INVIGORATING AYURVEDA IN THE TIMES OF COVID-19

India’s Position and Investment Opportunities

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“Ayurveda is an immortal time tested repository of the healthcare system in the world. This panacea could certainly open new horizons of health and wellness by creating immense opportunities of entrepreneurship and business development contributing to the global economy.”

VAIDYA RAJESH KOTECHA,
Secretary, Ministry of AYUSH
The coronavirus pandemic has reminded the world of the importance of good health, and strong and resilient immune systems. While effective and curative medicines are indispensable in fighting such aggressive viruses, our best defence lies within our bodies.

The novel virus has dramatically increased consumer demand for dietary supplements that improve nutrition, assist with sleep and stress relief, support strong immune function and improve resistance to health threats.¹

The World Economic Forum, too, has highlighted the importance of a strong immune system in fighting the virus and has recommended sleeping well, eating a balanced diet, moderately exercising regularly and reducing stress to lead a healthy lifestyle.²
The demand for food supplements and immunity boosters is increasing across the globe as consumers move from curative medicine to proactive and preventive healthcare. Long-term health immunity is at the forefront of consumer concerns and it is bringing into spotlight various progressive alternatives to health and wellness.

While conventional healthcare is still widely preferred, there is also a growing demand for all-natural alternatives that are helping propel the growth of the global herbal medicine market. Benefits such as low toxicity levels and fewer side effects even over prolonged periods of use are some of the reasons why consumers are beginning to prefer herbal alternatives. The growing geriatric population and its increased awareness of nutritional values and preventive healthcare has further augmented the global herbal supplements market. It is expected to reach USD 8.5 billion (Bn) by 2025 and expand at a Compound Annual Growth Rate (CAGR) of 6.2 per cent.

Although there are no significant data on the effects of nutritional supplements—herbal or non-herbal—against the coronavirus that causes Covid-19, we know that at the minimum, these supplements increase overall immunity and provide much needed nutrition. Even as researchers closely evaluate the evidence of nutritional based interventions, with special emphasis on respiratory infections, available evidence suggests that Ayurveda and Ayurvedic herbs are powerful in building immunity, strengthening, and repairing our body.
Research-based evidence suggests that through traditional forms of dietary management and interventions of Ayurveda, risks of NCDs can be reduced while the severity of the disease can also be lessened.

The Ayurvedic system goes beyond a curative treatment and emphasises a healthy and all-encompassing lifestyle instead. The ancient healthcare system focusses on understanding the individual in addition to the disease and advocates for a holistic and individualistic approach in diagnosis and management of diseases. Apart from an individualised diagnosis, Ayurvedic prognosis also includes the extensive use of herbs, exercise, diet, and changes in lifestyle.

Given this, the Ministry of Ayurveda, Yoga & Naturopathy, Unani, Siddha and Homeopathy (AYUSH) issued an advisory amid the coronavirus pandemic in India, highlighting Ayurvedic immunity-enhancing tips as preventive health measures. These include drinking warm water throughout the day, a herbal tea (kadhah) with a concoction of tulsi (Indian basil), dalchini (cinnamon), kalimirch (black pepper), shunthi (dry ginger) and munnaka (raisin) and ‘golden milk’—half teaspoon of turmeric in hot milk—are among some of the recommended Ayurvedic remedies. It also recommends a daily intake of 10 milligrams of Chyawanaprash that is also gaining focus and attention along with natural and organic medicines. Respiratory health, on the other hand, can be improved by practising 30 minutes of Yoga and Pranayama every day. These measures were endorsed by the Prime Minister Narendra Modi on social media and in his televised speech where he urged people to increase their immunity by adopting the guidelines issued by the AYUSH ministry.

Himalaya Drug Company, a market leader in the nutrition and wellness segment, confirmed that during the lockdown, there has been a significant increase in demand for immunity and wellness products containing pure herbs such as guduchi, tulsi, amalaki, ashwagandha among others, along with propriety formulations such as Himalaya Drug Company’s ‘Septilin’ and ‘Immusante’.

Factors such as mounting health concerns over the side-effects of modern medicine are also driving consumer adoption of Ayurvedic and natural products. These include personal care and health care which incorporate Ayurvedic nutraceuticals, Ayurvedic medicines and dietary supplements. Ayurvedic medicines developed as nutraceuticals provide the following benefits:

- Cellular health support,
- Immune health support,
- Bio-chemical/neuroendocrine support
- Nutritional support through phytonutrients

The roots of nutraceuticals can be traced to Ayurveda’s multi-conceptual practice. Among the
eight concepts of Ayurvedic science, ‘Rasayana’ is considered the primary method of maintaining vigour, developing mental health, and providing resistance against diseases. Responsible for improving health and longevity, Rasayana is a poly-herbal preparation made from plant extracts.2

Changing Consumer Trends

Over the years, scientists have integrated essential Ayurvedic herbs like turmeric, emblic, ginger, garlic, curcuma, cumin, and Indian basil and other traditionally important dietary components within nutraceuticals, food supplements and functional foods to fulfil individual dietary needs. These products have natural bio-active compounds considered beneficial in preventing diseases.¹

A significant change in dietary preferences of the urban Indian population has also prompted changes in the system. In keeping with changing consumer trends and preferences, traditional foods with health benefits are being packaged and promoted in smart and innovative ways to meet consumer demands that are increasingly moving from traditional diets to more sophisticated and healthy food types.

Several such Ayurveda-influenced products include ready-to-drink juices, capsules and nutrition powders are gradually moving toward mainstream food and beverages segment. Children-specific products such as Himalaya’s ‘Quista Kidz’ and bio-active lifestyle beverages from startups like &Me for women, are finding a niche market in this segment by blending traditional ingredients to provide optimum nutrition.

The industry, largely driven by the private sector and key legacy players like Dabur, Himalaya and
the Baidyanath group, has also seen relatively new entrants like Patanjali, who are playing a crucial role in popularising Ayurveda and giving a boost to the sector. The past few years have also seen a significant interest from startups who are leveraging traditional medicine and the growing consumer trends to develop a new range of Ayurveda products. With the support of technology, many of these startups are devising innovative marketing strategies to improve outreach and build Ayurveda as a brand. Companies are exploring both online and offline sales channels, and different distribution network disruptions that improve consumer accessibility. With an aim to benefit many more people across the world, private players in the Ayurveda industry can also generate large revenues for the industry, both domestically and internationally.

Safety Regulations

Products that fall under health supplements, nutraceuticals, foods for special dietary use and medical purposes, functional foods and novel foods, come within the purview of the Food Safety and Standards Act of India (FSSAI). FSSAI has framed a set of guidelines and regulations to ensure that the benefits and health claims of such novel foods are proven by scientific evidence. In addition to the FSSAI guidelines, there are several other complementary regulations that manufacturers can take to comply with international regulations such as World Health Organization - Good Manufacturing Practices (WHO-GMP), ISO 9000 and Hazard Analysis and Critical Control Points (HACCAP) certifications.
In 2017, the global Ayurvedic market was valued at USD 4.57 Bn and by 2026, it is expected to reach USD 14.62 Bn, growing at a CAGR of 16.14 per cent through the forecast period. This upward trend brings India into the limelight as one of the largest producers of raw materials for Ayurveda products. As herbal medicines become mainstream in many developed countries, India can emerge as a strong market leader for herb-derived drugs and dietary supplements. The sale of turmeric, for instance, is increasing manifold every year and India, as one of the largest cultivators of this anti-allergen, can use this opportunity to establish its presence as a preferred global supplier of such raw materials used in the production of natural and Ayurvedic products.

This is highlighted in a report published by Statista on global Ayurveda exports. In India, the total export value of Ayurvedic and herbal products amounted to USD 446 million (Mn) in the 2019 fiscal year, marking a consistent increase in the total value of exports since FY 2015. Agriculture and allied sectors, of which India's global position

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<th>Year</th>
<th>Values of Exports in USD Mn</th>
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<tr>
<td>FY 2015</td>
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<td>FY 2016</td>
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<td>FY 2018</td>
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<td>FY 2019</td>
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Source: Statista report on value of ayurvedic and herbal products from India (2014-2019)

PROMINENT PLAYERS IN THE INDIAN INDUSTRY

- Charak Pharma Private Limited
- Dabur India Limited
- Emami Limited
- Herbolab India Private Limited
- Himalaya Drug Company Private Limited
- Nagarjuna Herbal Concentrates Limited
- Patanjali Ayurved Limited
- Shahnaz Ayurveda Private Limited
- Shree Baidyanath Ayurved Bhawan Private Limited
- Sandu Pharmaceuticals Limited

Export of Ayurvedic and Herbal Products from India between FY 15- FY 19 in USD Mn
which Ayurvedic and herbal products are a part, contributed to about 8.6 per cent of India’s total exports.\textsuperscript{xvi}

According to Baidyanath, a leading industry player, India exports roughly five per cent of its manufactured products annually.\textsuperscript{xvii} Exports usually include ingredients or single ingredient products. Ingredients used in Ayurvedic products are sourced almost entirely from within India; specific regions are known for their flourishing cultivation of certain ingredients. For instance, turmeric comes from the North-East while saffron is sourced from Kashmir. Some highly specialised ingredients, however, are brought in from Indonesia.

Indian companies have also taken special initiatives to ensure the proper supply of raw materials, while positively impacting the farmer community. Himalaya Drug Company’s \textit{Kisan Mitra} focuses on the economic empowerment of small and marginalised farmers across India. Baidyanath Group, similarly, has dedicated field research teams that gather data on the cultivation of herbs and disseminate its analysis among the farming community to better their results.\textsuperscript{xviii}

Despite the general upward global trend, the popularity of Ayurveda varies from one country to another. The Asia-Pacific (APAC) region spearheads the market growth due to the readily available raw materials and traditional presence of Ayurveda in the region while European countries like Italy, Russia, France and Germany, in particular, reflect the growing popularity of Ayurveda. They are, therefore, ideal markets to capture.\textsuperscript{xix}
A renewed interest in Ayurveda’s holistic care coupled with the government’s approval of 100 per cent foreign direct investment (FDI) in the sector has opened doors for all stakeholders to work together to harness Ayurveda’s potential in India and across the world. Despite being a millennia-old tradition, the Ayurveda industry is actually at a nascent stage and therefore, primed for investments in several areas that will not only advance industry knowledge but also Ayurveda’s presence in consumer markets.

**Standardisation**

The first area of investment must be product standardisation both at national and international levels. Within India, the near absence of standardisation does not permit wider acceptability of Ayurveda products even though Ayurvedic remedies are popular. Nearly 75 per cent of Indian households already use some form of Ayurveda to treat a variety of problems. The ad-hoc certification process has also prevented adequate sector growth even though opportunities for growth are plenty.

The absence of a single set of international licensing norms makes overseas sales very complex. It becomes nearly impossible to prove the safety, purity and efficacy of Ayurveda products which leads to insufficient market penetration. However, this is not unachievable. This was highlighted by Ramesh Vangal, the chairman of Kerala Ayurveda Limited, an incorporated Ayurveda company since 1992 that manufactures nearly 350 classical and proprietary Ayurvedic medicines and exports to over 10 countries including the United States, Japan, Australia and Switzerland. In a conversation with Invest India, Vangal shared that:

“If Ayurveda has to be popularised, its products must meet international norms and standards. This may seem difficult, but it is doable. For instance, California state’s Prop 65 regulations are considered the harshest in the industry, but having sold products there, I know that Ayurveda can meet those demands. I have also actively invested in an education infrastructure in the United States because its Food and Drug Administration (FDA) regulations are some of the toughest in the world. Acceptability in the U.S. is usually an important marker of global acceptability.”

The sale of Ayurveda products globally in the absence of licensing norms is also expensive for manufacturers. Since there are no standardisation norms in India that could be presented to overseas regulations bodies before sale in those countries, manufacturers have to invest hundreds of thousands of dollars in clinical trials that match each country’s certification norms. Norms vary as per the country. They are less stringent in Russia, Eastern European and African countries while western European countries and the United States have much stricter regulations. This has created an asymmetry in Ayurveda’s global presence.

Pradyuman Sharma, the business development manager of the Baidyanath Group suggested
Ayurveda uses clinical proof and adherence to natural patterns as proof and evidence. It continues to work 5000 years later. Ayurveda is a modal system. While lab research focuses on molecular evidence of therapeutic qualities in herbs, Ayurveda concentrates on herbs as a whole. Given this, lab research may not be very viable to prove the efficacy of Ayurveda. However, millions of people who use Ayurveda provide clinical evidence.

“Standardisation of Ayurveda medicine is good and important for the growth of the industry that people understand what compound is used in which medicine and the purpose it serves. Essentially, any chemist must be capable of recognising the similarity of the salt used in medicines made for the same purpose by two different Ayurveda companies.”

To that end, Baidyanath and newer startups are already investing in technologies like blockchain to help authenticate herbs and streamline research by securing incorruptible data. Once the data is saved on the blockchain, it can be leveraged to encourage farmers to produce high-yielding herbs and enhance the quality of the farming process. It also offers consumers greater transparency, helping them discover the origins, journey, and impact of Ayurvedic products.

Sector leader Himalaya Drug Company’s portfolio of over 500 products is based on such research, as per its CEO, Philipe Haydon. “Drawing from ancient Ayurvedic texts, our scientists have validated the safety and efficacy of our herbal formulations using modern science. Each herb is studied in great detail to establish known and unknown therapeutic benefits. This helps us drive our seed-to-shelf policy and rigorously adopt eco-friendly practices to support the environment we inhabit.” Haydon added that a Himalaya product can take anywhere between 14 and 15 years before it is launched.

The emphasis on therapeutic qualities of herbs in Ayurveda was also underscored by Dr. Bhaswati Bhattacharya, a holistic family physician-scientist and an Ayurvedic practitioner:

“Ayurveda uses clinical proof and adherence to natural patterns as proof and evidence. It continues to work 5000 years later. Ayurveda is a modal system. While lab research focuses on molecular evidence of therapeutic qualities in herbs, Ayurveda concentrates on herbs as a whole. Given this, lab research may not be very viable to prove the efficacy of Ayurveda. However, millions of people who use Ayurveda provide clinical evidence.”
Marketing

Along with a consorted standardisation process to provide certifications that meet international norms, proven knowledge of Ayurveda’s benefits needs to be disseminated widely in order to develop a global interest in the sector. Marketing is, therefore, the second area of investment to take Ayurveda forward.

The growing demand for all-natural and herbal products has given rise to a number of Indian startups that are using the principles of Ayurveda to meet various contemporary problems. One such startup is “&Me” that specialises in women-focused products and was supported by the Indian counterpart of American private equity firm Matrix Partners.

In a recent conversation with Invest India, Sanjot Malhi, director at Matrix India, who led this investment stated that his firm was looking keenly at the growing Ayurveda market and are interested in companies that can capture affordability and high-quality products backed by proven benefits. However, in order to help increase the outreach of these and upcoming brands of Ayurveda, the industry has to address the fundamental problem that Ayurveda is not that well understood. Helping people globally better understand the benefits of Ayurveda, clearly articulating its proven records and how it fits into one’s life are key first steps that can greatly improve Ayurveda’s reception in the global market.

Another marketing strategy could be developing products with specific target audiences. Vangal suggested that the current pandemic offers an opportunity to develop products specifically for vulnerable groups such as senior citizens. He also said that the sector is much bigger than its current global valuation of around USD 4 Bn. Like him, Dr. Bhattacharya suggests leveraging digital platforms to identify target audiences and taming products to match their needs. To popularise Ayurveda, Dr. Bhattacharya also recommends its widespread adoption by Indian celebrities who can, thus, influence their followers.

Growing the Ayurveda knowledge base amongst the masses requires a close study of consumer requirements and market trends. Sparking interest amongst the public is also indispensable in growing the Ayurveda brand. Leveraging the global yoga audience of 70 million that already has a prior inclination towards Ayurveda can render successful results.
CONCLUSION

As this paper highlights, Ayurveda, as a segment, has scope for tremendous growth which can benefit from investments in identified spaces. They will allow Ayurveda to evolve itself to a form that is cognisant of the needs and trends of new generations. Today, the sector is more structured, has integrated technological advancements, environmental changes and evidence-based research methodologies to provide premium care. These advancements, built on Ayurveda’s affordability and pre-existing user base, can help advance the system’s benefits to the population at large.

Bringing Ayurveda into the mainstream requires a concerted effort which can be led by the Ministry of AYUSH. The ministry can also explore the incorporation of industry suggestions towards designing standardisation and licensing norms that regularise Ayurveda products in India. The AYUSH Ministry can also help companies seeking overseas sales of their products, the requirements for which, as discussed, can be a cumbersome process. It can be streamlined with the ministry’s intervention and outreach to other countries. As a positive move, the government recently introduced an economic stimulus package under the *Atmanirbhar Bharat Abhiyan* and has allotted INR 4,000 crore (USD 535 Mn) to the herbal sector for promotion of herbal cultivation. The move aims to cover 10 lakh hectares (24.7 lakh acres) under herbal cultivation over a period of two years.

The coronavirus pandemic has reminded us that our body’s immunity is our first and best line of defence. Healthy living and good nutrition are crucial for self-preservation. Fortunately, India, with its vast heritage and knowledge in Ayurveda, does not have to look too far. Riding on many waves of evolution, Ayurveda is poised to re-enter our lives in unique ways. This ancient wisdom has taught us that the more things change, the more they stay the same.
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- **Sanjot Malhi**,  
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