

**MEDIA RELEASE**

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**NATURAL PRODUCTS INDUSTRY HITS \$1BILLION**

The world's love of New Zealand's natural products has driven the industry to new heights.

A New Zealand Trade and Enterprise study has revealed that the New Zealand natural products industry has exceeded \$1 billion in revenue.

Michelle Palmer, Executive Director of Natural Products New Zealand says that the natural products industry has been the 'quiet achiever' of the New Zealand economy.

"The natural products industry has continued to show significant growth, even throughout the challenging global economic conditions. Companies have continued to innovate and develop new markets through strong research and persistence, making the natural products industry now larger than the biotechnology and organics industries combined," says Mrs Palmer.

Of the total revenue reported by the survey respondents, the industry derives 71% of revenue through exports. Health supplements lead the different types of bioactivities driven by exports (58% of respondents), followed by functional ingredients and functional foods. On average, businesses involved in functional ingredients generate the biggest export revenue.

Australia remains the key export market followed by USA, Japan, United Kingdom, Hong Kong, Singapore and China. Strengthening markets include Taiwan, South Korea, Malaysia and Thailand.

In the domestic market, businesses involved in supplements and cosmeceuticals – both finished product and ingredients - generate the biggest revenue. New Zealand cosmeceuticals are also increasing in popularity with international markets which is reflected in export revenue streams.

"There are many uniquely New Zealand ingredients with recognised health benefits that are highly prized by overseas markets due to our reputation for quality, efficacy and safety. With the imminent introduction of a New Zealand regulatory system, natural products companies will be able to more effectively market to countries that have a high level of regulation," says Mrs Palmer.



Of those companies surveyed, the biggest barrier to growth is working with overseas regulatory systems, followed by access to distribution channels.

NZTE Director Strategic Initiatives, Chris Boalch says the study has highlighted the significance of the natural products industry to the New Zealand economy.

“A major revenue milestone has been reached for a key high growth sector that puts the natural products industry on an earnings par with the New Zealand viticulture industry. The growth in export performance across the natural products industry over the last three years has been very impressive and with the ongoing development of new opportunities this looks set to continue,” says Dr Boalch.

The natural products industry is made up of mainly small to medium sized companies, over half of which are less than 12 years old, employing 10 people or less and averaging revenues of \$1 million or more. At the other end of the spectrum there are around 13 companies employing at least 50 people and generating revenues of over \$25m.

NZTE’s survey of natural products companies includes those companies involved with a nutritional ingredient, food or end product derived from natural sources that are thought to have human health benefits and is available without prescription.

***Note to editor:***

***Functional foods*** are foods that have the potential to have physiological benefits and/or reduce the risk of chronic disease beyond basic nutritional functions

***Functional ingredients*** are bioactive ingredients in functional foods typically sold to food and/or supplement companies rather than direct to consumers

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*Note: Natural Products New Zealand (NPNZ) represents over 80% of the Natural Products industry*

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