

AGRI - PROCESSING

Natural Products Industry

The Natural products sector, ranges from natural extracts and essential oil production to natural cosmetics, perfume and personal care, indigenous foods using indigenous botanicals, thatching reed, and even woodturning using indigenous woods.

A study by global consulting and research firm Kline & Company suggests a growing number of consumers are choosing to pay a premium for products that they “perceive to be natural”. In addition, according to Kline, the “natural” trend is the most important trend in the personal care industry. In 2018, Kline reported that the growth of the natural personal care market in the U.S. has recorded its strongest growth in the last five years. The trend-driven natural and organic personal care industry is projected to be worth \$25.1 million in 2025, according to a report by Grand View Research in 2019. The global cannabis industry is of interest in terms of pharmaceutical and cosmetic applications



There is already a base of companies already active in the natural and indigenous products sector in the Western Cape, sourcing inputs both within the province and more widely. It has been found that over 130 companies were identified that are active in the natural products industry in South Africa.

Many of the natural products sub-sectors are also experiencing significant growth rates. For example, natural cosmetics are growing faster than the overall market in key geographies such as the EU, and both US and Brazilian markets experiencing double digit growth. There is a growing interest in natural plant-based remedies as a source for commercial products. This demand is supported by long-term market trends, including preference for natural and organic, fair trade, social and environmental responsibility, health and wellness, concerns about chemical ingredients, and interest in variety and new ingredients.

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