

# INDIAN TRADITIONAL MEDICINES – SCOPE AND OPPORTUNITIES TO REACH GLOBAL

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## Back to Nature

The global alternative medicine market size was valued at USD 52.00 billion in 2017. But, it is extremely difficult to ascertain the data regarding the use of herbs worldwide due to the varied ways in which herbs are used (e.g. food products, energy drinks, multivitamins, raw form). The World Health Organization (WHO) estimates that the global market is approximately US \$83 billion annually.

WHO estimates that 80% of the world population use one or the other form of traditional medicine. In the developing world rates could be as high as 95%. The U.S. continues to see an increase in the use of herbs. The trend of “back to nature” is fast catching up in the world health sector and the use of traditional medicines is growing exponentially.

Another recent trend in Western countries involves adding herbs to energy drinks and weight loss and nutritional products.

1/3 of American adults, 60% of the public in the Netherlands and Belgium and 74% in the United Kingdom are in favour of complementary medicine being available within the framework of the National Health Service. As per the feedback from a local enterprise dealing with Indian traditional medicinal products in Norway, it is estimated that the Norwegian market for natural remedies is around 2 billion Kroner (approximately INR 10 billion) at the retail level. This is 20% of the total medicines sold in Norway and almost the same amount as non-prescription Allopathic medicine. The market for natural products in Norway has been growing at a rate of 12% per annum with herbal products having a market share of around 10 million Kroner at the retail level.



## Growing Market

Market for herbal medicines has grown at a much faster rate worldwide due to various positive factors, a few of them are:

- preference of consumers for natural therapies;
- concern regarding undesirable side effects of modern medicines and the belief that herbal drugs are free from side effects, since millions of people all over the world have been using herbal medicines for thousands of years;
- the belief that herbal medicines might be of effective benefit in the treatment of certain diseases where conventional therapies and medicines have proven to be inadequate;

The World Health Organization estimates that, by 2040, neurodegenerative diseases will surpass cancer as the principal cause of death in industrialized countries. Despite various advances in the understanding of the diseases, pharmacological treatment by conventional medicine has not obtained satisfactory results. Traditional medicines, especially Siddha can be a potential candidate for the preventative treatment of the disorders.

Hence there are opportunities and challenges in promotion of Traditional Medicines and medicinal plants products in developing countries.

Many governments and regulatory bodies are putting efforts in finding clinical support for incorporation of alternative treatments to help improve the market and treatment methods.



# Botanicals

Botanicals has huge potential in the market as most of the people in developed countries use dietary supplements such as vitamins, minerals, and other digestive supplements. Besides this, high usage of natural interventions in the treatment of chronic pains and skin diseases is supplementing the growth of the market.

Europe is a highly potential market due to its extensive use of botanicals such as dietary supplements in countries such as Germany and France.

With booming medical tourism, expensive conventional medicines, and being the origin of several medical techniques, India is slated to witness noteworthy growth.



## Antioxidants

Indian medicinal plants provide a rich source of antioxidants. A review of literature shows that there are over 40 Indian medicinal plants showing antioxidant abilities at various levels of protection.

Indian medicinal plants are important source of beneficial compounds including the ingredients for functional foods which promote better health to prevent chronic illness. Some ingredients that make food functional are dietary fibres, vitamins, minerals, antioxidants, oligosaccharides, essential fatty acids (omega-3), lactic acid bacteria cultures and lignins. Many of these are present in medicinal plants. Indian systems of medicine believe that complex diseases can be treated with complex combination of botanicals unlike in the West, with single drugs. Whole foods are used in India as functional foods rather than supplements.

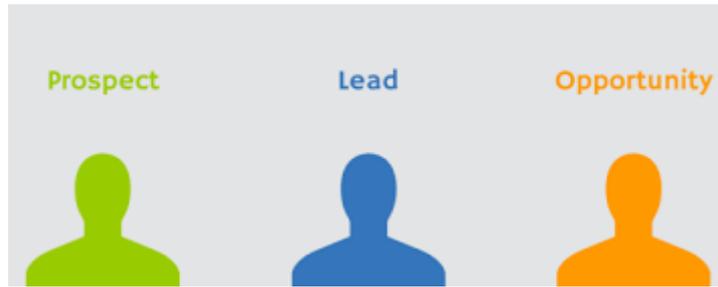


## Scope for enhanced use of Traditional Medicines

In the developed countries, it has been reported that sufferers of chronic diseases are turning to herbal remedies as alternative to modern synthetic drugs due to fear of side effects, high cost of modern drugs.

As a result of recent advances in biochemistry, immunology, medical botany and pharmacognosy, research findings have established the descriptive capacity, effectiveness and rationality of herbal medicines.

Renewed interest in the use of cutting-edge analytical techniques and well-thought-out research methodologies, the prospects of advancing the frontiers of knowledge in traditional medicines practices is now at an all-time high. The current sustained improvements in quality control and regulatory measures in many countries envisaged that soon, traditional medicine will be integrated into conventional medical systems.



# MARKETING PROSPECTS

India has a history and knowledge of using natural products. While consumers in the rest of the world must be educated about the benefits of natural herbs, this knowledge is well inherited in India from generations. The need is for companies to translate the ancient recipes into modern easy to use formats with superior quality.

The methods of cure related to Siddha medicines, Ayurvedic massages, herbal therapy, yoga and traditional surgery are catching everyone's imagination very fast and promise to be the next big thing in the medical and wellness industry. This translates into a huge potential in the market for the different verticals that traditional system spans out in times to come. It has the unique advantage of having something to offer for every class of the society.

The opportunity is vast as it spans through all the possible verticals like Yoga centres, Ayurvedic SPAs and Herbal medicines. Yoga centres are growing at a rate never seen before as are SPAs that offer herbal treatment. Combined with the recent trends of increasing acceptance of natural medication, this accounts for a huge potential in the up and coming times for Siddha and other traditional medicines as well as the practices.

Many OTC categories – such as anti-nauseants, anti-diarrhoeals, allergy remedies, scalp treatments and antifungals – are yet to be explored. In the Lifestyle OTC space, herbal products for smoking control and female reproductive health have huge potential, as there are no natural products available as yet.

Most Potential Markets for Indian manufacturer of Herbal Products / medicines, are Russia, Malaysia, Canada, Germany, USA, UK, Japan

USA boasts as one of the biggest Pharma market of the world including the biggest market for the herbal or natural supplements. The biggest ethnic minority in USA is Indians. It is very much possible that most, if not all the manufacturers have some or the other US connection and have had some success stories or the market potential talks.

European countries are also having the positive aspects for Siddha medicines.

Most manufacturers are trying to sell herbal products as OTC medicines or prescription medicines, where as it is comparatively easy to sell as Herbal supplements and cosmetics in many countries from regulatory point of view.



## Herbal Cosmetics and Beauty Care Products

Herbal beauty care business has emerged as the new growth frontier for beauty business and today, the Indian cosmetics industry has a plethora of herbal cosmetic brands like Forest Essentials, Biotique, Himalaya, Blossom Kochhar, VLCC, Dabur and Lotus; and many more are adding to the list. In addition to a widening base of consumers, colour cosmetics and anti-aging and anti-wrinkle creams are expected to be the future drivers of growth in this segment.

The market for herbal cosmetics products in global market is expected to grow at a rapid pace over the coming decades.

Herbal cosmetics manufacturers are investing in research and constantly coming up with new and innovative technology and products that are resulting in better and more effective herbal cosmetics.



## Going Green

Consumers worldwide are going green and this is especially true in the cosmetics market. Over the last few years, growth in the market for cosmetics has been driven by products that use natural or herbal components. The market share of natural based products has been increasing gradually.



## Booming International Market for Herbal Trade

The market for herbal medicines is estimated to be expanding at 20% annually. Sales of medicinal plants have grown by nearly 25% in India in past ten years, the highest rate of growth in the world.

China and India are the major users of medicinal plants. China's share in world herbal market is US\$ 6 billion while India's share is only US\$1 billion.

Traditional Chinese Medicine uses over 5000 plant species; India uses about 7000.



## Traditional Chinese Medicine (TCM)

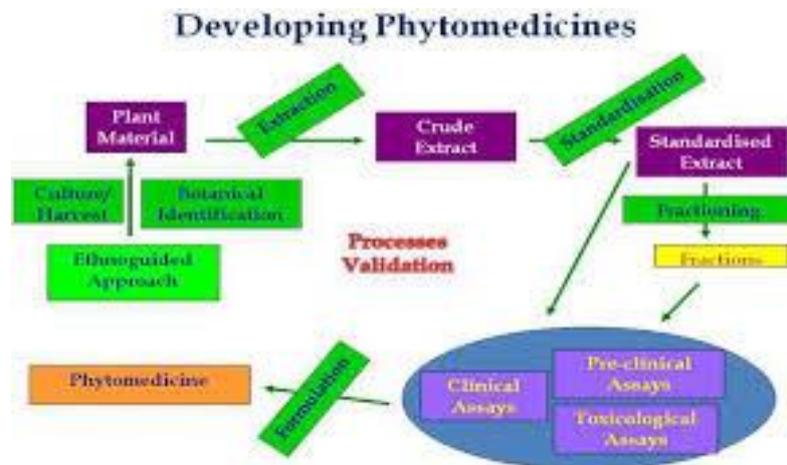
With the advancement in medicine and technology featured with the long history of use in treating certain challenging diseases resulting in curative effects, comparatively lower costs and reportedly less side effects, the role of TCM in health is widely recognized around the globe.

The total value of TCM import and export in 2016 was 4.6 billion USD, accounting for 4.45% of the total value of the import and export of Chinese pharmaceutical products. While the export value of TCM in 2016 dropped by 9.13% compared to 2015 from 3.77 to 3.426 billion USD, the import value achieved a big reversal, increasing 14.50% from \$1.025 billion in 2015 to 1.174 billion USD in 2016. India's export of pharma and traditional medicines at the same time is increasing

TCM encompasses a wide range of items: traditional Chinese medicinal materials, decoction pieces, Chinese patented medicines, herbal extracts, and health care products. Herbal extracts were the largest and fastest growing item among all Chinese pharmaceutical products.

TCM were exported to 185 countries and regions and its main markets remained in Asia with the dominant target markets located in Hong Kong, Japan, Malaysia, South Korea and Indonesia. Next to Asia was the United States.

It is anticipated that the United States would soon overtake Hong Kong and Japan and become the largest market of TCM exported from China.



## Phytomedicine Market Potential

The present global market is said to be US 250 billion. Plant derived drugs are important in Germany and Russia. Particularly, herbal drugs are imported by several countries for their usage of traditional medicinal preparation from various parts of the world.

Nutraceuticals (Health Food) are in great demand in the developed world particularly USA and Japan. Nutraceutical market in USA alone is about \$ 80-250 billion, with a similar market size in Europe and Japanese sales worth \$ 1.5 billion.

The wide spread use of herbal medicine is not restricted to developing countries, as it has been estimated that 70% of all medical doctors in France and German regularly prescribe herbal medicine.

The number of patients seeking herbal approaches for therapy is also growing exponentially.

**Research, Studies and Surveys are required mainly on the following:**

- What are the current opportunities?
- What are the prospects of developing Siddha in future taking into cognition of the level of modern technological development?



# Major Issues in Exports

Although Siddha has a large, promising world market, it also has many obstacles. Entry into the American market requires the approval of the Food and Drug Administration (FDA), which implies large capital (over 100 million USD) and lengthy process (lasting at least 8 years).

With the implementation of "Regulations for Botanical Drug Approval" and "Guidance for Industry: Botanical Drug Development", the United States began to consider botanical drug compounds as a therapeutic drug.

Poor packaging design and promotion strategy of Siddha discouraging the use and masking the true value in health.

Another factor discouraging the internationalization of Siddha is the high policy thresholds. In certain countries such as Russia, Vietnam and Australia, traditional medicines sold as a pharmaceutical drug. In many other countries and regions, however, traditional medicines are approved for sales as health care product, active pharmaceutical ingredient (API), or dietary supplement.

Many small sized enterprises still use the traditional methods, which makes it difficult for the formulations to meet the international standard requirements.

The internationalization is also faced with several registration/policy barriers.

Along with the gradual expansion of the international market of natural medicines, some developed countries have implemented trade protectionism in order to protect the interests of the domestic pharmaceutical companies and related medical services, set up a multitude of technical barriers to trade which seriously hampered the process of the internationalization of traditional medicines.

These technical barriers to trade are various, such as technical standard barriers, technical regulation barriers, patent technology barriers, green barriers, etc., which makes products fail to enter or forced to withdraw from the target market due to shortcomings in technology, environmental protection, and other areas mandated by the policy and regulations.

There are multiple issues related to the patents of traditional medicines. There are also many problems in the technology transfer including lack of original innovation, basic research, imperfect market transformation and industrialization mechanism, and weak service links.

Considering the worldwide changing healthcare environment, there is need for a comprehensive policy review of traditional, complementary and alternative systems of medicine and for individual nations to share information about their experiences with policy, legislation, regulation, research, development, financing, training and professional development, quality control and safety regulations of these systems of medicine.



## Constraints faced by Exporters

- Availability of market information regarding the importing country, its regulations pertaining to Herbal Medicines / products and trade structure is either not available or is incomplete and scattered.
- It is difficult and expensive to locate right trading partner for Siddha products in the International market, which can break the barriers of the Regulatory Offices, Import regulations and market adversities.
- Indian manufacturers have very little experience in the herbal cosmetics and nutritional supplement markets. Hence changing their product profile according to the needs of the international market poses a challenge in tapping the huge potential.
- Poor quality control and lack of standardization, lack of pharmacological and clinical data on majority of herbal products to ascertain efficacy and address concerns about toxicity are major challenges being faced in the Traditional Medicines.
- Indian manufacturers in specific and Government of India in general, are not able to tap the true potential of the mighty Indian System of Medicine; resultantly there is a huge gap in the potential (for export and foreign revenue collection) and actualization.



# Way Forward

There is a burning need to prioritise focus on products and services that can jump-start modest growth and triple the industry's market potential.

Branding the Traditional Medicines based on its origin is essentially required for building correct awareness, market acceptance, and to propel dynamic growth across it.

Setting up Siddha Chairs at country level would help obtain MOUs from promising markets for promoting Siddha herbal medicines in foreign countries.

Conforming to International Drug Regulatory requirements to ensure strict uniformity in composition, appearance, taste and action for all Siddha drugs.

India is a global leader in IT and digital transformation. Our nation's prowess can be uniquely leveraged to enable the Traditional Medicine sector to leapfrog, to scale exponentially to achieve its true potential- this is not an option but an imperative.

E-commerce and social media may be used to reach global consumer markets.

Big Data Analytics will play a crucial role in transition to “high value innovative (bio prospecting) products” and support decision making to choose “combination therapy” (Allopathic medicine + Traditional Medicines).

It is important to push forward the “go global” of Siddha, to promote sustainable development and to foster the market share across the countries;

The legal status of Siddha in overseas countries must be appropriately established to ensure reasonable market entry and to enable sustainable development of Siddha under the protection of the local laws and regulations.

Hundreds of Japanese medicine manufacturers having sophisticated latest equipment and technology to process / manufacture quality-stable medicines under strict standards. JVs with such companies is highly beneficial to tap the potential overseas markets and gain a considerable share of traditional medicines and health care products.

Special attention should be paid to the research of new formulations of herbal preparation; attempts should be made to achieve breakthrough on traditional dosage forms, and develop new formulations with high bioavailability, convenient administration and high level of quality control.

Healthcare products of Siddha provide a great potential route to enter the international market.

The industry of Siddha health products should strive to establish a sound quality management system, seek protection of the processing technology, establish quality identification and intellectual property rights, and select appropriate promotion and sales strategy.

In order to enter the international market, the key step of promoting traditional medicines is to optimize our own standard to make it acceptable to the international market.

More than 140 countries in the world have adopted the US pharmacopoeia, while the European Pharmacopoeia standard is widely used among all the European Union country members. Being included in these two Pharmacopoeia indicates a global acceptance of our standards which will greatly benefit the internationalization of Siddha products.

### **Ease of product registration:**

The major hitch in systematic export of herbal medicine is product registration. The regulatory requirements of various countries differ from each other to a considerable extent, at the same time there is a good amount of similarity into documentary requirements, since the basic objective of regulatory control are common i.e. efficacy, safety, quality and at times pricing.



## The ideal Strategy

- Label herbal products as "Health Supplements" to get started. Switch to Medicines as soon as competency for the regulations developed;
- Study, design and implement packaging to International standard and put matter of relevance of the local regulations respective to the country;
- Understand local advertising, and brand promotion options before deciding your action plan
- For best profitability, tie-up with only importer/distributor; keep marketing (including pricing decisions) with self, this helps improve profitability
- Appoint country manager to monitor sales and business activities instead of leaving it to the importing party. This way one will have constant updates about the policy and regulation modification in the target market.

WHO, in cooperation with other agencies including UNCTAD, needs to support the initiatives taken by governments of various countries for capacity building, implementation and enforcing the legislation to protect and promote traditional medicine knowledge through International cooperation.

Efforts should be made to utilize the flexibility provided under the TRIPS agreement with a view to promoting easy access of traditional medicine for the healthcare needs of various countries

A vertical network starting from cultivation and collection of medicinal plants and raw drugs, passing through Ayurveda and Siddha medical research, drug development and International business needs to be created.



# Conclusion

To promote the internationalization of Siddha, the government, academic institutions and industry must cooperate closely, and establish an international platform for the development and communication. The establishment of the international cooperation platform is conducive to the internationalization of Siddha and other traditional and herbal medicines to serve the global health.

