CBI Product Factsheet:

Natural Ingredients for Health Products in Italy
Introduction

Italy is the largest market for food supplements and one of the main European markets for natural health products. The most popular products in food supplements are those aimed at digestive health and immune support. The greatest opportunities lie with the producers of tropical species, as Italy is a large producer and processor of temperate MAPs.

Consumer profile

Italy is by far the largest European market for food supplements. The Italian market for medicinal plants used for health purposes is one of the most important markets in Europe. It is also a market where processors are responsible for a relatively high level of demand. In addition, Italy provides opportunities for the exporters of extracts made from tropical plant species.

The self-medication market in Italy amounted to €1.7 billion in 2013, having increased by 2.5% in relation to 2012. It accounted for 12% of the total pharmaceutical market, which is one of the lowest shares in Europe. By comparison, in Germany, Belgium, the Netherlands, Sweden and the UK, the share of self-medication medicines stands at around 40% of the market.

There is a considerable total market for self-medication owing to the size of Italy’s population, even though Italy has a low per capita consumption. Per capita expenditure on self-medication in Italy is one of the lowest in Europe (€30 per capita in 2013 compared with €70 in Belgium, for example). It should also be noted that the high consumption of food supplements has not been covered in the analysis of self-medication.

Interest in natural health products

Historically, Italian consumers have shown interest in natural health products due to the availability of locally produced botanicals and their traditional use when treating ailments. However, the introduction of Directive 2004/24/EC (Traditional Herbal Medicinal Products Directive – THMPD) led to ambiguity concerning the status of herbal practitioners, which was regulated only upon the approval of Law 4 / 2013 of 14 January 2013 (Centro Natura Formazione). This legislative provision formalised the framework of natural health practitioners, thus contributing towards consumers’ increasing interest in such products.

The Italian herbal medicinal products market, which is smaller than in Germany and France, is dominated by traditional Western herbal medicinal products and, above all, homeopathic medicines. Foreign medicinal traditions (Chinese/Ayurvedic) are less important, and MAPS and extracts used in these systems are not in great demand, partly because these medicines are often imported as herbal medicinal products rather than as ingredients for subsequent processing in Italy.

Consumer trends in natural health products

- **General wellbeing:** There is increased demand for different health product categories, especially food supplements and herbal medicinal products aimed at preventing illnesses. Consumers are looking for healthy options in terms of food, medicines and cosmetics, due to an increased awareness of general health and wellbeing among European consumers.

- **Ageing population:** Italy’s ageing population will mean higher consumption of health products to (help) remedy the various illnesses associated with old age. The country’s population (close to 60 million in 2013) is ageing at a much faster rate than in other European countries. By 2030, the average age in Italy will be 49, making its population the oldest in Europe (Euromonitor, 2013).

- **Increasing healthcare costs:** Rising healthcare costs is another relevant consumer trend leading to increased sales of natural health products. This trend is especially important with regard to food supplements, as they are seen as low-cost alternatives to conventional drugs.

- **Beauty:** In Italy, consumers have an above-average spend on beauty-related food supplements, influenced by a trend in cosmetics. Italian women spend more on beauty than women in other European countries. Examples of food supplements include those that have a beneficial effect on the skin.

Market profile

This market profile elaborates on the implementation of the EU-wide regulatory framework for herbal medicinal products and food supplements in Italy and discusses these main segments.
Implementation of EU Directives

In Italy, the food supplements segment is more flourishing than in any other European country. The legislative framework for food supplements contributes to this, as it is less strict than for herbal medicinal products. In Italy, as in other European countries, food supplements are governed by the EU food supplements directive, which the Italian government transposed into Italian law (Decreto legislativo 21 Maggio 2004, no. 169).

Since the introduction of Directive 2004/24/EC (herbal medicinal products), the competent authorities of Italy, France and Belgium have been taking a similar, supportive approach to the management of botanical ingredients within the food supplements segment, thus avoiding restrictions in the framework of the herbal medicinal products segment.

Given their similar approach, Italy, France and Belgium joined forces under the BELFRIT project, whereby their respective authorities have created a common positive list for plants and derivatives allowed for use in food supplements. As of 27 March 2014, Italy became the first of the three countries to adopt the list, which can be accessed here. Belgium adopted the list in 2015 and France is in the process of adding 500 species from the BELFRIT list to its own legislation. This list is subject to periodic updates concerning the inclusion of other plant species, including those that have been admitted in at least one of the three countries.

As such, after the introduction of the THMPD for traditional medicinal products many Italian companies reformulated and remarkeeted their products as food supplements.

Tips:
- For an overview of legislative requirements for herbal medicinal products and food supplements in Europe, please refer to the CBI EU Buyer Requirements – Natural Ingredients for Health Products.
- For more information on (non-)legislative requirements in Europe for specific indications, please refer to the CBI Product Factsheets on Natural Ingredients.

Main market segments

The main market segment for health products in Italy is food supplements, which are ahead of herbal medicinal products by quite some margin. This section discusses both segments. In addition, it is important to note that part of the consumption of health products is registered as herbal teas, with a consumption (mostly in winter) of 2,000 tonnes in Italy (including fruit infusions) in 2012 (EHIA, 2012).

**Herbal medicinal products:** Compared with other European countries, the herbal medicinal product market in Italy is small. Introduction of the THMPD caused great concern in the Italian herbal sector. It was only recently that Italy gave legal recognition to the professional status of herbal practitioners allowed to treat patients. Furthermore, herbalists are qualified only to make and sell their products in shops called erboristerie, the equivalent of health food stores in the UK and Reformhäuser or Bioläden in Germany.

Only five traditional use registrations have been granted since the implementation of Directive 2004/24/EC (THMPD). Only Romania and Slovakia have had similar or fewer registrations (5 and 4 registrations respectively). The four countries with the greatest number of authorised traditional use registrations are the UK (333), Germany (235), Poland (188) and Austria (176).

Tip:
- For more information, please refer to the uptake of the traditional use registration scheme as provided by the European Medicines Agency.

**Food supplements:** The Italian market for food supplements is the largest market in Europe, amounting to €1.2 billion in 2013 (Euromonitor International). In terms of size, Italy is followed by Germany, France and the UK (FederSalus, 2014).

In a separate study conducted in 2013 by Nielsen Market Track Healthcare for FederSalus, the value of the food supplements market in Italy was estimated at around € 2.0 billion, having grown by 3.1% compared with 2012. This specific study included vitamins in total figures, whereas Euromonitor did not. A more recent study by Euromonitor indicated that the Italian vitamin and food supplement market was expected to grow 4% annually from 2014 to 2019, reaching sales of €2.2 billion in 2019.

Over 40% of the food supplements market (in value) consists of Digestive products, according to estimates by Euromonitor International. The second largest product category is Immune System-related products (nearly 12%). Other popular products in the Italian market relate to the following categories: General Health (over 11%), Beauty (nearly 8%) and Heart Health (4%).
The PlantLIBRA Consumer Survey (2014) provides an overview of the characteristics and usage patterns of consumers of plant-based food supplements. Of the sample in this survey, the prevalence rate of herbal supplements usage was 23% in Italy, a higher rate than for the other countries in the sample.

According to this consumer survey, the top 10 botanicals consumed as a food supplement in Italy are:

- Aloe vera, aloe
- Foeniculum vulgare spp., fennel
- Valeriana officinalis, valerian
- Panax ginseng, ginseng
- Vaccinium myrtillus, bilberry
- Passiflora incarnata, passion flower
- Melissa officinalis, lemon balm
- Mentha piperita, peppermint
- Taraxacum officinale, dandelion
- Cynara scolymus, artichoke

Trade and Macro-Economic Statistics

Italian imports of MAPs

Italy is a large producer of medicinal and aromatic plants (MAPs); as such, the country is less dependent on imports than Europe’s other main markets for MAPs. In 2014, Italy was the fifth largest European importer (EU + EFTA). From 2010 to 2014, Italian imports of MAPs increased annually by 5% in volume and by 11% in value, amounting to 14,000 tonnes/€62 million in 2014.

Developing countries represent a moderate share of Italy’s imports. From 2010 to 2014 their role was relatively stable at 43–44% of total imports. Imports from developing countries grew at a slightly lower rate than total imports in terms of volume (+4%), but at a higher rate in terms of value (+17%), indicating a rise in import prices.

Tip:
- Consider focusing your MAP exports on Italy, as the country offers increasing opportunities to developing country suppliers.

Figure 1: Main suppliers of MAPs to Italy, in 1,000 tonnes*

* DC: developing country
Source: Eurostat (2015)

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1 This overview is based on a sample of 2,359 adults from six European countries: Finland, Germany, Italy, Romania, Spain and the UK.
Imports from developing countries are rather fragmented, with some playing a bigger role. (Figure 1). In 2014, the largest developing country suppliers were India (11%), Turkey (6%), Morocco (5%), China (4%) and Peru (3%). Of these, imports from India and Peru experienced the highest growth from 2010 to 2014 (21% and 39% annually respectively). Other developing country suppliers were relatively stable; imports from Turkey and Morocco declined (-4% and -1% annually respectively), while imports from China increased (+4%). Part of these products are re-exported.

European sources for MAPs in 2014 included Germany (12%), Austria (6%), France (6%) and Poland (4%). The highest growth among European suppliers came from Spain as a producing country and from the Netherlands as a re-exporting country.

**Tip:**
- Be aware that if you produce temperate MAPs, especially those connected with the Mediterranean, you may expect competition from Italian, European and other sources (e.g. Turkey or Morocco).

### Italian imports of botanical extracts

Unit import prices for botanical extracts increased slightly from 2010 to 2014. Italian imports of extracts increased annually by 4% in volume and 11% in value, reaching 5,000 tonnes/€57 million in 2014.

**Figure 2: Main suppliers of botanical extracts to Italy, in 1,000 tonnes***

* DC: developing country
**Source: Eurostat (2015)**

Direct sourcing by Italy is growing, as the exports from developing countries to Italy are increasing faster than total exports (Figure 2). Imports from developing countries grew at a greater rate than total imports (annually by 20% in volume and by 15% in value). However, developing countries continue to play a much smaller role in Italian imports of botanical extracts when compared to MAPs, as is the case of most European importers. In 2014, developing countries accounted for 29% of total imports.

Mexico was the main supplier to Italy in 2014 (19%) and accounted for most growth in developing country supplies (+34%). Other developing country suppliers included China (3%), India (3%), South Africa (1.5%) and Brazil (0.8%). Extracts originating in these countries cover a wide range. With regard to South Africa, the main products include rooibos, honeybush and devil’s claw extract. With the exception of Brazil and China, imports from these countries increased considerably between 2010 and 2014 (+23-40%). Other suppliers in 2014 included Spain (15%), France (12%), Norway (12%), Israel (11%) and Germany (10%).
Local production

In 2010, a total of 2,938 estates in the country were engaged in the production of MAPs, comprising an area of 7,191 ha, according to the 2010 Agricultural Census in Italy (ISMEA). During the past decade, the sector shrank in the size of companies producing MAPs but an increase in the production area; this was caused by larger estates showing increased interest in engaging in this sector.

Another important trend is an observed increase in the organic production of MAPs; organic farms represent around 23% of the sector, comprising around 40% of the land dedicated to the production of MAPs (which increased at an annual rate of 5.4% between 2000 and 2010). In 2011, the individual organic species with the largest cultivated area in Italy were lavender (Lavandula angustifolia), coriander (Coriandrum sativum), psyllium (Plantago psyllium), fennel (Foeniculum vulgare), camomile (Chamomilla recutita (L.) Rauschert), oregano (Origanum vulgare) and passion flower (Passiflora incarnata) (Rapporto Osservatorio Plante Officinali ISME, 2013).

The production of MAPs in Italy receives the support of the Federazione Italiana Produttori Piante Officinali (FIPPO).

Developing country suppliers of extracts from temperate species will face strong competition on the Italian market. This competition stems from Italy’s substantial domestic sector for extract processing in addition to its considerable production of MAPs. The Italians are able to produce high-quality products (physical & chemical composition) at a competitive price, supported by documentation and market communication. Opportunities exist for developing country producers able to offer a more competitive price together with additional services.

Tips:
- If you are a producer of tropical MAPs, determine your potential for exports to Italy, as these MAPs offer more opportunities than temperate species.
- Find out if you can offer temperate species at a more competitive price than what is available in Italy, with additional services. There are opportunities for such species.
- Please refer to the CBI Competition – Natural Ingredients for Health Products for more information on competitive forces in Europe.

Market-entry strategy

Main channels for market access

In general, traders are the most important group of players you should consider approaching, although your choice of customer depends on your own company and the requirements you can meet.

Italy has around 700 small laboratories making their own formulations. At times, processors also import extracts from developing countries to complement their own product range. These imported extracts are sometimes reprocessed, but they can also be sold directly to medicine manufacturers. It is likely that these processors work with traders to source other extracts.
Market players:

- In Italy, demand for MAPs and extracts stems from both pharmaceutical industries and processors. The country has a sizeable industry processing natural ingredients for pharmaceuticals, as well as several producers of herbal medicinal products. The main companies trading and processing herbal ingredients for health products include Indena, EPO and Giotti.
- Some players deal with a variety of health ingredients, including raw materials and extracts. An example is Carlo Sessa. Directly targeting herbal medicinal product or supplement industries in Italy will be difficult owing to their close links to national and/or European traders. A strong EU partner is therefore vital for successful market entry at this level.
- Italian companies dealing more specifically with extracts include Specchiasol, EPO S.r.l. and BIOFER.
- In general, the European herbal medicinal products industry is consolidating, and the situation is similar in Italy. As a result, smaller players have disappeared or are now part of larger groups (domestic or foreign), e.g. Nattermann, which is now part of Sanofi.

Tips:

- If you produce raw materials, you can focus on distributors as well as processors.
- If you produce extracts, be very specific in your market research. Before targeting extract producers, carefully determine whether you can supplement the processors’ product portfolio or offer another value proposition (e.g. organic certification, stable supply) that would make the supply of extracts an interesting proposition. Otherwise, it would be of greater interest to target distributors.
- For more information on channels for reaching the Italian market and its various segments, as well as on finding companies active in the market, please refer to the organisations listed under Useful Sources.
- Please refer to the module Market Channels and Segments for more information.

Business culture

Tips:

- Italians prefer to know their business contacts well before entering into business relations with them. Face-to-face introductions are an advantage in that respect.
- Appointments are mandatory and made well in advance; address your business contacts formally.
- It is useful to have documentation translated into Italian, as English is still not a widely used language in Italy.

Useful sources

Trade fairs

Trade fairs are excellent venues at which to approach companies that deal with natural ingredients for health products. Some of the relevant trade fairs taking place in Italy include:

- **SANA**, the international exhibition of organic and natural products (in Bologna).
- **Cosmofarma Exhibition**, trade fair for pharmaceuticals, cosmetics and natural products (in Bologna).

Other foreign trade fairs of relevance to the Italian market:

- **Biofach** - for organic producers (in Nuremburg, Germany).
- **Health Ingredients Europe**; travelling trade fair.
- **Vitafoods**, in Geneva, Switzerland.
Trade press/news

- **Nutra Ingredients**: News on supplements and nutrition in Europe.
- **Foodnavigator**: Science and nutrition research, product news, newsletter, health and nutritional ingredients.
- **Nutraceuticals World**: News, buyers’ guide on various herbs and botanicals, knowledge centre and market, peer-reviewed and supplier research.
- **Nutraceuticals Now** *(spring issue 2015)*: technical review on functional products and ingredients which are defined as disease preventing and/or health promoting in addition to nutritional value.
- **Informasalus**: news and information on health and wellness in Italy.

Organisations

Specific sources for finding (market) information and potential buyers in Italy:

- **Assoerbe**: National Trade Association for MAPs.
- **Feder Salus**: National Association of Enterprises of Health products.
- **Società Italiana di Medicina Naturale** *(SIMN)*: Italian Society of Herbal Medicine, provides information on herbal medicinal products.
- **Instituto di Medicina Naturale**: Institute of Herbal Medicine.

More information:

CBI market information: Promising EU export markets.
Eurostat - [http://epp.eurostat.ec.europa.eu/newxtweb](http://epp.eurostat.ec.europa.eu/newxtweb) - statistical database of the EU. Several queries are possible. For trade, choose 'EU27 Trade Since 1995 By CN8'.
International Trade Statistics - [http://www.trademap.org](http://www.trademap.org) – you have to register.