

Export strategy of Ayurvedic Products from India

Review article

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Abstract

Ayurveda is the most ancient living system of healthcare. The modern quest for healthy life style has led to the fast growing acceptance of Ayurvedic and Herbal products and has created a good market conditions for the Herbal sector, world over. India's share in the export of herbals is 2. 5% of the total global herbal market. While with the same bio-diversity and ancient culture the China has 13% share of the global herbal market. So there is obviously vast scope for Indian manufacturers for entering the growing worldwide opportunities of business in Herbal Pharmaceutical field. WHO predicts the overall pharmaceutical market to reach US \$ 5 trillion by 2050. The major objective of this study is to critically appraise the potential for herbal Ayurvedic products and identify the problems and prospects of this sector.

Key words: Ayurveda, Herbal Products, Traditional Medicine(TM), World Health Organization (WHO).

Introduction

According to the ancient books of knowledge, health is considered as a prerequisite for achieving the supreme ends of life consisting of righteousness, wealth, artistic values and spiritual freedom (1). The world, which due to technological advances, developed medicines which are quick acting, potent and capable to treat & provide symptomatic relief, has now started to feel the need for longer lasting & more fundamental cures for their problems of health. The intention to go back to nature

& use natural materials & methods of ancient times (2).

Indian herbal market is nearly Rs. 5000 crores, which is having annual growth of 14%. 100 crores worth of herbal product/ingredients/ extracts are being exported (3).

Global Market of Herbal and Ayurveda Products

The demand for medicinal plants is increasing everyday and the World Health Organization (WHO) has projected that the global herbal market will grow to \$ 5 trillion by 2050 from the current level of \$ 62 billion (4) India and China are the largest producer of more than 70% of the global diversity. India's share is 2. 5%, against China's 13% (8). The significant global herbal export market include EU, USA, Canada, Australia, Singapore, and Japan. New emerging market (globally) includes Brazil, Argentina, Mexico, China and Indonesia. The major products as

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within the herbal sector in an international perspective include pharmaceuticals, which is further divided into medicinal and aromatic plants, plant material extracts, plant materials, spices, herbs and cosmetics. The market place for medicinal plants used in dietary supplements is growing in the European continent along with Japan and USA

Objective

The major focus of this study is to critically appraise India’s performance in world market of Ayurveda and Herbal (medicinal plant based) products during last 5 years and identify the challenges and opportunities available for herbal products in world market and to develop a suitable strategy to export these products in potential markets.

Discussion of the problem

➤ **Present scenario of India’s export performance**

It is believed that India with its wide variety of climatic and soil conditions has ample scope in gaining a foothold in global plant based pharmaceutical market. India has one of the world’s richest medicinal plant heritages. India has 45,000 diverse plant species spread over 16 different agro climatic zones (5). India has a rich literature of usage of Ayurveda and herbal medicines. The system has started in our country from the vedic period. India now ranks the world’s second largest exporter of medicinal plants after China. But in spite of rich bio-diversity and heritage of Ayurveda our country does not have much share of this multi billion market of herbal products.

The top 10 highly traded medicinal plants include Amlaki (*Emblica officinalis Gaertn.*), Satavari (*Asparagus racemosus Willd.*), Aswagandha (*Withania somnifera Dunal.*), Haritaki (*Terminalia cbebula Retz.*), Asoka (*Saraca asoca DC. Willd.*), Bilva (*Aegle marmelos Corr.*), Svarnapatri

or Senna leaves (*Cassia angustifolia Vahl.*), Vasa (*Adhatoda vasica Nees*), Pippali (*Piper longum Linn.*) and Brahmi (*Bacopa monneri (Linn.) Wettst*) and other plant material that have huge demand in foreign markets are Isabgol (Psyllium husk, Psyllium seeds), Chandan (Sandal wood chips and dust) etc.

Table-1 India’s Total Export of Ayurvedic Products (in last five years) (6).

Year	Total export in Crores	% growth over previous year	Trend value
2005-06	307.02	-	100
2006-07	377.02	18.57	122.8
2007-08	470.73	24.86	153.32
2008-09	594.77	26.35	193.72
2009-10	685.14	15.19	223.15

Source: DGCIS (Directorate General of Commercial Intelligence and Statistics)

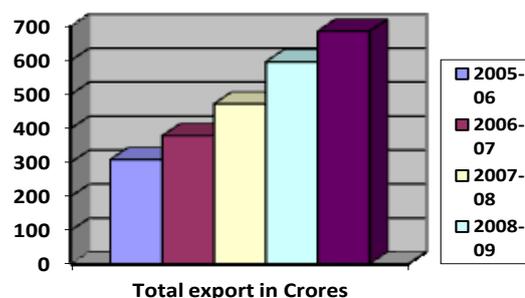


Chart no. -1

The table and chart no. 1 clearly suggests that export volume of medicinal plants and herbal products has increased at a constant rate and in the last financial year it had nearly 15% increases, while trend value shows constant increasing trend.

Challenges

Although there are ample opportunities available in this sector, yet this sector is facing many challenges. Some of these are as follows:-

- Poor agricultural practices and lack of knowledge.
- Irregular availability and inconsistent quality of raw material.
- Lack of R&D of high yielding varieties, product and process development.
- Inefficient processing techniques.
- Poor quality control procedures.
- Lack of regulatory mechanism in trade of medicinal plants
- Traditional medicines also face increasing competition from synthetic drugs.

On export front this sector faces the following challenges.

- Lack of credible documentation of the therapeutic values of medicines and their formulation is a major constraint in export particularly to countries to USA, EU.
- Lack of assumed availability for exports, in terms of quality, quantity and price.
- Lack of information about the total world trade, demand dynamics in the overseas market, marketing techniques etc.
- Lack of knowledge on international and specific regulations of importing countries governing imports of such products, including quality, intellectual property rights (IPR) issues etc.
- Lack of standardization in products, processes and services(7).

Opportunities

1. Traditional medicines (TM) have been used since ancient times, and empirically passed on from generation. TM has been used to maintain, and promote the human health, prevention as well as to reduce symptomatic

disorders and has made great contribution to health.

2. Above table and its analysis shows the export volume of medicinal plants and herbal products is increasing in good percentages.
3. Government has given incentive to drug manufacturers, entrepreneurs, AYUSH institutions etc. for registration of their products for exports to targeted countries.
4. The market for finished formulations in the developed countries should be tapped, instead of exporting crude drug or primary extracts.
5. Identification of specific Herbs for specific disease and successful promotion of these drugs/ or health supplements to developed countries is vital to create interest in the global community. A need-accretion for the Ayurvedic or herbal product from India by this method will help to create a strong footing for the Indian herbal product or medicine. This will ensure sustainable growth of herbal exports from India.
6. Exporting the finest quality of herbal extracts to the Pharmaceuticals, Food processing industries and bulk consumers in the global market to gain value advantage.
7. Proper marketing strategy should be developed to fashion the Indian medicine system and terminologies in the overseas markets and popularize them, considering the mindset of users (7).

Conclusion

With its rich bio-diversity and rich heritage of Indian medicinal system, India would draw world attention as an abode of eco-friendly medicinal systems that are in harmony with the nature. Although India has the knowledge, skill and resources, yet it has neglected the opportunities in the global markets. It has however been languishing due to inadequate care and

insufficient scientific approach to its promotion.

There is need for understanding of regulatory requirements of different countries and for this government help is needed. Global opportunities for Indian Herbals are on the rise. Generation of scientific information can help in increasing global opportunities. We can capture good share of market if Good laboratory Practices, Good manufacturing Practices, Good agricultural Practices, Good clinical Practices are followed. Together with that proper marketing strategy should be framed keeping in view the four P's of marketing i. e. Product, Price, Place and Promotion

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