



## [Which trends offer opportunities on the European market for natural ingredients for health products?](#)

The health trend and societal changes are leading to a growing demand for natural ingredients for health products. Use of alternative medicine and in particular food supplements continues to increase in Europe. The updated [Novel Food legislation](#) makes it easier for exporters to introduce new products on this market. Sustainability is still a strong trend, demanded by European companies as well as consumers.

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## 1 . European lifestyles contribute to a growing need for natural ingredients

Consumers are more aware of the importance of healthy lifestyles. They take more responsibility for both their mental health and physical wellbeing.

The perception of what it means to be healthy is changing amongst European consumers. Instead of focusing on treating illness, consumers perceive health increasingly in terms of preventing illness, feeling good and looking radiant. As a result, demand for natural health products and food supplements is growing; see trend 2 below.

At the same time, the European society and their health care needs are changing. The European population is ageing, and stress levels continue to grow.

### Ageing European population uses more natural healthcare options

By 2050, it is estimated that around 30% of the European population will be 65 and older, as opposed to 17% in 2013. The elderly are an important market segment for natural healthcare manufacturers. Older people use more self-care products than younger consumers and are

increasingly interested in natural healthcare options.

An ageing population has specific health needs. Most importantly, older people face much higher risks of joint problems, especially since the European population is increasingly overweight and inactive. Around [22% of Europe's population](#) is reported to be under long-term treatment for issues involving muscles, bones and joints, such as rheumatism and osteoarthritis.

## Rising stress levels among consumers

Nearly [4 out of 15 people in Europe](#) are affected by anxiety and depression every year, if all forms are included. A [major source of stress is work related](#), leading to lost working days. Work-related stress is most often reported by [workers aged 40-54](#).

Other sources of rising stress levels include:

- travel
- pressure
- sensory overload
- vast quantities of information.

## Concern over antimicrobial resistance

Antimicrobial resistance is a growing concern in Europe. This is when microbes, such as bacteria, become resistant to antimicrobials or antibiotics that could previously be used to treat them. Treatment becomes difficult or even impossible.

The European Centre for Disease Prevention and Control estimates that antimicrobial resistance results in 25,000 deaths and €1.5 billion in healthcare expenses and productivity losses in Europe every year.

Consumers are concerned that antibiotics will not be as effective in the future. Consumers and manufacturers are turning to natural products as alternatives, or to supplement antibiotics. Examples include essential oils made from:

- tea tree (*Melaleuca alternifolia*)
- lemon balm (*Melissa officinalis*) (see our [study on stress and anxiety products](#))
- clove (*Eugenia caryophyllata*)
- rosemary (*Rosmarinus officinalis*)
- oregano (*Origanum vulgare*)
- garlic (*Allium sativum*).

### Tips:

- Determine whether your products have potential for use in healthy ageing or to reduce stress and anxiety. Use this in your marketing and communication.
- Find out if your natural ingredients can be used as alternatives or supplement to antibiotics. This depends on their antimicrobial and antibacterial qualities.
- Study scientific articles for references, such as this example that discusses the [antibacterial activity of 14 essential oils](#).

## 2 . Growing markets for alternative medicines and food supplements

The healthy-living trend and growing awareness of natural ingredients has led to a growth in consumption of food supplements and herbal medicinal products, and use of aromatherapy.

## Growth in food supplement market

- Future Market Insights expects the [European food supplement market to increase 7% annually](#) from 2015 to 2025. In 2025, the market would reach over \$60 billion. Demand for food supplements is strongest in western Europe, in particular in Germany, France, Italy and the United Kingdom.
- Persistence market research expects the [East European food supplement market to grow stronger](#) than in western Europe. Nutrition Business Journal estimated that in 2016, [sales of vitamins and minerals grew by 10% in Eastern Europe and Russia](#), double the rate of global sales. Supplements for overall health are increasingly popular in this region.

## Increase in consumption herbal medicinal products

- There is a strong market for herbal medicinal products in Europe. Germany and France are the region's market leaders. In 2017, [German consumers spent €1.95 billion](#) (retail prices) on herbal medicinal products. France is still the second largest market in Europe.
- In Eastern Europe, Poland is the main and growing market for herbal medicinal products. Other growing East European markets include Bulgaria, the Czech Republic and Romania. Outside of the European Union, Russia is the main growth market.
- There is a [growing worldwide interest in Traditional Chinese Medicine and Ayurveda](#), especially in western Europe and North America. This interest is driving growth in the global market for herbal medicinal products, at 7.6% annually from 2017 to 2027. In 2017, Ayurveda accounted for 58% of this market. This growing interest has also increased demand for Ayurvedic ingredients, such as turmeric, ginger and neem oil.

## Aromatherapy increasingly popular on the European market

- Consumers see aromatherapy products as milder and thus safer options compared to conventional medicine. Consumer awareness about the side effects of conventional medicine is increasing, especially for strong medication taken over long periods of time.
- Future Market Insights expects that the [global aromatherapy market will grow by 7.7% annually from 2016 to 2026](#), to reach just over \$8 billion in 2026 (€7 billion). North America and western Europe are the two dominant markets, accounting for more than half of the global market. Over 85% of the global aromatherapy market consists of sales of essential oils, carrier or base oils and blended oils.
- The [European aromatherapy market](#) is strongest in Germany, France and Switzerland. Other large markets for aromatherapy include the Netherlands and the United Kingdom. In most markets, aromatherapy products are marketed by cosmetics, and covered by the cosmetic legislation.
- To both consumers and companies, large and growing amounts of information are available on aromatherapy and essential oils used for specific effects. Some essential oils do not even need product claims and information because consumers already know or can easily find information on how and for what effect to use them.

### Tips:

- Only make claims that relate to function (for example relating to growth, development and functions of the body, psychological and behavioural functions) and risk reduction for botanicals in food supplements. Food supplements containing vitamins and minerals can make permitted health claims.
- Never claim that your ingredient prevents health issues if you are targeting the food supplements market. Note that you are allowed to indicate that a certain species can help support health. Every EU Member State regulates the health claims for botanicals differently; harmonisation is not yet visible.
- See our studies on specific products, such as [mulberries](#), [capsicum](#), [aloe](#), [curcuma](#) longa, [moringa](#) and [frankincense](#), for examples of claims of food supplements in Europe.

- Use the claims that are mentioned in the European Pharmacopoeia, monographs or list entries if you are targeting producers of herbal medicinal products.
- See trade press and news sites such as [Nutra Ingredients](#) and [Nutraceuticals World](#) for more information on trends and developments.
- See our study on [aromatherapy products](#) for more information on the European aromatherapy market.
- See our [tips for finding buyers](#) and our studies on [market channels and segments](#) and [buyer requirements](#) for more information on how to enter the market.

### 3 . Healthy aging, sports and weight management continue to be strong product categories

Food supplements for healthy aging continue to be in strong demand. A survey from Vitafoods among 220 nutraceutical industry professionals placed these products in the top three most important health benefit areas for their companies, together with digestive health and general wellbeing.

Consumers are looking for products that allow them to remain active as they grow older. An older population is driving demand for mostly natural products, targeting joint and bone diseases. Consumers are looking for products they can use regularly on a long-term basis, and perceive fewer side effects of natural products compared to conventional medicines. Ingredients include turmeric, capsicum, rosehip oil, devil's claw and frankincense.

Other popular indication areas include:

- stress and anxiety, for example products containing [lemon balm or valerian](#)
- digestive health, for example products containing aloe, [curcuma/turmeric](#) or fennel
- cognitive health, for example products with [Ginkgo biloba or rosemary](#)
- energy and adaptogen supplements, for example containing [yerba mate, green tea, or turmeric](#).

Women's supplements, focusing on fertility, pre-natal, pregnancy and hormone balance, such as teas containing *Vitex agnus-castus*. Weight management supplements also continue to be popular. As consumer awareness of healthy lifestyles is growing, consumers are taking a more holistic approach to weight management. Natural and plant-based ingredients play a strong role here. Examples of ingredients are [moringa, green tea](#) and [capsicum](#).

There is a growing demand for plant-based protein powders, although use of botanicals remains low compared to other protein sources. The main market for proteins is in sports supplements, although demand outside of this area is growing as well. Globally, the [market for sports supplements is expected to grow by 9.1% annually from 2014 to 2020](#). This growing demand is another result of the changing perception of health. Consumers are increasingly aware that physical health and fitness help to be healthy. Traditionally, these supplements were mainly consumed by athletes and bodybuilders. Now, more and more other consumers take supplements for health and fitness, as lifestyle users. Manufacturers are looking at new sources of plant-based proteins to differentiate themselves on the market. For example, microalgae, such as spirulina, are being used as an alternative protein source.

#### Tips:

- Find out if you can produce an ingredient that meets the specific health needs of an age group or market segment. Is it traditionally used for joint or bone diseases, cognition issues, or for combating low energy levels?

- Communicate the benefits of your products for a specific health indication. Make sure that you can substantiate all claims you make and never make medicinal claims.
- Find out if your ingredient has potential in sports supplements. Does it contain components commonly used in these types of products? Is it a vegetable source for protein or omega fatty acids? Is it high in specific vitamins and minerals? Is it used for related indications such as increased [energy](#) or [antiobesity](#)?
- See our studies on [promising export products](#), such as stress and anxiety, joint health and digestive health products for more information on these specific indications.

## 4 . Scientific evidence backing the efficacy of botanicals is growing

A growing number of systematic reviews and analyses find [support for the health benefits of botanical ingredients](#). For example, many studies back the efficacy of cinnamon (blood glucose levels), Bacopa (cognition), garlic (lowering blood pressure), and flavanol-rich cocoa products (moderating blood pressure). Industry experts indicate that there is growing consumer trust in the effectiveness of essential oils for various health indications. Some researchers are looking into the use of essential oils in terms of their effectiveness against resistant bacteria.

Consumers value scientific evidence. Health product manufacturers should have good clinical studies that [support the efficacy and safety of their ingredients](#).

In this research-driven natural ingredients sector, you need to work with research institutes to build evidence and substantiate claims you make. Research needs to cover both efficacy and safety. However, in many countries university botanical and pharmacognosy departments and reference herbaria are not set up to support private sector development in product identification, safety and efficacy.

Research can cover the following.

- New product (applications): to find out if a claim for a specific product is viable and if it can provide European companies with “their next marketing story”. Your research needs to create sufficient interest among European partners so that you can develop the product for the European market together.
- Product identification, specification and documentation: to create a foundation to communicate with your buyers and build a commercial relationship. With this research you can ensure that you meet buyer requirements or even surpass them, for example by positioning your company as a centre of excellence for your product.

### Tips:

- Make your product documentation and marketing materials available to your buyers. Create both printed and electronic versions. Never make claims that you cannot substantiate for a specific segment.
- Demonstrate that you are aware of developments concerning your product/species that go beyond the scientific evidence in your product dossier.
- Build a company herbarium and a library of documents from national and international sources that refer to the history, identity, properties, benefits and claims associated with your product. Refer to publications, scientific articles and press releases. Conduct or look for studies on traditional healthcare uses of your product.
- Cooperate with other companies or industry organisations in your country on matters of

common interest, for example financing research work.

- You can also hire scientific service providers in the private sector, either in your region or in Europe. They are expensive but can offer a time-efficient and proven alternative to doing research in-house.

Sustainability is increasingly important on the European market, both from a consumer perspective and from a buyer perspective.

European consumers increasingly demand sustainable products and want to know where their products come from. They are interested in organic certified health products. This drives demand for organic ingredients, which offers opportunities for certified producers. The total European organic market grew by [11.4% in 2016, reaching €33.5 billion](#).

Most demand for organic ingredients comes from food supplements manufacturers. Medicinal products cannot be labelled as organic, due to European labelling legislation. However, some European herbal medicinal products companies use organic ingredients to adhere to their company philosophy or they use organic as a quality control system.

European buyers are becoming much more involved in the sustainable management of the natural resources they use. Companies make large investments in product development, documentation and market authorisation. They do not want to take chances with the supply of their most strategic ingredients. They value supply sustainability in terms of quantity and quality, especially for wild-collected ingredients.

Often, buyers integrate corporate social responsibility (CSR) into their requirements for suppliers, using surveys, declarations or codes of conduct as well as supplier documentation.

Buyers expect you to make your supply chains more transparent and traceable and to take more responsibility for the sustainability of your products. You need to cover the following.

- Legal aspects: such as collection and compliance with local legislation
- Economical aspects: such as fair contracting with suppliers
- Social aspects: such as fair pay, health and safety

## Tips:

- Determine whether you can find enough interested buyers for your products before you apply for organic certification. If you cannot sell your ingredient as organic certified, you will not receive a premium for it. Furthermore, if your organic ingredient complies with requirements for herbal medicinal products but is not used in such products, for example when it is used in food products, you may also receive a lower price.
- Demonstrate ethical business principles by portraying an authentic story of your company and/or product to demonstrate traditional use and local product practices and the benefits to producers, such as in this [example of Baobab](#). You can also ensure and document fair labour conditions with a code of conduct.
- Make your supply chain transparent for European buyers. Use appropriate tracking and tracing or other audit and certification systems to show where your ingredients come from.
- Show sustainable wild collection by conducting a resource assessment. See the [CITES International standard for sustainable wild collection of medicinal and aromatic plants](#) for more information. Based on the assessment's outcomes, implement a resource management system. Document your processes to make sure your efforts can be

translated to your price.

- If you supply wild-collected ingredients, consider certifying your ingredients according to the [FairWild](#) standard, or comply with [BioTrade Principles and Criteria](#). You can also provide your buyers with documentation that proves your sustainable collection practices.
- Establish sustainable wild collection or try to domesticate species. This may help to market species which are insufficiently available in Europe, such as *Cephaelis ipecacuana*, *Rauwolfia serpentina*, *Saussurea costus* and *Nardostachys jatamansii*.
- See our study on [buyer requirements for natural ingredients for health products](#) for more information on certification standards.

## 5 . Europe’s changing role in the global health products market

Demand for “made in Europe” herbal medicinal products is increasing in countries such as the United States, Russia, Japan and China. This drives European demand for pharmaceutical ingredients.

Globally, buyers value the high quality and pure image of European products, especially of German and Swiss producers. Asian buyers increasingly source well-documented natural ingredients in Europe for their own processing activities.

At the same time, production of active pharmaceutical ingredients (APIs) in Europe is decreasing. Where in 1980 more than 80% of APIs destined for the European market were of European origin, by 2008 this had decreased to 20%.

Currently, Asian countries (such as India and China) are dominant in the European supply of APIs.

The increased dependency on non-European sources is a key concern in the [European Union’s strategy for the health sector](#). The main concerns are about the security of supply for European consumers and the perceived lower quality of APIs from outside Europe.

In terms of trade, the growing API industry in Asia demands growing quantities of raw materials. This further reduces the supply of ingredients to Europe. Asian buyers are willing to pay higher prices, while buyer requirements often are lower than in Europe. This makes Asian markets increasingly attractive to suppliers from developing countries.

### Tips:

- If you supply raw materials for APIs, consider targeting Europe to fill the rising gaps in European supply.
- Strengthen the partnership with your buyer by being a consistent supplier.
- Be transparent and forthcoming in terms of information on future prices and availability.
- See our study on [market channels and segments](#) for more information on the role of European companies in the health product market.

## 6 . The new Novel Food regulation makes it easier to export novel

## foods to Europe

In January 2018, a [new Novel Food regulation came into effect](#), which should lead to increased innovation in the food supplement sector. The revised regulation may make it easier to market new food and supplements ingredients in Europe. The legislation now includes a simplified process for “traditional” foods. These are food products that have a documented history of 25 years of safe use outside of the European Union. With sufficient proof, registration in Europe will become much simpler.

The European Food Safety Authority published [guidance documents on the new novel food regulation](#). This includes detailed information on what you need to do to prove the documented history of 25 years of safe use outside the European Union for traditional foods.

In addition, the changes in Novel Food regulation also aim to clarify, harmonise and centralise procedures. A [centralised authorisation process](#) has been set up, which should make decision-making faster and more consistent.

### Tips:

- Consult the Novel Food legislation to determine if your products can be sold on the European market. Check the [website of the European Commission](#) or online news pages such as [NutraIngredients.com](#).
- See EFSA's [guidance documents on the new novel food regulation](#) for more information on proof needed to bring traditional foods to Europe.
- See our study on [buyer requirements for natural ingredients for health products](#) for more information on the new Novel Food legislation and opportunities coming from it.

## 7 . Stricter European legislation: reducing the attractiveness of borderline products and product claims under increased scrutiny

European legislation used to offer opportunities for [borderline products](#). These are products that fall between two segments, such as food and pharmaceuticals. It was unclear under which legislation these fell, and claim substantiation was fairly undemanding.

However, European legislation and product definitions are becoming stricter and closing off borderline products, such as medical devices and food for special medical purposes (FSMP). More and more, you need to substantiate your claims. A [new medical devices regulation](#) is closing loopholes for manufacturers. Likewise, a revision of the legislation for FSMP will effectively stop manufacturers from marketing most herbal products in this segment.

The European Food Safety Authority (EFSA) also still needs to decide on 2000 botanical health claims. Stakeholders are calling for a new framework to review these claims as the current framework makes it difficult to decide on the botanical health claims. A new framework should allow claims based on traditional use, quality and safety. However, industry sources indicate that differences between the EU Member States are too large to harmonise these botanical health claims.

Another legal development can make marketing of natural health products more difficult. The [European Court of Justice recently ruled](#) that health and nutrition claims on foods made to health professionals need to follow the same rules as claims made to final consumers. This means that if companies market their products to health professionals they can also only use official health claims, which are still on hold for botanicals. Manufacturers of health products need to take more



care in their communication of these claims.

### Tips:

- Back up your product dossier with scientific data to attract potential partners. Partner with buyers or final product manufacturers to tackle legislative market entry requirements for new ingredients in national and international markets.
- Find out what claims you can make on product labels for food supplements. For example, check with advisers, consultants or industry associations to see which claims you can make.
- Find out which market segment you should target with your ingredient: herbal medicinal products or food supplements. Analyse market opportunities for both segments and determine whether your company has the capacity to take up challenges and meet legislative and buyer requirements for either segment.
- See our study on [buyer requirements for natural ingredients for health products](#) for more information.

## 8 . Adulteration and authentication issues persist in the natural ingredients for health products market

[Authentication and adulteration issues](#) at the start of the chain are a growing concern for buyers. There are continuous [problems in adulteration and authentication](#). These can be unintentional, where closely related species are used, or intentional, where lower grade materials or cheaper botanicals are used to substitute popular, expensive botanicals. To solve these issues, the American Botanical Council has set up a [Botanical Adulterants Prevention Program](#), publishing guidance documents to identify adulteration.

Moreover, several buyers have taken steps to identify adulteration. The companies Indena (Italy) and Hyris (the United Kingdom) teamed up with the NHP Research Alliance (Canada) to [develop DNA authentication test kits](#) for botanicals and related natural health products. These tools and services identify species adulteration of food and natural health products by confirming the authenticity of supplies purchased early in the supply chain.

To gain trust from your buyers you need to document your ingredients' botanical identity, quality and traceability. European manufacturers are increasingly making their suppliers responsible for quality assurance, which includes botanical identification.

Buyers will require you to comply with product standards and specifications for ingredients and raw materials. These include botanical identification and documentation of all ingredients, as based on internationally agreed good practices (WHO/FAO/Codex Alimentarius).

### Tips:

- Improve the agricultural and collection practices of your raw material producers to increase raw material quality based on international guidelines. Do not forget your post-harvest and drying processes. Quality loss at this level cannot be reversed later and creates risks in terms of microbiological and other contaminants.
- Prevent adulteration and contamination by foreign materials in order to maintain your reputation. Buyers regularly check for adulterants.

- Train collectors, farmers and processing staff continually and document all procedures according to the [Good Agricultural and Collection Practices](#) and standard operating procedures (SOPs).
- Demonstrate the identity and quality of your products in your product documentation. This is also important for new requirements on sustainability reporting for European companies. Many European traders have limited knowledge of specific product quality characteristics and require support in marketing your products to final users.
- Document what you do. You can only get a higher price for your products if you have the right documentation and certifications. Explain all steps in the production process and demonstrate your product's quality.

## 9 . Opportunities for product development and innovation in food supplements

You'll find most opportunities for product development and innovation in the food supplements sector. Here, European manufacturers need to distinguish themselves on the market. A key method to do so is to develop new products. Manufacturers find inspiration for product development in new and existing ingredients, as well as in traditional medicine systems. Popular ingredients for innovation are marine ingredients, such as kelp (seaweed). Because of its nutritional content, this trendy ingredient is now also marketed in food supplements.

Product development in herbal medicinal products is restricted. This is the result of registration and safety assessment requirements and high market authorisation costs. It will be beyond your scope to develop new herbal medicinal products for the European market. In this segment, product development is limited to established species. However, there are opportunities to develop products based on ingredients already known to the market.

In your portfolio, balance innovative products with established ingredients. European markets for new ingredients are small, at least at first. Only a few products truly take off. Adapt your portfolio to national, regional and international markets. Each of these markets demands different products.

Combine information on traditional use with local trials to make your product dossier more attractive to partners. Work with a university to test the efficacy of your ingredient on a small group of people, by checking their health before and after they take the ingredient or food supplement.

Ensure that you can get sufficient supplies of the raw material you need for new product development. Carry out a resource assessment, develop and implement a resource management plan. Comply with the access rights and [benefit sharing obligations](#) in your country.

Examples of innovations include the following.

- Species for specific conditions: such as obesity (e.g. *Ilex paraguaiensis*, [Capsicum annuum](#)), joint health (e.g. [Curcuma longa](#), [Boswellia serrata](#) and *Rosa canina*), and digestive health (e.g. *Peumus boldus*, *Plantago afra*).
- Health products that prevent illness or support overall health: such as those supporting or improving the immune system, maintaining energy or supporting cognition and concentration (e.g. *Centella asiatica*, *Withania somnifera*).

### Tips:

- Identify the chemical and nutritional profile of the ingredient you want to use in product development. Which of the components in these ingredients could be interesting for the

European market? Can they be sourced from well documented and sustainable resources?

- Before you develop a new product, determine industry interest in the plant species you focus on. Look for data on clinical trials, indications of traditional use and patents. The [Herbmed database](#) is a good place to do this. Here you can find scientific data on herbs used for health.
- Once you know that your species meets market demands and/or trends, contact processors, traders or final producers in Europe to develop your product further. Ensure that you have referenced herbarium vouchers. These are representative samples of your species, usually pressed and dried, which can be used for future study. See the study by Culley entitled [Why vouchers matter in botanical research](#) for more information.
- To find out about the trends in Europe and discover which components are popular, look for information on industry websites such as [NutraIngredients](#) or [Nutraceuticals World](#).
- See our studies on promising markets and products for more information on innovation for the different products, such as [aloe](#), [capsicum](#), [turmeric](#), [moringa](#), [mulberries](#) and [frankincense](#), and different health indications, such as [cognition](#), [energy](#), [joint health](#), [digestive health](#), [immune system](#) and [stress & anxiety](#).
- See our study on [buyer requirements for natural ingredients for health products](#) for the “route to market” for herbal medicinal products and food supplements markets.
- See our study on [market channels and segments](#) for natural ingredients for health products for more information on the different segments: food supplements and herbal medicinal products.

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