

## OPPORTUNITIES & CHALLENGES FOR EXPORT OF AYURVEDIC PRODUCTS TO AFRICAN COUNTRIES

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### ABSTRACT

Ayurveda is the most ancient system of healthcare. India's share in the export of herbals is just 0.2% of the total global herbal market. So there is obviously vast scope for Indian manufacturers for entering the growing world wide opportunity of business in Herbal Pharmaceutical field. The world wide market of Herbal Medicines is US \$ 60 billion (WHO 2002). The world health organization predicts the overall automotive medicine market to reach US \$ 5 trillion by 2050. According to WHO, up to 80% of the world's population still depend heavily on TCM for treatment. Traditional Medicines (TM) have been used by African Countries since ancient times. India's exports are much less than what they import from other countries. Africa presents 6% of ASU&H exports. Major importing countries are Kenya and Nigeria. The major objective of this study is to critically appraise the potential for herbal ayurvedic products and identify the problems and prospects of these in select African Countries.

**Key Words:** Ayurvedic products, Traditional Medicine, Exports

**INTRODUCTION:**

Ayurveda is the most ancient system of healthcare. India's share in the export of herbals is just 0.2% of the total global herbal market. So there is obviously vast scope for Indian manufacturers for entering the growing world wide opportunity of business in Herbal Pharmaceutical field.

Traditional Medicines (TM) have been used by African Countries since ancient times India's exports are much less than what they import from other countries. Africa presents 6% of ASU&H exports. Major importing countries are Kenya and Nigeria. Demand for medicinal plants is increasing in Africa as the population grows. But constraints and challenges exist at all levels.

**GLOBAL MARKET FOR TRADITIONAL MEDICINES:**

The world wide market of Herbal Medicines is to US \$ 60 billion (WHO 2002). The world health organization predicts the overall automotive medicine market to reach US \$ 5 trillion by 2050. Indian planning commission estimates massive increases in the export value to Rs.30 billion by 2006 and to Rs.100 billion by 2010. Germany, France, UK, Switzerland, Japan & USA are major importers of Indian Medicinal Plant Products.

Within the European Union botanical medicine represent an important share of the pharmaceutical market. With annual sales of US \$ 7 billion. In India, the value of medicinal plant related trade is about US \$ 10 billion per annum and this industry is growing at the rate of 7.15% annually with exports of US \$ 1.1 billion per year.

**REVIEW OF LITERATURE:**

WHO (2002): Traditional and folklore medicine handed on from generation to generation is rich in household remedies and community practice. According to an estimate of World Health Organization (WHO), nearly 80% of the populations of developing countries rely on traditional medicine, mostly plant drugs for their primary health care needs.

Gautam V.S (2003). Researchers here designed product market segmentation matrix in to four zones . They have placed Indonesia and other countries in Zone A where Indian system of medicines is recognised as alternate source of traditional healthcare system and variety of products can be sold there.

M. Daniel(2004) India is on the threshold of a herbal revolution. With the rich wealth of herbs, we can command the world herbal scene. But there are so many obstacles we have to cross before we become a superpower in the herbal scene

Assocham Report 2008 Herbal product exports can be accelerated with the setting up of EPZs in about 12 Indian states as their demand soars at a rate of over 25 percent in countries like the US, Britain, Spain, Australia, Russia and Indonesia.

**OBJECTIVE:**

The major focus of this study is to critically appraise market scenario of last 5 years and identify the opportunities and challenges for ayurvedic products, so as to develop a suitable strategy for export of Ayurvedic products to African countries.

**METHODOLOGY:**

This study is supported by desk research, which includes sources like World Health Organization, World Intellectual Property Organization, Dept. of Indian System of Medicines and Homeopathy, Department. of Commerce Govt. of India, Pharmaceutical Export Promotion Council their conferences and various articles and papers published in various magazines and news papers.

Table.1 India’s Total Export Ayurvedic products

Year	Total export In Rs.Lakhs
2005-06	23,306.69
2006-07	25,953.88
2007-08	32,143.83
2008-09	32828.60
2009-10	96167.20

Values in Rs.Lakhs

Source; Dept of Commerce Export Import Data Bank. GOI (?)  
<http://commerce.nic.in/eidb/ecomntq.asp>

India’s export of ayurvedic products have shown an increasing trend in last fives years as evident from table 1 above which is 312.6 % growth.

**Table. 2. Export of Ayurvedic products to African Countries**  
**Values in Rs. Lacs**

Countries	2005-06	2006-07	2007-08	2008-09	2009-10
<b>KENYA</b>	<b>404.28</b>	<b>853.26</b>	<b>555.75</b>	<b>1067.36</b>	<b>787.26</b>
<b>SOUTH AFRICA</b>	<b>324.33</b>	<b>319.32</b>	<b>116.90</b>	<b>276.16</b>	<b>473.63</b>
<b>NIGERIA</b>	<b>435.08</b>	<b>208.59</b>	<b>244.83</b>	<b>427.74</b>	<b>548.14</b>
<b>GHANA</b>	<b>253.34</b>	<b>184.19</b>	<b>62.75</b>	<b>346.81</b>	<b>213.71</b>
<b>Total</b>	<b>1417.03</b>	<b>1565.36</b>	<b>980.23</b>	<b>2118.07</b>	<b>2022.74</b>

Source;Dept.of Commerce Export Import Databank GOI(?)

Data in above chart indicates that there is 94.73% growth in exports to Kenya, 46% growth in South Africa and 26% in Nigeria but has declined in Ghana by 15.05% . There is overall growth in exports by 42.74% in the region.

## **TRADITIONAL MEDICINES IN AFRICAN COUNTRIES:**

### **Challenges:**

The regulation of TM follow WHO Framework on key component of Drug Regulation with some adjustment to suit the country's needs while on the other hand can still provide a control mechanism to protect the community from the risk of non compliance TM products. The essential regulatory element among others is legislation.

### **Legislation in African Countries:**

Despite its existence over many centuries and its expansive use during the last decade, in most African countries, traditional medicine, including herbal medicines, has not yet been officially recognised, and the regulation and registration of herbal medicines has not been well established. Although, in most African countries more than 80% of the population rely on traditional medicine for their primary health care needs. The governments have not yet promulgated regulation and recognition of the practice of traditional medicine. Even in countries where there is an apparent recognition, appropriate budgeting to facilitate the functioning of the Traditional Medicine Board is usually inadequate or totally lacking. In many countries in Africa, the entire traditional medicine community seems to be operating outside the framework of national legislation on the collection and trade in wild species. There is also a large inter-African trade in medicinal plants, again almost entirely outside the usual international trade controls. There is thus a need for the formulation and development of national as well as regional policies and legislation in terms of the trade and access to these resources if maximum benefits are to be reaped in order for such policies to be successful. Many African countries do not have procedures to register medicinal plant preparations although they are widely used for the health care needs of a majority of the people. The regulations, if any, are very stringent, requiring the same standards expected of modern medicines, more income and thereby become more aware of the value,

### **Ghana:**

In the Republic of Ghana, the national policy on TM/CAM was issued in 2002. Laws and regulations on TM/CAM were issued in 1992. and the national programme in 2000. Herbal medicines are regulated as over-the-counter medicines and as a separate regulatory category. There are 340 registered herbal medicines in Ghana; however none is included on the national essential drug list. In Ghana, herbal medicines are sold in pharmacies as over-the-counter medicines, in special outlets and by licensed practitioners.

### **Kenya:**

Herbal medicines are not regulated in Kenya. There is no registration system for herbal medicines and they are not included on the essential drug list. Herbal medicines in Kenya are sold without restriction.

**Nigeria:**

Herbal medicines are regulated as dietary supplements, Health foods, Functional food as an independent regulatory category. There is registration system and currently 107 registered herbal medicines in Nigeria, but none is listed on the essential drug list. In Nigeria, herbal medicines are sold without restriction by licensed practitioners.

**South Africa:**

The national policy on TM/CAM of the Republic of the Republic of South Africa was issued in 1996 as a part of the National Drug Policy. No regulatory status exists for herbal medicines. Currently they are sold for self medication only. There is currently no national registration system for herbal medicines, although one is in development. Herbal medicines are sold in pharmacies as over-the-counter medicines.

**TECHNICAL BARRIERS:**

1. Lack of harmonization in safety & quality evaluation parameters and registration procedures and high registration fees for TM products in developed countries leading to prohibitive transaction costs for exporter.

2. Absence of uniform drug dossier formats for registration of herbal/TM products in developed countries and insistence on multiple GMPs like US-FDA/EU GMP instead of reliance on WHO GMP.

3. Absence of harmonization & cooperation between regulatory agencies regarding development of pharmacopoeia monographs of medicinal plants.

4. Inadequate HS code classification for herbal substances/extracts/traditional medicinal products outlets, by licensed practitioners and without restriction.

**OPPORTUNITIES:**

**1. Prevalence of Traditional Medicines:**

Traditional Medicines (TM) have been used since ancient times and empirically passed on from generation to generation. TM have been used to maintain, and promote the human health, prevention as well as to reduce symptomatic disorders and has made great contribution to health. The use of TM is still prominent and take an important role as an alternative to Conventional medicines.

**2. Growing market:**

Table 2 above shows that Kenya is growing market along with South Africa & Nigeria. There is overall growth in exports by 42.74% in the region.

**3. Govt Initiatives in Export:**

Govt has given incentive to drug manufacturers, entrepreneurs, AYUSH institutions etc. for registration of their products for exports to focus countries. Some of them are,

1. 50% of the expenditure incurred on preparation of Drug Dossiers and Registration of ASU&H products subject to a maximum limit of Rs.5.00 lakhs per product shall be provided to AYUSH units

2. Support for International Market Development and AYUSH promotion-related activities like exhibitions/ trade fairs, surveys & studies, data procurement and hiring of services of International consultants Up to Rs. 50.00 lakh

3. Sponsoring of AYUSH conferences / teaching and other collaborations with reputed institutions / universities in other countries through Indian Missions / Embassies. not exceeding Rs. 100 lakhs in one case.

4. International conferences/road shows/trade forums organized by the Department / CII / FICCI / ITPO. Up to Rs. 50.00 Lakh

5. Support for fulfillment of international commitments for transfer and networking of AYUSH technology/ regulatory information. Up to Rs. 25.00 Lakh

3. Proper regulation of Ayurvedic Drug Industry The Ayurvedic drug industry needs to .be properly regulated, with emphasis on Good Manufacturing Practices (GMP). Successful companies will be those with sophisticated sales and marketing skills and strong financial backing. Export of traditional products after value addition should be one of our top priorities. Strategy should be directed towards the rapid validation of traditional medicine.

4. Popularise Indian Medicines System. The second phase would fashion the Indian medicine system and terminologies in the overseas markets and popularize them, considering the mindset of users. Earnest efforts have to be put in place, consolidate the past gains of traditional knowledge base and start developing entirely new herbal preparations based on India's biodiversity and make these products available to the international community.

## CONCLUSION:

With its vast biodiversity, India would draw world attention as a source of eco-friendly medical systems that are in harmony with the nature. While India has the knowledge, skill and resources, it has neglected the opportunities in the global markets. It has however been languishing due to inadequate care and insufficient scientific approach to its promotion.

There is need for understanding of regulatory requirements of different countries and for this Government help is needed. Global opportunities for Indian Herbals are on the rise. Generation of scientific information can help in increasing global opportunities Indian companies are investing more in research to en-cash on the global opportunities.

We have seen that India's Export of Ayurvedic products is on rise. African countries are growing market for herbal ayurvedic products. We can capture good share of market if Quality control, Good Manufacturing Practices, Good agriculture Practices,, Good Clinical Practices are followed.

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