INTERVIEWS | INTERVIEW

Nutraceuticals industry will overtake pharmaceutical industry worldwide

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Ajit Singh is Chairman ACG Worldwide, President, Health Foods & Dietary Supllements Association (HADSA), India and also the President of the Task Force on Nutraceuticals of the Federation of Indian Chambers of Commerce & Industry (FICCI). His ACG Worldwide (formerly the Associated Capsules Group) employs about 4,000 personnel in India, Croatia, China, Indonesia, Brazil, UK, USA and other Countries in several factories and offices. His group is Asia's largest capsules and related machinery and packaging manufacturing enterprise and the 2nd largest manufacturer of capsules in the world. Additionally, the ACG Group is No.1 in the world in three other pharma equipment products, and they export about 50% of their entire production to over a 100 countries. As the president of nutraceutical task force he discusses with NuFFooDS Spectrum the prospects for the nutraceutical and allied sectors in India claiming that the market will evolve successfully, and faster than expected.

What prospects do you see for nutraceutical industry globally?

The nutraceutical industry globally can expect rapid growth, faster than pharma, and has a great future in India. This industry has reached its highest point in the United States where the number of nutraceutical dosage units consumed is high even when compared with the pharmaceutical industry.

As pharmaceutical products can cost much more than nutraceuticals, the size of the industry in monetary value terms may seem higher, but the reality lies in the volume of production. Remember, one generally takes curative medicine only when one falls sick, say 10 or 15 days in a year as an average. However, nutraceuticals are consumed every day of the year as they are meant to keep one from falling sick. In my mind, there is no doubt that the nutraceuticals industry will overtake the worldwide pharmaceutical industry in volume in due course.

How do you look at the current and future Indian market of nutra, functional foods and dietary supplements?

Clubbing all three together there has been considerable interest in the last few years leading to faster growth. India is still way behind North America and Europe in such consumption. This is partly because of widespread presence of indigenous systems of medicine such as Ayurveda, Homeopathy, Naturopathy, Unani, Siddha, etc., some of which are also derived from herbal origins. Also the increase in discretionary income is lower in India than in advanced countries,

though they are now increasing fast.

India is quite oblivious of the buzz in the USA and European nutraceutical marketplace, continuing new developments in nutraceuticals, and the excitement and huge sales that follow the launch of frequent new products. Many overseas nutra journals and newsletters have very little readership in India. Not many foreign companies advertise or promote their products in India as yet.

What are the challenges in the growth of the industry in India?

There are hardly any challenges that cannot be overcome with intelligent forward planning. If there are challenges, these should be welcomed as they give an efficient innovative producer a leadership advantage.

However, one could point to the relatively unsettled state of the regulatory area, as a challenge, though this is settling down fast. Where the Food Safety and Standards Authority of India (FSSAI) is slow or appears retrograde in their rulings, it is an opportunity for industry and their associations to assist the government with accurate, un-biased information on what is happening in other relevant markets of the world. The government welcomes such inputs to help them make better decision. It is up to us.

In India, people still do not know much about nutraceuticals. What is needed to be done for market expansion? How to create awareness?

You are right. Most people do not know much about nutraceuticals. However, those who travel abroad often bring to India those specialty products still not available in India. Amazon and similar agencies are being increasingly used. The major problem for domestic nutraceutical manufacturers is in the area of distribution and promotion. Where pharma companies are diversifying into nutraceuticals and dietary supplements their existing distribution channels and established brands can help. Others are exploring newer methods such as pyramid marketing and the internet.

All the experts talking about nutraceuticals in TV and magazines are not so active in India. Definitely in the United States and Europe there are several popular magazines talking about nutraceuticals and their benefits. One of the advantages that nutraceuticals have over allopathic and western medicine, is that in western medicine, till internet came, everything was

kept a secret. Doctors never told you why you are prescribing something, they didn't have time to explain the side effects and so on. Whereas in nutraceuticals it is an open book. In articles on omega 3, right from sourcing of omega 3, side effects, benefits, use, everything is easily available.

Some doctors say they won't mind prescribing nutracuticals but scientific standards are not set properly.

So what, doctors worry about basic efficacy and then the danger. Now as far as danger of the product is concern Indian public has been using it for 2,000 years and our main producers like Dabur may have 100 years of experience which surely is better than clinical trials. And doctors who use it keep track of side effects. So it's not quite useful to say that doctors would be worried about the effect. Regarding efficacy, again the use and benefit that is given to millions of people in India who can't afford buying medicines surely is some evidence of efficacy.

Some people say government does not understand science of nutraceutical industry. How to overcome this problem?

Like I said before, where the government is unfamiliar with this industry, it's an opportunity and duty of industry and its associations to assist and inform the government and work with them shoulder to shoulder to evolve standards and appraise the science.
Remember, the nation's first 5-year-plan after Independence was largely drafted with the help of industrialists. Some-where industry and government strayed apart. It's time, under the business and result-minded government, to restore the partnership in interest of public and nation.

How the market will evolve?

Successfully, and faster than expected.

How can credibility of nutraceutical products be established?

As in every industry, it's only a few who spoil and damage credibility of many. Here's where the FSSAI could be useful. Both time and increased public awareness will partly resolve this problem. Meanwhile supportive media attention would help.

What role can regulation play in the entire process?

Regulation is desirable. It should generally conform with what comparable overseas industry and their governments have arrived at through experience and negotiation. The government should play the role of a promoter and arbitrator, more than simply a regulator or policeman. By becoming a member of the Health Foods And Dietary Supplements Association (HADSA) in India the regulatory picture of the worldwide nutra industry becomes accessible.

Can doctors and nutritionist play an important role in developing the market in India?

Yes. Doctors generally unfortunately tend to be a little sceptical about the usefulness of nutracuticals. There are few doctors who are inclined. And I think as we are able to have more seminars and more magazines on nutracuticals, like Nuffoods, is an excellent example. Doctors will start listening and reacting to persuasive area of preventive medicine.

Is the financial sector not coming forward?

I don’t believe finance should be blocked to set up a factory making nutracuticals. It depends on the project and on the promoter. Many pharmaceutical companies, with plenty of funds, are moving towards nutracutical. They all have nutracutical R&D departments because they know it’s a huge growth market.

Do you think growth of nutraceutical industry will affect pharmaceutical industry?

Only marginally. Pharmaceutical products are essential to cure sickness. Nutraceuticals are required to maintain well-ness.

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