which had been relatively sedentary in previous years, he emphasised.

Of the total Beyond Agriculture market, the pest control sector accounts for around 8% or €1,300 million (\$1,800 million). Termite control pesticides

account for nearly half of this. If the cost of treatment, which includes the elements of service and supply, are added to the pesticide costs, Mr Parker estimates the global market value of the termite sector to be €6,000 million (\$8,200 million).

growth factors . . .

The rapid growth of the market can be attributed to the juxtaposition of a variety of factors, explained Rob Fryatt of Xenex

years ago. Additionally, consumers have become increasingly environmentally aware, making the historic termite treatments of "pouring pesticides round the house" no longer acceptable.

At the same time, changes in pesticide regulations have virtually eliminated the use of organochlorine insecticides, such as chlordane, which were used mainly by builders in the pre-construction phase of buildings. New active ingredients, such as the insecticides, fipronil, imidacloprid

and chlorfenapyr, have been developed and their means of application switched to a much more technical and preventive approach.

This also happens to be a higher-value approach. Physical non-chemical systems, such as Termimesh, to prevent invasion have come onto the market, as have a range of monitoring, detection and baiting systems. "The market has switched from simple curative pest control to a more sophisticated preventative, higher value pest management and monitoring/detection

approach," explained Mr Fryatt. "With this has come increased professionalism and specialisation by those pest control companies undertaking the work," he concluded.

France . . .

Marc Jequel of the French Technical Industrial Centre for Wood and Furniture Companies explained that the areas infested with termites are rising in France. Changes in the regulatory



Photo credit: Steve Broadbent, Ensystex

Associates. One is the spread of termite infestations across Europe, which is likely to have been exacerbated by global warming. Another factor is consumers' growing awareness of the problems caused by termites and the means to control them. A sharp rise in disposable income, coupled with increasing intolerance of the termite problem, provides the means to purchase treatment for a pest that people may have been prepared to live with 20

approval structure in 2008 have eliminated pre-construction ground treatments, largely performed by builders. Now all wood used as part of the structural construction has to be pre-treated (mainly using the acaricide/insecticide, permethrin), with physical and chemical barriers expected to expand considerably. In 2011, new building regulations are to come into force with the intention of limiting the spread of termites.

This has proved to be difficult mainly because of the transport of infested building material and waste rather than the natural expansion of the insect's geographical range. Mr Jequel said that the UK remained largely immune to the invasion of termites due to its cooler climate coupled with the natural barrier of the English Channel.

Asian markets . . .

Analysing Asian markets, international strategic business consultant Raja

Mahendran estimated the Japanese termite control market at end-user level to be worth €42 million (\$57 million). This is almost twice the size of the next largest Asian market, India, at €22 million (\$30 million). Displaying a trend common to the rest of the world, the conventional termiticide spray market in Asia has barely grown in recent years and stands at around €91 million (\$125 million).

“the global market value of the termite sector is estimated to be €6,000 million (\$8,200 million)”

The bait market in Asia has expanded from €2 million (\$3 million) to €11 million (\$15 million) in the space of only three years, with ever-increasing growth predicted. This expansion can be largely explained by social and economic factors.

“Throughout Asia, an affluent consumer is emerging,” stated Mr Mahendran. “Levels of knowledge, especially [obtained] off the internet, are growing, employment is rising, housing standards have dramatically increased and pests that may have previously been tolerated are no longer so,” he added. These have raised expectations served by a new level of wealth.

Mr Mahendran quoted statistics from India as an example to explain the consequences of the increased affluence. The estimated 50 million middle-class Indians at present are expected to rise to 583 million by 2025, with 23 million of them being classified as wealthy – a figure larger than the whole population of Australia. Currently the world's 12th largest consumer market, it is forecast to rise to become the fifth largest by 2025. Growth in the termite control market seems assured.

♦ *Francesc McKim is the editor of Pest magazine*

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