

## European omega-3 market to grow by 24 per cent: analyst

28/07/2008- **The European market for omega-3 fatty acids is expected to grow by about 24 per cent, according to an analyst briefing from Frost & Sullivan.**

According to analyst Chandrasekhar Shankaar the European market was valued at USD\$ 296 million (€187.8 million) in 2007, and is expected to be worth USD\$ 1.3 billion (€0.82 billion) by 2014, equivalent to a compound annual growth rate (CAGR) of 23.6 per cent.

Cardiovascular health continues to dominate the market, with 80 per cent of all omega-3 fatty acids currently targeted towards heart health.

Other health benefits associated with omega-3 consumption include inflammation, joint and bone health, menopause, aging and obesity.

The major challenge to the industry will come from regulations, said Dr Chandrasekhar, which can be divided into three areas: hygiene regulations, health claim regulations, and the lack of acceptable consumption levels for docosahexaenoic acid (DHA) eicosapentaenoic acid (EPA).

### Fish dominate

Marine sources are the main sources for the oils, said Dr Chandrasekhar, with 78 per cent coming from marine sources. Thirteen per cent is sourced from flaxseed, while algae provide only three per cent, he added.

However, upcoming sources to look out for included krill oil, seal oil, and shark liver oil, he said.

Only three per cent of the omega-3 and omega-6 produced is used for human consumption, and dietary supplements are the vehicle of choice in Europe, he said. Indeed, 78 per cent of the oils are used in dietary supplements, with 13 per cent being used in functional foods, and nine per cent finding use in "other" applications.

*"Functional foods and beverages represent the fastest growing application section within the omega-3 and omega-6 PUFA ingredients market,"* said the analyst.

*"By the end of the forecast period [2014] we do anticipate that functional beverages will have a much larger share in the omega-market, and they will be more or less equal to the dietary supplements market, if not more,"* he added.

### Market breakdown

Dr Chandrasekhar explained that 70 per cent of the omega-3 and omega-6 market in Europe is dominated by six companies: Pronova, Epax, ONC, Denomega, Croda, and DSM.

Indeed, Epax received a special mention by the analyst as a company that spans three of the four industry sections: raw materials suppliers, contract manufacturers, and omega-3 and 6 suppliers. The Norwegian company is not active as a customer/ end user of the oils, he said.

### End products

There were 723 omega-3 containing products launched in Europe in 2008 compared with 541 in the US according to market researcher, Mintel. In 2006 there were 562 launches in Europe and 584 in the US.