

PRESS RELEASE

15th January 2018

The global probiotics market is growing rapidly, especially via dairy products and dietary supplements. However, this does not seem to be the case in the European Union (EU), where the interpretation of the European Commission restricts the possibility to inform consumers on the presence of probiotics in food and food supplements products and stifles both market growth and research and innovation in the probiotic sector.

Probiotics are losing out in Europe.

There is increased consumer interest in functional foods and in dietary supplements due to their wide range of potential benefits. Rising incidences of digestive and gastrointestinal disorders in a growing population, increasing consumer awareness regarding holistic health and understanding the importance of the microbiota in maintaining health are just some of the factors responsible for the growth of the probiotics market worldwide. The global probiotics market is clearly gaining momentum and significant opportunities exist for further growth. But this is not the case in the European Union

According to Euromonitor data, probiotic yoghurts and fermented milk have lost more than € 1 billion in projected sales during the period 2009-2017. Implementation of the Nutrition and Health Claims Regulation (NHCR, EC 1924/2006) has created a high level of uncertainty regarding the use of the term 'probiotics' in the EU market and requires that stringent scientific requirements be met in order for health claims to be eligible for approval. During the same period, double digit growth in probiotic sales has been recorded elsewhere in the world (+138,5% in North America, +49,1% in Latin America, +74,9% in Asia Pacific area²).

"After 10 years of implementation, it should be recognized that the overly stringent scientific requirements for probiotics and the "de facto" prohibition to use the term "probiotic" resulting from the NHCR interpretation by the European Commission is depriving the EU of innovation and investment in research in a promising sector that is growing everywhere outside Europe" said Peter Nählstedt, President of IPA Europe, "Maintaining this situation goes against the declared objectives of the EU to sustain and promote economic growth and quality jobs".

A 90% rejection rate of health claims seems to reveal that the Nutrition and Health Claims Regulation (NHCR) does not fulfil all its objectives. So far, from 121 Article 13.5 applications submitted for

¹ IPA Europe is the European chapter of IPA, the International Probiotics Association; it was established in Brussels in 2015. The members of IPA Europe are Companies directly engaged in the manufacture of probiotic cultures or probiotic foods, supplements, nutritionals or therapeutic products: BioGaia, Chr. Hansen, Danone, DuPont, IPA, Lallemand, Lesaffre, Probi and Yakult. The IPA Europe mission is: to gain acceptance of the term "probiotic" throughout Europe as a defined category and to create a favourable environment for probiotics in Europe. For additional information on IPA Europe's activities see: <http://ipaeurope.org>

² Elaboration of IPA Europe based on Euromonitor data

evaluation, only 6 of those applications were successful, and none were related to probiotics. A revision of the criteria to assess health effects of food, will lead to increased confidence in the procedure and higher investment by the sector.

For several years IPA Europe has been proposing that the term 'probiotic' itself be accepted as a "nutrition claim" under auspices of the NHCR for probiotic foods and dietary supplements. This is a common-sense approach, that would provide correct information to consumers on the presence of probiotics, whilst encouraging the development of product innovation, research and development of the probiotic sector in Europe.

The EU was the top global market for probiotic yoghurt and supplement sales until 2009. Due to aforementioned lack of vision on probiotics in Europe, the EU 28 now ranks third in sales, behind China and the US. Other markets are projected to continue to grow, and forecasts indicate that China will become the leader in production and sales in 2018 (source Euromonitor).

In 2009, the retail value represented by the probiotic sector in the 28 EU countries amounted to almost 6 billion Euros. For the period 2009-2017, after the end of the transition period for the entry into force of the NHCR regulation, the loss for probiotic yoghurt and fermented milk sales have been almost 19,3% in value.

Despite a growing economy since 2013, Euromonitor estimates a loss of retail value sales of the probiotic products of about € 176,4 million in Austria, Belgium, France, Germany, Netherlands and the UK (elaboration of IPA Europe based on Euromonitor data).

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(Link to the Euromonitor presentation)

