

The European market potential for coconut sugar

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There is an increasing demand for coconut sugar on the European food market. The nutritional benefits that coconut sugar offers are stimulating demand. Since it is considered a healthier alternative to sugar, European food and beverage companies are using it in their product formulations.

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1. Product Description

Coconut sugar is a sweetener cultivated from the sap of the flower bud stem of the coconut palm. The Philippines, Indonesia, and Thailand are major producers and have accounted for about 80 percent of the global production over the past few decades. This is because they have favourable cultivation conditions.

Coconut sugar cultivation begins with 'tapping' the flower bud stem of a coconut tree, with farmers making a cut on its spadix. The sap inside then flows into containers placed below to collect it. The collected sap is then transferred into large woks which are placed over moderate heat to evaporate excess water, thickening it into a thick syrup. It is now coconut sugar.

100g of coconut sugar consists of 100g of carbohydrates, 75g of which are sugars. In terms of trace elements, 100g contains 625 milligrams (mg) of potassium and 125 mg of sodium. Research from the [Philippines government's Food and Nutrition Research Institute](#) found that compared to granulated sugar and high-fructose corn syrup, coconut sugar has higher levels of iron, zinc, and calcium.

Coconut sugar is typically used as a sweetener in the food industry. It is mostly used in confectionery and bakery products, as well as beverages. Unlike other sweeteners, coconut sugar is not calorie-free. However, because coconut sugar contains fewer calories than traditional sugar, it has many applications in the food industry. Coconut sugar is used in the cosmetics industry as well, usually in skin and hair care products. However, this study focuses on coconut sugar used as a food additive.

Coconut sugar is traded under HS Code 17029, which refers to other sugars, including invert sugar and other sugar, as well as sugar syrup blends containing 50 percent by weight of fructose in their dry state. This report examines the application of coconut sugar in the European food and beverage industry.

2. What makes Europe an interesting market for coconut sugar?

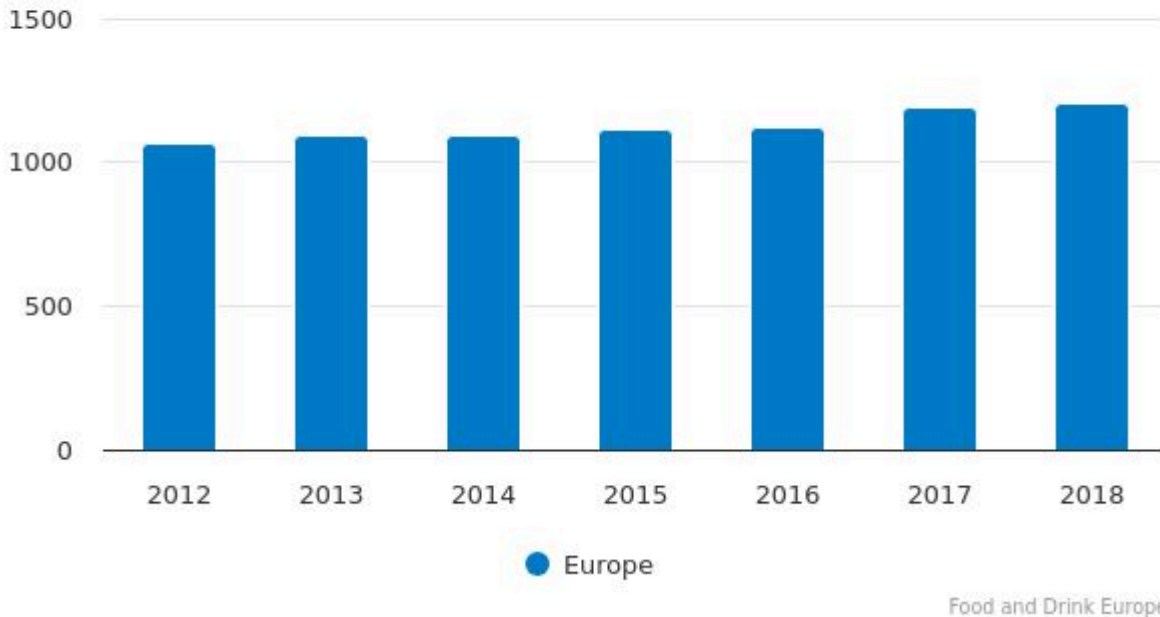
The demand for coconut sugar in the European food market is growing. Increasing consumer demand for natural and high-quality food products in Europe creates an opportunity for coconut sugar suppliers in developing countries. Coconut sugar has unique properties and its increasing availability makes it a favourable choice for

food manufacturers in Europe.

Europe has a substantial food industry. The European food and drink sector generated EUR 1,205 billion revenues in 2018. It is the largest manufacturing sector in Europe. There are about 291,000 companies present in the sector. The total value of EU food and drink exports was about EUR 404 billion in 2019.

Figure 1: European food and drink industry output

in € billion



European consumers are seeking healthier and natural products. Natural sweeteners like coconut sugar are increasingly used in place of sugar in food and beverage products.

Organic coconut sugar is also gaining popularity in the European market. The European organic food and drink is the second largest in the world. The market has grown from EUR 31 billion in 2014 to EUR 45 billion in 2018.

Consumer demand for organic coconut sugar is driven by the growing interest in a healthy lifestyle. This trend is expected to continue in the future. New product development and innovation are generating demand for organic coconut sugar.

It is estimated that [the European sweeteners market](#) was worth USD 11.5 billion in 2017. The market is forecast to grow by a compound annual growth rate of 1.7 percent to reach USD 13 billion in 2023. The market is growing in value partly because of growing demand for natural sweeteners.

European consumption of sugar is expected to decrease over the forecast period. This trend is also supported by legislation, because some countries, such as the UK and Ireland, have introduced a "Sugar Tax".

[The official recommendation of sugar intake](#) is no more than 10 percent of total calories, according to the World Health Organization. Only about 23 countries meet this recommended level. In June 2021, the [European soft drinks industry](#) announced a pledge to reduce added sugars in soft drinks by another 10 percent from 2019-2025 across the EU-27 and the UK. This pledge does not include coconut sugar. However, it does show the shift towards lowering sugar consumption as consumer awareness across Europe is increasing. Coconut sugar is healthier than conventional sugar as it has a lower glycemic index (GI). Consumption of coconut sugar reduces the chances of diabetes and other sugar-related diseases.

Coconut sugar is gaining popularity in the European market. According to Technavio, the [global coconut sugar](#)

market is set to grow by USD 253 million between 2019 and 2023. According to industry sources, the coconut sugar market in Europe is around 2,000 tonnes which accounts for about 0.01 percent of total sugar consumption in Europe. At the same time, the organic coconut sugar market is expected to grow at a compound annual growth rate of 5.9% between 2019 and 2024 to reach USD 397 million by 2024.

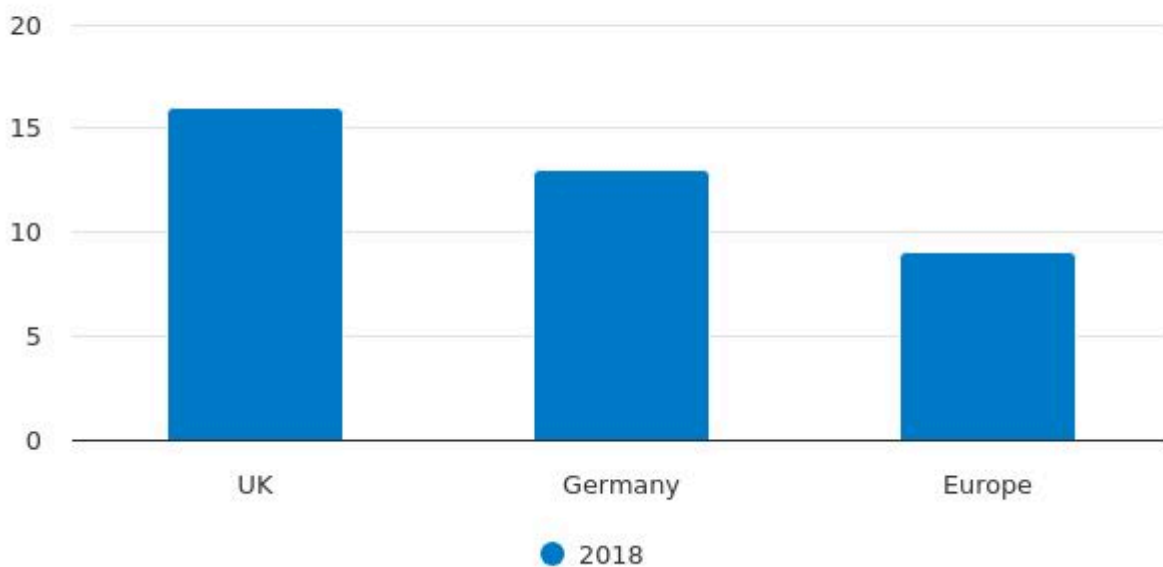
Coconut sugar is considered a healthier alternative to traditional sugar because of its nutritional properties. Coconut sugar contains Vitamin C, iron, zinc, potassium and phosphorus and phytonutrients. The main driver is growing consumer demand for healthier and natural products.

Coconut sugar is also considered a vegan alternative to cane sugar. Regular sugar is sometimes processed with the bone char from animals in order to produce its white color. Coconut sugar is an unprocessed and vegan alternative to regular sugar. On its website, the animal rights organisation [People for the Ethical Treatment of Animals \(PETA\)](#) urges consumers to switch to coconut sugar as a vegan alternative to regular sugar.

With a growing vegan population in Europe, the demand for coconut sugar is expected to continue growing. Conventional sugar is not considered suitable for vegans, as bone char is used during processing. Coconut sugar is considered a vegan alternative. It is estimated that there are about 75 million vegans and vegetarians in Europe. Figure 2 shows the UK and Germany have the highest share of vegan product launches in Europe in 2018.

Figure 2: Share of new products launched as vegan or having no animal ingredients in Germany, the UK and Europe

in %

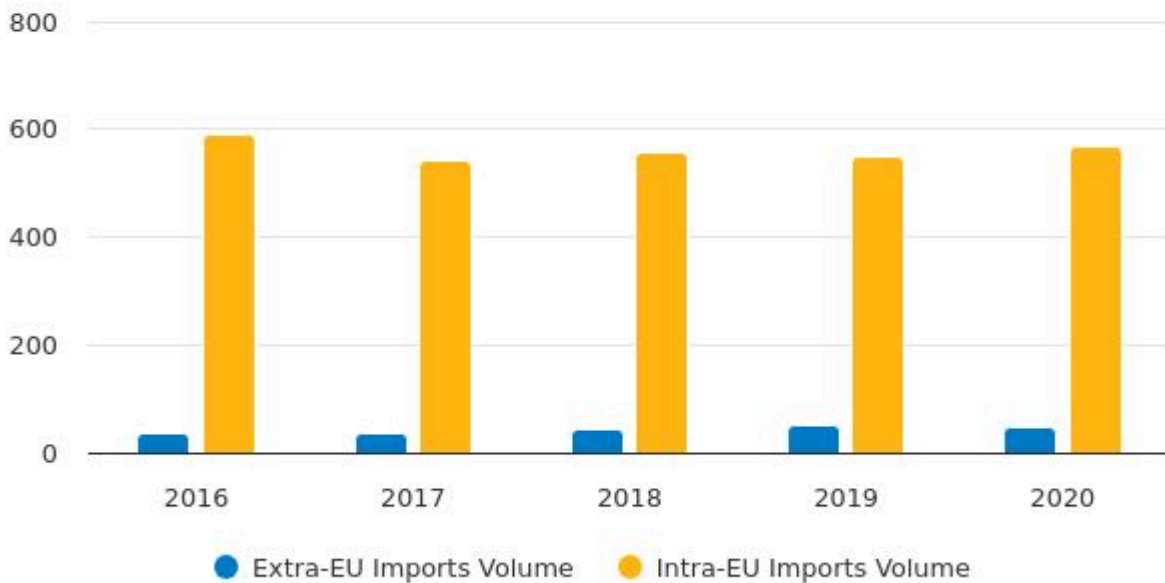


Statista

Major restraints to growth of coconut sugar include low awareness of coconut sugar and competing sweetener alternatives. The cost of coconut sugar is higher than sugar cane, agave and beet sugar. The production process of coconut sugar is also labour intensive and time-consuming.

Figure 3: Imports of sugars with an HS Code 17029 to Europe

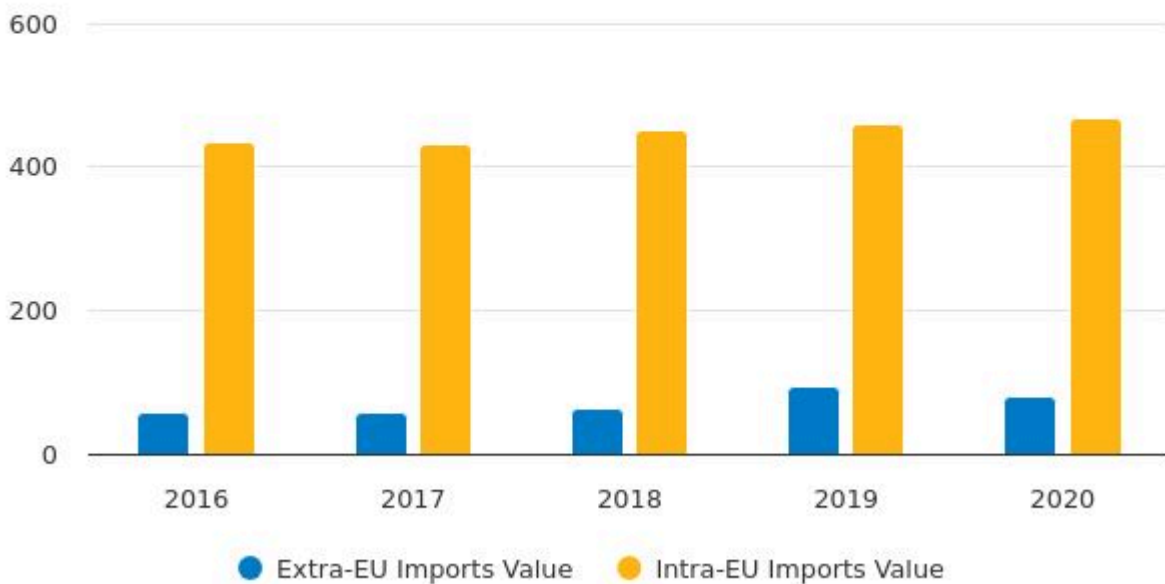
in '000 tonnes



Eurostat

Figure 4: Imports of sugars with an HS Code 17029 to Europe

in € '000



Eurostat

Figures 3 and 4 show imports of sugars with an HS code 17029 under which coconut sugar is sometimes traded. They show that the level of exports from outside of the European Union (EU) is growing in both volume and value. This shows there is increasing demand for alternative sweeteners such as coconut sugar in the European market. The majority of imports in this category comes from trade within the European Union.

The European market offers export opportunities for you. Europe has a robust food and drink industry. European consumers are increasingly looking for healthier alternatives to regular sugar. They are seeking more natural and environmentally-friendly products. The rising incidence of obesity is making governments introduce measures to curtail the use of sugar in food and drink products. This trend is expected to continue over the

forecast period.

Tips:

For more information on opportunities for natural food additives on the European sector, see [CBI Study Market Statistics and Outlook](#).

Visit trade shows that focus on vegan and vegetarian lifestyle in Europe. Examples include [Veggie World](#) and [Veg Fest](#).

3. Which European countries offer most opportunities for coconut sugar?

The European countries that offer the best prospect for coconut sugar are Germany, France, the Netherlands, The UK, Italy and Spain. These countries have the most advanced food manufacturing sectors. They also have the largest consumer markets in terms of food & drink products.

Table 1: Leading country markets for coconut sugar in Europe

Country	Food and Drink Market 2019 (bnEUR)	Organic food and drink market 2019 (bnEUR)	Plant-based food market 2020 (mEUR)	
Germany*	185.3	11.97	817	
France*	213.1	11.29	335	
Italy	145	3.63	490	
The UK	122.3	2.68	750	
The Netherlands	76.2	1.21	291	
Spain	119.2	2.13	448	

Source: Food and Drink Europe, FiBL, European Alliance for Plant-based Foods, Food and Drink Federation
*2018 Data

Germany

Table 2: Imports of sugars with an HS Code 17029 to Germany, 2016-2020

2020	000 Tonnes	% Change Volume (2016-2020)	m EUR	% Change Value (2016-2020)	Exporters	Important Market Players
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HSC: 17029	160.7	1%	117.1	20%	France (49.9%), Belgium (15.3%), Slovakia (9.3%)	Delphi Organic, Good Mood, Rapunzel Naturkost
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Source: Eurostat

Table 2 shows that the imports of sugars with an HS Code 17029 to Germany have increased in terms of value and volume. However, coconut sugar represents only a fraction of the imports under this HS Code. The feedback from German importers is that demand for coconut sugar is increasing in Germany. The importers see a consistent demand every year for coconut sugar in Germany.

Germany has the second-largest food and drink market in Europe, according to Food and Drink Europe. Important sectors include meat and meat processing, dairy, confectionery, baked goods and alcoholic beverages. The food sector is one of the most important in the country. Germany is the third largest exporter of food products in the world.

The German organic food market is the largest in Europe. German consumers have a high awareness and willingness to pay for high-quality products. In Germany, organic foods are widely accessible to consumers with around 60 percent sold via mainstream retailers.

According to a [ConPolicy survey](#), more than half of German consumers pay attention to sugar content. Around 71 percent say it is very important to them that processed foods contain little sugar. This shows that German consumers pay attention to sugar content and that eating healthy is important to them.

Leading importers of coconut sugar include [Delphi Organic](#). [Davert](#), one of the largest organic food suppliers in Europe carries coconut sugar. [Rapunzel](#) also has many products that contain coconut sugar, including Rapunzel Bio Schokolade. The organic food supermarket [Alnatura](#) sells coconut sugar under its private labels.

Since demand for coconut sugars is expected to continue growing, exporters of coconut sugar in developing countries should target German buyers. Suppliers of coconut sugar should consider certification, as there is a growing demand for organic sweeteners in Germany. Organic certification is also seen as a sign of quality. German consumers are also environmentally aware and are more likely to purchase products that contain coconut sugar.

France

Table 3: Imports of sugars with an HS Code 17029 to France, 2016-2020

2020	000 Tonnes	% Change Volume (2016-2020)	m EUR	% Change Value (2016-2020)	Exporters	Important Market Players
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HSC: 17029	74.4	-22%	79.1	15%	Belgium (30.8%), the Netherlands (20.5%), Slovakia (10.6%)	Keramis Biorgania
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Source: Eurostat

According to Food and Drink Europe, France has the biggest food and drink market in terms of turnover. The most important sectors are meats, dairy products, beverages and confectionary. France has the fifth-largest plant-based food market. Table 3 shows that imports of sugars with an HS Code 17029 to France decreased in terms of volume in the last 5 years. The French organic food market is the second largest in Europe. Demand for organic food in France is expected to continue. Organic food and drink manufacturers tend to use sugar alternatives such as coconut sugar because it is a healthier alternative to regular sugar and it offers better nutritional content.

French importers of coconut sugar include Keramis and Biorgania. Organic coconut sugar is also becoming popular. Companies like Daddy offer organic coconut sugar at mainstream retailers, such as Carrefour.

[Comptoirs et Compagnies](#) is one company that offers coconut sugar in its product portfolio.

According to industry feedback, it is expected that demand for coconut sugar on the French market will continue to rise in the near future. Rising consumer demand for high quality natural products is expected to generate demand for coconut sugar in France. Suppliers of coconut sugar should consider organic certification when targeting the French market.

The Netherlands

Table 4: Imports of sugars with an HS Code 17029 to the Netherlands, 2014-2018

2020	000 Tonnes	% Change Volume (2016-2020)	m EUR	% Change Value (2016-2020)	Exporters	Important Market Players
HSC: 17029	88.8	-22%	87.7	-7%	France (35.7%), Belgium (30.7%), Germany (12.6%)	Tradin Organic, Z-Company

Source: Eurostat

The Netherlands is a significant entry point for food ingredients. This is partly because most raw materials are re-exported to other European countries. Table 4 shows that the imports of sugars with an HS Code 17029 to the Netherlands decreased between 2016 and 2020. However, other sugars are also traded under this HS Code. This means that the decline in imports of sugars with an HS Code of 17029 is not representative of coconut sugar. The feedback from the industry indicates that the demand for coconut sugar is increasing in Europe.

Dutch traders that import coconut sugar include [Z-Company](#) and [Tradin Organic](#). Tradin Organic is one of the largest traders of organic ingredients in the world. Other companies, such as [NutriBoost](#) sell coconut sugar in bulk.

Exporters of coconut sugar in developing countries should consider the Netherlands. Suppliers should be prepared to supply larger volumes when dealing with Dutch traders. Demand for coconut sugar in the Netherlands is expected to continue rising, as it is a major entry point for ingredients into Europe.

The UK

Table 5: Imports of sugars with an HS Code 17029 to the UK, 2014-2018

2019	000 Tonnes	% Change Volume (2015-2019)	m EUR	% Change Value (2015-2019)	Exporters	Important Market Players
HSC: 17029	55.6	-8%	57.7	1%	Belgium (40.1%), Netherlands (25.2%), France (10.3%)	The Coconut Company, Coconutty, Raw Chocolate Co, Om Bar

Source: Eurostat

Table 5 shows that volume imports of sugars with an HS Code 17029 to the UK decreased in the last five years. Since there are other sugars traded under this HS Codes it does not represent just coconut sugar.

The UK has one of the largest consumer markets in Europe. According to Food and Drink Federation, the UK food and beverage sector ranks fourth in Europe. There is rising consumer awareness and growing demand for natural and healthier food & drink products.

The market for organic food and drink is growing at a fast rate; [the UK's organic food market](#) is one of the largest in Europe. Rising consumer awareness for natural and healthier food and drink products is stimulating demand.

In order to combat childhood obesity, the UK government introduced its so called "Sugar Tax" on soft drinks in 2018. Around 50 percent of soft drinks manufacturers reduced their sugar content before its implementation. The sugar tax is stimulating demand for alternative sweeteners, such as coconut sugar.

UK companies that offer coconut sugar are [The Coconut Company](#) and [Coconutty](#). Other companies, such as the [Om Bar](#) and the [Raw Chocolate Co](#) make chocolate with coconut sugar instead of regular sugar.

It is expected that the UK will remain an important market for coconut sugar in the foreseeable future. However, due to Britain's exit from the European Union, international trade is disrupted. This is because it takes time to re-negotiate trade deals with individual countries.

Italy

Table 6: Imports of sugars with an HS Code 17029 to Italy, 2016-2020

2020	000 Tonnes	% Change Volume (2016-2020)	m EUR	% Change Value (2016-2020)	Exporters	Important Market Players
HSC: 17029	28.7	43.4%	28.1	55%	France (30.6%), Spain (18.8%), the Netherlands (11%)	Moralco, Cacapuro, Optima Naturals, Mascao

Source: Eurostat

Table 6 shows that imports of sugars with an HS Code 17029 to Italy increased at a double-digit rate in terms of volume and value. However, a number of sugars are traded under this HS code. The growth rate in table 6 is not representative of the demand for coconut sugar. Italian importers stated that the awareness of coconut sugar is increasing among Italian consumers, which is stimulating demand.

Italy has the third-largest food and beverage market in Europe valued at EUR 141.3 billion in 2018. The Italian food processing sector is dependent on imports of food ingredients. The most important food sectors are bakery products, dairy products, processed meats, and seafood.

The Italian organic food market is the third largest in Europe. The main driver is increasing consumer demand for high-quality, premium products.

Italian traders of coconut sugar include Moralco and Cacapuro. [Optima Naturals](#) is marketing an aloe vera drink with coconut sugar under its Provida brand. The Italian chocolate brand Mascao has products with coconut sugar. Eridinia is another market player.

The Italian market offers good prospects for coconut sugar exporters in developing countries. Furthermore, organic certified coconut sugar also has potential on the Italian market.

Spain

Table 7: Imports of sugars with an HS Code 17029 to Spain, 2016-2020

2020	000 Tonnes	% Change Volume (2016-2020)	m EUR	% Change Values (2016-2020)	Exporters	Important Market Players
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HSC: 17029	31.4	27.3%	35.7	26%	France (58%), Belgium (16.8%), the Netherlands (6.9%)	Mercio stevia, Myconatur
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Source: Eurostat

Table 7 shows that imports of sugars to Spain with an HS Code 17029 increased between 2016 and 2020. However, other sugars are also traded under this HS Code. This means that the double-digit increase in imports is not representative of coconut sugar. However, the feedback from the industry indicates increasing demand. Spain has the fifth largest food and drink market in Europe. The organic food and drink market is also growing and the potential for further growth is high.

Importers with coconut sugar include Mercio stevia and Myconatur. Brands such as [Naturgreen](#), El Granero Integral and Energy Feelings have products using coconut sugar as a sweetener.

The Spanish market offers good prospects for coconut sugar exporters in developing countries. The demand for high quality and organic products is expected to increase further in the coming years. Suppliers of coconut sugar should target Spanish buyers, especially those that focus on organic and natural products.

Tips:

Target buyers in Western European countries when exporting coconut sugar. Consumer awareness in these countries is the highest.

Look at getting organic certification for your coconut sugar. Organic coconut sugar is becoming popular with organic food companies looking to replace sugar in their products. Germany, France, Italy, and the UK have the largest organic food markets in Europe.

Consider marketing coconut sugar on vegan attributes. The vegan lifestyle is also becoming popular in Western European countries. The UK and Germany have the highest share of vegan product launches in Europe.

4. Which trends offer opportunities on the European cosmetics market for coconut sugar?

Exporters of coconut sugar can capitalise on key trends on the food market in Europe, such as growing demand for natural and vegan products. Consumers are increasingly looking at sugar content in the products they purchase. This is partly because of the increasing awareness of consumers. These trends are stimulating demand for coconut sugar in the European market. There is also a trend of growing sustainable production and sourcing of coconut raw materials.

Growing consumer awareness towards health is changing food habits

There is increasing demand for organic food and drink products in the European market. The main driver is

consumers wishing to avoid products with synthetic pesticides and related chemicals. Many organic food and drink companies are increasingly using natural sweeteners to replace sugar; coconut sugar is used because of its nutritional properties and ecological credentials.

Organic certification is also seen as a quality standard, and increases the credibility of coconut sugar in the European market. Exporters of coconut sugar from developing countries should tap into this trend and consider certification. Since coconut sugar is more expensive than regular sugar and other alternatives, exporters should target the organic sector where the premium can be justified. It is expected that the demand for organic products in Europe will continue to increase in the near future.

Tips:

Consider supplying organic ingredients. Look at organic farming criteria and organic certification requirements. For more information on scientific and technical research on organic farming visit [Fibl](#).

Visit [IFOAM](#) for more information on the organic food and drink market.

Do research on what additives are allowed by organic standards. For example, look at the [EU organic regulations](#). By using this information, you can target buyers who deal with organic food and beverage manufacturers.

Growing demand for vegan products in Europe

There is a growing demand for vegan food and drink products across Europe. A [report](#) from Allied Market Research valued the global vegan industry at USD 14.2 billion in 2018; it is estimated to reach USD 31.4 billion by 2026. The Allied Market Research reported that Europe accounted for more than one-third of the global vegan product market, with Europe predicted to dominate in the coming years.

One factor driving demand for vegan food and drink product in Europe is [growing consumer awareness of health benefits](#) associated with a vegan diet. Health benefits include potential protection against certain cancers, as well as reduced blood sugar and cholesterol levels. A second factor driving demand for vegan food and drinks products is growing consumer awareness about the [high environmental impact](#) of meat and dairy products. Ethical issues concerning animal welfare and slaughter are also encouraging some consumers to become vegan and avoid animal-based products.

In recent years, there have been many [new launches](#) of organic vegan food and drink products. This trend is set to continue as companies develop new vegan products. Moreover, Europe leads the way in terms of organic food innovations, with almost 20 percent of all food and drink products launched in Europe having an organic claim.

The number of applications for coconut sugar in the food and drinks industry is also growing. As coconut sugar is considered as a vegan alternative to regular sugar, the demand for coconut sugar is expected to increase further. This is because, unlike traditional sugars, coconut sugar is [processed without animal bone char](#), making it popular with vegans. The Vegan brand Veganz has coconut sugar in its product range.

Suppliers of coconut sugar in developing countries should target the European market. The vegan trend highlights an opportunity for coconut sugar products in the European market as it can be marketed as a sweetener for vegans.

Tips:

Stay up to date with vegan trends on websites and associations such as [the Vegan Society](#) and the [Vegetarian Society](#).

Educate yourself on how sugar production involves bone chars. This will help you market coconut sugar on vegan attributes.

See [CBI Trends report](#) on what trends offer opportunities on the European market in the food sector. You can find more information on what trends are present in the European food market and how to take advantage of them.

Increasing prevalence of obesity and diabetes in Europe

According to the [World Health Organisation](#), there are increasing rates of diabetes among all age groups in Europe. It is estimated that the [rate of obesity](#) has tripled since the 1980's, reaching about 60 million people. This accounts for around 10.3 percent of men and 9.6 percent of women aged 25 years and over. The increase has been attributed to rising incidence of obesity due to unhealthy diets and sedentary lifestyles. Healthy diets and exercise are two ways to prevent type 2 diabetes.

Coconut sugar has a glycemic index (GI) approximately half that of regular table sugar (GI 35). This makes coconut sugar a better sweetener for people with diabetes; its disaccharide and sucrose breaks down into the monosaccharides glucose and fructose at a slower rate. The increasing incidence of diabetes is expected to raise demand for coconut sugar in the coming years. Foods with high glycemic index cause blood sugar levels to spike suddenly, which has an effect on insulin levels. Coconut sugar also contains a fibre that is known to slow down the glucose absorption.

However, some leading diabetes organisations such as [Diabetes UK](#) are of the view that although coconut sugar is marketed as a healthier alternative to sugar it is still a form of sugar that presents risks to consumer health. Thus, groups such as Diabetes UK suggest consumers reduce all forms of sugar consumption, and provide advice on [how to cut down on sugar](#). Consumers reducing their levels of sugar consumption would have a negative impact on coconut sugar demand.

It is forecast that increasing obesity and diabetes levels will generate demand for coconut sugar as a healthier alternative to refined sugar. This trend is expected to increase in the future.

Tip:

Make sure you communicate the health benefits of coconut sugar when approaching European buyers. You can look up scientific data that proves the lower glycemic index of coconut sugar.

Growing importance of sustainable coconut supply chain

Sustainable production and sourcing of coconut products is becoming more important in the industry. In November 2020, some of the leading private sector companies in the coconut industry signed the first global Sustainable Coconut Charter. Some of the companies participating in this initiative are [AAK](#), [Barry Callebaut](#), [Nestlé](#), and [Unilever](#).

The charter aims to reduce the carbon footprint of coconuts, enhance the lives of farmers and boost supply to

meet the rising global demand for coconuts. The charter states the main sustainability principles of the coconut industry and outlines goals to achieve in your supply chains. The sustainable coconut charter has been established to encourage the sustainable production of coconuts, meaning it is also relevant to the production of coconut sugar.

You should try and make sure that your coconut sugar is produced in a sustainable manner. Sustainability schemes and ethical standards are expected to gain further traction in the coming years. You should consider adopting similar standards and charters for sustainable production.

Tips:

Find out more information about the [Sustainable Coconut and Coconut Oil Roundtable](#). You can also become a signatory of their charter.

Make sure you communicate with European buyers about the requirements they have for sustainable production and sourcing of coconut sugar. For more information on market entry requirements when exporting coconut sugar to Europe, see [the relevant CBI study](#).

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

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