



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

Euromonitor Digest is an online publication of the DTI-EMB, which aims to provide insightful reports culled from *Euromonitor International's* Business Intelligence Research.

EDITORIAL BOARD

Asec. Rosvi Gaetos
Editor-in-chief

AD Agnes Perpetua R. Legaspi
Managing Editor

Victorino S. Soriano
Associate Editor

Kristina Noelle S. Andaya
Editorial Staff / Layout 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 DTI-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) 8465.3300
Fax No.: (632) 8899.0111

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



Photo by Tomás Malik from Pexels

Naturally Healthy Packaged Food in Japan

Greater Health-Consciousness Ensures Growth but Some Consumers Cut Back

Naturally Healthy (NH) packaged food has seen a strong current value increase in 2020, despite a shift by some consumers towards cheaper products due to COVID-19. Some consumers have become more price-conscious due to the economic fallout from the pandemic, and NH products are typically more expensive than regular products. Therefore, some consumers switched to regular products, or within NH packaged food switched to cheaper products such as a private label. Nevertheless, although consumers in Japan were already generally health-conscious, COVID-19 has encouraged more people to take better care of themselves through the food they eat. A balanced diet is believed to be very important for health, thus consumers in Japan are interested in what they eat in terms of which foods they should eat in moderation and which are better for them, including naturally healthy products. Overall, NH packaged food has therefore seen a stronger current value increase than in any other year of the review period in 2020. Honey, in particular, has performed well, seeing a double-digit increase from an already high base. Nevertheless, NH packaged food remains a small category within health and wellness (HW) packaged food.

Consumers Value Protein and Fiber in NH Packaged Food

With a general understanding of what makes people gain weight, many consumers have been reducing the number of carbohydrates in their diet, while products that include protein and fiber have been appreciated more. Thus, NH products with higher protein and fiber content have a strong advantage. A prominent feature of traditional Japanese food, soy, is featured in a wide range of packaged food as a good source of both protein and fiber. Meanwhile, NH nuts, seeds, and trail mixes are also seeing increased usage in packaged food because of their compatibility with the increased interest in protein and fiber. NH high-fiber breakfast cereals have also seen with one of the highest growth rates in 2020.

Nissin Oillio Group Maintains its Lead in a Fragmented Category

Within NH packaged food, NH rice and olive oil are among the most popular products in Japan. Rice is a staple in the country, which explains its strong position, while consumers now use olive oil for cooking many different types of dishes – not just Western cuisines, but also for Japanese dishes. The leading player in NH olive oil, Nissin Oillio Group, is also the leader in overall NH packaged food. Its Bosco brand is widely distributed and benefits from strong marketing support. It also offers a wide range of products and packaging types, including unique plastic bottles with a bag inside to prevent the oxidization of the olive oil, as well as regular glass and

Highlights

- This issue provides insights on the naturally healthy (NH) packaged food in Japan.
- Consumers become more health-conscious due to COVID-19, which increases the growth rate for NH packaged food in 2020.
- NH packaged food is expected to see a current value CAGR of 2% over the forecast period (1% CAGR at constant 2020 prices).

plastic bottles. However, the category remains very fragmented, largely due to the importance of NH rice to category sales. There are no significant players within NH rice, with sales accounted for by a large network of small producers.

RECOVERY AND OPPORTUNITIES

Some Trading Down and Trading Out but Growth is Still Expected

Offsetting some of the current value increase was seen in 2020, NH packaged food is set to see a current value decline in 2021. However, solid growth is expected thereafter in the forecast period. COVID-19 is likely to have a lingering economic impact, which will lead some consumers to save money. Economic concerns will encourage them to shift to cheaper products either within or outside the category. Private label is expected to record an increase thanks to its price advantage, and this will continue over the forecast period. This could be seen in NH olive oil, for instance. If consumers have switched to this type of oil for their health, they are less likely to switch to rapeseed oil, which is a lot cheaper. Instead, they are more likely to shift to cheaper NH olive oils such as a private label. However, in other categories, some consumers may switch back to standard products, while consumers who may previously have considered purchasing naturally healthy products may not do so.

Consumers are Expected to Remain Interested in Products Containing Fiber

Consumers are paying more attention to fiber, although products containing whole wheat, such as bread, are found only in a limited number of shops. Instant noodles made with whole wheat are increasingly being seen in the market, with big players such as Nissin Holdings and private label lines from major convenience store chains 7-Eleven and Lawson offering instant noodles pouches and/or cups with whole wheat noodles for more fiber. Nissin Holdings renewed its noodles brand Rao with newly developed whole wheat noodles (previously used only white wheat) to give more fiber, vitamins, minerals,

and the aromatic flavor of wheat in 2018. Since then, more new product launches from Nissin Holdings have used whole wheat noodles. The use of whole wheat in instant noodles pouches and cups is expected to continue over the forecast period, especially as due to COVID-19 consumers will be more interested in keeping themselves healthy.

Breakfast Cereals Manufacturers Utilize NH Ingredients

NH rice is expected to remain by far the largest category within NH packaged food in the forecast period and will see the strongest current value growth rate. However, NH breakfast cereals are also expected to see a good performance. In the review period, manufacturers targeted health-conscious consumers with new product developments, including naturally healthy offerings. Calbee launched a new cereal series called Granola+, which included an offering containing naturally healthy ingredients such as black beans, soy, almond, and pumpkin seeds.

Meanwhile, Kellogg's All Bran Premium contains wheat bran and Super Barley Max, which is known for its naturally high resistant starch content. These and more such launches are expected to contribute to growth in NH breakfast cereals in the forecast period. ■



Photo by Daria Shevtsova from Pexels

Check out our previous issue:

Health and Wellness in Thailand

