

The Food Supplements Market in Germany

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Germany's consumer health market is enjoying consistent growth thanks to an increasing focus on preventative healthcare and self-medication in German society. More and more Germans are showing increased health awareness and seeking to pursue a more active and healthy lifestyle – a trend that is reflected in the fast-growing food supplements market.

Europe's biggest healthcare market

Europe's most populous country with 83 million inhabitants also represents the largest healthcare market in Europe. Health spending in Germany is growing continuously, exceeding the EUR 400 billion mark in 2019. This trend creates an array of opportunities for international companies operating in the market.

Demand for food supplements is booming as a result of increased health consciousness, a desire for self-improvement and the wish to grow older in a healthy fashion. According to the German Federal Institute for Risk Assessment (BfR), almost one in three Germans currently takes such pills, powder or capsules.

Growing food supplements demand

Total food supplement revenue in the German market grew by five percent to EUR 2.6 billion in 2019. Pharmacies, including brick-and-mortar as well as mail-order pharmacies, constitute the main distribution channel of food supplements. In 2019, more than 84 percent of revenues – equivalent to EUR 2.2 billion – were generated in the pharmacy market.

Many Germans stocked up on different over-the-counter (OTC) products in response to the Covid-19 pandemic, including nutraceuticals associated with a positive effect on the immune defense and for the prevention of diseases. Within the first six months of 2020, food supplement sales by pharmacies increased by almost eight percent to EUR 1.2 billion compared to the same period the previous year.

Food Supplements in Numbers

EUR 2.6 billion

Total sales of food supplements

5.8 percent

Annual revenue growth in the German market between 2017 and 2019

266 million

Total number of packages sold in Germany in 2019

> 84 percent

of revenues generated in pharmacy market in 2019

Total Sales of Food Supplements in EUR billion



Note: Revenues are based on retail prices.
Sources: IQVIA 2020

Vitamins, Minerals, Beauty Care from the Inside

At the start of the Covid-19 pandemic, demand for food supplements strengthening the immune system reached a new high. In the first quarter of 2020, pharmacy sales of pure vitamin C almost doubled, simultaneously revenue of zinc preparations, vitamin C combinations and immune stimulants grew by between 40 to 60 percent compared to the same period in the previous year.

Market diversity creating new products

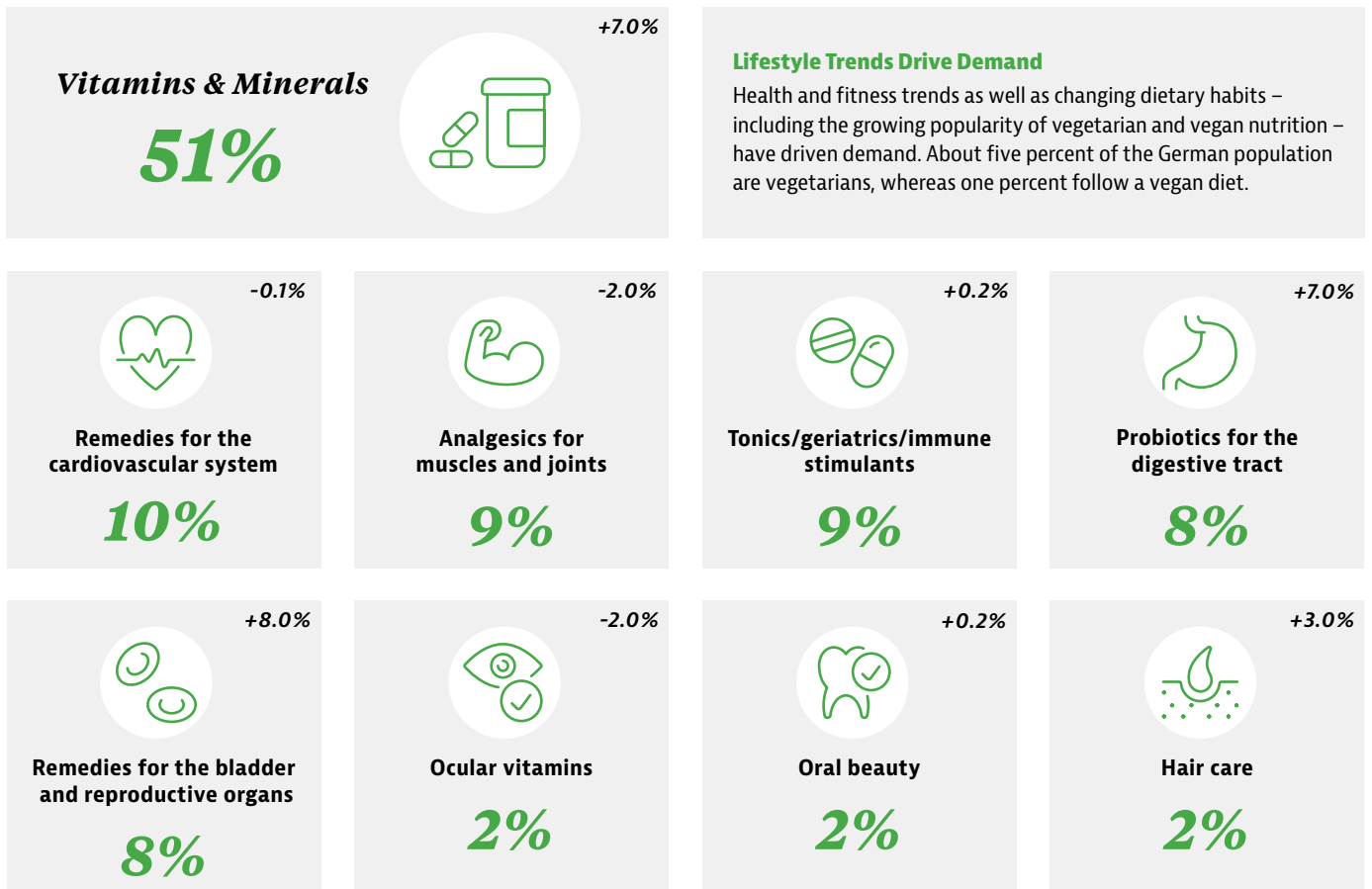
According to the German Federal Office of Consumer Protection and Food Safety (BVL), almost 8,000 new food supplement products were registered in Germany in 2018. Vitamins and minerals represent the highest-revenue product group in the German food supplements market. In 2019, around half of supplement revenues (EUR 1.11 billion) in the pharmacy market were generated in this segment, followed by remedies for the cardiovascular system and analgesics for muscles and joints. During the same period, the product groups recording the

strongest increase in sales - with growth rates of around seven to eight percent - were remedies for the bladder and reproductive organs, vitamins and minerals as well as probiotics for the digestive tract, aiming to build a healthy intestinal flora.

Vitamins and minerals highest OTC revenue growth

Vitamins and mineral nutrients constitute the fourth-largest segment among all major OTC segments in the pharmacy market and demonstrated the highest revenue growth (6.8 percent) in 2019. Sales volume also increased by 3.7 percent during the same period. Of those vitamins and minerals distributed by pharmacies, magnesium preparations represent the largest segment - accounting for almost 19 percent of sale and generating revenue of more than EUR 209 million in 2019. Vitamins and multivitamins are also in great demand. Sales of vitamin A and D, for instance, increased by more than 15 percent in 2019 to EUR 108.4 million.

Segment Revenue Share in the German Pharmacy Market 2019



Probiotics market continuing to grow

Following many years with double-digit growth, sales of probiotics for the digestive tract are still demonstrating attractive growth rates. In 2019, revenues in the pharmacy market rose to EUR 163 million, equivalent to a growth rate of seven percent and a sales volume of six million packages.

OTC self-medication and prescription with high revenues

The dominant share of food supplement sales in the German market can be categorized as self-medication. However, nutraceuticals – like other OTC products – may also be prescribed by doctors. In 2017, approximately one quarter of supplement sales via pharmacies (24 percent of sales volume and 26.9 percent of revenue) originated from medical prescriptions. In terms of leading indication areas, minerals represent the highest revenue products: not only within the food supplements segment but among all OTC products prescribed by doctors. In 2019, mineral nutrients worth EUR 135 million were dispensed to patients on prescription.

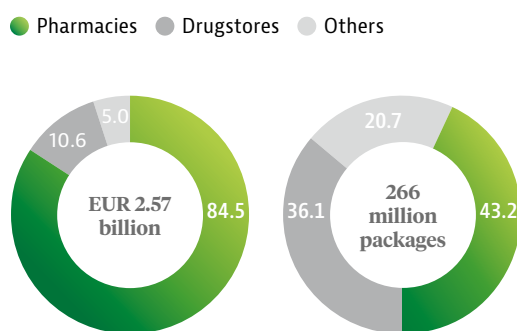
Pharmacies main point of distribution

Pharmacies remain the main distribution channel for food supplements and enjoy a high level of trust among the German population. In 2019, more than 84 percent of overall food supplements revenue and 43.2 percent of sales volume were generated in the pharmacy market. Consumers are also

increasingly buying nutraceuticals online. In 2019, one in five supplements distributed in the pharmacy market were sold by mail order. With a revenue share of 10.6 percent, drugstores represent the most important distribution channel after pharmacies, followed by other mass-market channels including supermarkets.

Pharmacies Remain Top Distribution Channel for Food Supplements

Sales by distribution channel 2019 in percent



Note: Others include sales by discounters, supermarkets and food retailing.
Source: IQVIA 2020

Food Supplement Regulations in Germany

Food supplements are foods intended to supplement the general diet. They may contain a broad spectrum of nutrients or other substances with a specific nutritional or physiological effect. They may be, for instance, vitamins, minerals, trace elements, amino acids, fatty acids, fibre, plants or herbal extracts which are added in concentrated form either individually or as a combination. Food supplements are sold in a dosed form, for instance as tablets, capsules, coated tablets, powders or liquids for intake in small, measured amounts.

Is official authorization required?

Food supplements are covered by the basic provisions of the German Food and Feed Code of Law (LFGB) as well as all other food law legislation of the European Union. Amongst other things, foods must be safe, consumers may

not be misled by the information on the package and disease-related claims are prohibited. However, claims to reduce a risk of disease are possible after they have undergone official examination and been approved.

What kind of registration is needed?

Food supplements are not subject to mandatory approval regulations. Pursuant to the German Food Supplements Regulation (NemV), they must be registered with the Federal Office of Consumer Protection and Food Safety (BVL). Responsibility for the safety of products and compliance with food law provisions lies with manufacturers and distributors. Monitoring of food supplements placed on the market and of manufacturing companies is the task of the food monitoring authorities of the German federal states.

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Contact

Julia Albrecht

Chemicals and Healthcare

julia.albrecht@gtai.com



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Friedrichstraße 60, 10117 Berlin, Germany
T +49 30 200 099 0, invest@gtai.com

Executive Board: Dr. Jürgen Friedrich, Chairman/CEO,
Dr. Robert Hermann, CEO

Editor: William MacDougall, GTAI

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