



The EMB of the Department of Trade and Industry (DTI) is mandated to oversee the development, promotion, and monitoring of Philippine exports. The EMB provides the exporters the enabling environment to make them globally competitive.

Euromonitor Digest is a monthly online publication of the EMB, which aims to provide insightful analysis on the reports culled from *Euromonitor International's* Business Intelligence Research.

EDITORIAL BOARD

Dir. Senen M. Perlada
Editor-in-Chief

AD Agnes Perpetua R. Legaspi
Managing Editor

Victorino S. Soriano
Associate Editor

Kristina Noelle S. Andaya
Editorial Staff

Louise Kaye G. Mendoza
Layout / Design Artist



Passport is an online market research database used by the world's top investment banks, strategic management consultancies and Fortune 500 companies to understand the global business environment in a time of rapid change and increased globalization.



In the past, you provided EMB with your email address and we have included it in our mailing list. Please note that you will regularly receive this publication. If you wish to unsubscribe, please email us at embpublications@dti.gov.ph with "Unsubscribe" in the "Subject."

EXPORT MARKETING BUREAU
G/F and 2/F DTI International Bldg.
375 Sen. Gil Puyat Avenue
Makati City 1200, Philippines

Tel. No.: (632) 465.3300
Fax No.: (632) 899.0111

<http://www.dti.gov.ph/exports/>
<http://tradelinedphilippines.dti.gov.ph/>



Naturally Healthy Packaged Food in Germany

PROSPECTS

Naturally Healthy Packaged Food Expected to See Considerable Growth

Naturally healthy packaged food includes a wide range of products, and the most important over the forecast period in terms of value sales (with sales of at least EUR100 million) will remain naturally healthy sour milk products, naturally healthy high fiber bread, naturally healthy breakfast cereals, naturally healthy honey, naturally healthy olive oil, naturally healthy nuts, seeds and trail mixes and naturally healthy cereal bars. Except for honey – in which the positive effects will be undermined by the high sugar content – all categories are predicted to see considerable growth in value terms at constant 2017 prices until 2022, which is quite unusual for the normally very mature and saturated German market. The reason for this is that against the background of the health and wellness megatrend, more and more German consumers will understand that naturally healthy products are a good way to “naturally” avoid or treat a wide range of health-related issues.

Germans Increasingly Accept Higher Prices for Naturally Healthy Products

Naturally healthy packaged food shows a rather high correlation with other current trends, especially the rising consumer demand for regional or even local food in Germany. Over the forecast period, trade sources expect that local and all-natural products will continue to be among the most interesting to consumers. Thereby, contrary to the usual comparatively high price-sensitivity of Germans, most are prepared to accept higher prices for naturally healthy products compared with their “regular” counterparts, as they see, especially in regional or local products, the benefit of health promotion, as well as of supporting sustainable development. To a certain degree, this development is of course also an effect of the very favorable economic circumstances in Germany towards the end of the review period, but it should not see a significant threat unless there is another substantial economic crisis; for example, in the context of the European debt crisis or Brexit.

Superfoods See Strong Growth, yet from a Low Base

As mentioned above, at the end of the review period in 2017, naturally healthy packaged food in Germany was dominated by products which have been available for a long time and are associated

with a direct health-related benefit (for example, naturally healthy olive oil, which is beneficial for cardiovascular health, or naturally healthy sour milk products, which are beneficial for digestive health). Nonetheless, the rather “new” naturally healthy superfoods saw quite strong growth rates; albeit from a relatively low base. These superfoods include ingredients such as acai, Tahitian noni, goji berries, cranberries, blueberries and pomegranate, and will increasingly find their way into the ingredients lists of packaged food products in Germany in the coming five years.

COMPETITIVE LANDSCAPE

The Fragmented Competitive Landscape Leads to Opportunities and Challenges

The aforementioned diversity of products in the naturally healthy category means it is unsurprising that the competitive landscape in the category was rather fragmented towards the end of the review period, including in 2017. Indeed, with the category being especially interesting to start-ups, for example, companies with a focus on re-imagined ancient nutritional wisdom, as well as holistic approaches, the degree of fragmentation is expected to intensify over the forecast period. This development offers opportunities and challenges to the companies involved: on the one hand, it is possible to successfully identify and occupy niches, but on the other hand, most players will achieve very limited overall sales, restricting their means to undertake innovation and carry out promotional activities.

The Comparatively Low Importance of Multinationals

In line with the comparatively strong presence of smaller, often local players, is also the noticeable above-average importance of domestic players in naturally healthy packaged food (which in some cases of course also have business interests and engagements which do not stop at the German border). Multinationals are conversely – when compared with packaged food in general – rather under-represented in naturally healthy packaged food. The primary reason for this is that, as described above, the category is rather fragmented, due to the considerable number of diverse products covered. In addition, multinationals often offer a limited number of large key brands which are designed for the mass market, and as such, products with a specific health and wellness focus can fail to sufficiently meet the criteria needed for achieving broad national sales. ■

Check out our previous issue:
Consumer Health in the US