

Biotech drives wellness

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Dietary supplement market to reach \$2.73 billion in 2016

The Indian nutraceutical market is estimated to grow at a CAGR of 13 percent and top \$2.73 billion in revenue by 2016. Functional foods will be the quickest growing category till 2015 followed by dietary supplements. Dietary supplements, specifically herbal and dietetic supplements, will form the greatest opportunity areas for nutraceutical manufacturers, driven by growing demand from an evolving consumer base, says a report from Frost & Sullivan.

The Indian nutraceutical market is dominated by pharmaceutical and fast-moving consumer goods (FMCG) giants. While pharma companies are strong in dietary supplements such as vitamin and mineral supplements, FMCG companies dominate the functional foods space.

A report by Frost & Sullivan and the 7th Nutra India Summit Conference Secretariat says, "The Indian Nutraceutical market was valued at \$1,480 million in 2011. Dietary supplements was the largest category accounting for 64 percent of the nutraceuticals market, driven primarily by the pharmaceutical sector in the form of vitamin and mineral supplements.

The global nutraceutical market in 2011 was estimated to be \$149.5 billion, with US, Europe and Japan being the largest regional markets accounting for nearly 93 percent of the global Nutraceutical demand. These markets are nearing maturity, with exceedingly high per capita spends on nutraceuticals products. This is forcing nutraceutical manufacturers to look at developing countries such as India and China, which have considerably lower per capita spends on nutraceutical products, as key growth regions for their nutraceuticals portfolio.

Increasing disposable income and standards of living, aggressive retail marketing, increasing urbanization and awareness of

functional benefits are driving the nutraceutical market in India. On the contrary, the market has some restraints such as lack of product credibility, unclear and ambiguous regulations, overcrowded product market, and lack of products catering to the Indian consumer.

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