



**Report on the EU Natural and  
Organics Products Show,  
Olympia, London  
9-10 April 2006**



# Pure Earth



## **Introduction:**

Johanson and Associates invited Australian natural product manufacturers to participate in a strategic initiative with the objective of identifying UK and EU interest in Australian natural healthcare products.

The EU/UK natural product initiative focused on one the largest natural product trade shows in the EU – **the Natural Products Europe/ Organics Products Europe 2006**, held in Olympia, London on 9-10 April 2006.

As an integral part of the program, Johanson and Associates agreed to provide participants with an overview report covering the following points.

- Industry opinions and comments on the respective Australian products
- Contact details of those show visitors who expressed interest in the products

## **Methodology**

Johanson and Associates participated in the **Natural and Organics Products Europe** with the objective of investigating opportunities and obtaining industry opinion for Australian program participants' products.

Johanson and Associates took a strategically placed corner stand at the show to display product samples and brochures, and conducted on-site research as well as market research with the objective of gathering market intelligence.

Details of interested parties were recorded to enable the Australian companies represented to follow up potential buyers, distributors or agents with a view to entering the EU market.

## **Research Findings**

The UK spends £3.6 billion per year on natural and organic products with the UK consumer spend on natural and organic products now at a record high. The UK has the 3rd largest organic market in the world, and is the fastest growing organic market in Europe. EU interest in natural health and beauty products is similarly at an all time high. With Australia's clean



green image and stringent regulatory systems for foods and complementary medicines, Australian made products are in a unique position to enter this extensive and growing market.

The **Natural and Organics Products Europe** is regarded as THE launch platform for new products in the industry, bringing together all the key suppliers from the UK and abroad. This year the show celebrated its 10th anniversary and continued to push the barrier for innovation, inspiration and choice.

Independent retailers confirmed that this was their preferred show to find out about the latest products and to decide on product ranges for the year ahead. There has been some uncertainty about the right show to promote Australian made products so the assurance from the retailers was good news. Feedback also confirmed that other shows such as the Brighton Natural Products show is targeted at practitioners and is not regarded as a retail show. The Biofach Show in Germany focuses more on food and ingredients rather than final product, whilst the Vitafoods show in Geneva for nutraceuticals, functional foods and cosmeceuticals is a professional show targeting R&D and latest science.

The Australian pavilion at the **Natural and Organics Products Europe** was welcomed by visitors to the show- not just from the UK and the EU but from many other countries as well. It seems that Australian products are enjoying very positive interest because of what seems to be a universal perception of high quality, innovative and unique formulations and ingredients. There was genuine interest in all natural healthcare products from Australia, confirming that the timing is right for Australian companies to look seriously at the global market.

The set up at this Show was very professional and quick with good support and humour. All packages from Australia freighted by the recommended freight forwarders arrived on time. Some Australian exhibitors who had taken space in other areas of the show were disappointed that they had not joined the Australian Pavilion and have been the first to book their space in the Australian pavilion for 2007.

The Australian Pavilion was situated towards the rear of the exhibition hall and there was a feeling that the visitor interest was not as intense as at the front part of the Hall, although it was also very obvious that much of the interest, particularly in the organic section of the show, was related to the free samples and tastings.

This year we had 6 exhibitors participating in the Australian Pavilion, in addition to Johanson and Associates representing seven other Australian companies. Four additional Australian companies exhibited from other sections of the hall. Those companies who participated physically were very positive about the show and have indicated their interest in participating next year.

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Several companies have expressed their support for Johanson and Associates co-ordinating the Australian Pavilion and indicated their intent to participate next year. Other Australian companies who have participated annually find the **Natural and Organics Products Europe** Show good value, and will continue to exhibit at Olympia, confirming the value of this Show.

Visitors to the show were largely from the retail sector and provided invaluable feedback on the products, formulations and their presentation. There were several marketing options presented that are worthy of further consideration and follow up. Details of these options will be provided to the individual companies concerned.

### **Market Research**

A review of the retail market in England confirmed a focus on antiageing, reducing wrinkles and rehydration. Despite the high interest in Australian natural skincare products, very few products were sourced from Australia. **Debenhams** have a wide range of skincare products with their natural ranges coming either from the UK or from China, and containing a large number of synthetic ingredients. One range from the Middle East was presented with very plain packaging whilst an attractive range from Italy again contained synthetic ingredients.

**Boots** have their own badged extensive Botanic range make in UK, attractively presented but containing synthetic ingredients and offering no choice.

**Holland and Barrett** currently do not have skincare products but expressed interest, particularly in Australian product with no chemical ingredients, and encouraged an approach to their head office.

### **Opportunities**

Overall the natural and botanical skincare and ranges were very limited, offering a significant opportunity for Australian companies.

Other retail chains who are expected to be interested include and would be worth pursuing **Fresh and Wild, Planet Organic and Out of This World.**



## **EU /UK Regulations**

The EU/UK Regulations for Natural Healthcare Products are complex, and for complementary medicines are in a state of flux as the new European Directive is finalised and implemented. This is particularly the case for complementary medicines containing multiple herbs and is very costly and time consuming for product registration.

Products that are registered with the TGA in Australia have a significant advantage as the Australian sponsor will have the necessary information available for the dossier required in the UK/EU. The interest in Australian made product however, is a decided advantage for those who are interested in going down this path.

Although the objective of the EU Directives is to have consistency across the European countries for registration and hopefully mutual recognition whereby registration in one country should ultimately allow that product to be registered and supplied in other EU countries, that is certainly not the current situation and would appear to be some years away. Some countries including Netherlands, the UK and the Scandanavian, and East European countries are less stringent than others in their requirements and administration, allowing easier access to these markets, while others such as France and Germany are recognised as very stringent and more difficult to access.

Some ingredients will require a Certificate confirming EU testing status, particularly for ingredients or additives sourced form dairy or meat, and all companies need to ascertain the status of their products. Regulatory requirements for topical skincare products appear are in general less onerous and should not present difficulties, subject of course to relevant EU testing requirements. Johanson and Associates can provide advice on the requirements and process for any companies who require assistance.

## **Natural and Organic Products Show 2007**

Negotiations with the UK organisers to get a better position for the 2007 Show have already commenced and we are looking at a space closer to the Organic Café in the centre of the Exhibition Hall with the New Zealand pavilion located adjacent and with a badged archway linking the Australian and NZ areas. The Australian and New Zealand pavilions for 2007 will be open plan to give us more room at a better price but also making the Australian delegation more united. The Pavilion will be traditionally themed, with either the Australian flag or a flag with the Australian badging of a big orange kangaroo (very eye catching for those who have not seen it) hanging from the ceiling and with posters and didgeridoos, wattle, organic wine tasting and other uniquely Australian icons.

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