

Functional Beverages Global Scenario

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Delhi, 12 April 2013

Functional Beverages - Global Scenario

- **What are functional beverages?**
- **Market developments**
- **Safety of functional ingredients**
- **Efficacy of functional ingredients**

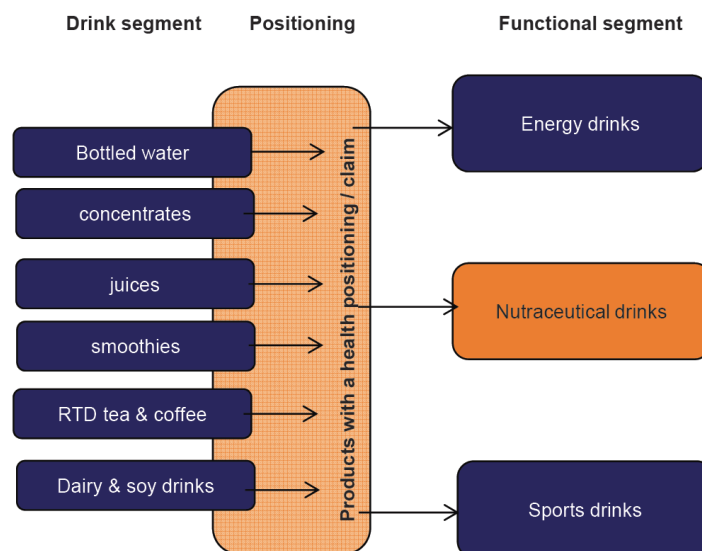
Functional foods (and beverages)

- Functional foods do *not* exist as a regulatory concept in most countries worldwide
- Most jurisdictions approach these products from a **safety perspective** (type, quantity and combination of ingredients) and a **health / efficacy perspective** (dose-response and beneficial health effects) with a varying degree of readiness to accept risks
- Good working definition from FUFOSE project (safety is a prerequisite):
 - a food that beneficially affects one or more target functions in the body beyond adequate nutritional effects in a way that is relevant to either an improved state of health and well-being and/or reduction of risk of disease;
 - not a pill, a capsule or any form of dietary supplement;
 - consumed as part of a normal food pattern.

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Functional drinks cover different types of soft drinks

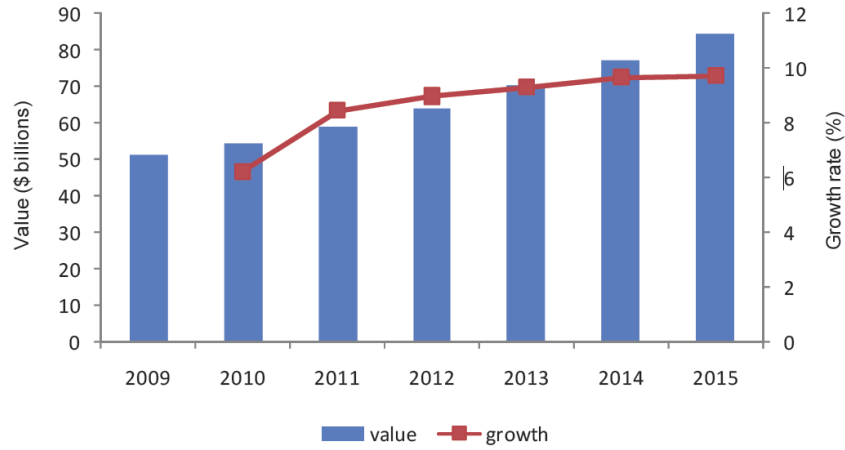


Source: Business Insights

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Global functional drinks market value (\$bn), 2009–2015

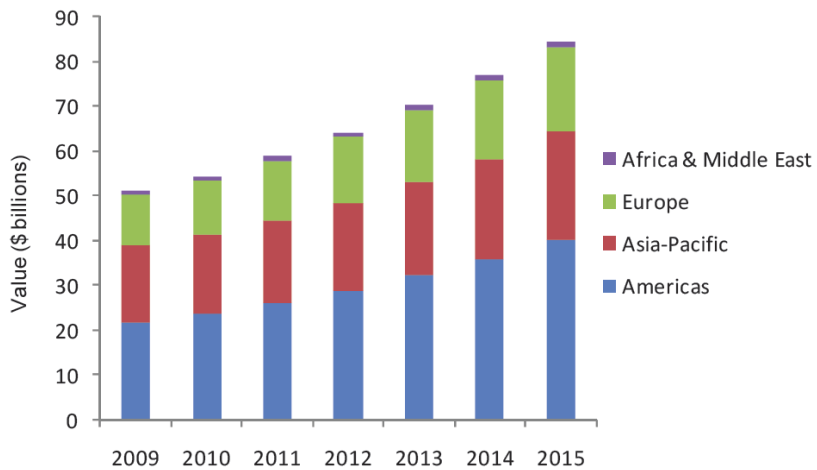


Source: Business Insights

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Global functional drinks value by region (\$bn), 2009–2015



Source: Business Insights

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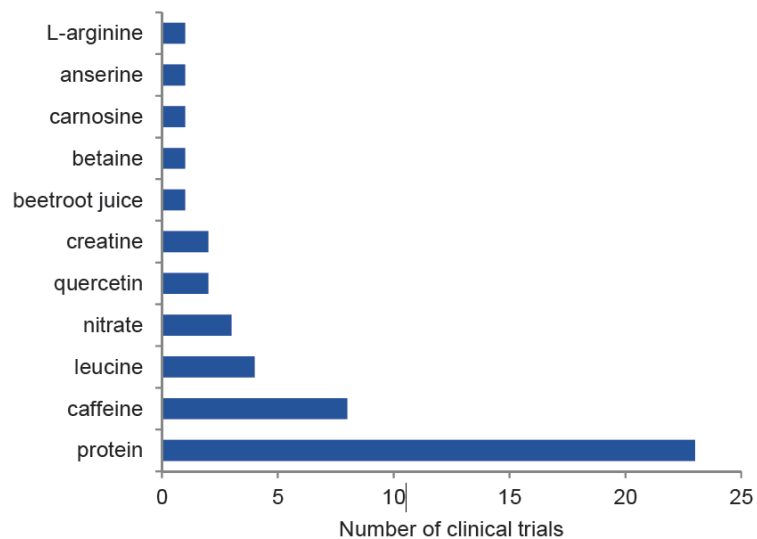
Main developments in Sports Drinks

- Water, carbs and electrolytes still the main components
- Naturalness → here comes coconut water...
- Vitamins and proteins (whey, soy, casein, a.o.)
- Also naturalness and low/no-calorie are important
- Innovation mainly in amino acids, antioxidants and protein
- Still good growth, SD market is more than twice the volume of ED market

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Number of clinical trials by sports drink ingredient, 2008–11



Source: The Cochrane Library and Business Insights analysis

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Main developments in *Energy Drinks*

- **Increasing number of low/no sugar options**
- **Line extensions with new and exotic flavours**
- **Convenience and naturalness becoming more relevant**
- **Dairy and energy – flash in the pan or emerging trend?**
- **Anti-energy → relaxation**
- **Limited innovation in packaging**
- **Continuous healthy growth**

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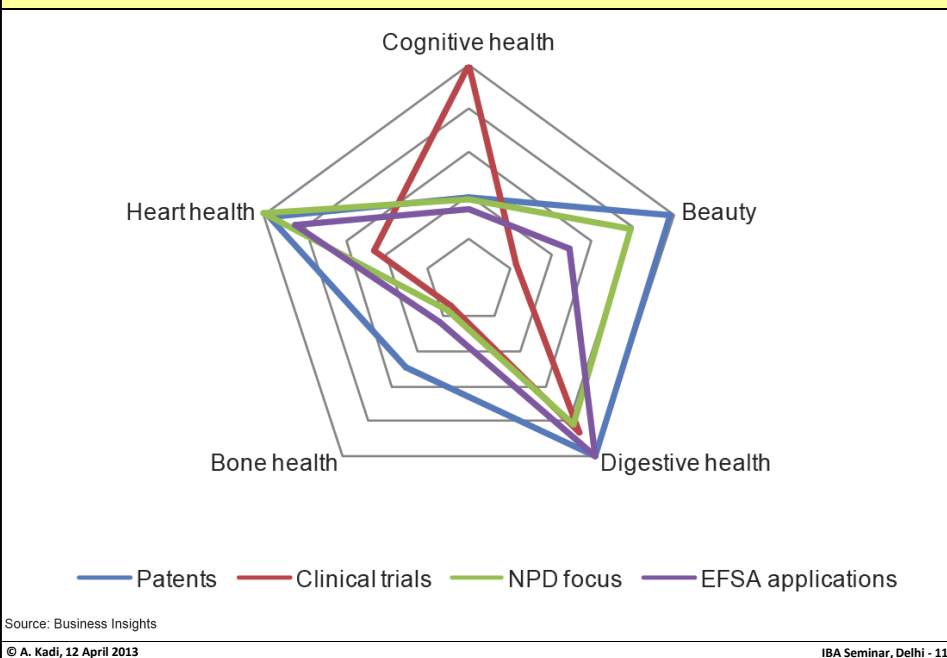
Developments in *Nutraceutical Drinks*

- **Cognitive health and digestive health are the #1 areas**
- **Other areas: skin & beauty, weight management, heart health, bones & joints, reproductive health, dental health, eyes & vision**
- **For all functional beverages the European activities regarding health claims have a major impact**

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Area focus by NPD, clinical trials, patent activity, and EFSA applications



Claims Regulation (EU) No 1924/2006 - Scope

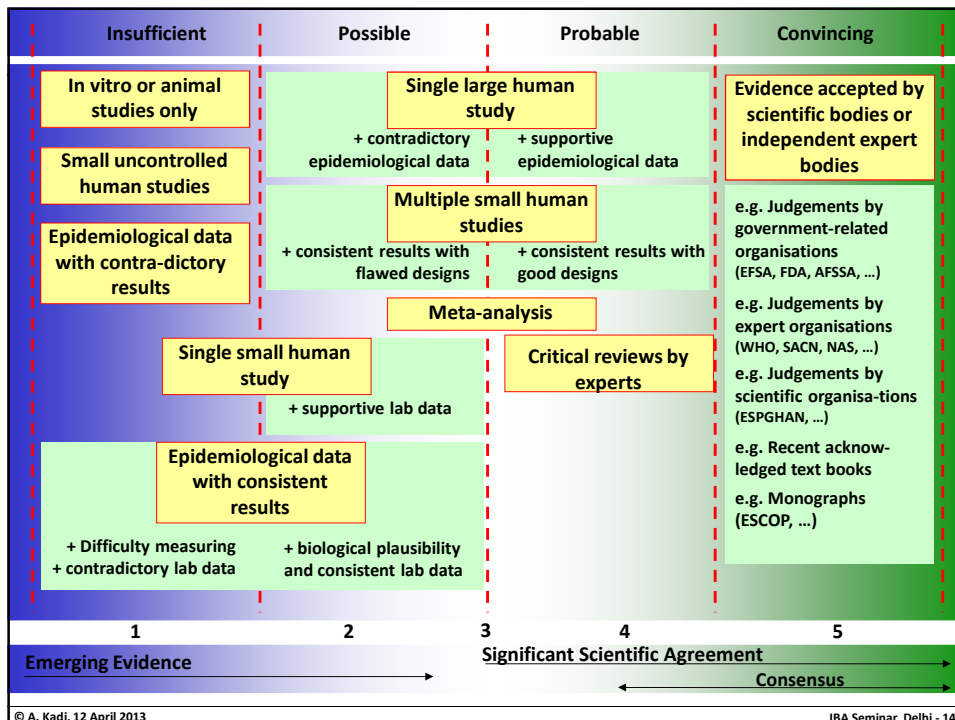
- Includes trademarks, brand names and fancy names
- Includes non-prepackaged foodstuffs but with exemptions for additional labelling
- Broad scope includes any commercial communication incl. websites, POS material, brochures etc.

Article 13 List published in Regulation 432/2012

COMMISSION REGULATION (EU) No 432/2012
of 16 May 2012

establishing a list of permitted health claims made on foods, other than those referring to the reduction of disease risk and to children's development and health

- List with 222 permitted health claims (the process started with more than 4600)
- approx. 90% were *not* approved
- Most claims related to vitamins and minerals
- EFSA applies gold standard to scientific substantiation
- Still several claims on hold, for ex. for botanicals and plant extracts



Experience with claims approvals

	Art. 13(1)	Art. 13(5)	Art. 14(1)(a)	Art. 14(1)(b)
Authorised	222	1	9	11
Non-Authorised	1719	26	15	36
Success rate	11%	4%	38%	23%

Source: EU Register on nutrition and health claims, last update 25/07/2012

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Challenges ahead

- **The road to innovation is paved with regulatory hurdles**
- **Substantiation of ingredient safety and health claims requires more and more resources**
- **Global legal framework is *slowly* harmonising but at a challenging level**

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