

Global Market Analysis of Herbal Drug Formulations

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Abstract

As per the WHO reports, about three-quarters of the world's population currently use herbs and other forms of traditional medicines to treat disease. Even though marvelous advancement occurred in Allopathic system of medicines, there are many areas in which allopathic medicines have failed to prove its efficiency. Nowadays, people have more faith towards traditional medicines than modern medicines due to occurrence of many side effects of modern medicines. The prime most reasons for acceptance of traditional medicines are accessibility, associability and affordability in developing countries. As per WHO national policy on Traditional medicine and guideline of herbal medications report, business of herbal medicines have increased from US\$ 707 million in 1999 to US\$ 1,006 million in 2001 in 9 countries (Republic of Islamic, Bhutan, Czech, Republic of Iran, Canada, Madagascar, Pakistan, Sweden, Sudan and Malaysia). According to Global Industry Analysis, it is estimated that global herbal market will reach to \$107 billion by end of 2017. This shows that Ayurveda is one of the most noticeable expressions of substitute medication practiced throughout the world.

Keywords

Ayurveda, Global Herbal Market, Herbal Medicines and Traditional Medicines



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INTRODUCTION

Traditional medicine is defined as the sum total of understanding, skills and practices based on the philosophies, principles and practices original to different cultures that are used to maintain health, as well as to prevent, diagnose, improve or treat physical and mental illnesses. Herbal medicines are a part of Traditional Medicine/ alternative or complementary medicine. Herbal medicines are classified as herbs, herbal supplements, herbal preparations, and finished herbal products that contain parts of herbal plants or other herbal plant materials as key ingredients¹.

Since last few years, use of Ayurvedic, Sidha, Unani system of medicines of are growing popularity due to its holistic approach, diversity and flexibility, less side effects, cost effectiveness and easy associability. Around 80% of population of the world use some forms of Traditional system of medicines for their healthcare need. The use of traditional medication in developed and developing countries are recorded in Table 1².

According to Global Industry Analysis, Global herbal supplements and medicines market is prognosticate to reach \$107 billion by 2017 stimulated by rising aging

inhabitants and increasing consumer awareness towards general health and wellbeing. In India, It is expected to grow by

Table 1 Global situation of use of traditional medicine. (Source: WHO traditional medicine strategy 2002-2005. Document WHO/EDM/TRM/2002)
a value CAGR of 3% at constant 2014 prices

Global use of traditional medicines	
Countries	% use of traditional medicines
Belgium	31
China	40
Columbia	40
USA	42
Australia	48
France	49
India (use of Ayurveda)	70
Canada	70
UK	70
North Ireland	90

over the prognostication period. With less or no side effects, herbal formulations are gaining popularity amongst the consumers, which will drive the growth of herbal medicine market globally. Moreover, herbal medicines are more effective in certain diseases like cold, cough, allergy, congestion, skin diseases and digestion problems, which will definitely help the growth of global herbal medicine market in forecast period³.

Over the last decade, even with recent economic recession, herbal medicines and remedies market exhibited healthy growth due to its holistic approach towards diseases

and people's faith in it as compare to conventional medicines.

The factors responsible for growth in herbal medicines markets are no or less side effects, better efficacy, consumer's faith and confidence in herbal food and innovation in herbal formulations. Current Good manufacturing Practices (cGMP) for dietary supplements by FDA will support the growth in the herbal market due to change in rules and regulations related to herbal drug formulations. However, there was a steady growth in the year of 2008-09 due to crisis-ridden period but importance of healthy diet and good lifestyle, which could not be abridged even by monetarist break-down, has dominated the consumer's mind and increase the preference for dietary supplement and herbal formulations.

Herbal formulations and remedies gives healthier, more cost-effective, and innocuous option to consumer to get rid of their physical and mental disorders, which cannot be possible with conventional medicines and remedies due to its high price, less income and huge cost for healthcare. According to the largest share of world market, Europe is the largest region for herbal supplements and remedies, as stated by the new market research report on

Herbal Supplements and Remedies, which is shown in Fig. 1⁴.

Global market for herbal remedies in 2008 (Fig. 2) across all segments currently brings in about \$83 billion in which herbal pharmaceutical industry (Herbal drugs and medicines) contributes major part (53%), whereas herbal beauty and functional food products contributes equal part of 17% and rest was dietary supplements about 13%. Fig. 3 shows the geographical distribution of Global Herbal Medicines Market 2015.

Table 2 Demands of Herbal Medicine market in different region

Markets	Present Demand	Projected Demand (for 2015)
Europe	US\$ 35 Billion	US\$ 70 Billion
North America	US\$ 6.5 Billion	US\$ 25 Billion
China	US\$ 4.0 Billion	US\$ 12 Billion
India	US\$ 1.5 Billion	US\$ 3 Billion
Others	US\$ 13 Billion	US\$ 30 Billion
Total	US\$ 60 Billion	US\$ 140 Billion

As per geographical distribution of herbal medicine market, Germany shares highest percentage of herbal medicines market (28%), whereas second largest shares of herbal medicine market is Asia (19%) and Japan (17%)⁵. Table 2 shows the geographical demands of herbal medicines in present and expected to grow in 2015⁶.

Herbal medicine and Herbal Industry is having positive future in India as a business intention due to constantly increasing demand for natural therapies. Use of herbal medicines as primary source to cure diseases are increasing due to various factors like high stress condition at work places, exhaustive lifestyle, the never-ending search of peace and the rising numbers of illness with less healthy environment. Nowadays people are continuously searching for peacefulness. They are ready to pamper in to comforts that can offer them the spurt in a natural way hence it leads to Ayurveda treatment. Being the center of origin of Ayurveda, India will cater to larger portion of herbal market world-wide. The total size of the Indian Ayurvedic market is INR 50 billion and it's expected to grow significantly for next 10 years at 10-15% per annum. This boom in herbal healthcare industry will provide additional boost to Indian economy and to generate employments⁷. The usage of herbal medicines is increasing day by day and annual turnover of Indian herbal manufacturing industry is about Rs 2,300 crore as against the pharmaceutical industry's turnover of Rs. 14,500 crores with a growth rate of 15%⁸.

Fig. 1 Region for Herbal Supplements and Medicines



As per the report published by Associated Chambers of Commerce and Industry (ASSOCHAM), the Indian Herbal Industry is likely to double from present 7.5 crore to 15 crore by 2015 with a compound growth rate of over 15%. According to this study, the Indian Herbal Market is divided into two categories – raw material and finished products. The study has concluded that there is a strong demand for raw herbal material^{9,10}.

In US, herbal medicine market was at \$4.4 billion with an estimated growth rate of nearly 4% in 2005. Herbal Sales grew to \$4.6 billion in 2006 and \$4.5 in 2011. The sales grew to \$7.9 billion in 2013 and expected to grow in future (Fig. 5)⁶. Due to a powerful “Green Wave” people of US has shifted their mind towards natural products and started using herbal and natural medicines.

Fig. 2 Global Herbal Market 2008

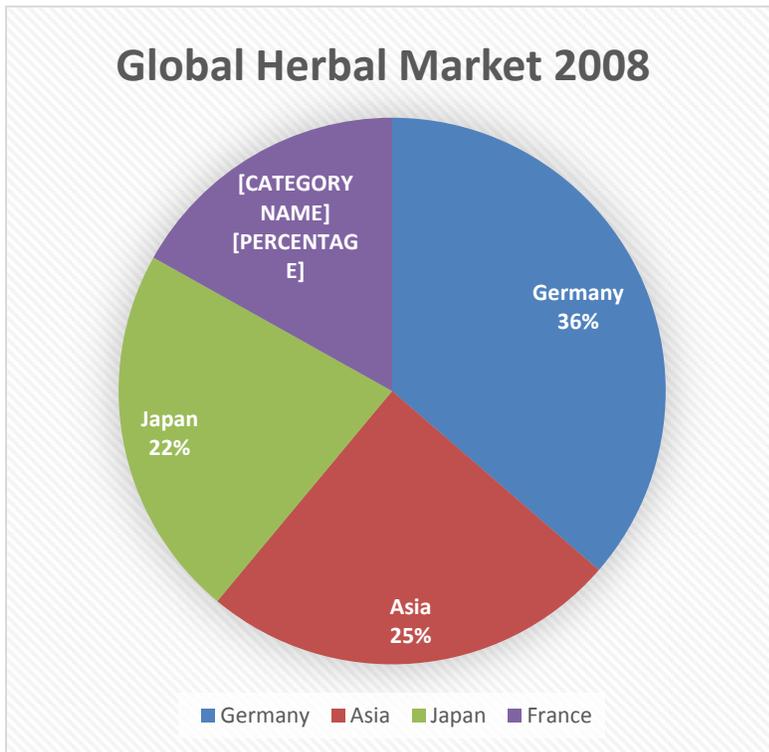


Fig. 3 Geographical Distribution of Global Herbal Medicines Market 2015

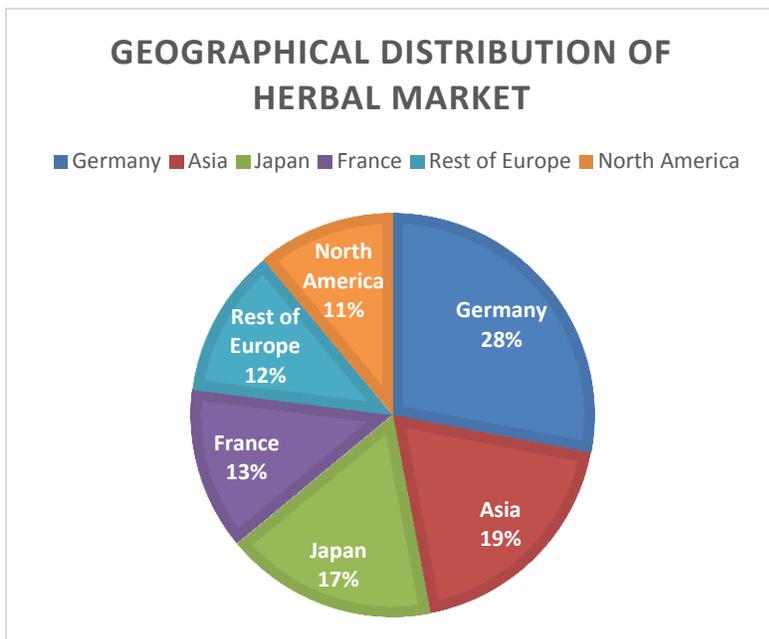


Fig. 4 Demand for Herbal Medicine Market in different region

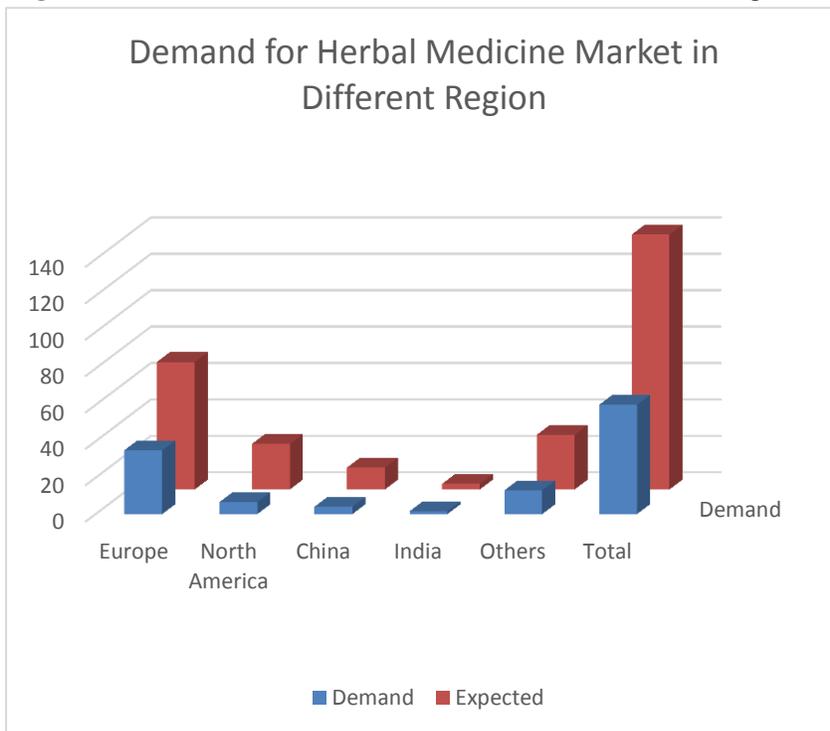
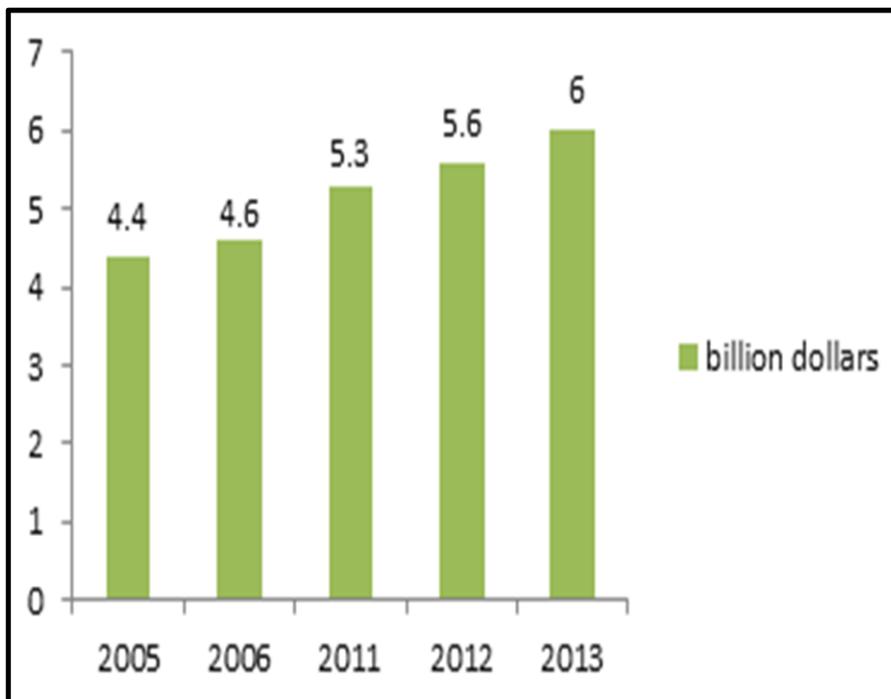


Fig. 5 Herbal Medicine Market in USA



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