

The European market potential for liquorice

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There is an increasing demand for more natural cosmetic products on the European market. The demand is driven by increasing consumer awareness of the harmful effects of synthetic ingredients. Cosmetics manufacturers are constantly looking for natural ingredients with active and functional properties which they can use in their formulations, such as liquorice extract.

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1. Product description

Liquorice is the root of *Glycyrrhiza glabra*, from which a great sweet flavour can be extracted. It is a herbaceous perennial legume native to the Middle East, Southern Europe and some parts of Asia.

The root has a similar flavour profile to anise, star anise or fennel, which are not botanically related. Liquorice is used in candies and sweeteners, herbalism and traditional medicine, but also in cosmetic products, which are a relatively small user of liquorice.

Liquorice extract is made by boiling the root and evaporating much of the water. Liquorice is traded as a paste and/or a spray-dried powder. In the cosmetics industry, the extract has to be highly refined.

Despite its black colour and its strong smell, the unprocessed liquorice is not commonly used in cosmetics because the ingredient is less effective than in its extracted form. Otherwise, it has to be added in substantial quantities to be effective.

The majority of liquorice extract is used in the food, pharmaceutical and tobacco industries. The application of liquorice extract in cosmetics is relatively small. In cosmetics, liquorice is used primarily in skincare and haircare products, as it has several properties. Liquorice extract is used in sun-care products and can be used in anti-ageing products. Table 1 gives an overview of the use of liquorice ingredients in cosmetic products.

Table 1: Liquorice ingredient applications in cosmetic products

Liquorice Ingredients	Properties
Liquorice root extract, liquorice root water	Hair and skin conditioning and protecting, emollient and humectant

Liquorice root water	Cosmetics astringents
Liquorice root extract, liquorice root water	Antioxidant agents
Liquorice root extract, root juice, leaf extract, root powder	Smoothing and shooting agents, miscellaneous
Rhizome and liquorice roots	Flavouring agents

Source: various

Liquorice is classified as Harmonised System code 1302.12; figures used in this study mainly apply to food. Table 2 shows the classification of liquorice and its derivatives in the [COSING](#) database. COSING is the official cosmetic ingredient database of the European Union (EU). It lists more than 15,000 ingredients used in the manufacturing of cosmetics and gives information on permitted as well as banned substances.

Table 2: Classification of liquorice in COSING database

INCI Name	GLYCYRRHIZA GLABRA ROOT EXTRACT
Description	Glycyrrhiza Glabra Root Extract is an extract of the roots of the Licorice, <i>Glycyrrhiza glabra</i> L., Leguminosae
INN Name	
Ph. Eur. Name	
CAS #	84775-66-6
EC #	283-895-2
Chemical/IUPAC Name	
Cosmetic Restriction	
Other Restriction(s)	
Functions	BLEACHING
	EMOLLIENT
	PERFUMING

	SKIN CONDITIONING
	SMOOTHING
	SOOTHING
SCCS opinions	
Identified INGREDIENTS or substances e.g.	

Source: COSING

Table 2 provides the INCI name as well as the CAS number. The database also lists the properties and applications of liquorice extract. This information will help suppliers preparing a technical dossier for their ingredients.

There is production of liquorice in Spain, however, not enough to meet European demand, so liquorice from outside Europe meets most of Europe's demand.

Figure 1: Examples of cosmetic products containing liquorice extract in Europe



Tip:

Familiarise yourself with the properties that liquorice extract offers to the cosmetics industry, for example its anti-ageing, anti-inflammatory, and soothing properties. Liquorice extracts properties are some of its major selling points for the European cosmetics industry.

2. What makes Europe an interesting market for liquorice?

A growing demand for natural ingredients in the cosmetics industry and demographic trends such as an ageing population make Europe an attractive market for exporters of liquorice extract from developing countries.

Cosmetics companies in Europe are looking to remove synthetics in their formulations and use natural ingredients such as liquorice extract.

Liquorice extract is used in the food, pharmaceuticals, tobacco and cosmetics industry. The bulk of liquorice extract is used in the food industry. In the cosmetics industry, liquorice provides several functions, as highlighted in the previous section.

Europe has the [largest cosmetics market](#) in the world. In 2018, it was valued at EUR 78.6 billion. Skincare, haircare and toiletries are the most important product categories, generating about 70% of the total sales.

The cosmetics market is also influenced by demographic trends such as an ageing population. As Europe experiences an [ageing population](#), the demand for anti-ageing cosmetics is likely to rise. Liquorice extract is used in anti-ageing cosmetics because of its active properties.

There is also a growing demand for natural ingredients in the cosmetics industry. The European market for natural and organic cosmetics is growing at a healthy rate; Ecovia Intelligence shows that the market was worth EUR 3.6 billion in 2018. European consumers are willing to pay more for quality natural and organic products.

Figure 2: Growth of the European market for natural cosmetics

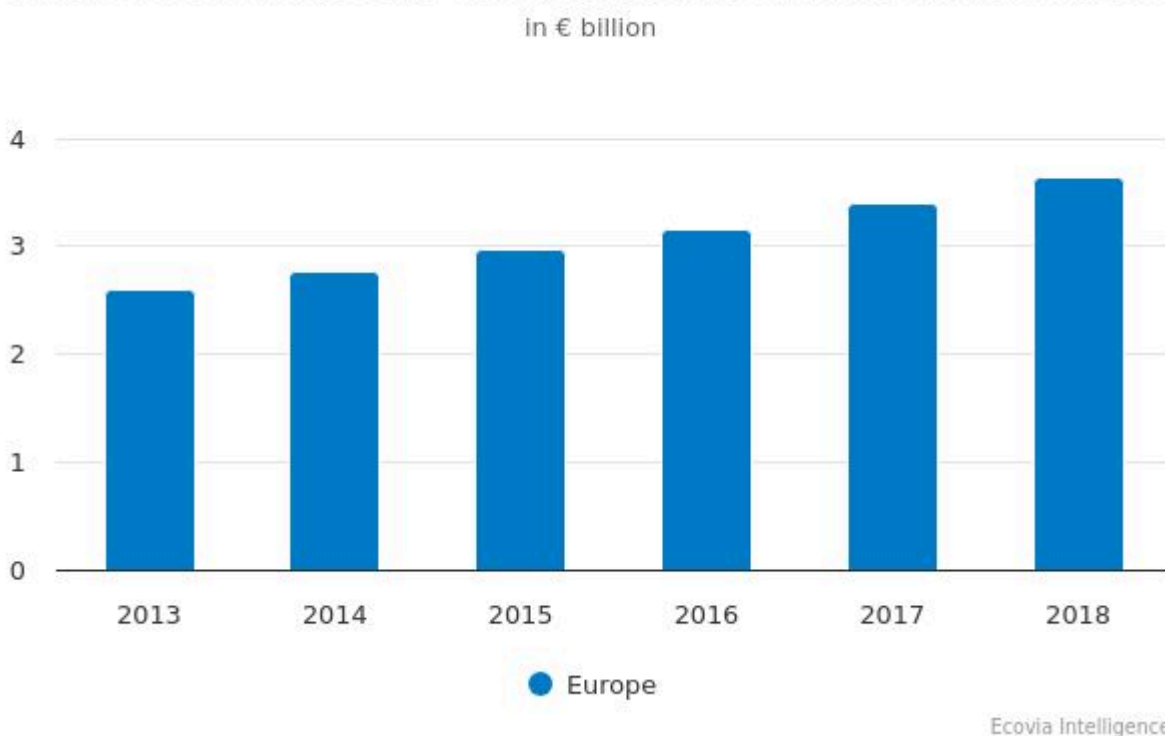
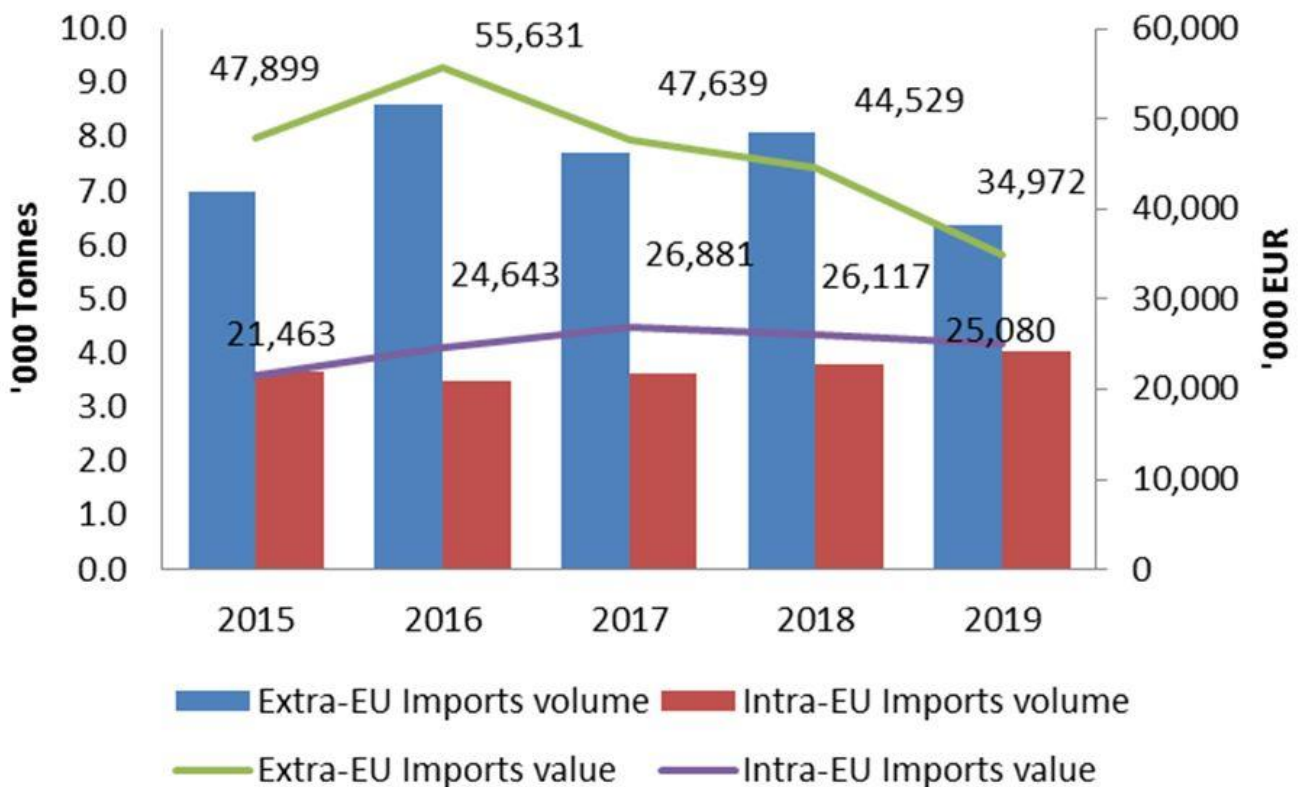


Figure 3 shows that the volume and value of liquorice extract imported from outside the EU declined between 2015 and 2019, most notably between 2016 and 2019. The cosmetics industry is a small consumer of liquorice compared to other industries, such as the food, pharmaceutical, and tobacco industries. Liquorice extract imports for cosmetic products comprise less than 5% of imports.

Figure 3: EU imports of liquorice extract (including for food uses), 2015–2019



Source: Eurostat

There is an opportunity for liquorice suppliers in developing countries. The prices are rising, while the number of applications in the cosmetics industry is increasing. Liquorice extract can be used in anti-ageing cosmetics, sun-care products and dermatological personal care products. As the demand for natural ingredients increases in the industry, the market for liquorice extract will continue to grow.

Tip:

- When approaching European buyers, emphasise the actives in liquorice extract. State the applications in cosmetic products and be prepared to provide scientific documents in order to back up any claims. You can find [examples](#) online.

3. Which European countries offer the most opportunities for liquorice?

The countries that offer the most opportunities for suppliers of liquorice are France, Germany, Spain, the UK and the Netherlands. Germany and France are by far the leading importers of liquorice extract. The reason is that these countries have a robust cosmetics manufacturing industry.

Czech Republic and Poland import significant volumes of liquorice extract. However, these two countries have not been selected as they do not have the most prospective cosmetic markets in Europe compared to the countries above.

There is a growing demand for natural ingredients in the European cosmetics industry. Natural ingredients such as liquorice extract can be used in anti-ageing products. About 32% of women in the UK, 30.5% of women in France, 29% of women in Germany and 28% of women in Spain use anti-ageing products.

Figure 4: The leading importers of other liquorice extract to Europe 2018

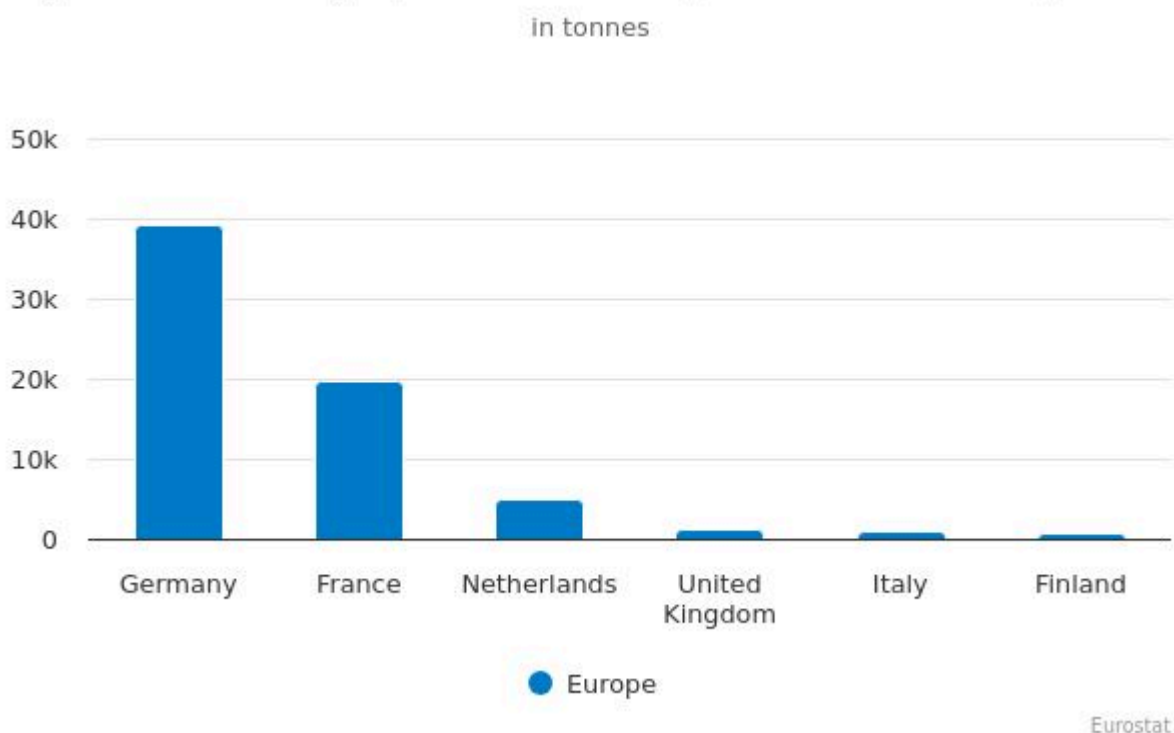


Figure 4 shows the leading importers of liquorice in Europe. Germany is the largest importer of liquorice extract, followed by France. Other countries, such as the Netherlands, the United Kingdom, Italy and Finland also import significant quantities of liquorice extract. Germany and France are expected to remain the leading importers of liquorice extract in future.

Table 3: European imports of liquorice extract, 2015-2019

2019	Volume in tonnes	Volume change (2015-2019)	Value in € million	Value change (2015-2019)	Main exporters' market shares	Important Market Players
Germany	39,023	-15.4%	24.2	-23.5%	Iran (73.0%), China (5.1%), Italy (4.8%)	Norevo, Worlée
France	19,675	108.1%	10.6	37.9%	China (56.6%), Turkmenistan (38.3%), Germany (1.2%)	Extraits Végétaux et Dérivés, S.A.S. Phytexence
Netherlands	4997	-45.8%	10.3	36.8%	Germany (48.6%), Iran (18.3%), France (15.5%)	Ruitenbergh BasIQs B.V., VehGro BV

United Kingdom	1,187	-40.6%	2.1	3.4%	France (75%), China (14.6%), Germany (7.4%)	A & E Connock, Handa Fine Chemicals
Italy	779	-45.3%	2.6	-13.5%	Slovakia (59.8%), France (32.2%), Germany (5.7%)	A.ERRE & CO, Natura d'Oriente srl
Finland	632	-75.4%	2.6	-12.6%	Germany (69.2%), France(19.4%), Germany (10.1%)	Kouvola Licorice Ltd

Source: Eurostat

Germany

German imports of liquorice extract declined in volume and value between 2015 and 2019. The volume of liquorice extracts to Germany was just over 39,000 tonnes in 2019, a decrease of 15.4% from 2015. The value of imports dropped by 23.5% over the same period. In 2019, nearly 90% of liquorice extract imported to Germany came from outside the EU, a 6.9% decline from 2015. The leading supplier was Iran, followed by China.

Although the volume and value of German imports of liquorice extract have decline between 2015 and 2019, Germany is still an attractive market for exporters of liquorice extract from developing countries. This is because the figures used in this study are mainly for the food industry. Germany has a strong cosmetics manufacturing industry. It also has the leading consumer market in Europe. The cosmetics market (conventional and natural) in Germany is the largest in Europe.

In Germany, [Beiersdorf](#) is a major cosmetics manufacturer. Leading natural and organic cosmetics companies include [Wala Heilmittel](#), the [Börlind](#) group, [Laverana](#), Logocos (L'Oréal), [Primavera](#) and Santaverde. Brands such as [Sante](#) (Logocos), [Anne Marie Börlind](#) (the Börlind group) and [Dr. Hauschka](#) (Wala Heilmittel) have dedicated sun-care lines. There is also a wide range of companies offering anti-ageing products; they include Beiersdorf, Wala Heilmittel, the Börlind group, Logocos and [Speick](#). [Worlée](#) is a leading importer of liquorice extract.

There is a growing demand for natural and organic cosmetics in Germany. The market has been growing at a healthy rate for many years and this trend is likely to continue. Germany is an attractive market for exporters of liquorice extract from developing countries. Suppliers of liquorice extract should target German buyers, as there is a growing demand for natural and organic cosmetics. The number of cosmetics companies with dedicated sun-care and anti-ageing skincare lines is increasing.

France

French imports of liquorice extract increased between 2015 and 2019. In terms of volume, the level of imports increased by 108.1%. Liquorice extract imports increased in value by 37.9% between 2015 and 2019. Imported volumes have been increasing since 2015. In 2019, 98.4% of liquorice imports came from outside the EU, a 13.5 percent increase from 2015. China and Turkmenistan are the leading exporters. The increasing volume and value of liquorice extract and imports from outside the EU mean there are opportunities for exporters of

liquorice extract in developing countries.

France has one of the largest cosmetics markets in Europe. It has the second-largest market for natural and organic cosmetics in the region. The country has a strong cosmetics manufacturing sector. France is also an important exporter of liquorice extract to other European countries.

[L'Oréal](#), [Groupe Rocher](#), [Laboratoire Nuxe](#), [Bioderma Laboratories](#) and [Pierre Fabre](#) are some of the leading cosmetic companies in France. All major cosmetics companies offer sun-care and anti-ageing skincare products. Bioderma has a dedicated sun-care line called Photoderm. France has an advanced market for natural and organic cosmetics. Leading natural and organic cosmetics companies include [L'Occitane](#), [Caudalie](#), [Léa Nature Group](#), [Cattier Laboratoires](#) and [Nature et Stratégie](#). Caudalie, Cattier and [Florame](#) are some of the brands with anti-ageing products.

Many new natural and organic cosmetic products are being launched on the French market. Conventional brands are launching natural and organic versions of successful brands. For instance, L'Oréal launched the Garnier Bio range in February 2019. The organic skincare products are COSMOS-certified.

The French market offers a lot of opportunities for liquorice exporters from developing countries. The demand for natural and organic cosmetics is growing. It is expected that this trend will continue in future. Exporters of liquorice extract should therefore target French buyers.

Netherlands

Imports of liquorice extract to the Netherlands have decline in volume between 2015 and 2019 by 45.8 percent. The value increased by 36.8% over the same term. Most of the liquorice extract imported into the Netherlands is re-exported to other European countries. Some is also used by the Dutch food industry.

In 2019, 26.8% of Dutch liquorice extract imports comes from outside the European Union, a drop of 57.8% from 2015. The leading suppliers were Iran and Japan. Although the volume and value of Dutch imports of liquorice extract have decreased between 2015 and 2019, the Netherlands still remains an attractive market for exporters of liquorice extract from developing countries. This is because the Netherlands is an important re-exporter of natural ingredients to other European countries.

The Netherlands has a growing market for natural and organic cosmetics. [De Traay](#), Chi International and Pavèz are some of the leading domestic brands. Pavèz has sun-care and anti-ageing products in its portfolio.

Suppliers of liquorice extract should target the Netherlands. Most of the liquorice extract is re-exported to other European countries. It is expected that the Netherlands will remain a significant importer of liquorice extract in the near future.

United Kingdom

The UK is the third-largest European market for liquorice extract. The imported volume of liquorice extract decreased by 40.6% between 2015 and 2019. The value of liquorice extract imports increased by 3.4% in the same period. In 2019, 83.8% of British liquorice imports came from outside the European Union, growing 28.8% 2015. The UK remains an attractive market for exporters of liquorice extract despite the decline in import volume from 2015 to 2019. This is because imports of liquorice extract from outside the European Union have increased over this period. Also, most of the figures given in this study are mainly for the food industry.

The UK has one of the largest consumer markets in Europe. [Unilever](#) and [Elemis](#) are two leading cosmetic companies. Unilever launched its Love, Beauty and Planet brand of sustainable cosmetics in 2017. The company aims to reduce its carbon footprint by 20% in 2020. In addition, the company outlined a [series of actions](#) in 2020 to tackle climate change, protect and regenerate nature and to preserve resources for future generations.

The UK market for natural and organic cosmetics is growing. [Neal's Yard Remedies](#), [REN Skincare](#) (Unilever), [Green People](#) and [Faith in Nature](#) are some of the leading brands. REN Skincare has a dedicated sun care line, while Neal's Yard Remedies has anti-ageing skincare products.

The UK offers opportunities for exporters of liquorice extract from developing countries. There is a growing market for natural and organic cosmetics, a trend that is expected to continue. Leading conventional and natural personal care companies are developing dedicated lines of sun care and anti-ageing products.

Brexit (Britain's exit from the European Union) may disrupt the supply chains for ingredients such as liquorice extract. It may take some time to renegotiate trade deals with developing countries, so there is some uncertainty when supplying liquorice extract to the UK.

Italy

Italian imports of liquorice extract have decreased. In terms of volume, imports declined by 45.3% between 2015 and 2019. The value of imports reached €2.6 million in 2019, a 13.5% drop from 2015.

About 2.3% of Italy's liquorice extract imports come from outside of the EU, an increase from 2015. The trend is expected to continue. Italy also has one of the largest markets for conventional and natural cosmetics in Europe. As a result, Italy still remains an attractive market for exporters of liquorice extract in developing countries despite the volume and value of Italian imports decreasing in the 2015–2019 period. The figures used in this study are also mainly for the food industry.

Italy has one of the largest cosmetics markets in Europe. There is a growing demand for natural and organic cosmetics. Leading natural and organic companies include [L'Erbolario](#), ISMEG, Lacote, [Helan](#) and [Bema Cosmetici](#). L'Erbolario and Bema Cosmetici have sun-care lines. Many natural and organic cosmetic companies such as L'Erbolario also offers anti-ageing lines.

The Italian market offers opportunities for exporters of liquorice extract from developing countries. There is a growing demand for natural cosmetics. Many leading conventional and natural brands have dedicated anti-ageing as well as sun-care lines.

Finland

Finland's imports of liquorice extract shrank between 2015 and 2019: 75.4% in volume and 12.6% in value. In 2019, almost all (99.7%) of these imports came from within the European Union. However, Finland still remains an attractive market for exporters of liquorice extract due to its growing market for natural and organic cosmetics. Also, most of the figures given in this study are for the food industry.

The leading Finnish cosmetics company is [Lumene](#). The company has phased out synthetic chemicals in its formulations and launched the Lumene Harmonia range, which contains 99% natural ingredients. Lumene also has a sun-care line.

There is a growing demand for natural and organic cosmetics on the Finnish market. Important Finnish brands include [Frantsila](#), Muru Muru and [Atopik](#).

Finland is an attractive export market for suppliers of liquorice extracts from developing countries. There is a growing market for natural and organic cosmetics. Conventional cosmetics companies are adding natural ingredients to their product formulations.

Tips:

- Target Western European countries, especially France and Germany. These countries are large importers of liquorice extract. France and Germany have a large number of cosmetics manufacturers,

while they also have the largest markets for conventional and natural cosmetics.

- See the CBI study on [tips for finding buyers in the European cosmetics market](#), which provides practical guidance on finding European buyers.
- Visit trade fairs in Europe when looking for buyers. Recommended trade shows include [InCosmetics](#) and [Vivaness](#).

4. Which trends offer opportunities on the European market?

There are several trends on the European cosmetics market to which suppliers of liquorice extract can cater. The ageing population in Europe is generating a demand for anti-ageing products. Liquorice extract is used in anti-ageing products because of its active and functional properties. Cosmetics manufacturers are looking to clean up their formulations as well by replacing synthetic ingredients with natural ones.

The growing sun protection market is also generating a demand for natural ingredients such as liquorice extract. However, the coronavirus pandemic is creating challenges for exporters of liquorice extract from developing countries.

Ageing population in Europe driving demand for anti-ageing products

Europe has an ageing population, which is stimulating the demand for anti-ageing products such as cosmetics. The [global anti-ageing product market](#) is estimated to be worth US\$52.5 billion in 2020, and is projected to grow by a compound annual growth rate (CAGR) of 6.8% between 2020 and 2027.

Consumers are searching for anti-ageing skincare products such as creams, serums and roll-on face masks. Important segments are anti-wrinkle products, anti-pigmentation products and anti-stretch mark products. There are several natural ingredients that can be used in these products. Liquorice is used for its anti-ageing and antioxidant properties.

Liquorice is renowned for its anti-ageing properties; it has antioxidants that can help to prevent skin from ageing prematurely. Liquorice also has skin-soothing properties, because it contains the antioxidant glabridin, which can mitigate the effects of sun-damaged or red, irritated skin.

To capitalise on this opportunity, exporters of liquorice extract in developing countries should familiarise themselves with the anti-ageing properties of liquorice extracts. Exporters should use this information to encourage European buyers to purchase their product. Furthermore, exporters should promote the anti-ageing properties of liquorice extracts on their marketing materials, for example, by listing liquorice extract's anti-ageing properties on their company website and product portfolio.

Tips:

- Use claims which are positive and which make people feel good about themselves, such as 'nourishing', 'firming' and 'brightening'. Use these claims in your marketing materials and when approaching European buyers.
- See the [CBI report on exporting anti-ageing extracts to Europe](#). You can find more information on competition, regulations and channels through which to export to Europe.
- Educate yourself on the EU regulations for the justification of claims used in cosmetics. Review [EU Claim Substantiation Regulation 655/2013](#) or visit [blogs](#) that explain EU regulations.

Increasing demand for sun-care cosmetics

The [global sun-care market](#) was valued at USD 11.65 billion in 2018. This market is forecast to grow by a compound annual growth rate (CAGR) of 7.85% to USD 17.0 billion in 2024.

The [European market for sun protection products](#) is expected to grow by a compound annual growth rate (CAGR) of 6.1% between 2018 to 2024.

The growth in the market for sun-care products is due to a general rise in consumer awareness of skincare issues, driven by health promotion and disease prevention campaigns. For example, public health campaigns are informing consumers about the importance of protecting their skin from the sun. A secondary factor is that consumers are using specialised skincare products. These factors are stimulating a growth in the European market for sun-care products. In addition, multi-functional skincare products with benefits such as anti-blemish, anti-ageing and dark spot reduction are becoming popular.

Liquorice extract is used in sun-care products. [Liquorice extract protects the skin](#) against ultra-violet rays and it can also be used in aftersun products. For example, the Greek personal care company Greenyard Naturals uses liquorice extract in its [aftersun cream](#).

There is a growing demand for cleaner and more natural sun-care products. This trend is due to the harmful effects of sun-care products on marine ecosystems such as coral. This trend is expected to continue over the forecast period, creating an opportunity for liquorice suppliers from developing countries.

Exporters of liquorice extract should familiarise themselves with liquorice extracts active properties in helping to protect the skin against ultra-violet rays, and use this information to promote it to European buyers. Exporters should also include these properties on their company website and other marketing materials to capitalise on the opportunity offered by this trend.

Tips:

- Target buyers who specialise in natural and organic ingredients. These buyers tend to work with natural and organic cosmetics companies. They are aware of the harmful effects of synthetic ingredients in cosmetics and look for innovative ingredients, such as liquorice extract, for their products.
- Educate yourself on EU regulations for the justification of claims used in sunscreen products. Visit the [European Commission website](#) for more information.
- Prepare a dossier for your liquorice extract to support your claims. There are various ways to support your claims. You can use scientific and marketing data that are already published, experimental studies or consumer perception tests. See the CBI study [workbook for preparing a technical dossier for cosmetic ingredients](#) for further information.
- See CBI study [what requirements your product must comply with on the European market](#). Here, you can find information on the regulations when supplying ingredients to the European market.

Clean beauty becoming popular in Europe

Rising awareness among European consumers of the harmful effects of synthetic ingredients is the major driver of the clean beauty trend. Cosmetics manufacturers are cleaning up their formulations by replacing contentious synthetic ingredients with natural ones. Synthetic ingredients that consumers look to avoid include parabens, phthalates, aluminium salts, sodium lauryl sulphate (SLS)/sodium laureth sulphate (SLES) and mineral oils.

European consumers are becoming more informed due to the rise in mobile phones and portable devices. Various apps are available that educate consumers on cosmetic product formulations. The ability to check

product formulations instantly enables consumers to choose personal care products that have 'clean formulations'. This trend is likely to continue in the near future. It will drive the demand for natural ingredients such as liquorice extract.

To capitalise on this opportunity, exporters from developing countries should market their liquorice as natural and clean, which can help to find European buyers. Furthermore, exporters should consider obtaining [EU organic certification](#) or [NATRUE](#) and [COSMOS](#) certification, which have standards for natural, natural with organic portion, and organic raw materials. [Marudhar Impex](#) is an example of an Indian company that has capitalised on this trend, exporting EU Organic liquorice to the European market.

Tips:

- Educate yourself on how natural ingredients can replace synthetic chemicals. Communicate this information to potential buyers and encourage them to switch to natural ingredients. Use scientific data to back up your claims.
- Consider obtaining certification, such as EU organic, NATRUE and COSMOS for your liquorice extract. Visit the IFOAM website for further information on [EU organic certification](#).
- See the CBI study of [trends on the European cosmetics market](#) for more information on what trends offer the most opportunities for suppliers of natural ingredients to the cosmetics sector.

COVID-19 poses challenges for liquorice exporters

Exporters from developing countries are facing a number of challenges caused by the coronavirus pandemic. These challenges are expected to remain for some time, as governments use different measures to try to tackle COVID-19.

Import and export restrictions on goods, as well as quarantine and lockdown measures implemented by governments are causing disruptions to global supply chains, representing key challenges for exporters. For example, one European importer of liquorice interviewed for this report said that the pandemic has 'obviously made it tough because products that were to be sailed off could not be dispatched'.

Prices of exporting goods are also increasing, particularly airfreight due to flight cancellations. One European importer of liquorice said that the price of transporting, 'especially the airfreight, has gone up drastically since corona'.

There are several ways exporters of liquorice extract in developing countries can prepare for challenges posed by COVID-19, along with its associated risks. One way is to regularly check websites, contact government and trade ministries to request information on emergency measures in place because of COVID-19, as well as getting guidance on exporting.

You should also look up the government websites of your target countries to check their latest guidance and rules on imports. In addition, exporters should also contact freight and logistic companies to find out the latest transportation and freight procedures and prepare for them. Keeping existing customers informed about their order as well as informing them of any delay or possible delay is another way to prepare for challenges posed by the coronavirus.

Tips:

Visit and review the information on the ITC Market Access Map's [COVID-19 Temporary Trade Measures](#) which provides the latest information on trade measures imposed by governments in your country as

well as the country you are exporting to.

Regularly visit the CBI website which provides [news and information about exporting natural ingredients](#) during the COVID-19 pandemic.

Carefully assess and factor in the likely effects the COVID-19 pandemic will have before agreeing terms with European buyers. Factors to consider include longer delivery times, unexpected waits and higher transport costs.

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

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