

Entering the European market for liquorice extract

To enter the European market for liquorice extract, you must meet mandatory requirements set by the European Union. At the same time, also consider meeting common additional requirements that European buyers and niche markets have, as this will help you access the European market. The European market for liquorice extract is divided into four segments, providing different channels you can enter through. When entering the European market, you will face competition from other countries, companies and products. Prices of liquorice have increased in recent years, and that trend is predicted to continue in the coming years.

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1. What requirements must liquorice extract for cosmetics comply with to be allowed on the European market?

What are mandatory requirements?

As an exporter of liquorice extract in a developing country, your liquorice extract can only be exported to the European cosmetics market if you comply with the European Union's (EU) mandatory legal [requirements for natural ingredients for cosmetics](#). Non-compliance can prevent your liquorice extract from entering the European market.

As an exporter of liquorice extract from a developing country, you have to abide with some of the main EU regulations for cosmetics products. These include:

- [Cosmetic Regulation \(EC 1223/2009\)](#) is the central regulatory framework for cosmetic products for the European market, covering the safety and effectiveness of cosmetic products. Claims concerning [sunscreen products](#) have specific requirements.
- [Registration, Evaluation, Authorisation and Restriction of Chemicals \(REACH\)](#)
- [EU Commission Regulation \(EU\) No 655/2013](#) requires claims for a cosmetic product (explicit or implicit) to be supported by sufficient and provable evidence.
- The EU has packaging and labelling requirements for chemicals based on the [Globally Harmonised System of Classification and Labelling of Chemicals \(GHS\)](#) outlined in its [Classification, Labelling and Packaging \(CLP\) Regulation \(EC\) 1272/2008](#).
- In regards to the labelling and packaging regulation, you need to include relevant hazardous symbol (see Figure 1) because liquorice extract is classified as hazardous on the label.

Figure 1: Hazard label for liquorice extract.



Tips:

Provide European buyers detailed information about your liquorice extract; this includes information about its physical and chemical, microbiological and toxicological characteristics, and animal testing. This is because European buyers need to include this information in a “Cosmetic Product Safety Report (CPSR)” and a “Product Information File (PIF)”.

Visit the [European Commission Trade Help Desk](#) as it provides a complete list of requirements. Enter your liquorice extract’s product code (130212) and review the assistance provided.

Read the [CBI study on requirements](#) for natural ingredients for cosmetics. Here you will find more information on mandatory and additional requirements you need to comply with when exporting natural ingredients for cosmetics to the European market.

If you have limited experience dealing with Safety Data Sheets, use a consultancy that helps you prepare them. Consultancies offering such services can be found by doing basic online searches

Technical Documentation

In order to comply with the EU’s legal requirements, European buyers of liquorice extract for cosmetics need a well prepared technical dossier. This is also essential in order to meet mandatory regulations when exporting to the EU, as a well prepared technical dossier demonstrates the traceability, sustainability and quality of liquorice extract you use in your products. You must therefore provide a well prepared technical dossier to European buyers of your liquorice extract.

The technical dossier should include:

- Technical Data Sheet (TDS),
- Safety Data Sheet (SDS)
- Certificate of Analysis (COA)

Tips:

Ensure you provide a well prepared technical dossier to European buyers of liquorice extract.

Ensure your technical dossier is up to date.

Review the [CBI study on how to prepare technical dossiers](#) for cosmetics ingredients as it provides comprehensive information and guidance on preparing a technical dossier. Doing so will give you an advantage in your journey to enter the European market.

Review the examples of a [Technical Data Sheet](#), [Safety Data Sheet](#) and [Certificate of Analysis](#) for a liquorice extract.

Convention on Biological Diversity (CBD)/Access and Benefit-Sharing (ABS)

To export liquorice extract to the European market, you must comply with the requirements on using plant resources agreed under international treaties and protocols within the Convention on Biological Diversity (CBD). This is because the CBD is a part of EU law and your own country is likely to be a signatory, meaning you need to comply in order to meet your country’s laws as well.

The Nagoya Protocol's Access and Benefit-Sharing (ABS) provides guidelines for accessing and utilising genetic resources and traditional knowledge and the fair and equitable sharing of benefits. Similar to the CBD, European companies need to comply with ABS legislation. ABS is also likely to be a part of your country's regulations. As an exporter of liquorice extract to the cosmetics sector, make sure you abide by ABS.

In recent years, there is growing consumer awareness and demand for more environmentally-friendly products, and this trend is set to continue. This is leading European buyers to seek ethically sourced ingredients, something which is likely to become more important in the future.

Tips:

Ensure you comply with the Convention on Biological Diversity (CBD) and Access and Benefit-Sharing (ABS) respectively.

Visit the [CBD website](#) as it provides a range of useful information on CBD and ABS. For example, the [country profile function](#) provides information on your country's position on CBD and ABS, giving you more knowledge about exporting from your country.

What additional requirements do buyers often have?

Quality requirements

European buyers of liquorice extract for cosmetics are increasingly demanding liquorice extract they buy to be of the finest quality. To meet this demand, your liquorice extract should be pure and free of any additives and heavy metals, along with having standardised levels of its content of active components with conditioning properties.

The quality of liquorice extract depends on its composition, especially the content of glycyrrhizin or glycyrrhizic acid. These components are used to produce active ingredients used in personal care products and toiletries. Glycyrrhiza inflata's glycyrrhizin content is usually between 7.5 and 8.0 percent and in glycyrrhiza glabra it is usually between 5.5 and 6.0 percent. You should therefore provide European buyers with liquorice extract within the appropriate levels of glycyrrhizin content.

European buyers usually prefer odourless and colourless extract in liquid or spray-dried form, so you should meet their preference. Furthermore, European buyers often have other specific preferences and requirements for liquorice extract, and you should meet these when they do. You should train your staff and suppliers to make sure they are able to ensure the quality of liquorice extract throughout its entire supply chain.

Tips:

Meet the high quality requirements that European buyers of liquorice extract have.

Show willingness and flexibility to meet guidelines and specifications potential buyers may have as this is likely to lead a good business relationship.

Train your staff and suppliers to ensure the quality of liquorice extract you export is of the finest quality which is in line with buyer requirements.

Adopt various quality standards, in order to increase the quality of your liquorice extract. Examples include [ISO22000](#) and [ISO 9001:2015](#) and [Food Safety System Certification \(FSSC\) 22000](#). Other common guidelines you should consider following include [Good Agricultural and Collection Practices](#) and [Hazard Analysis & Critical Control Points](#). An example of an existing exporter of liquorice extracts

doing this well is [Sepidan Osareh Co.](#)

Labelling and packaging

You also have to consider meeting additional labelling and packaging requirements that European buyers commonly have. This includes listing the following on your product documentation and labels in English unless asked otherwise:

- International Nomenclature Cosmetic Ingredient (INCI) name and product name
- Name and address of exporter
- Batch code
- Place of origin
- Date of manufacture
- Best before date
- Net weight
- Recommended storage conditions
- Organic certification number along with the name/code of the certifying inspection body if you export organic liquorice extract.

European buyers of liquorice extract require high-quality liquorice extract, thus consider preserving the quality of your liquorice extract by doing the following when it comes to packaging:

- Using polythene-lined boxes, aluminium, lined or lacquered steel containers, as they do not react with the components in liquorice extracts.
- Ensuring packaging materials such as boxes and containers are clean and dry before liquorice extract is put into them.
- Filling headspace of packaging materials with gases, such as nitrogen or carbon dioxide as they do not react with liquorice extracts constituents.
- Find out if European buyers have specific labelling and packaging requirements in addition to the mandatory requirements. If they do, consider meeting these requirements as this will give you an advantage in your journey to enter the European market.
- Consider recycling or re-using packaging materials, for example by using boxes and containers made of recyclable materials such as metal. This is because environmental sustainability is becoming increasingly important for European buyers.

Payment terms

Payment is central to all trade and presents risks to everyone involved. Before trading with European buyers do risk assessments of available payment terms. As an exporter of liquorice extract minimise your risks whilst working to meet the needs of European buyers.

There are [several methods of payment](#). However, for both importers and exporters, [Letters of Credit](#) (LC) are considered to be the safest payment term. This is because an LC lets both parties contact a neutral arbitrator, usually a bank, to resolve any issues. For the exporter, the chosen bank is a guarantor of full payment as long as goods have been dispatched. In such instances, to avoid further losses, exporters should find new buyers and pay for the return of dispatched goods.

Based upon their needs, importers and exporters can choose from [several LC payment terms](#). These include standby, revocable, irrevocable, revolving, transferable, un-transferable, back to back, red clause, green clause and export/import. For exporters, standby LC is considered the safest, with it being frequently used in international trade. This is because it provides security to both importers and exporters who have little trading experience with each another. Other payment terms include cash in advance, documentary collections and open account.

Tips:

You must minimise your risks while working to meet the needs of European buyers. You can do this firstly by assessing your needs, secondly by speaking to European buyers and finding out their needs, and thirdly by working out a compromise which satisfies both parties.

See [CBI study for organising your export](#) of natural ingredients for cosmetics to Europe. This is because it provides guidance on available payment terms used in this sector.

Delivery terms

When agreeing delivery terms with European buyers you must carefully consider three important factors: delivery time, volume and cost. This is because failure to meet agreed delivery terms could end your trading relationship with European buyers.

1. Delivery time - As an exporter, you should understand that European buyers prefer shorter delivery times. Air cargo is usually faster than sea freight. Air freight is also more reliable in regards to on-time delivery. It is important to note [delivery times are likely longer](#) because of the global COVID-19 pandemic, with reasons for this including forced quarantine measures and restrictions on the movements of goods.
2. Delivery volume/quantity of order - The volume of your order is an important factor to take into consideration when choosing a mode of transport. Larger quantities are often cheaper to ship by sea. With smaller volumes, air freight can be less expensive, as margins get smaller.
3. Cost of delivery method - It is estimated that sea freight is usually 4-6 times cheaper than air freight. This applies to larger volumes. It is not likely that price of your cargo will increase substantially, if you increase the volume. Be aware, due to the COVID-19 pandemic the cost of air freight is increasing; this is likely to change once passenger flights are fully operational.

Tips:

Learn about [Incoterms](#). This knowledge will help you when negotiating payment and delivery terms with your potential buyers.

Speak to your logistics provider about what the global COVID-19 pandemic means for you before agreeing delivery terms with European buyers.

What are the requirements for niche markets?

Organic and fair trade

There is a growing demand for certified raw materials on the European cosmetics market. At the same time a growing number of cosmetic products and raw materials are being certified according to natural and organic standards. Two of the leading organic standards are:

- [NaTrue](#)
- [COSMOS](#)

There are over 10 other natural and organic cosmetic standards in Europe; they include [Demeter](#) and [Organic Farmers and Growers](#).

Fair trade is also becoming popular among European cosmetics manufacturers, as the environmental and social

attributes of sustainability are becoming increasingly important. Examples of fair trade standards include:

- [Fairtrade International](#)
- [Ecocert Fair Trade](#) and [Fair for Life](#)
- [FairWild](#)

Tips:

Visit the [NaTrue](#) website and the [COSMOS](#) website and review the information they provide on acquiring natural and/or organic certification for your liquorice extract.

Visit and review the information available on the [ITC Sustainability Map](#) about certification schemes in the sector.

2. Through what channels can you get liquorice extract on the European market?

More than 90 percent of liquorice extract is used in the food, pharmaceutical and tobacco industries. The use of liquorice extract in the cosmetics industry is fairly small; liquorice extract imports for cosmetic products comprise less than 5 percent. The European supply chain of liquorice extract is well-established. However, the majority of liquorice extract is not used in the cosmetics industry. Liquorice is mainly marketed in the European market as an ingredient for cosmetics, food and pharmaceutical products. The majority of liquorice extract is brought into the European market by traders.

How is the end market segmented?

The market for liquorice extract in Europe can be segmented according to end-users. These include the cosmetic, food, health products and pharmaceutical and tobacco industries. Figure 2 'examples of liquorice extract products on the European market' shows the end-market segmentation of liquorice extract on the European market.

Figure 2: Examples of liquorice extract products on the European market

End Market Segments for Liquorice Extract



Source: Various

Cosmetic industry

Cosmetic formulators use liquorice extract because of its wide range of properties. Liquorice extract is classified as bleaching, emollient, skin conditioning, smoothing, soothing and perfuming. It can be used in personal care products designed for specific segments. The extract is used as:

- Antioxidant
- Lightening Whitening Agent
- Purifying Agent
- Anti-aging Agent
- Anti-inflammatory
- Antimicrobial

It is used in skin-lightening personal care products. The active parts are called glabridin, and isoliquirtigenin. The amount of glabridin in liquorice extracts varies between roughly between 4 and 40 percent.

Liquorice extract soothes the skin, which makes it ideal for sun-care cosmetics. Its anti-inflammatory and calming properties help ease sunburn damage. It is also used in anti-ageing cosmetics because it contains several anti-ageing properties. The extract also contains glycyrrhetic acid and flavinoids that have antioxidant and regenerative properties.

The extract can also be used in products for treatment of dermatitis, rosacea and eczema. The extract is mostly used in formulation with a concentration of 4-10 percent. It is mainly used in topical skin care products. Liquorice root extract and liquorice derived ingredients can be used in hair care products. It is estimated that the cosmetics sector accounts for less than 10 percent of the liquorice extract market in Europe.

The European liquorice extract market is expected to grow in the coming years. The key driver is European consumers increasingly demanding plant-based natural ingredients. Natural ingredients are gaining popularity

in the cosmetics industry. You should also consider getting certification, such as Nature and/or COSMOS certification, to prove your liquorice extract is natural. Doing so will increase your chances of entering the European market.

Food industry

The European food industry uses liquorice in confectionary, dairy, beverages and bakery products. This is because of the benefits liquorice provides to these products. For example, in confectionary and dairy products and ice-cream in particular, liquorice is used for its flavour.

Health Products and Pharmaceutical industry

Pharmaceutical companies use liquorice in their products because of its health properties. The health benefits of liquorice include it acting as an anti-viral, anti-inflammatory, anti-microbial, and hepato-protective agent. Liquorice is also used in [pharmaceutical products](#) that treat sore throats and coughs, as well as oral care products.

Tobacco industry

Tobacco manufacturers use liquorice extract to add its flavour and smell to tobacco. The tobacco industry also uses liquorice root and its extracts to flavour chewing tobacco.

The tobacco and food and beverage sectors account for around two thirds of the liquorice extract market in Europe. This study deals with liquorice extract used in the cosmetics sector.

Tips:

Familiarise yourself with the properties that liquorice extract offers to the cosmetics industry, such as its anti-ageing, anti-inflammatory and soothing properties, as these make up the main selling points for the European cosmetics market.

Visit trade fairs to test if the industry is open to your product, get market information, and find potential buyers. Trade fairs will also give you the chance to speak to end-users and distributors, and to gauge your competition, especially the way they are marketing their products.

[See the CBI study 8 tips for finding buyers](#) on the European cosmetics market for an overview of trade fairs in this sector.

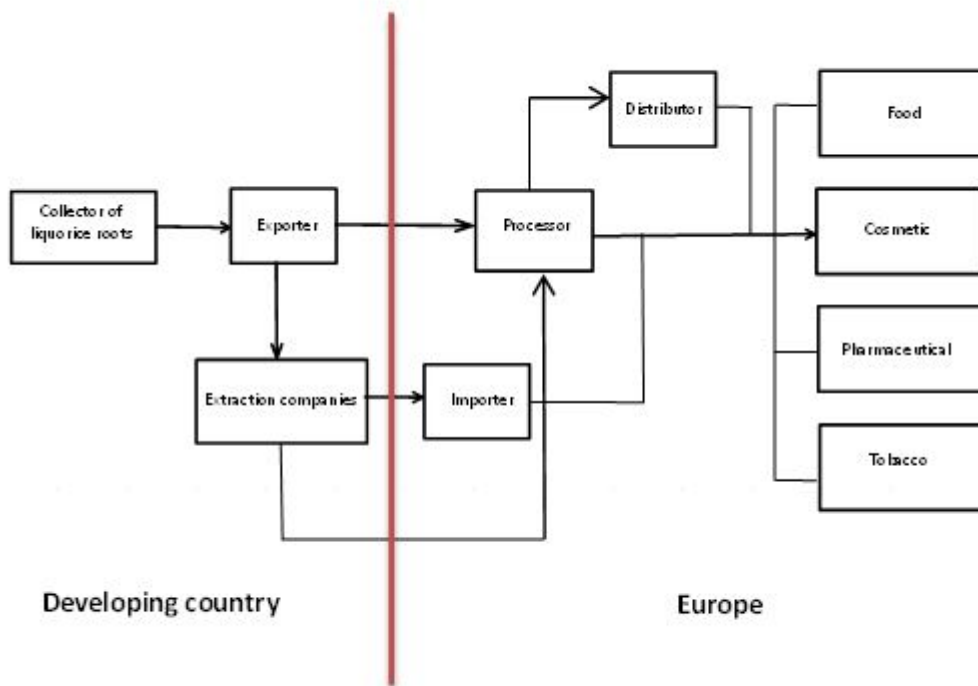
Through what channels does liquorice extract end up on the end-market?

Figure 3 shows the export value chain for liquorice extract in the European market. Processing liquorice extract into an active ingredient for the cosmetics industry requires significant financial and human resources, something that most companies will not have access to. This is because expensive technical machinery and a skilled workforce are required to process liquorice extract into an active ingredient for the cosmetics industry.

Importer/Distributor

Thus, European cosmetic manufacturers usually source liquorice from European importers who meet their needs. Liquorice extract is mainly brought into the European market by importers who supply processors or cosmetic manufacturers directly. The German company [Norevo](#) is an importer of liquorice extract to the European market and has longstanding experience in sourcing and processing. Liquorice extract is traded on the European market in solid, liquid, granule and spray dried powder forms. Other importers of liquorice extract in the European market include [Extraits Végétaux et Dérivés](#), [Ruitenbergh BasIQs B.V.](#) and [A.ERRE & CO](#). Import volumes in this channel are usually in tonnes.

Figure 3: Export Value Chain for Liquorice Extract



Source: Ecovia Intelligence

Tips:

Consider expanding your liquorice extract portfolio. Organic liquorice extract, for example, will help you find a wider range of customers. Other benefits of having a wider portfolio include creating more visibility in the market and helping you stand out from competition.

Inform prospective buyers that you are able to supply larger volumes in tonnes if you are able to do so. This will make you more appealing to prospective European buyers and give you an advantage in your journey to enter the European market.

What is the most interesting channel for you?

As an exporter of liquorice to the cosmetics industry, importers/distributors are the most interesting channel for you. This is because European cosmetic companies usually do not source liquorice from developing countries directly as they focus their attention on research and development (R&D) and production. European importers have a wide range of customers across industry sectors. They also provide you with storage facilities. This can be very helpful to you as a small and medium-size exporter of liquorice to Europe.

Tips:

Invest in the quality of your products before entering the European market as it is difficult for low-quality products to find buyers.

Ensure you provide buyers with liquorice extract of high quality. This is because European buyers lose interest when a new supplier delivers a low-quality product.

Visit trade shows to connect with European buyers. You can use this opportunity to get contact details and network with buyers of liquorice extract. Examples include [InCosmetics Global](#) and [Vivaness](#).

3. What competition do you face on the European liquorice extract market?

What countries are you competing with?

Many developing countries are already successful in exporting liquorice extract to the European market. These countries often share several key strengths which contribute to their export activities. These strengths include improving infrastructure, governmental support, and favourable climatic conditions for growing liquorice.

Iran

Eurostat data shows Iran was the largest exporter of liquorice extract to Europe in terms of volume in 2018. Iran has a well-established liquorice industry with 95 percent of its [national production exported](#) to foreign countries. The lifting of trade sanctions against Iran has given it a more favourable image amongst European buyers. Indeed, [trade between EU member states and Iran has been increasing](#) in recent years.

Iran's other strengths include low production costs and the lifting of international trade sanctions which could make it easier for liquorice extract producers to export to the European market. However, Iran does face challenges, such as international trade sanctions potentially being re-imposed, conflict with neighbouring countries and the United States, political instability and corruption.

Turkmenistan

Turkmenistan is a major supplier of liquorice extract to Europe with Eurostat data showing it was the second largest exporter of liquorice extract to Europe in terms of volume in 2018. A key driver behind this is the Turkmenistan government making large investments to develop its liquorice extract industry in recent years. For example, investments to introduce new technologies and construction of new industries to improve the quality of processing liquorice root to meet international standards.

However, political instability, corruption and poor standards on human rights, labour conditions, and unethical supply chains are [challenges Turkmenistan exporters face](#). Thus, European buyers may perceive Turkmenistan to have many trade risks when sourcing liquorice extract.

China

Eurostat Data shows China was the third largest exporter of liquorice extract to Europe in terms of volume in 2018. The Chinese government [implemented several policies](#) to improve and support the development of the Chinese liquorice industry in recent years.

However, liquorice exporters in China face challenges which include the inconsistent quality and quantity of liquorice seeds along with large financial investment since the production cycle takes 2-3 years. European buyers stated they sometimes have concerns about importing liquorice extract from China because of quality issues. Recent research shows most [Europeans see China's 'aggressive practices' as a threat](#) to their economic interests. However, China's [provision of aid](#) to a number of EU members states during the global COVID-19 pandemic is likely to have a positive effect on how Europeans perceive China.

Syria

Eurostat data shows Syria was the fourth largest exporter of liquorice extract to Europe in terms of volume in

2018. Syrian exporters of liquorice extract to the European market face significant challenges caused by ongoing conflict which has left large parts of the country in ruin.

Other key challenges Syria faces include [international trade and financial sanctions](#). This makes it difficult for Syrian liquorice producers to export to the European market. Political instability and the ongoing Syrian civil war deters European buyers from sourcing products from Syria.

Iraq

Eurostat data shows Iraq was the fifth largest exporter of liquorice extract to Europe in terms of volume in 2018. Iraq's other strengths include the recent end of the Iraq War, the end of the war with ISIS, as well as its governments commitment to rebuilding the country through the provision of [support to businesses](#). These could potentially make it easier for Iraqi liquorice extract producers to export to the European market.

However, similar to Turkmenistan, challenges Iraq faces include a lack of adequate infrastructure, political instability and corruption. European buyers therefore perceive Iraq to have many risks if they are to source liquorice extract.

India

Eurostat data shows India was the sixth largest exporter of liquorice extract to Europe in terms of volume in 2018. India offers ideal conditions for liquorice extract growth, particularly the North-West of India, with its sub-tropical climate. Another of India's strengths is its government providing grants along with other assistance for the cultivation of liquorice. India's other strengths include governmental support and policies, and low costs. In general, Europeans perceive India favourably. One reason is that [Indian companies are doing well in Europe](#). Indian companies also speak English for business, which makes business easier for European buyers.

It could become easier for Indian liquorice extract producers to export liquorice extract to the European market. However, challenges India faces include inadequate infrastructure in several parts of India, potential conflict with its neighbour Pakistan, and tensions with another neighbour China.

Other countries

Eurostat data shows that a number of developed countries export and re-export liquorice extract. These include Germany, France, Israel, the United Arab Emirates and United States.

Tips:

Find out if your country has programmes helping exporters harvest, cultivate and/or export liquorice extract. You can do this by contacting government trade ministries in your country because they are likely to have information about this, and can help you export your liquorice extract.

If your country is starting to improve its infrastructure, find out how you can benefit. Doing so could make it easier for you to export your liquorice extract. You can do this by contacting local or central governmental institutions as they may be able to provide information and assistance.

What companies are you competing with?

A number of established companies in developing countries are successful in exporting liquorice extract to the European market. These companies market themselves as being able to deliver high-quality liquorice extract to the European market, and are able to meet common buyer requirements as well as those for niche markets. By doing so, these companies look reputable and have credibility with European buyers.

A professional website with well-prepared content is a major strength for exporters. The website will usually have sections informing prospective buyers about the company itself, how it sources and processes its liquorice extract, and offer technical details, certifications and standards, accompanied by professionally taken photographs. Another key strength for exporters is that they are willing and committed to meeting buyer specifications and meet their needs.

Iranian companies

[Sepidan Osareh Co.](#) is a leading Iranian company. One of its key strengths is that it exports [International Organization for Standardization](#) (ISO) certified liquorice extract. Specifically, its liquorice extract meets the ISO 9001 standard which demonstrates quality and ISO 14001 which demonstrates environmental standards. Sepidan Osareh Co has its own laboratories where it tests its liquorice extract to ensure its quality and safety; this is important as it adds credibility to its claims. This is another of its key strengths.

Turkmenian companies

[Turkmen Tebigy Sowgatlary](#) is a Turkmenistan-based company that exports liquorice extract to the European market. A key strength is its liquorice extract supply chain; specifically its trained staff that oversee the entire supply chain from quality supervision to packing, storing, loading and exporting.

Chinese companies

[Sino-Nature](#) is a well-established Chinese company exporting liquorice extract to Europe. Sino-Nature's key strength is its ability to export high-quality Ecocert and USDA Organic certified liquorice extract. Another of Sino-Nature's key strength is its commitment to upholding Corporate Social Responsibility standards concerning environmental and social standards. For example, providing equal job opportunities to women and having an environmentally friendly liquorice production process.

Tips:

Consider acquiring certification that proves you meet and uphold social and environmental standards. For example, [EU organic](#), [Ecocert fair trade](#) and [Fair for Life](#) certification.

Ensure you have a professional website with well-prepared content which clearly informs prospective buyers of your key strengths. For example, the certification you hold and your commitment to upholding social and environmental standards.

Show willingness and flexibility to meet guidelines and specifications potential buyers may have as this is likely to lead a good business relationship developing between you and importers.

What products are you competing with?

Liquorice extract is used in anti-ageing cosmetics because it contains [anti-ageing properties](#). These include smoothing properties that reduce the appearance of wrinkles along with enhancing the appearance of dry and damaged skin. Liquorice extract is also used in sun care cosmetics because the glycyrrhetic acid found in it has [anti-inflammatory and soothing properties](#) which help to alleviate damage caused by sunburn.

Kigelia africana

Kigelia africana is a product competing with liquorice extract because it contains anti-ageing properties. Kigelia africana's strengths include its marketing potential as an exotic and new ingredient in the European market. It also has proven effectiveness on several anti-ageing properties, such as tightening and generally increasing skin firmness. However, compared to liquorice extract the weaknesses of Kigelia africana include the fact that formulators are less familiar with it, it does not have an established supply chain, and lower availability levels.

Centella asiatica

Centella asiatica is another product competing with liquorice extract because it has anti-ageing and [anti-inflammatory and soothing properties](#). Centella asiatica's other strengths include it being an established product, its proven effectiveness on several aspects of its anti-ageing properties, its anti-inflammatory properties, and it having a well-established supply chain. However, a weakness of Centella asiatica is that it is a product without a strong social responsibility story.

Morus alba

Morus alba, more commonly known as mulberry is another product competing with liquorice extract because it contains [anti-ageing and anti-inflammatory and soothing properties](#), with this being its key strengths. According to industry sources, formulators are less familiar with mulberry compared to liquorice extract; this is one of its key weaknesses.

Tips:

Familiarise yourself with products competing with liquorice extract that are available in the European market. Learn about their strengths and weaknesses.

Use liquorice extract's strengths as an opportunity to persuade European buyers to purchase it from you. Place emphasis on its anti-inflammatory and soothing properties along with it being an established product with a stable supply chain.

4. What are the prices for liquorice extract on the European market?

The price of liquorice extract depends on the political stability of countries in the Middle East. There is also increasing demand in the global market, driving prices up. Prices of liquorice extract have increased in the last couple of years. According to industry sources, the FOB wholesale price of liquorice is about EUR 7 per kilogramme. There is also a difference between various liquorice extracts depending on their composition. The amount of glabridin in liquorice extracts affects the price. It is expected that the price of liquorice will increase further in the near future, mainly due to increasing instability in the Middle East.

Figure 5 Estimated price breakdown of liquorice extract products in the European market



Source: Ecovia Intelligence

Tips:


Ensure your price reflects product quality and delivery conditions. Failure to do so could result in your business incurring losses.

Be flexible with price when buyers order large volumes. One way to do this is to offer buyers a discount after having established a relationship with them. Doing so will give you an advantage in your journey to enter the European market, as it is likely to make you more appealing to European buyers.


This study has been carried out on behalf of CBI by [Ecovia Intelligence](#).

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