

Which trends offer opportunities or pose threats on the European natural ingredients for health products market?

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Various factors currently shape the demand for natural ingredients for health products in Europe. Among the main factors, growing consumer interest in natural and plant-based health products presents opportunities for exporters of natural ingredients. Ageing populations and growing awareness of preventative healthcare are also boosting demand. On the supply side, exporters struggle to meet the growing demand; apart from stricter requirements on traceability and sustainability, challenges such as climate change affect their existing capacities.

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1. Growing attention to alternative medicine

European consumers are increasingly concerned about potential side effects of pharmaceutical drugs or regular medication. Many consumers are turning to alternative medicines, such as homeopathy, natural remedies and supplements. Some professionals and practitioners in the field of healthcare and medicine have also been promoting the benefits of alternative medicine, especially to patients suffering from chronic health conditions.

Europe is the largest global market for [complementary and alternative medicine \(CAM\)](#), which had an estimated value of €33 billion in 2021. The European complementary and alternative medicine market is expected to grow at an annual rate of almost 21% from 2021 to 2028, reaching €125.6 billion. Studies show that [CAM treatments are most popular in Germany and Switzerland](#). Apart from cultural aspects that drive consumption, the popularity of these treatments is also high in these countries because some CAM treatments are covered by health insurance.

This trend is likely to continue, creating opportunities for natural ingredients used in food supplements and herbal medicinal products. There is an opportunity for suppliers of natural ingredients from outside Europe, especially since some (sub-)tropical plants are not grown in Europe.

An example of this is baobab (*Adansonia digitata*). Baobab trees are native to Africa. The powder that is derived from the fruit is rich in vitamin C, antioxidants and minerals, making it an interesting ingredient for formulators of health products who can endorse its functional value in products by promoting cellular health. An example of how baobab compares to other similar ingredients is shown in Figure 1 below.

Figure 1: Comparison of nutritional value of popular superfruits



Source: [Baobab Foods](#) (2023)

The fruit of the baobab tree can be ground into a fine powder, which makes it suitable for use in the food and supplement sector. Increasingly, baobab is being used in beverages, as a superfood in smoothies, juices and energy drinks, and in natural teas. In addition, baobab powder can be used as an ingredient in various snack bars, including energy and granola bars, to boost their nutritional value. Examples of baobab products on the European market are shown in Figure 2 below.

Figure 2: Baobab product offerings on the European market



Source: [Terra Elements](#), [Aduna](#), and [Health Essentials Direct](#) (2023)

Essential oils are also becoming more interesting as alternative medicines, and cold-pressed baobab is one of these. In aromatherapy, essential oils are used for their therapeutic effects, through inhalation, diffusion or application to the skin. [The European aromatherapy market is forecast to grow](#) at an annual rate of 9.7% from 2023 to 2029. Oils used to reduce feelings of stress, fatigue and anxiety are especially popular, such as the classical [lavender](#), [peppermint](#), [rosemary](#), [eucalyptus](#) and [chamomile oils](#) as well as [bergamot](#), [frankincense](#), [clary sage](#), [neroli](#) and [sweet marjoram](#).

Tips:

See our study on [Exporting essential oils to Europe](#) for information on the potential of essential oils in the European health products market.

Visit the website of the [European Federation of Essential Oils](#) for more information on European legislation on essential oils. This website also provides an overview of [member associations and member companies in Europe](#).

See our study on [Exporting turmeric to Europe](#) for more information on its potential as a natural ingredient in health products.

Promote the benefits of your products for health conditions and general wellness. You can do this by informing buyers and displaying this information on your products, marketing materials and website.

Ensure you can substantiate your claims with scientific data and certifications. Do not make medicinal claims.

2. Europe's ageing population using more natural healthcare options

The ageing European population offers opportunities for suppliers of natural ingredients for health products. Older people use more self-care products than younger consumers, and they are increasingly interested in natural healthcare options.

According to [Eurostat](#), the older population (defined as aged 65 or older) in the European Union (EU) is expected to rise from 90.5 million at the start of 2019 to 130 million by 2050. Overall, there will be 13.5% fewer people under 55 living in the EU by 2050.

Figure 3: EU population by age group and sex (share of total population), in 2019 and 2050



Source: European Commission (2023)

This demographic change is causing European countries to put more emphasis on long-term healthcare and will result in rising healthcare costs. This trend is further reflected in the steady increase in healthcare expenditure in all EU Member States. In 2021, the [total healthcare expenditure](#) of the European Union was estimated at €1.2 billion. According to [Eurostat](#) data, the countries with the highest spending on health as a percentage of gross domestic product (GDP) are Austria (10.1%), Czech Republic (9.8%), Denmark and France (both 9.2%). As European populations continue to age, governments will have to increase their financial contribution to healthcare services.

An ageing population also means an increase in chronic diseases. In recent years there has been a sharp increase in health problems such as cardiovascular disease, cancer and diabetes. Age plays an important role in the occurrence of type 2 diabetes. According to the International Diabetes Federation (IDF) Diabetes Atlas, [1 in 11 adults \(61 million\) are living with diabetes in Europe](#) in 2021. The number of adults with diabetes is expected to reach 67 million by 2030 and 69 million by 2045.

These developments are closely monitored by the pharmaceutical industry and manufacturers of nutritional supplements. Hoping to reduce the negative effects of ageing on their overall health, many Europeans, especially the older population, are increasingly taking nutritional supplements for preventive health purposes.

A growing number of food supplements are formulated with natural ingredients. Examples include green tea extract, which is rich in antioxidants, supports metabolism and promotes overall health, and elderberry, which is used to support the body's defences. Protein intake is important for healthy muscle structure. Seaweeds, such as spirulina and chlorella are also commonly used, as they are rich in vitamin K and are composed of about 60% protein.

Tips:

Identify the chemical and nutritional profile of your natural ingredients, especially if they can be used for disease treatment or health conditions. Promote these features to buyers, for example by informing them and mentioning these properties in your marketing materials.

Do market research on what health issues or needs various age groups in Europe have within specific markets. Indicate how your ingredients can cater to the nutritional needs of European consumers.

For more statistics and tips, see the CBI study on [demand for natural ingredients for health products in the European market](#).

See the CBI studies on [frankincense](#), [plant proteins](#) and [seaweed](#) for more information on their market

potential.

3. Higher demand for plant-based health products

European consumers are increasing their intake of plant-based foods. According to Nielsen MarketTrack, the sales value of the European plant-based sector increased by 21% between 2020 and 2022, reaching a record €5.8 billion. This trend is also seen in the food supplements market, creating opportunities for developing country suppliers of natural ingredients for health products.

According to a global study conducted by Mintel, the 5 most innovative countries for plant-based foods are the UK, Portugal, the Netherlands, Germany and Austria.

A consumer study revealed that European consumers are willing to change their diets to include more plant-based foods. Research conducted in the UK in 2022 found that approximately 46% of people aged 16-75 report they would consider reducing their intake of animal products in the future. Figure 4 shows the share of flexitarians in selected European countries.

Source: [vegan.com](https://www.vegan.com) (2022)

Research shows that consumer interest in plant-based food supplements is driven by factors related to sustainability, ethical considerations and overall health. According to the [Natural Marketing Institute](#), approximately 61% of supplement consumers indicate that natural origin is important to them. Moreover, around 46% do not want their supplements to contain animal products. Their survey also indicates that consumers are willing to pay more for plant-based products, especially in France and Italy.

This trend highlights an opportunity for plant-based products in the European market, especially as this demand is expected to continue to increase in the future. Business Insights predicts considerable growth in demand for plant-based ingredients in food supplements, such as immune-boosting botanicals. The global market for plant-based probiotics is predicted to grow by 6.7% annually from 2022 to 2032, with Europe as the largest market.

Sales of plant-based food in Europe grew by 6% in 2022 and reached €5.8 billion. Between 2020 and 2022, the European plant-based food market grew by 21%. Investments in the European plant-based protein market grew nearly 24% between 2021 and 2022, reaching €579 million. This growth is expected to continue in the future, creating more opportunities for suppliers of natural protein options.

[Spirulina and chlorella](#) are seen as sustainable and high-quality replacements for meat protein. Both microalgae are known for their high nutritional value, high protein levels, and antioxidant and anti-inflammatory properties. With the growing vegan and vegetarian population in Europe, demand for spirulina and chlorella is expected to rise in Europe in the coming years. The European chlorella market is projected to grow at a 7.2% annual rate from 2023 to 2030, reaching USD 240 million. Similarly, the European spirulina market is anticipated to expand beyond 13% per year during the same period, reaching nearly USD157 million.

To capitalise on this trend, you should develop a unique selling point (USP) for your plant-based health product, protein or probiotic. This will help to show potential buyers how your product meets a market need and how it compares to products already on the market. For example, you can focus on the quality or composition of your product or develop a marketing story based on its source. One company that showcases its USP successfully is [Plant Based Studios](#) from Sri Lanka, presenting the Sri Lankan jackfruit as a vegan alternative to meat.

Another example of a company tapping into the trend of plant-based food is [Benexia](#) (Chile). They are an innovative pioneer in the chia business. The company uses top-of-the-line processing equipment to reduce microbiological contamination and has developed several sub-products such as protein powders and chia oil.

Figure 5: Chlorella powder and tablets



Source: Canva (2022)

Tips:

See websites and associations such as [The Vegan Society](#) and [VeganZ](#) for more information on the veganism trend.

Read the CBI studies on [Exporting spirulina and chlorella to Europe](#) and [Exporting plant proteins for health products to Europe](#). You can find more information on competition, regulations and market entry channels.

4. Increase in over-the-counter medicines and self-care products in Europe

The drive among European consumers to find new forms of disease prevention and treatment is contributing to growing awareness about self-care and wellness products. This, coupled with increasing distribution of medicines, is driving growth in the over-the-counter (OTC) drugs market in Europe. At present, more than [4,000 health products are available OTC](#). This is leading to increased demand for food supplements as well as herbal medicinal products, which are mainly sold OTC. This offers opportunities for suppliers of natural health ingredients used in food supplements.

The [European OTC drug market was worth an estimated USD35.3 billion](#) in 2021. This market is expected to grow at an average annual rate of 5.4%, to reach over €48 billion in 2027. Factors behind this growth are convenience, easy accessibility and the low costs of OTC drugs. Moreover, governments in the EU are attempting to shift costs to customers to save doctors and pharmacists resource costs.

According to the [Association of the European Self-Care Industry](#) (AESGP), using self-care products reduces the strain on social security systems and healthcare costs. Over-the-counter medicines also contribute positively to public health and improve prevention of illnesses.

AESGP indicates that the [use of self-care products varies across Europe](#). Countries with high access and uptake of self-care products include Germany, the UK, Belgium, Poland and Finland. Examples of countries where use of self-care products is low are France, Spain, Austria and Italy.

Due to increasing consumer awareness about health prevention, the share of OTC medications is expected to continue growing in the future. This trend opens an opportunity for suppliers of natural ingredients for health products in developing countries. [Novartis AG](#), [Sanofi](#) and [Bayer AG](#) are important companies in this segment.

Tips:

Identify the chemical and nutritional profile of your natural ingredients, especially if they can be used in self-care and wellness products. Ensure you promote these features to buyers, for example by informing them and mentioning these properties in your marketing materials.

For updates on regulations on OTC medication and self-prescription products, visit the website of the [Association of the European Self-Care Industry \(AESGP\)](#).

5. Market for immunity-boosting supplements continues to grow

Europe has an attractive market for immune-boosting botanicals. There is growing demand for supplements and ingredients that support a healthy immune system. This market is driven by growing awareness about healthy lifestyles and a healthy immune system, and strengthened by the COVID-19 pandemic.

Between 2018 and 2022, the global [market for immune-boosting products](#) grew at an average annual rate of 11.4%. The European market for immune health supplements was valued at [USD11.8 billion \(€11 billion\) in 2020](#) and is forecast to grow 6.2% annually between 2021 and 2026. [Demand for immune support products](#) is expected to continue after the COVID-19 pandemic.

Within the market for immunity products, [botanicals are increasingly important](#) in new food and beverage launches. Market researcher Fortune Business Insights predicts that [demand for plant-based food supplement ingredients](#), such as immune-boosting botanicals, will grow considerably.

At a global level, [over 50% of consumers look for products with botanicals](#) they believe will improve their immunity, mood management and digestive health. In 2020, vitamins made up the largest share of the global immune health supplements market, at 32.6%, closely followed by [herbal extracts \(around 30%\)](#). There is a rising interest in botanicals such as elderflower and elderberry (*Sambucus nigra*), echinacea (*Echinacea purpurea*), moringa (*Moringa oleifera*), ginger (*Zingiber officinale*), turmeric (*Curcuma longa*) and green tea (*Camellia sinensis*).

As consumers become more aware of the importance of a healthy immune system, they are also starting to relate this to other areas of health. Consumers link a healthy immune system to health improvements such as more energy, relaxation or sleep. In 2021, [68% of global consumers](#) said they recognise the connection between digestive and immune health, and [53%](#) recognise a link between inflammation and immunity. The pandemic has also focused attention on the [importance of sleep for a healthy immune system](#).

To benefit from this consumer awareness, brands are launching products that target multiple health conditions. Examples include combining immune support with ingredients that boost energy or aid relaxation or sleep. Immune-boosting ingredients and related claims are also added to products that normally are not used for immunity, such as beverages and sport products.

This translates into opportunities for immunity-boosting botanicals that offer additional health benefits and for high-nutrient botanicals that can be used for multiple health goals. An example of an exporter that uses this opportunity is the Brazilian company Duas Rodas. For its camu product, the company highlights both the [nutritional composition and links to existing research on the health benefits of nutrients in camu](#).

Figure 6: Examples of immunity-boosting products offering additional health support



Source: Holland & Barrett (2023)

Tips:

Do your own research into the European market for immunity products to find opportunities for your specific botanical. You can use trade fairs such as [Vitafoods](#), [Food and Health Ingredients](#) and [Biofach](#).

Consult the CBI study on [Exporting immune-boosting botanicals to Europe](#) for more information on this market and how to access it.

6. Rising consumer awareness about mental health and wellbeing

Growing consumer awareness about mental health and wellbeing is creating opportunities for suppliers of natural ingredients for health products. Consumers are becoming more proactive about improving their mental health and are increasingly aware of the impact of mental health on the immune system. The COVID-19 pandemic has [strengthened this development](#). More and more consumers associate [mental wellbeing](#) with overall health.

Although consumers were already becoming more aware of their mental health before COVID-19, rising stress levels during the pandemic fuelled demand. A consumer survey from February 2021 shows that [47% of consumers have become more conscious about their mental health](#) due to COVID-19. At the same time, 22% of consumers have become more conscious about their sleep health. Euromonitor reported that [73% of consumers say depression and mental health](#) have a moderate to severe impact on their lives.

Mental health and wellbeing is a very broad category, and natural health options are not relevant for all problems. Natural ingredients for health products have the most potential for milder problems, such as relieving stress or anxiety, difficulty sleeping and improving mood or concentration. Both food supplements and herbal medicinal products are used for these goals.

In Europe, various botanicals are used to relieve stress and improve relaxation. Although Europe is a large producer of some products, such as lavender (*Lavandula angustifolia*, *L. officinalis*), other species offer opportunities for developing country suppliers. Examples include adaptogens such as ashwagandha (*Withania somnifera*), turmeric (*Curcuma longa*) and Ginkgo biloba as well as relaxing herbs such as valerian (*Valeriana officinalis*) and passionflower (*Passiflora incarnata*).

Consumers are also interested in herbal teas and aromatherapy oils to boost wellbeing. Keywords used in marketing are: relieving, calming, relaxing, soothing, refreshing, uplifting and balancing. Examples of such aromatherapy oils include lavender and frankincense (*Boswellia carterii*).

In the food supplements market, European manufacturers draw on traditional uses to create distinctive marketing stories that influence consumers' image of a product's effectiveness. An example is valerian, which has a long documented history of medicinal use as a sedative. Traditional uses are especially important for aromatherapy oils, as there is often no scientific proof of their effectiveness in this form.

Tips:

Create marketing stories for ingredients and aromatherapy oils that support mental wellbeing, for example by relieving stress or anxiety. Focus on the feeling of relaxation. Develop a thematic story, for instance highlighting the country of origin as an exotic place where people can unwind. Examples include ylang-ylang from the Comoros or rose geranium oil from Réunion. Also see the website of the Peruvian essential oils exporter EOP, which [describes aromatherapy uses of various essential oil](#)

[categories](#) (floral, citrus, and so on) and individual oils.

Find out about local uses of new ingredients, for example as remedies for stress or other mental health problems. Traditional practices can be a good starting point for marketing new ingredients.

See our study on [Exporting essential oils to Europe](#) for more information on their potential as natural ingredients for health products and use in aromatherapy.

7. Growing importance of ethical and sustainable sourcing for natural ingredients

The EU is committed to environmental sustainability and sustainable growth, something it has made clear in the [European Green Deal](#). Sustainability is increasingly important in the European market for health ingredients, both among consumers and buyers. Ethical sourcing of ingredients, especially with regard to biodiversity, is becoming more important for natural health ingredients, and this is expected to continue. This is in addition to mandatory and extra biodiversity requirements.

European consumers are increasingly demanding sustainable products. For example, they want organically certified health products that support a healthy lifestyle. This is driving demand for organic ingredients and creating opportunities for certified producers.

Organic product sales have been growing rapidly in Europe. The COVID-19 pandemic further strengthened demand for organic products. In 2021, [the European organic market reached record high sales of €54.5 billion](#), up 3.8% compared to 2020.

For exporters of natural ingredients, this is an important trend. Demand for sustainable sourcing includes not only organic certification, but also sustainable management of natural resources and supply chains.

European health product companies are becoming much more involved in sustainably managing the natural resources they use. Companies are investing heavily in research and development and in market authorisation for botanicals. European buyers expect sustainability in both quantity and quality, especially for wild-harvested ingredients.

To further capitalise on this opportunity, you should consider if there is a business case to acquire certification, such as [FairWild](#). This certification is proof that you source your ingredients ethically and sustainably. Note that initial certification fees as well as renewal fees in the future can be costly.

Tips:

See the CBI study [buyer requirements for natural health products to Europe](#), as it provides information about mandatory ethical sourcing and biodiversity requirements you must meet to enter the European market.

Before joining any certification schemes, verify with potential buyers if your target market requires or demands certification and whether it will give you a competitive advantage over other suppliers.

Examples of standards include [EU organic certification](#) and [Fairtrade](#) certification, as well as [FairForLife](#) and [FairWild](#).

Consult the [International Trade Centre \(ITC\) Standards Map](#) for an overview of certification schemes.

See the CBI study [The EU Green Deal – How will it impact my business?](#) for more information on the

EU Green Deal and its implications.

Make your supply chain transparent and your ingredients traceable. Use appropriate tracking and tracing or other audit and certification systems to show where your ingredients come from.

8. Surging interest in traceability and transparency within supply chains

Traceability has emerged as a critical trend in the natural ingredients for health products industry. With the increase in health-conscious and environmentally sustainable consumption, consumers are beginning to demand products with clear information regarding origin, ingredients and manufacturing processes. Simply explained, traceability involves the ability to track the journey of a product from its source to its end-user, and ensuring accountability and clear steps at each stage. Doing this allows a company to [tell the story behind its branded botanical ingredient to its customers](#).

This trend is becoming more important as a result of EU regulation on environmental sustainability. In particular, the [European Green Deal](#) and the [Directive on Corporate Sustainability Due Diligence](#) require European companies to identify, and where necessary prevent or mitigate adverse impacts on human rights and the environment along their supply chains. This regulation means that importers will be obligated to conduct due diligence on their suppliers. As an exporter, you will be required to provide information on your environmental and social impact.

This can be done by working on a traceability system, which offers several advantages. Trust-building is one of the most important aspects of international trade – and through traceability you can build credibility and loyalty, which leads to positive word-of-mouth recommendations. Transparent supply chains can differentiate exporters and attract environmentally conscious importers and consumers. Furthermore, a traceability system can help you identify potential issues related to contamination of your natural ingredients. Being able to identify issues will ensure product safety and compliance with strict quality standards.

Figure 7: Example of sustainable sourcing roadmap



Source: [Sustainable Herbs Program](#) (2023)

Tips:

Learn how to set up a traceability system in natural ingredients supply chains by reading [this article of the Initiative for Sustainable Agricultural Supply Chains](#).

Remember that establishing a traceability system does not have to be too complicated. Exporters can design simple systems with their suppliers that document where the products are grown, who is involved, and what the impact on the environment and society is. To make the process simpler, you should assign codes to each producer and provide information on volume in each batch. The documentation process can be done on paper, but many businesses are implementing digital solutions to make traceability activities efficient.

9. Growing interest in Ayurvedic and traditional medicine

Ayurveda is experiencing an increase in popularity among European consumers, as they seek holistic and natural approaches to health and wellness. According to research, the [European Ayurvedic market is projected to reach €1.6 billion by 2028](#), with an average annual growth rate of 12% for 2022-2028. The COVID-19 pandemic made consumers more aware of their personal health, and Ayurveda offers a personalised approach and efficacy in addressing various health concerns.

Consumers are becoming more health-conscious, and [Ayurveda's emphasis on preventive healthcare and promoting balance aligns with this mindset](#). Additionally, wellness tourism is becoming more popular and many European consumers are undergoing Ayurvedic treatment in countries like India. The main reason for this is that Ayurvedic tourism involves low medical costs compared to other countries, and uses non-toxic harmless herbal resources to treat patients. The combination of natural ingredients, customised treatments, and a focus on the mind-body-spirit connection appeals to individuals seeking a holistic approach to their wellbeing.

Several European countries have become key players in the uptake of Ayurvedic products and practices. In the UK, a report revealed that [nearly 47% of adults had used complementary and alternative medicine \(CAM\)](#) in 2019, with herbal medicine being one of the most popular treatment modalities. Germany is known for its high use of natural therapies, and [a survey found that 50% of Germans used CAM therapies](#). European consumers who engage in Ayurvedic medicinal practices do so to address various health conditions, including stress, insomnia and digestive issues.

For exporters of Ayurvedic natural ingredients, the rising popularity of Ayurvedic medicine presents significant opportunities. Examples of Ayurvedic ingredients are [ashwagandha](#) (*Withania somnifera*), [Brahmi](#) (*Bacopa monnieri*), [Gotu Kola](#) (*Centella asiatica*), [Triphala](#) and Tulsi, also known as [Holy Basil](#) (*Ocimum tenuiflorum* or *Ocimum sanctum*). As an exporter, you should emphasise the use of traditional Ayurvedic herbs and botanicals known for their therapeutic properties through story-telling and effective marketing. You can leverage online platforms and e-commerce channels, as well as participate in expos in Europe to expand your market reach and visibility within Europe. The [European Ayurveda Academy](#) is an organisation celebrated as one of the most pioneering providers of Ayurvedic education, offering trainings to Europeans interested in Ayurvedic practices.

Tips:

Focus on a specific niche within the Ayurvedic market to establish a unique selling proposition – this could be specialised herbal remedies, personalized blend, or beauty-from-within products.

Provide samples or trial-sized products to encourage consumers to test your product. A positive experience can lead to repeat purchases and word-of-mouth referrals.

Educate consumers about Ayurveda and its benefits through blogs, webinars and articles. If you provide educational content, you can establish yourself in the field.

[ProFound – Advisers In Development](#) carried out this study on behalf of CBI.

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