

Indian nutraceuticals market to double in next 5 years

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Singapore: A latest research report filed by Ikon Marketing Consultants revealed that the Indian domestic nutraceutical market may double in the next five years.

The nutraceutical market in the country consists of three segments, dietary supplements, functional foods and functional beverages. The report estimated that this market could have grown five-fold by 2020 since the beginning of the current decade with possible domination by functional food and beverages segments.

"Indian nutraceutical market is growing at a healthy double digit CAGR of 18.46 percent" the research report said.

The report added that the functional beverages segment was growing much faster at a CAGR of around 21 percent followed by functional food at 20 percent and dietary supplement growing at 15 percent.

"Traditionally, pharma-dominated dietary supplement have major weightage in market. However, the recent shift in consumerism has resulted in functional food and functional beverages together occupying 67 percent, which is a majority chunk," said Mr Azaz Motiwala, CMD, Ikon.

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The research pointed out that domestic nutraceutical market is highly concentrated in south India, followed by east India with leading top three states being Andhra Pradesh, Tamil Nadu and West Bengal.

The report further added that the urban-centric nutraceutical market is gradually gaining ground in rural India with the penetration of lifestyle diseases in rural parts. "Rural India occupies nearly one third of the overall market," it said, adding that the penetration rate is high in urban India at 22.51 percent whereas in rural India it is only 6.32 percent.

"India represents merely two percent of the global nutraceutical market and is way behind in terms of per capita spend of nutraceuticals with just \$2.5 compared to global average of \$21," Mr Motiwala explained.

As per Ikon's projection, the nutraceutical market may double in the next five years and could have risen five-fold by 2020 since 2010.