
THE FOOD SUPPLEMENTS MARKET IS EVOLVING: WHAT ARE THE ISSUES IN ROMANIA?

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Abstract

Scientific studies link the consumption of food supplements with health aspects, physical activities, and affective state, but also with the aging process, too. For these reasons, their consumption accelerated more and more over the years and, their specific market is in need of well-established regulations involving: the production process (the good manufacturing practices); market access and placing (the notification as a pre-required); the assurance of quality (accountability by manufactures); the statement of safety (specific labelling) and marketing (the adequate information for consumers).

The present paper aims to identify and analyse the challenges that the food supplements market faces, having as a case study Romania, in the context of an increasing criticism of the consumers' organizations. On the other hand, food supplements' providers highlight the need of enlarging the consumers' awareness regarding this topic.

The EU legal framework imposes a harmonization requirement of the national legislation on this subject, but this action is difficult and involves long-term processes. Also, the number of cases of non-compliance with the legislation is increasing, which raises question marks on consumer's safety.

In this context, what are the main issues for that characterize the food supplements market in Romania and is there a trend in the evolutionary process of the food supplements' regulation?

Keywords

food supplements, harmonization of regulation, Romanian food supplements market, consumer's safety

JEL Classification

I12, L66, P46

Introduction

Human nutrition history reveals that diets have been closely linked to health protection. Balanced eating patterns are based on the consumption of foods that provide a significant intake of valuable nutrients. Therefore, a balanced diet can provide, under normal circumstances, all the necessary nutrients for a normal body functioning and can ensure a healthy lifestyle, but this ideal balance is not accessible for all social categories.

The report of Food Supplements Europe, an international non-profit organization, states there is scientific evidence proving that the use of food supplements does not only prevent nutrient deficiencies but can also lead to significant savings in health expenditures through a reduced risk of chronic diseases occurrence. (Food Supplements Europe, 2019).

Taking into consideration the general theoretical, scientific, legislative and operational framework regarding the issue of food supplements, the paper studies the premises that have contributed to the increase of food supplements consumption in Romania, for achieving good individual and public health.

In the European Union, developing a unitary legislation in the field of food supplements became a necessity that was determined by the rapid development of imports, production and commercialization of these products.

Thus, the compliance of food supplements with market regulatory requirements is an essential condition for consumer safety, under the rule of the regulatory challenges.

Premises for increasing the consumption of food supplements - A literature review

Many of the scientific and regulatory challenges that exist in research on the safety, quality and efficacy of dietary supplements are common to all countries as the marketplace for them becomes increasingly global (Dwyer, Coates and Smith, 2018).

Consumers choose nutritional supplements according to the body's needs or individual desires; therefore, supplement manufacturers have followed the consumers' requirements by producing various assortments, customized as much as possible for each category of consumers. Dietary supplements use is now a form of food behaviour, and consumers, manufacturers, and regulatory officers have to consider and evaluate their safety, efficacy, and quality (Féart, 2020). In this sense, ensuring food security within the European Union represents a cross-border issue, the single market requiring the development of the most important food quality and safety standards, at European level (Dinu, 2018).

In terms of composition, two main types of food supplements can be distinguished, according to the EU legislation: supplements containing vitamins and/or minerals and supplements containing other substances with a nutritional or physiological effect (amino acids, enzymes, essential fatty acids, pre and probiotics, botanical and herbal extracts, other active substances: Q10 coenzyme, lycopene, inositol) (MAPDR, 2005a; MAPDR 2005b; MSP, 2007).

Food supplements are designed for oral consumption (administration) by healthy people who require a higher exogenously intake due to specific nutritional requirements related to the physiological condition, such as pregnancy, lactation, age period, intense physical activities – the specific cases of athletes, physical effort-based professions etc.

Depending on the age of the consumers, food supplements aim to satisfy the necessities of *infants, children, adolescents, adults and elders*. The products required by infants consist mainly of powder milk formulas, necessary for the growth and development of babies (Ardeleanu, 2013). Other supplements administered to infants are vitamin D, iron, calcium and magnesium.

Children are administered, by doctor recommendation or parent initiative, nutritional supplements in the form of vitamins, multivitamins, calcium, fish oil or other supplements to increase immunity and probiotics.

Food supplements that targeted adolescents are those that improve memory, increase immunity and increasing concentration capacity. On the other hand, adults use nutritional

supplements for multiple purposes, depending on body needs or individual desires. The most popular are supplements that help to detoxify the body, that help to control body weight, that maintain a metabolic balance and are digestive adjuvants. Other supplements consumed by adults in particular are the ones used to control cholesterol levels and stress or energizers.

Elders are recommended especially cardiovascular nutritional supplements, which help controlling blood pressure and cholesterol, but also bone and joint health.

A separate category for which nutritional supplements are produced with a special destination is represented by athletes. They consist a reliable and regular demand for supplements, the overall aim being to increase at a maximum point the effects of exercise (Mănescu, 2010).

Summarizing, the consumption of food supplements is customized, based on its frequency and depending on personal needs. So, consumers can use nutritional supplements regularly, occasionally, regularly during competition periods (for athletes) or rarely.

The Romanian consumer of nutritional supplements can be any person, regardless of age, passing throughout periods of intense activity or wanting to prevent certain deficiencies of nutrients. The Romanian consumer can also expect to strengthen his immune system or aims to eliminate body toxins. Nevertheless, convalescence periods or the reducing of aging effects are on the reason list for which Romanian consumers take supplements

Regarding the timeframes for food supplements consumption, they differ according to the consumer group characteristics, but also from an individual to another. For example, in the cold season, the demand for vitamin C supplements is higher than usual, the supplements being consumed by all age groups and being purchased often on consumer's own initiative.

Romanian producers have diversified the range of food supplements in order to:

- cover the specific needs of children, young people, adults and elders,
- sustain the intensity of physical effort for the adult population during the working hours in various daily activities, cultural and sports activities and also recreation activities,
- offset the trend of reduced physical effort in terms of increasing neuropsychiatric demands, as a modern life condition,
- satisfy the nutritional needs for women in pregnancy period,
- prevent the occurrence of diseases caused by food imbalances.

The offer of food supplements on the Romanian market is much higher now compared to previous years, recording a boom, as of the consumer demand and also because of the high interest that various companies have for a sector with great development potential.

Analysis of the compliance of food supplements with market regulation requirements

Romania has transposed in its national legislation the specific European regulations. Thus, at a national level, Order no. 1069/2007 *for the approval of the Norms on food supplements* creates the legal framework necessary for the application of the European Commission Directive no. 46/2002 on food supplements and Directive no. 37/2006 amending Annex no. 2 to Directive 46/2002 on the inclusion of certain substances.

The notification of food supplements is a mandatory condition for placing these products on the market, which aims to ensure public health protection and commercialization of products that meet the quality statement and safety requirements. The notification is made via the *Romanian Health Ministry* for food supplements containing only vitamins and minerals and for those containing other substances with a nutritional or physiological effect the notification is made at the *Institute for Food Bioresources*, organism within the Ministry of Agriculture and Rural Development or at the Regional Centres of the *National Institute of Public Health*. In Romania, there are over 140 producers on the food supplement market and they must apply the procedures on Good Production of Food Supplements and/or Medicines (GMP) and HACCP procedures (Hazard Analysis of Critical Control Points).

Regarding the labeling of food supplements, the labelling process must comply with the codes of good practice in the labeling and advertising of food supplements and must be performed in accordance with the provisions of Government Decision no. 106/2002 on food labeling and Regulation (EU) no. 1169/2011 on the provision of food information to consumers.

The labeling, presentation and marketing actions must not assign to food supplements the property of preventing, treating or curing a human disease, not even referring to such properties. Also, these actions must not include direct statements or suggest that a varied and balanced diet cannot provide an adequate amount of nutrients.

Furthermore, the advertising of food supplements is allowed only after an approval of the content of the advertising material by the Ministry of Health and cannot refer to treatments, prevention or diseases. Food supplements are administered to maintain health, to promote the growth and development of the human body. Labelling must also comply with the provisions of the European regulations on health and nutrition listed in Regulation (EC) 1924/2006, Regulation (EC) 432/2012 and Regulation (EC) 563/2013, their use being permitted for commercial communications scopes, for consumers.

Since 2011, the Romanian Board of Food Supplements Industry (Patronatul Român al Industriei Suplimentelor Alimentare - PRISA) has been operating as a partner for public institutions and as a member of international organizations: Food Supplements Europe (FSE), International Alliance of Dietary/Food Supplement Association (IADSA). The Code of Ethics and the Code of Good Practice in labeling and advertising of food supplements, developed by PRISA, aim to increase transparency of the national market.

Although there is a legal framework at both national and European level, there is a need for a better control over the composition, quality and safety of food supplements, as countries face difficulties in establishing maximum doses of vitamins and minerals or harmonizing the list of botanicals, the ingredients that they contain, but also the mutual recognition of food supplements in Romania as a member of the European Union (PRISA, 2019). Data on food supplements use in Europe is still limited, the main data being available from commercial market analysis rather than consumer surveys (Kołodziej et al., 2019).

According to the Romanian Association of Manufacturers of Over-the-Counter Medicines, food supplements and medical devices (Asociației Române a Producătorilor de medicamente fără prescripție, suplimente alimentare și dispozitive medicale - RASCI), the Romanian over the counter product market, which includes over-the-counter medicines, food supplements and personal care medical devices, has recorded an increase of 14.4% in 2018. The growth for 2018 was slightly lower, compared to 2017, when the increase was 18.8%. The total value of this market segment was 3.552 billion lei in 2018, increasing from 3.104 billion lei in 2017 and reaching 4.03 billion lei in 2019. For the year of 2019, sales increased by 14.1% compared to 2018. Thus, the Romanian food supplements market, as part of the over the counter product market registered a value of 315 million euros in 2017, having an average growth of approximately 15% in the period 2014-2017, the highest growth taking place in 2017 (22.5%), with an upward trend in 2018-2019.

Despite the market growth, consumption per capita in Romania is lower compared to other European countries. In 2016, this indicator reached 13.07 euro per capita, a much lower than Italy (58.3 euro per capita), France (26.5 euro per capita) or Austria (25.7 euro per capita). In 2017, the value of consumption per capita in Romania increased to 17.5 euro (Popescu, 2019). The growth of food supplements market in Romania was driven by the following factors:

- the increasing concern of Romanians for a healthy lifestyle and the increase registered in education and informing consumers about the benefits of consuming food supplements;
- intense promotion, sometimes even aggressive, but in an honest and fair way that doesn't mislead consumers perception on this type of products;
- innovation enhancement in every market segment: innovations in recent decades have changed the way consumers view food supplements. Change is driven by fast and ever

accelerating advances in science and technology (Tăchiciu, 2019), making possible the emergence of innovative products for niche consumers.

Regarding the food supplement producers, an accurate quality control of their developing process and the resulted food products should represent one of the main rule in order to gain the confidence of customers, who, by choosing a reliable food supplement, will in turn support the manufacturers (Féart, 2020).

However, the rising of incidence of food supplements non-conformities and the level of food supplements non-compliance with legal requirements, especially mislabelling, represent a concern within the European market (Kowalska, Bieniek and Manning, 2019).

According to the European Commission (2018), the number of suspected violations relating to dietetic foods, food supplements and fortified foods reported by Food Fraud and Administrative Assistance (FFAA) increased in the European Union, between 2016-2018 by 8.5 times, from 26 to 221 cases and the main suspicions involve: mislabelling (58%), replacement/dilution/addition/removal in product (19%), absent/falsified documentation (12%), unapproved treatment and/or process (8%), intellectual property rights (4%).

In Romania, by centralizing and analysing the data published by the Ministry of Health in 2017, 2018 and 2019 it can be seen that the number of controls increased significantly and the following non-conformities were uncovered (Ministry of Health, 2017, 2018, 2019):

1. failure in notifying the competent authorities, as supplements are placed on the market without being notified (protein bars, various drinks with added vitamins and minerals);
2. improper labelling (lack of translation into Romanian; labels with statements referring to prevention, treatment or curing properties of certain diseases; labels with the use of allegations such as: anti-inflammatory or antiseptic, referring to the property of preventing a diseases; nutrition claims not specifying the sugar content, discrepancies between the notification data and those on the label);
3. marketing of food supplements without specifying the term "food supplement" on the label and the fact that they must not replace a balanced diet;
4. non-compliance with the conditions regarding the use of nutritional claims according to Regulation no. 1924/2006, for example: "rich in vitamin B1, chromium and selenium", not specifying the amounts of micronutrients or the mention "source of vitamin A", without specifying the amount of vitamin A contained;
5. improper use of the health claims on the label, in accordance with Regulation no. 1924/2006, for example: "linoleic acid contributes to maintaining normal blood cholesterol levels", not specifying the amount of alpha-linoleic acid in the product;
6. non-compliance with the legal requirements regarding commercialization of these food products (inadequate hygienic-sanitary conditions, inadequate storage, non-performance of the courses regarding basic notions for hygiene a by the persons handling the food supplements or not taking the mandatory medical examinations).

Results and discussions

Food supplements market analysis reveals several important **factors** which determined its evolution. Although the phenomenon is global, this analysis focuses primarily on the characteristics of the Romanian market, as a European Union member state:

- **An ageing population.** Romania is facing complex economic and social consequences of a population that is slowly but continuously demographically aging, caused mainly by the decrease of birth rate. In parallel, the increase of life expectancy determined a growth in number and share of elderly population (65 years and over).

- **Raising consumer awareness on medical preventive care.** At a governmental and nongovernmental level and also in mass-media there is an increasingly interest regarding preventive healthcare. Romanians consume food supplements, but without understanding the role of preventive economy, due to the lower levels of income.

• **The emergence of self-medication or self-directed consumer.** Consumers are interested in identifying their health needs and seek information on alternative channels (television, radio, internet, press). Currently, many consumers use online environments for health information that help them self-diagnose. Most often administered supplements, without an advised medical recommendation, are food supplements.

• **The offer of food supplements characterized by accessibility and high availability for any consumer category,** with a large number of domestic manufacturers and also importers. Realizing the market's development potential, many pharmaceutical companies have created new ranges of products registered as food supplements.

• **New sale channels** - food supplements are sold both through controlled channels (pharmacies, specialty stores) and non-supervised channels (internet, offices, therapists, newspapers, product presentations in a small circle, individual distributors, fitness coaches) to reach a broad and diverse consumer segment.

• **The transition from advertisements focused on ingredients** (e.g. omega-3 for heart health, lutein for improving eyesight) **to brand positioned messages.** To avoid difficulties in product differentiation, marketing specialists have begun to personalize messages, focusing on total benefits, to encourage the use of a wider range of products (Teichner and Lesko, 2013).

Following the theoretical and empirical research carried out, the following features of the food supplements market in Romania can be outlined:

1. quasi-regulated - the need of a single regulatory authority been highlighted, but also the need for a clearer, more transparent and predictable trend in the legislative framework, including in the segment of advertising;
2. emerging - with a growing consumption per capita, that is currently lower than other European countries;
3. fragmented - with many participants and relatively easy market penetration;
4. innovative - with new products that promote attributes, but especially benefits;
5. tempting for fraudulent practice - the need to intensify controls and preventive measures.

Conclusions

The consumption of food supplements can become an important part of a healthy lifestyle, which includes a balance diet and daily physical exercises. In order to provide potential health benefits, food supplements must be supervised through the common efforts of food products and food industry's quality control organizations, in order to commercialize only those products that have a scientific back-up regarding the proof of their nutritional value.

The development of food supplements' market in Romania faces a number of main challenges, including:

• **Social challenges** - involving the change of consumer's mentality and behaviour, as a long-term process, that requires education for a responsible consumption process;

• **Technical challenges** - regarding the production and commercialization processes which involves costs optimization strategies reported to quality levels; the production process must be based on food production good practices and an efficient control of the process;

• **Ethical challenges** – involving corporations' social responsibility, compliance with the commercial communication rules, with the Code of Business Ethics and the Code of good labelling and advertising practice for food supplements.

The dynamics of food supplements market in Romania is determined on one hand by the producers' ability to supply products that provide benefits which can be easily promoted and, on the other hand, by the variance of requirements, which are customized for each category of consumers. Food supplements regulations are evolving and have to take into account new

challenges, but the certification of the composition, quality and safety of food supplements must become a priority for all market players, so as to ensure high consumer protection.

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