Country: Canada - Natural Health Products

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Summary

Following years of strong growth in demand throughout the 1990's and early 2000's, the Canadian market for natural health products (NHPs) has continued to grow at the respectable rate of seven percent in 2008. This trend is expected to continue over the next two years at a rate of five percent. A recent survey conducted for Health Canada concluded that the majority of Canadians see growth in their use of natural health products in the coming years. The NHP market encompasses vitamins and minerals, herbal remedies, homeopathic medicines, probiotics, traditional medicines such as traditional Chinese medicines, and other products like amino acids and essential fatty acids.

U.S. exports are estimated to make up more than 50 percent of Canada's imports of vitamins and derivatives, by far the most popular and largest category of NHPs, accounting for about one third of market demand. Local production levels have been relatively stagnant over the past five years resulting from industry consolidation, acquisitions and transfer of production facilities to other countries and perhaps the significant strengthening of the Canadian currency since 2004.

The steady growth of the Canadian economy, increasing health consciousness among members of an aging population, as well as expanding acceptance of NHPs will continue to drive growing demand in Canada over the next three to five years. Canadians remain very receptive to well-designed, well-presented, high-quality NHPs. Canadian consumers' demand for NHPs constitutes a market that should continue to offer many business opportunities for U.S. suppliers.

Market Demand

The NHP industry is now serving a fast moving and highly competitive market in the developed world, including Canada. The use of vitamins, minerals, supplements, as well as probiotics and herbal remedies in Canada has increased significantly during the past two decades. These products remain very popular in 2008. Four Canadians out of five have used NHPs and a majority of them foresee an increase in consumption of NHPs in the coming years.

The Canadian market for NHPs, as defined in this report, should reach the wholesale value of US$1.3 billion in 2008. However, in evaluating this market it is important to focus on the shifts occurring in consumers' preferences, the competition between sales channels and also the important regional and geographic differences in the Canadian NHP market.

Concerning sales channels, most recent figures available indicate that health food retailers and food chains incorporating a pharmacy department, like Loblaw Companies Limited, now lead the way by fulfilling 37 percent of retail market demand while other retailers including chain and independent pharmacy stores meet 33 percent of the demand. Direct sales including online and consumers clubs, like Quixstar/Nutrilite, and some practitioners account for 20 percent. Traditional Herbal & Chinese Medicine retailers primarily located in large cities like Toronto, Montreal and Vancouver account for almost 10 percent of retail sales in Canada.

Industry sources have indicated that purchases of natural health products in pharmacies are much more significant in the Eastern regions of Canada while health food stores dominate in the Western parts of the country. This means consumers in British Columbia and Alberta shop for their NHPs at health food stores, while drug stores are clearly the favorite sources of supplies for Canadians living in Ontario, Quebec and the Atlantic provinces.

Canadian sales of NHPs, by category, indicate that multi-ingredient products are the most popular claiming close to 30 percent of the market. The next two most important categories, in terms of sales, are single vitamins & minerals and herbal medicines with close to a 20 percent share each. Accounting for five percent or less of Canadian sales of NHPs are homeopathic products, other extracts and isolates, fatty acid supplements, probiotics, amino acid supplements and synthetic duplicates.

Self-care trend

Canadians now place greater emphasis on preventative measures as they become more inclined to take control of their own health. Through better access to information, Canadians are becoming more comfortable with evaluating their own conditions and seeking appropriate remedies for specific ailments.

Middle-aged Canadians make up the bulk of the Canadian population and constitute the most health-conscious group. They tend to be the most avid users of NHPs. As the proportion of elderly Canadians continues to increase with those over the age of 65 already making up 14 percent of the population and as the baby boom generation (those born between 1946 and 1964) gets older, the demand for natural health products should spread to the senior age groups. It is reasonable to believe that a good number of these Canadians will turn to NHPs to maintain a healthy lifestyle in the coming years. Potential for strong growth in demand therefore currently exists for NHPs among all age groups of the Canadian population in the foreseeable future.

Residents of Ontario and the Western provinces seem to be more self-care prone and spend a significantly higher amount on NHPs than those living in Quebec and the Atlantic provinces. One key reason for this is that the residents of Ontario and Western provinces, particularly B.C. and Alberta are more affluent than the residents of Quebec and Atlantic provinces. The issue of cost and affordability in marketing NHPs is of significant importance because Canadians are used to being reimbursed by provincial medical public plans, as well as third party insurers for conventional remedies prescribed by their physician. These plans do not cover the purchase of NHPs, even when prescribed.

Both, consumers and the industry, welcomed Canada's new regulations in 2004. Industry's perspective on the regulations is that they should contribute to increased visibility, more credibility and therefore greater demand in the coming years. Currently, however, it remains difficult to measure the results of the 2004 regulations. Nonetheless, NHPs are generally accepted and more discussed today.

Canadians using NHPs are traditionally oriented to self-caring rather than to consult with alternative medicine practitioners. However, this trend is currently moving towards alternative medicine practitioners including massage therapists, acupuncturists, chiropractors, homeopaths, naturopaths, herbalists and others. These practitioners are often prescribing the use of NHPs. They represent an increasingly important component in the promotion and sale of NHPs in Canada. The proportion of the population consulting alternative medicine practitioners could be as high as ten percent and certainly exceeding that percentage in certain parts of the country, like in the province of British Columbia.

Another indicator of widespread and nationwide acceptance of NHPs by Canadians is the first-time introduction of supplements in Canada's official Food Guide published by Canada's public health agency, Health Canada. The popular and well-publicized guide started making provisions for supplements in 2007. This guide is similar to the United States Department of Agriculture's MyPyramid. The latest version of Canada's Food Guide makes vitamin recommendations for women of childbearing age as well as for older people. It is expected that future editions will include more recommendations encouraging the use of NHPs, particularly vitamins and minerals.

The popular craze for high concentration NHP ingredients in drinks and foods, not discussed in this report, may have a long or medium term detrimental impact on the level of demand for the traditional vitamins, minerals, herbs and supplements. So far, these food products, marketed as natural health foods and beverages, seem to have attracted a brand new category and generation of NHP consumers in Canada. Red Bull was the first energy drink maker to obtain a license number (NPN) and to comply with Canada's NHP regulations.

Market Data

While approximately three quarters of Canada's market demand is fulfilled by local production, Canada's imports of natural health products increased over the past five years from US$233 million in 2003 to US$310 million in 2007 representing an average annual growth of more than 7 percent. Canadian imports increased at a faster rate than total market demand, therefore, production of the most popular natural health products (multivitamins, glucosamine, calcium and other single vitamin products) was eliminated or shifted out of Canada. Imports of NHPs from the United States are forecasted to grow by eight percent in 2008 and in the following two years. The strong rally of the Canadian dollar over the past three years favored imports over local production.

Although not intended, the advent of Canadian NHP regulations and its inherent cost of compliance consequences have favored a form of industry consolidation involving the surrender of smaller firms to larger ones. It appears that Canadian regulations have not affected U.S. exporting firms willing to comply with standards and compete head-on with locally established firms.

Canadian Market For Natural Health Products
(US$ Millions)

	2006	2007	2008 (Projected)
Canadian Imports	277	310	335
Local Production	1,081	1,100	1,170
Canadian Exports	190	194	205
Total Market	1,168	1,216	1,300
Imports from the U.S.	143	160	173

Import Market

Canadian import market shares of third-country suppliers are significantly behind those of U.S. NHP firms shipping to Canada. In fact, U.S. shipments account for more than 50 percent of Canadian imports. Other shipments of NHPs entering Canada come from China (14 percent), Germany (10 percent), France, Switzerland and U.K. (3 percent each). Japan and South Korea are the other two countries with at least a one percent share. Foreign manufacturers from several other exporting countries supplied about 12 percent of Canada's imports of NHPs in 2007.

It is estimated that the fifteen largest importers of NHPs in Canada account for about 80 percent of the country's total imports. This concentration of the Canadian import market varies based on specific product categories. For example, while 30 importers in the multivitamins in dosage market account for about 80 percent of imports, in the Vitamin E market only four companies are responsible for 80 percent of imports. Overall, the import market for natural health products can be described as quite concentrated.

Product Definition

Products examined in this analysis include vitamins, minerals and herbal products used as dietary supplements. This subsector analysis includes at least the following products, identified by their corresponding Harmonized System (H.S.) Codes:

H.S. Code	Product/Product Categories
1211.10	Licorice roots used primarily in pharmacy, perfumery, insecticides, fungicides, or similar purposes
1211.20	Ginseng roots used primarily in pharmacy, perfumery, insecticides, fungicides, or similar purposes.
1211.90	Plants (incl. parts, seed and fruit) used primarily in pharmacy, perfumery, insecticides, fungicides.
1212.20	Seaweeds and other algae, fresh or dried (whether or not ground)
1214.10	Lucerne (alfalfa) meal and pellets
2936.10-90	Vitamins, provitamins and their derivatives - unmixed
3004.50	Vitamins and their derivatives – in dosage

Not all NHPs are included in the above H.S. codes. However, these H.S. codes do provide a good indication of the state of the Canadian natural health product market.

Best Prospects

Canadians consumers are very responsive to new research, media coverage, and advertisements of NHPs, making their preferences in the NHP market very dynamic. It is almost impossible to read through a popular magazine or newspaper and not see something about NHPs.

Multivitamins account for approximately 37 percent of all Canadian imports in 2007 making it the primary best prospect in the fulfilling the import demand. This category showed an increase of 7.5 percent over 2006. Single vitamin products are gaining in popularity accounting for 15 percent of all imports and similarly for single vitamins mixed with supplements.

However, the most spectacular jump in Canadian imports of vitamins in dosage is for veterinary use. Imports for this category is relatively small, but increased rapidly from US$1.5 million in 2006 to US$5.3 million in 2007. This now represents close to 6 percent of all vitamins in dosage imports.

Others best prospects are supplements and herbal remedies as these are used regularly by about one in five Canadians. Among the most popular in terms of share of demand at 20 percent is Glucosamine, 17 percent for Echinecia, 15 percent Garlic Supplements, 12 percent for Omega 3/Fish Oils, 7 percent for primerose oil, 6 percent for Ginkgo Biloba, and 4 percent for Ginseng (Panax). These are the most popular of an increasingly wide variety of herbal and supplement products Canadians are choosing.

The following products, with their corresponding Harmonized System (H.S.) codes, represent best sales prospects in the Canadian market for U.S. exporters of NHPs.

H.S. Products/Product Categories

3004500069	Multivitamins mixed with other supplements, nes, for human use, in dosage,
3004500039	Single vitamin only, nes, for human use, in dosage
3004500040	Single vitamin mixed w o supplements, for human use, in dosage
3004500070	Vitamins & their derivatives, nes, for vet use, in dosage
121190	Plants & Parts of plants, incl. Seed & fruit used in pharma… including Glucosamine Echinecia, Garlic, Ginkgo, Ginseng.

Because of Canadians' high receptivity to NHPs, the above listed products represent excellent sales prospects for U.S. businesses.

Key Suppliers

Local Suppliers

It must be noted that while the Canadian NHP production does consist of a relatively large number of players, the larger makers control the bulk of the market. Here are a few of the local producers occupying a significant share of the Canadian NHP market as defined in this report:

Name of Manufacturer	Location Province	# of Employees	Sales range in millions of US dollars- NHP production
Church & Dwight	QC	140	10 to 25
Lalco	QC	52	10 to 25
Pharmetics	QC	300	100 to 150
Sandoz	QC	625	25 to 100
Wyeth	QC	1300	25 to 100
Chai-Na-Ta Farms	BC	100	25 to 50
Flora Mfg.	BC	150	25 to 50
Jamieson Labs.	ON	468	100 to 150
Natural Factors	BC	1500	75 to 100
Nutricorp	ON	250	100 to 150
Organika	BC	80	10 to 25
Pharmalab	QC	120	50 to 75
Puresource	ON	135	50 to 75
Rhema Health Products	BC	55	25 to 50
Swiss Herbal Remedies	ON	150	50 to 75
Vita Health Products	MB	363	100 to 150
Viva Pharmaceuticals	BC	70	25 to 50
W N Pharmaceuticals	BC	100	50 to 75

NHPs consumed in Canada are currently sold in a fully competitive environment. Suppliers must provide the best formulations at the best possible price to satisfy and retain their clientele as well as upgrade and update products on a regular basis and continually monitor new products introduced by competitors on the market.

Local producers constitute the bulk of the competition for U.S. exporters. Domestic production of NHPs is quite significant relative to the market in Canada, particularly for filling the demand for private labels marketed by large drugstore and retail store chains. The manufacturing activities of well-established manufacturers are also very important relative to Canadian demand. With a steady growth in the quantity and variety of products made available by local producers and in the number of Canadians buying NHPs, the marketplace is considered to be fully competitive.

Canadian businesses engaged in the importation, resale, distribution and retail sales of NHPs across Canada are seeking sales support as well as regulatory compliance, marketing and promotional support from their foreign suppliers to enable them to efficiently market products and develop new client bases.

U.S. & Other Foreign Suppliers Position

U.S. NHP suppliers are well received by Canadian businesses engaged in the making, distribution and retail sales NHPs. With the advantage of geographic proximity, cultural and business practice similarities, U.S. manufacturers have the potential to compete very successfully against foreign suppliers and maintain a dominant share of the Canadian import market for NHPs in the foreseeable future. Growth of Canadian imports from the United States is expected to slightly outpace that from other competing countries.

An image of certified quality and safety is important to the success of U.S. exporters of NHPs. U.S. exporters need to pay equal attention to Canadian manufacturers, distributors, retailers, and consumers' needs as they may provide products at all levels of the distribution chain. Canadian businesses in the NHP industry expect dependability and trustworthiness from U.S. suppliers. U.S. exporters of NHPs must position themselves to be able to assist Canadian companies in the marketing and promotion of the products resold in Canada.

ARNET PHARMACEUTICAL CORPORATION	Fort Lauderdale	Florida	USA
BAYER INC	Toronto	Ontario	Canada
CALEA LTD.	Mississauga	Ontario	Canada
CORPORATION PHARMA STRIDES CANADA	Saint-Lambert	Quebec	Canada
FLORA MANUFACTURING AND DISTRIBUTING LTD	Burnaby	B.C.	Canada
INVERNESS MEDICAL CANADA INC.	Boucherville	Quebec	Canada
MELALEUCA OF CANADA, INC.	Idaho Falls	Idaho	USA
METAGENICS CANADA INC.	Mississauga	Ontario	Canada
NORTHWEST NATURAL PRODUCTS, INC.	Vancouver	Washington	USA
NOVARTIS NUTRITION CORPORATION	Minneapolis	Minnesota	USA
NU-LIFE NUTRITION LTD	Richmond Hill	Ontario	Canada
PHARMACEUTICALS & CHEMICALS	Mississauga	Ontario	Canada
PHARMETICS INC.	Laval	Quebec	Canada
PURITY LIFE HEALTH PRODUCTS LIMITED	Acton	Ontario	Canada
QUANTOFILL INC	Windsor	Ontario	Canada
QUIXTAR CANADA CORPORATION	London	Ontario	Canada
SEROYAL INTERNATIONAL INC.	Richmond Hill	Ontario	Canada
SHS NORTH AMERICA	Clarksburg	Maryland	USA

VITA HEALTH PRODUCTS INC.	Winnipeg	Manitoba	Canada
WYETH CONSUMER HEALTHCARE INC.	Mississauga	Ontario	Canada
WYETH PHARMACEUTICALS	Thornhill	Ontario	Canada

Source: Industry Canada, based on 2006 data collected by Canada Border Services Agency (CBSA)

Notes:
1 - The 'Major Importers' listed comprise those which collectively account for the top 80 percent of all imports (in terms of $ value) of the selected product for all of Canada. This list does not include individuals. The importer is not necessarily the end-user of the product.

2 - In the case of non-resident importers with addresses outside of Canada, the U.S. state is displayed if applicable and the postal code is left blank.

Prospective Buyers

Recent surveys indicate that more than seven in ten Canadians use NHPs. This figure includes vitamins, mineral supplements, food supplements, homeopathic remedies, and herbal remedies. The typical consumer of NHPs is proactive about maintaining a good state of health, inquisitive, and often well educated. Women seem to be more prone to consuming herbal products while the consumption of vitamins is more evenly split between genders in Canada.

Canadians are generally very receptive to incorporating NHPs into their daily lives. According to industry sources, nearly half of all Canadians think that NHPs may be just as effective as regular medication. This is a large proportion of the population, considering that it was only a relatively short time ago that NHPs were a marginal industry.

Consumers are more likely to turn to NHPs before going the traditional pharmaceutical route if they are convinced of the effectiveness of the NHP. While a relatively sizeable number of Canadians are still unsure of the merits of NHPs, others appear to have a great appetite for trying new things. Two thirds of Canadians would investigate and use alternative or non-traditional medicines even if their doctor was against the idea. Everything indicates that numbers are equal or higher today but according to the Hay Group survey, in 2001, 7 percent of people who had a prescription for a drug, substituted a NHP for it, and in 2000, 30 percent of people took a NHP instead of a recommended over-the-counter medication.

The shift to-self-care trend is clearly demonstrated by the number of Canadians using the web for gathering health information, well over 20 percent now. More than two-thirds of online Canadians have already visited a health site. Most do so regularly, 66 percent monthly and 22 percent weekly. The most common type of information sought relates to diseases, prevention, and cures.

Traditionally, Canadians have not relied on professionals for advice on NHP usage but that appears to be changing. Discussions over NHPs have risen with physicians and with pharmacists. Consultations with alternative medicine practitioners are on the rise as well.

According to a 2005 Ipsos-Reid survey, one quarter of Canadians take a vitamin on a daily basis, and two thirds of Canadians take a multi-vitamin occasionally. Users of multivitamins are perceived as consumers pursuing a general health maintenance goal.

While not reducing their demand for multivitamins (57 percent), Canadians have turned to single vitamins, minerals and other supplements as well as herbal medicines to target specific conditions. In 2005, according to an Ipsos-Reed survey: 15 percent took echinacea, 11 percent took herbal remedies and algal or fungal products, 8 percent took glucosamine, 5 percent homeopathic medicine, 5 percent natural organic products and 5 percent other supplements. This market share looks set to increase significantly if Canadians can be convinced that single vitamins and minerals and particularly herbal remedies can prevent or cure specific conditions.

The new regulations implemented by the Canadian government in 2004 should increase end-users' confidence and trust. In 2001, only 18 percent of Canadians were "very confident" that the same ingredients would be found in all bottles of a given product and only 27 percent were "very confident" that the products were safe. With new regulations in place, this problem should be mitigated. Canadian NHP end-users are very receptive to innovative and useful products, and therefore this market continues to offer many lucrative opportunities for U.S. firms. In 2005 there were reports that almost 40 percent of Canadians agreed that if a health product is for sale to the public in Canada they were confident it was a safe product. The level of Canadian end-users' confidence is very high.

End-users' most popular sources of information have been researched in a survey produced for Health Canada in 2005. This information remains quite representative to this day. In 28 percent of cases, family members or friends appear to be the primary source of information on NHPs followed by the Internet (19 percent), pharmacists (18 percent), and medical doctors (14 percent). The role of pharmacists as a source of NHP information is quite significant. Other sources include: health food stores (12 percent), magazines (11 percent), and books (10 percent), while alternative medicine specialists such as naturopaths or naturopathic doctors accounted for only (5 percent). This later category seems to currently account for a greater percentage. However, we have not been able to refer to an official survey or statistic. Internet as a source may have also increased percentage wise to the detriment of magazines and books.

While percentage consistence remains as a source of information attributed to medical doctors across Canada, Health Canada's survey reveals some important regional and demographic nuances pertaining to the ranking of various sources of information. If the internet accounts for 19 percent of sources across Canada, it accounted for only seven percent in Quebec while it registered two high counts of 36 percent in the Atlantic Provinces and 30 percent in B.C. In contrast, pharmacists were more popular as a source of information in Quebec and the Atlantic provinces with 35 percent and 27 percent respectively of survey respondents compared to only seven percent in B.C.

The non end-users also contributed to this Health Canada survey with the reasons why they were not using NHPs. This provides excellent guidance for improving or adjusting products, product presentation and promotion.

- 20% - No need – Unspecified
- 17% - Don't know enough about NHPs - Lack information
- 13% - No need - I am healthy
- 11% - Do not believe in the efficacy
- 5% - Cost – Expensive
- 5% - Never think about NHP
- 5% - No interest
- 4% - Habit of not using NHP

Close to 29 percent of respondents in this survey were not using NHPs; which ties in with the established proportion of end-users established at 71 percent.

The most recognized benefits associated with NHPs in that same survey indicated that the maintenance and promotion of health was the most popular one, with 45 percent of respondent agreeing. NHP can treat illness was a benefit recognized by more than on third of respondents. One in five respondents claimed that NHPs were better for them than conventional medicine.

Market Entry

Distribution and Business Practices

In Canada, direct sale agreements between local manufacturers of NHPs and Canadian chains of retailers constitute a popular business practice, one that suppresses the middleman. This is not, however, just to achieve better profitability and price competitiveness, but also to develop better marketing strategies and more efficient promotional initiatives. Use of private label for retail chains is a good example with local manufacturers. The retail environment is dealing with significant changes in Canada adapting to consumers' more sophisticated behaviors that are governed by awareness and an interest to learn the benefits of NHPs.

A fairly small number of Canadian firms control a large portion of the distribution of NHPs in Canada. Since distribution channels are fairly limited, new-to-market U.S. manufacturers of NHPs wanting to enter the Canadian market should consider all possible options from appointing a national wholesaler or distributor to selling their products to negotiating directly with Canadian retailers.

Market Issues & Obstacles

U.S.-made NHPs are imported into Canada duty-free under the North American Free Trade Agreement (NAFTA). However, these products, like the locally manufactured ones, must comply with the regulations detailed in the Canadian Food and Drug Act. The regulations have undergone major changes enacted January 1, 2004 and are believed to have had a significant impact on the NHP market.

New Regulations since 2004

Canadians want safe and effective products but they also want access to as many options as possible. Satisfying this desire is the goal of that NHP regulatory regime that has recently come into full effect in Canada. The positive change that has taken place with the regulation of NHPs in Canada is easy to observe.

Until 2004, NHPs in Canada were not treated as a distinct class of products for regulation. Such products had to be either classified as foods or drugs. If classified as foods, the product label could not include health claims or warnings of possible adverse effects. When classified as drugs (DIN), producers had to carry out expensive trials and pay drug licensing fees even though many NHPs have a long history of safe use. There was confusion both on the part of consumers and producers due to the inconsistency of regulatory decisions.

The Canadian federal government responded to consumer and industry concerns by bringing in the new regulations. The Natural Health Products Directorate (NHPD), a component of Health Canada, enforces these regulations.

The new regulations addressed five key areas:

- Product Licensing
- Site Licensing
- Good Manufacturing Practices
- Labeling And Packaging Provisions
- Adverse Reaction Reporting

NHPs have to be proven safe and effective. Although this new regime is similar to the current drug licensing system, the standard of proof for NHPs is lower. Many NHPs simply rely on standardized NHPD monographs rather than having to conduct clinical trials, which is the case to obtain a drug identification number (DIN). Natural product numbers (NPN) are now given for vitamins, minerals, homeopathic preparations (DIN-HM), and herbal medicines if they have a long history of safe use. NHPs therefore have the regulatory benefits of drugs (such as the ability to have health claims) but with a less costly and eventually, less lengthy approval process.

The 2004 regulations only apply to NHPs sold over the counter. Products that require practitioner intervention or that have a narrow safety margin continue to be regulated as before. At the time new regulations came into effect, there was a two-year transition period for site licensing and a six-year transition period (2010) for product licensing regarding products that were sold before 2004. All natural health products to be introduced to the Canadian market must now comply with the new regulations.

Canadian consumers clearly benefit from these new NHP regulations. They know that they have access to products that are safe, effective and of high quality, therefore, consumers are able to make informed decisions when it comes to shopping for NHPs. Health Canada sources correctly predicted consumers' increased confidence in the safety and efficacy of NHPs and therefore a greater increase in the use of such products.

The new regulatory regime for NHPs was also foreseen as softening the medical profession's longstanding resistance to NHPs. The industry is now credited with more legitimacy. Previously, many physicians were even reluctant to discuss the merits of different NHPs with their patients. Now, physicians can allow themselves be more confident about the effects of certain products and can make more informed recommendations to their patients. The hands-off approach to NHPs by the medical profession, even after 2004, may be the reason why two-thirds of NHPs users did not tell their physicians they were using NHPs if not asked.

In 2008, the introduction of a new regulatory reform known as Bill C-51, primarily a federal proposal to update and amend the Canada's Food and Drug Act, is perceived by some in the industry to negatively impact on the ability of Canadians to obtain NHP's. Bill C-51 addresses a much broader base of products for regulatory control, from foods to cosmetics to therapeutic products in which NHPs and drugs seem to be reunited as was the case prior to 2004. However, according to Canadian health authorities, Bill C-51 will not affect the way NHPs are now regulated and sold in Canada, stating that it will continue to operate the same way. Canadian health authorities also state that Canadians will continue to have access to NHPs that are safe, effective and of high quality and that Bill C-51 will complement and support the current policies for NHPs.

While federal regulations still have to be modernized, the number of provinces with new laws protecting physicians who practice alternative forms of medicine continues to increase. In Alberta, Ontario, and British Columbia, physicians no longer face disciplinary action solely because they offer alternative forms of medicine. Physicians will be less reluctant to prescribe natural health products to their patients if they are not disciplined for doing so. More physicians prescribing NHPs should help increase the percentage of Canadians using such products.

The ability for Canadian consumers to know what is on the label is in the package and have all health claims supported by evidence comes at a cost. NHP manufacturers who also manufacture drugs have to face minimal new costs as they already hold valid establishment licenses and are in compliance with good manufacturing practices (GMP). Those companies that manufacture NHPs but do not manufacture drugs have necessarily faced some new costs. Nonetheless, the additional costs that manufacturers have to face appear to be outweighed by the benefits mentioned above.

Inevitably, the regulatory cost is past onto the consumers. Consumers may have to pay a little more for their products but have demonstrated they are willing to absorb cost increases in return for increased quality and safety of the goods that they purchase.

The relatively new regulations encourage fair competition among all companies, both foreign and domestic. Manufacturers are able to be more certain about government reaction to their products. Companies that can provide Canadian consumers with safe NHPs of an exceptional level of quality benefit the most. The resulting increase in long-term and stable demand will benefit the industry in general.

Trade Events

Expo East 2008 presented by Canadian Health Food Association
September 11-14, 2008
Metro Toronto Convention Centre
North Building
Toronto, Ontario, Canada

Expo West 2009 presented by Canadian Health Food Association
April 2–5, 2009
Vancouver Convention & Exhibition Centre.
Vancouver, British Columbia, Canada

Expo Quebec 2009 presented by Canadian Health Food Association
January 16-18, 2009
Place Bonaventure, 800, De La Gauchetière Street, West
Montreal, Quebec Canada

Resources & Contacts

Natural Health Products Directorate

Canadian Health Foods Association

Ontario Herbalists Association

Canadian Herbalist's Association of British Columbia

Nonprescription Drug Manufacturers Association of Canada

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