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Ayurveda 2.0

On the cusp of change





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Executive summary

Through its 5000 years of existence, Ayurveda, as one of the oldest forms of medicine to be practiced in India, has witnessed many waves of evolution. One such wave is currently unfolding with Ayurveda expanding its positioning from simply being an alternative form of medicine to providing solutions for lifestyle and wellness-related issues while gaining merit in the medical space through research. Traditional ways of practicing Ayurveda and its proliferation are slowly making way for new methods that take into cognizance the unique needs of expanding markets, specifically in the context of the millennial generation.

Manifestation of these changes is clearly visible in Ayurveda 2.0, which denotes a paradigm shift in core Ayurvedic industries, including Ayurveda hospitals, clinics, products, manufacturers and practitioners using technology as an enabler. Indian companies, by adopting these new models and making use of modern technologies, have made major inroads into retail, wellness and therapeutic markets, and in many cases are even displacing market leaders and weakening the strongholds of international giants. This growth has been boosted by a combination of expanding demand and players' innovative strategies. Consumer demand has been on the rise across all fronts, driven largely by the Non-communicable and Chronic Disease (NCD) burden, with 20% of Indians suffering from at least one.

Consequently, there is an increased emphasis on lifestyle and wellness in India. On the seller side, companies are moving online and to other sales channels, thereby solving access- and ease-related issues. It is therefore unsurprising to see the proliferation of start-ups and investments in these areas.

Although these trends are evident across India, Kerala's contribution in propagating and catalysing Ayurveda 2.0 is noteworthy. As a market, Kerala exemplifies the growth and proliferation of Ayurveda-based companies in all segments. A haven for horticulture, with an already busy Ayurveda medicine scenario, Kerala has strengthened its competence in the supply, manufacturing and distribution stages of Ayurvedic production. We believe Kerala is well on the way to becoming a hub for investment in Ayurveda, and companies making and marketing Ayurvedic medicines.

However, along with the excitement of the emergence of a nascent market, there are some challenges that need to be overcome. In the case of Ayurveda, these relate to its standardisation and lack of supporting infrastructure. However, key governmental interventions and the Government's support could help overcome such seemingly insurmountable challenges. Consequently, Ayurveda is set to grow into one of the most innovative growth markets in the global healthcare domain.



History and significance of Ayurveda

Ayurveda is the science of life, addressing all aspects of life, including consciousness (the mind), human physiology, and behaviour and environment. In Ayurveda, every individual, rather than the disease, is looked at holistically as the prime focus of treatment. This prime aspect of Ayurveda has captured a large segment of the western world. It is India's oldest medical system, flourishing for the last 5000 years.

Ayurvedic texts and literature surfaced after the Vedic period between the second century BCE and the second century CEAD. The texts are categorised as the 'Great Three Classics of Ayurveda' and the 'Lesser Three Classics of Ayurveda'. The former highlights the overall significance of internal medicine and comprises knowledge relating to the prevention and cure of illnesses. It includes the detailed medicinal values of more than 10,000 herbs and plants, descriptions of surgeries, the practice of surgery for 1120 health conditions, 3200 types of interventions, and 121 kinds of instruments. The Lesser Three Classics of Ayurveda include a segment on changes in lifestyle, detection and prognosis of diseases, and how an individual's condition of health is diagnosed. The medical health section records the benefits of various kinds of food, plants and animals, emerging children's diseases and toxicology, with a focus on the ear, nose and throat.

From well before India's independence, Ayurveda has set legacy milestones highlighting its power and credibility. Its deep connection with the Indian identity has been steadfast during colonisation by the British. One of India's first Ayurveda establishments, Baidyanath, transitioned to commercialisation of Ayurvedic products.

According to Ameev Sharma, the grandson of Ram Dayal (the founder of Baidyanath), "Everything that we had was foreign-made and produced, including our medicines. Everything Indian was perishing and dying. It was looking at this that Pandit Ram Dayal Joshi, a practitioner of Ayurveda, decided to keep the science alive by starting Baidyanath."



The world's oldest medical practice continues to evolve in the modern world. Today, Ayurveda companies have begun to structure themselves in alignment with technological advancements, people's health conditions, environmental changes in the ecosystem and evidence-based research methodologies.

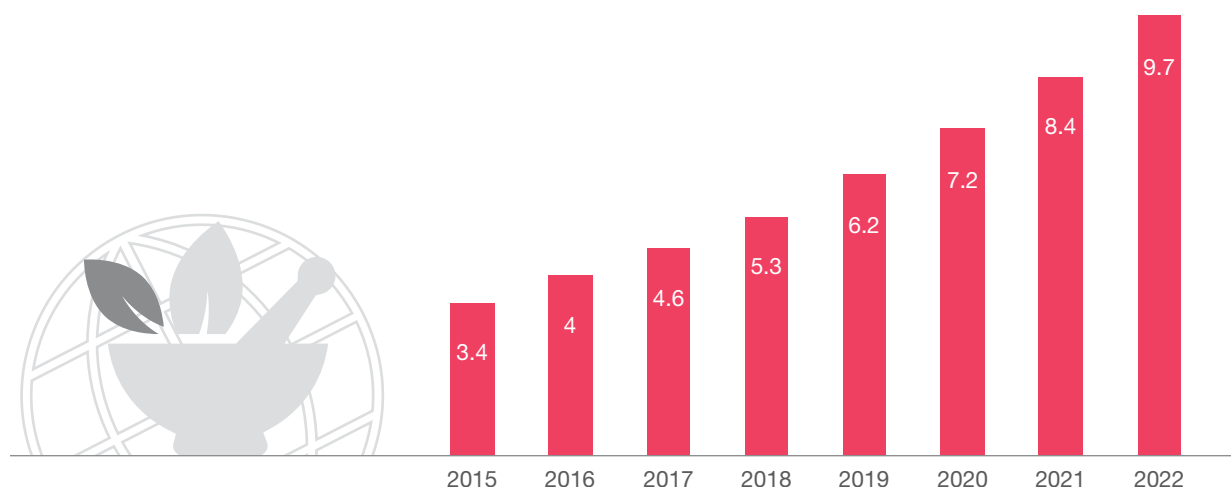


Overview of the market: Size and segmentation

Ayurveda has gained recognition as an alternative system of medicine, not only in developed, but also in developing countries. The size of the global Ayurveda market

amounted to US\$3.4 billion in 2015 and is expected to reach US\$9.7 billion by 2022, at a CAGR of 16.2%.

Global Ayurveda Market (in \$ Bn)

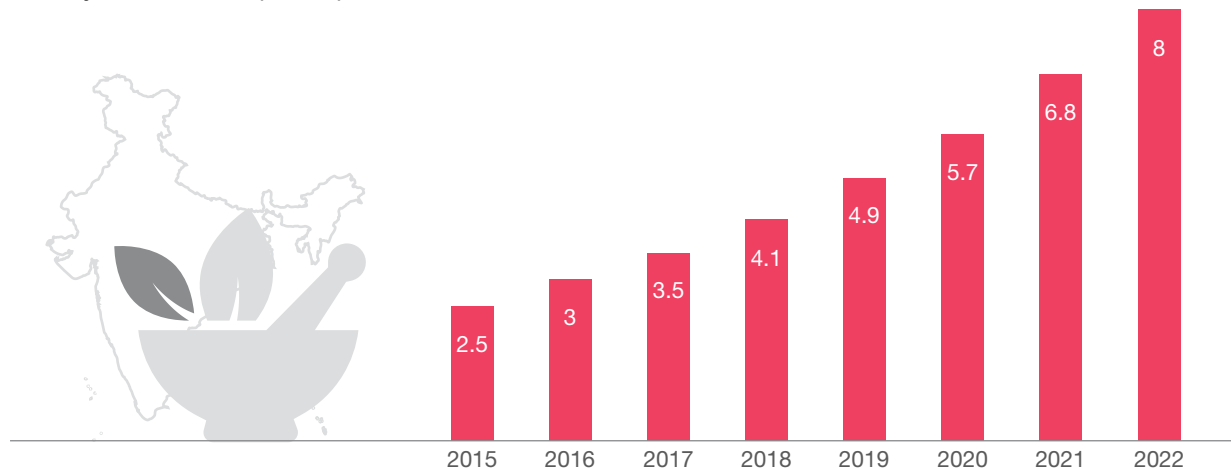


*Source: Global Ayurveda Market Research Report and Forecast (2017-2022)

According to the Union Minister of State for AYUSH, Shripad Yesso Naik, the market size of Ayurvedic

products in India is forecast to rise three-fold from US\$2.5 billion in 2015 to US\$8.0 billion by 2022.

India Ayurveda Market (in \$ Bn)



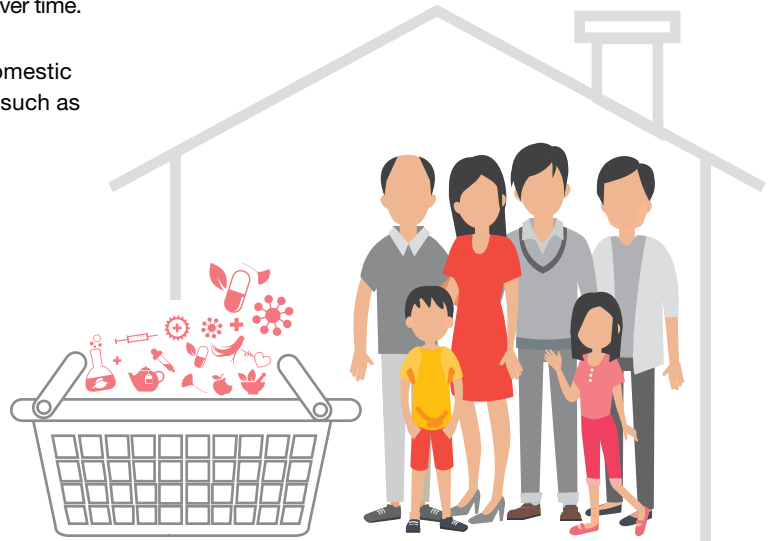
*Source: Industry Insights, PwC Analysis

Export of Ayurvedic products is worth more than US\$780 million a year, and on an average, is expected to grow by 20% until 2022. Overall adoption of Ayurvedic products by the Indian populace has also increased substantially over time.

India's Ayurveda market accounts to 79% of domestic brands, with a contribution of 21% from MNCs such as Clinic Plus Ayurveda, Cibaca and Vedshakthi.

69% of Indian households in 2015 utilised Ayurveda products

77% of Indian households in 2017 utilised Ayurveda products



*Source: Industry Insights



Name of Company	Description	Products
The Himalaya Drug Company	The company offers wellness for every home and the entire family with its herbal healthcare and personal care products.	Chyavanaprasha, Gokshura, Cocoa Butter, Natural Glow (fairness cream), Triphala, Sparkling White toothpaste
Shree Baidyanath Ayurved Bhawan	Baidyanath has validated millennium-old Ayurveda formulations by following stringent norms of modern clinical research. Through its R&D and strict testing procedures, Baidyanath maintains high standards of manufacturing, product quality and packaging. It enriches its Ayurveda repertoire by evolving new formulations while standardising traditional herbal preparations.	Ayurdant, Chayanwanprash, Liver X, Amla Juice, Glucose D, Kesari Kalp, Cow Ghee, Aloe Vera Natural Scrub, Amla Hair Oil, Himani Kalyan Tel
Patanjali Ayurved Limited	Patanjali Ayurved Limited was incorporated in 2006 and is based in Haridwar. The company offers Ayurvedic products for treatment of cancer, AIDS, diabetes, arthritis, thyroid-related diseases, and more. It markets its products through distributors, mega-stores and chikitsalayas.	Naturally grown organic fruits and vegetables, Kesar, Divya Badam Rogan, Mukta Vati Extra Power Pack, Divya Gashar Churna, Patanjali Combo Breakfast Biscuit, Aastha Hawan Samagri
Kerala Ayurveda, Ltd.	Kerala Ayurveda Limited is an Ayurveda company engaged in providing Ayurvedic services and products.	Provides healing and wellness solutions and classifies its products into three categories: Proprietary Products, Classical Products and Consumer Products
Dabur India Ltd.	Dabur India Ltd is one of the leading FMCG companies in India. It is a world leader in Ayurveda with a portfolio of more than 250 herbal and Ayurvedic products.	Dabur Amla Hair Oil, FEM Fairness Naturals Gold Bleach, Odonil, Odomos, Dabur Honey, Dabur Almond Hair Oil, Hajmola, Dabur Natural Care Double Action, Dabur Active Blood Purifier and Dabur Agastya Haritaki Avaleha, and key consumer products categories including hair care, oral care, health care, skin care, home care and foods
Forest Essentials	The company offers a range of natural skin care and hair care products. It advocates the Ayurvedic view that a holistic approach is necessary for beauty care by using only naturally distilled pure essential oils, pure cold pressed and organically grown vegetable oils and plant extracts in skin applications.	Ayurvedic body massage oil, baby hair and body wash Dasapushpadi, body mist sprays, luxury sugar soap, shower oil, body lotion
Charak Pharma Pvt. Ltd	Charak Pharma formulates standardised products of the highest quality and has popularised herbal healthcare products worldwide.	Manoli Nutra Syrup, herbal face wash and herbal scrub, herbal anti-dandruff shampoo, herbal sunscreen lotion, moisturising lotion and herbal shampoo
Amrutanjan Healthcare Limited	The company is engaged in manufacturing Ayurvedic beverages and pain balms for headaches, cold and cough.	Amrutanjan Strong Pain Balm, Relief Inhaler, Relief Cough Syrup, Relief Swas Mint, Xpert Dermal Ointment
Lotus Herbals	This science-driven brand offers more than 400 natural products ranging from premium skin care, sun care and hair care brands to colour cosmetics.	Lotus Herbals WhiteGlow, YouthRx Active Anti-Ageing, Lotus Herbals Anti tan Body Lotion

The current landscape of Ayurvedic products and services in India may be classified into three primary categories: Retail, Wellness and Therapeutics.

Retail

Products and services for treatment, wellness and consumption largely for personal care



Wellness

Includes the application of Ayurveda for Beauty, Fitness, Nutrition and Rejuvenation



Therapeutic

Ayurveda as a form of medicine akin to allopathy and homeopathy



*Source: Industry Insights



Retail Ayurveda

Ayurvedic retail products may be classified as a part of the 'naturals' segment of the FMCG sector and largely include personal care brands. More and more, consumers are buying products made from natural formulations and organically grown ingredients. The increased demand for these is supplemented by reduced prices and enhanced distribution channels on the seller side.

The rise of the naturals segment in India, especially in personal care, has been gathering pace in the last few years. The natural's personal care market is pegged at US\$371 million (35% of the overall personal care market in the country) and is expected to grow faster than the overall market in the next five years.

According to Anurag Mathur, Partner & Leader, Consumer Goods & Retail, PwC India, "The Naturals phenomenon is not a short-lived trend, and is here to stay in a nation rich with the wisdom of the ages and historical recipes from nature. Companies that build a coherent strategy around a set of different capabilities will emerge the winner."



Ayurveda products have taken a strong hold in India's FMCG sector by increasing their distribution channels and making optimal use of mass communication strategies. A leading Ayurveda player has achieved a significant position in the FMCG sector, reaching more than 5000 distributors, 15000 stores and 100 mega marts across India, along with product sales on eCommerce websites. Some of the key players in the segment include Himalayas Herbal Healthcare, Patanjali, Dabur and Baidyanath.

The significantly lower price point for many Ayurveda products (compared to that for Allopathic products) has led to the former's increased affordability and increased their sale. On an average, Ayurvedic products are priced between 20 to 30 per cent less than those sold by big-brand consumer packaged goods (CPG) companies. Recognising this opportunity, companies have begun launching traditional products and services, home remedies with Ayurveda as the core proposition. For example, within the personal care domain, players such as Forest Essentials and Kama have positioned their products as luxury Ayurveda. They produce a large range of premium-priced products that are mainly available at their own high-end retail stores.

Many regional and national players have converted traditional Ayurvedic practices into a precise science. For example, Himalaya's products, with their proprietary

formulations, which are backed by intensive research, have been very well received in Indian and foreign markets. The company exports its range to European and Middle East countries (60 countries) and has launched its products in the UK, France and Germany.

India has always had the heritage of Ayurveda and culture, which is rooted in the use of natural ingredients for personal care formulation.

"If there is a new product with herbal ingredients, I would prefer to buy that over a product with chemical ingredients as I know it will not have any harmful side effects," said a consumer of Ayurvedic products in Delhi who believes in the goodness of natural and herbal ingredients.

The popularity of products made with natural ingredients has led to some top retailers of personal care products such as L'Oréal, P&G and Godrej jumping on the bandwagon by using natural ingredients in some of their brands.

Kerala, in particular, has witnessed the emergence of 1400 Ayurveda-associated industries, with a total turnover of US\$ 37 million and export of US\$8.3 million, in 2016. The Indian herbal industry is currently estimated at US\$578 million. Of this, Kerala accounts for 10% of the estimated market size. Prominent herbal players in the country include Himalaya Herbals, Lotus Herbals and Ayur Herbals.



Wellness Ayurveda

The wellness segment of Ayurveda has gained credibility around the world, and the intrinsically holistic nature of Ayurvedic interventions, with their focus on natural remedies, has only added to their appeal. The wellness market in India is estimated at US\$8 billion and constitutes less than 4% of overall consumer expenditure. The influx of technology into the space will help in the proliferation of Ayurvedic wellness products.

In the rejuvenation segment, day spas have gained significant popularity, and many Ayurvedic rejuvenation

programmes offer packages that suit people's personal needs along with controlled diet and yoga programmes. Guests are pampered and de-stressed and made to feel special. According to a customer at one of the well-known resorts that offer Ayurvedic treatments, "I was offered more than 20 therapies and loved each one of them." Ayurveda holidays and related spa treatment centres have also become popular. "I feel like a new person, totally relaxed and rejuvenated," said an individual who had availed of an Ayurvedic rejuvenation treatment.

"It (Ayurveda) considers the multidimensional aspects of the whole person. In our Western model, we focus on the physical body, but in Ayurveda we also consider the mental, emotional and energetic from a more expansive view than the strictly biochemical and spiritual dimensions of the person we are working with," said Annie B. Kay, MS, RD, RYT, lead nutritionist at the Kripalu Center for Yoga & Health in Stockbridge, Massachusetts.



There has been an increase in chronic diseases due (partly) to significant lifestyle changes and an ageing population. This has led not only the older generation but also millennials to venture into Ayurveda for lifestyle-related ailments and achieve recreational benefits. "It's a way for me to get away from the claustrophobic and

stressful urban lifestyle, detox myself and be pampered by nature's purest elements," said a 24-year-old individual working in Bengaluru's silicon hub.

One of the ways in which the growing demand in the wellness space is being met is by leveraging technology. This has eased bottlenecks including accessibility and affordability.

As Jeevika Tyagi, CEO, Allayurveda.com said, "Amidst the hustle of the daily grind, people are constantly looking for serenity and are ready to splurge on services that can offer them this in a natural way."



Kerala has transformed itself into a wellness tourist hub that is known for its unparalleled quality of Ayurveda services and diverse holistic treatments. The state has seen a steady growth in foreign and domestic tourism in the last five years. In 2017, Kerala saw the influx of 0.015 million foreign tourists and 0.2 million domestic tourists, an increase of 5.15% and 11.39%, respectively, from 2016. The total annual revenue from tourism in Kerala in 2017 was US\$4.5 billion, an increase of 12.56% from the previous year. The Ayurveda

industry is an important contributor of the state's revenue. Wellness centres such as the Kumarakom Lake Resort, Kalari Kovilakom, the Somatheeram Ayurveda Resort and the Athreya Ayurvedic Centre offer Ayurvedic rejuvenation treatment plans as 8-15-day packages (inclusive of stay, food and basic amenities). "It is an out of the world experience in the way of pure ingredients and the enchanting, relaxed and sublime ambience," said a strong proponent of Ayurvedic rejuvenation treatment.



Therapeutic Ayurveda

The uniqueness of Therapeutic Ayurveda is personalisation of treatments that use natural ingredients and herbs, and are tailored to the needs of customers.

The concept that such treatments are beneficial is ingrained in the psyche of most Indians who consider it much safer than those using chemicals. Ayurvedic treatments are personalised, based on the uniqueness in every individual's system, which in the language of Ayurveda comprises vata, pitta and kapha. These elements collectively govern an individual's physical, mental and spiritual health.

The Therapeutic segment of Ayurveda has come to be accepted as an alternative form of medical treatment. Companies are capitalising on the business potential of traditional Indian practices by commercialising the large range of home remedies in the country for ailments such as for digestive disorders, influenza, muscle and joint pain medications. The resultant products are tailored to meet the needs of Indians.

It is evident from consumer trends that individuals with chronic diseases such as diabetes, obesity and cardiovascular diseases are attracted to Ayurvedic therapies, which use natural and harmless medicines. Unsurprisingly, therapeutics for chronic diseases have also become an attractive investment opportunity in Ayurveda. For instance, Ayurvedic research on diabetes is currently being undertaken in 198 institutions across the country and remarkable achievements have been made in recent years, with 200 patents granted for Ayurvedic products and services, 400,000 Ayurvedic formulations being documented, and five Ayurvedic patents granted for treatment of cancer in India and one in the US. Therefore, it is clear that there is tremendous scope for investment in this area.



Market disruptors

To keep up with consumerism and growing market trends, Ayurveda players have future strategies and a vision to make Ayurveda more contemporary to gain traction with the new generation.

“Entrepreneurs must leverage the huge demand for Ayurveda as GST has also been brought down to 5% to encourage the sector,” said Rajesh Kotecha, Secretary, Ministry of AYUSH.



These measures are accelerating adoption for Ayurveda in India.

Ayurveda 2.0: Leveraging technology

Ayurveda 2.0 includes new ventures and the establishment of healthcare centres. Start-ups that go back to and draw from India's traditional medical system are designing and implementing innovative market strategies that target new market segments by using non-traditional technology-based means for their outreach and distribution.

Over the past three to four years, ventures such as these have attracted significant investments to offer their products and services, and have been successfully showcasing their credible and promising value propositions.

Leading Ayurveda Start-ups in India

&Me:

Matrix Partners Indian invested about US \$400,000 in a Bengaluru based startup, &Me, which manufactures nutritional products and beverages primarily for women.

Dr. VAIDYA'S:

Dr. Vaidya's is an Ayurveda focused start-up that hit the market in 2016, uses both online and offline distribution channels.

KIVA:

KIVA, a “Modern Ayurveda Nourishments” brand, uses online and offline channels for product distribution. Its offline distribution channels include Big Bazaar, Spencers and Godrej Natures Basket while its game changing online retailers are HealthKart, and 1mg.





“People across the world are moving towards healthier lifestyles and India is no exception. Indian brands are uniquely positioned to use our heritage of Ayurveda and combine it with modern science to create truly efficacious, world-class products,” said Sanjot Malhi, Vice President at Matrix Partners India.



“Ayurveda, as a concept, has always enjoyed immense awareness and trust but suffered from low adoption, particularly among millennials. Patanjali has played a strong role in reinvigorating that interest and driving Ayurveda into the mainstream,” said Shalabh Gupta, CEO of KIVA.



For any business to thrive, the presence and role of an investor is imperative and highly valuable for the growth of the company, especially during its early stages.

Players such as Dabur utilise technology to enhance the benefits of their herbal products. Dabur is one of the largest herbal-focused FMCG players in India. To appeal to modern customers, the company places upfront (on its products) quantifiable measures of ingredients used in its products, to substantiate their benefits. Media campaigns for the company’s Chyawanprash are based on the results of a clinical trial that quantify the benefits of the product. For some time, Ayurveda players have been making significant use of media and modern-day technology to augment their presence and reach an expanded audience.

“In particular markets such as the US, there is a huge demand because people are willing to pay a premium for Ayurvedic or organic products, and the number of manufacturers with a heritage like Dabur are limited,” said Gopal Pillai, Director and General Manager of Seller Services at Amazon India.





Luxury Ayurveda

There are many Luxury Ayurveda brands that occupy a niche space in the market. Each brand follows a unique market entry strategy that has enabled it to capture the attention of its specific target market.

Positioning itself as luxury Ayurveda, Forest Essentials has seen its revenues rise by 40 per cent annually since 2011, to more than US\$30 million in fiscal 2016. Its products are priced at a premium 50 to 100 per cent or even more than products made by its Indian Ayurvedic competitors and global CPG rivals. It has benefited from its vertically integrated model, its own manufacturing facilities and 43 branded brick-and-mortar shops, in addition to its online store. It has also partnered with more than 190 luxury hotels and spas around the world, including the Taj and Oberoi hotels, as well as spa resorts in 10 countries including the Maldives, Australia, the UAE and Japan.

Biotique, which has increased its revenues by 25 per cent annually since 2011, to more than US\$20 million in fiscal year 2016, stands out by its utilisation of its strong R&D capabilities. Its products are the result of the company combining modern biotechnology and ancient Ayurvedic methods. With facilities in India and Switzerland,

Biotique's products are formulated by Ayurvedic doctors in collaboration with Swiss cosmetologists and dermatologists.

In India, other brands such as Body Shop, Kama Ayurveda and Good Earth are bringing out their versions of 'clean beauty'. Good Earth has recently collaborated with Samaya, an all-natural skin-care brand founded in London, and its products are geared to meet the specific needs of people with different doshas.



Opportunities to harvest

Although Ayurveda has a long and illustrious history, it is still a nascent market with much left to explore in incorporation of technology in production of Ayurvedic products, and new ways of branding and marketing these products.

Increasing acceptance of natural Ayurveda products in households



“In India, there is a deep cultural acceptance of natural, holistic beauty remedies as well as a rapid increase in purchasing power due to rising disposable incomes,” said Vivek Sahni, CEO and founder of Kama Ayurveda.



On the research front, finding a cure for serious diseases such as cancer, psoriasis and Alzheimer's disease has been a challenge for medical researchers over time. Not only are the treatments expensive, but they also pose the risk of side effects caused by medications. This has led to medical researchers increasingly turning their attention to Ayurveda. Consequently, there has been an increase in the number of Ayurveda training institutions, collaborations of healthcare providers (hospitals) with Ayurveda players.

Modern hospitals are seeing a demand for Ayurveda doctors. This has created a significant need for Ayurvedic doctors in private and government hospitals. In addition, stand-alone clinics have come up with the purpose of making medical services accessible to common people. For example, Dr. G Geetha Krishnan began her Ayurveda practice at Medanta Hospital (in Gurgaon) five years ago, and since then has treated 16,000 patients in the hospital.

According to Dr. Krishnan, “The modern medicine ecosystem requires much trust and trials. Continuing

training of Ayurveda practitioners on standard operating procedures for diagnosis and treatment, and their increased use of technology in practice are among the factors that are eliminating the trust deficit between doctors and patients.”

From the perspective of future developments in Ayurveda, with respect to infrastructure, its lack is often highlighted as a concern. To meet this need, the Government and private institutions are focusing on upgrading and improving infrastructure in the domain. A notable project, The Global Ayurveda Village, is currently in progress at Varkala, the district headquarters of Trivandrum, Kerala. The INR 2 billion project boasts of top-notch infrastructure for research and development and its high-end treatment facilities, and aims to make Varkala the world capital of Ayurveda.

Anil Kumar K of Kerala Ayurveda described the expectations of the Ayurveda market when he said, “There should be a more conducive atmosphere to foster larger investments in Ayurveda-based start-ups, and steps should be taken to bring in more innovation in Ayurveda. Bearing in mind that innovation is much more than mere mechanisation, efforts are being made to put in place more streamlined and efficient processes for production of Ayurvedic medicines. Moreover, adequate research also has to be encouraged and conducted in development of new machinery and equipment.”

The demand for and acceptance of Ayurvedic products and services has led to a rise in their market growth. The current demand for such products and services has been the result of the cumulative effect of diversity in Ayurvedic products and services, highly skilled and reliable experts, noteworthy outcomes, rare to minimal side effects and individualised care under the traditional norms of Indian hospitality. These are crucial factors that have resulted in exponential growth in this area.



The challenges

The nascent Ayurveda market combats challenges that need to be overcome. There is little standardisation in practice and much uncertainty about how best ancient principles could be adapted to meet the needs of the 21st century.

There currently exists a variance not only in Ayurvedic treatment and diagnosis, but also ambiguity in its fundamental principles of practice.

“The industry faces a lot of regulatory challenges that makes it difficult for the general public to understand the concept of Ayurveda,” said Anurag Sharma, MD, of Shree Baidyanath Ayurveda Bhawan.



For Ayurveda to become a mainstream life science, validation of Ayurvedic principles (by using modern parameters) will make it more acceptable to society.

Ayurveda faces a crisis in standardising its medicines with respect to branding and consistency, and the wide range of big and small retailers at the regional and national levels.

At an event organised by the Ayurveda Medical Association of India (AHMA), Baby Krishnan, General Secretary of the Ayurveda Hospital Management Association, said, “Kerala Ayurveda has its own unique strengths, characteristics and properties, and hence it needs to be promoted as a distinct brand. Such branding will help the sector develop rapidly and promote standardisation and quality control.”

To launch Ayurveda on a global scale, standardisation and quality control are essential.

Baby Krishnan also said, “There is a huge market potential for Kerala Ayurveda globally, but it has not been tapped effectively.”

An example of where this is evident is in export of herbals. India’s market share is 2.5% and China stands at 13%. This highlights a need to revisit global export strategies and assess whether there is a diversity in requirements and how this diversity could be used effectively to market products.

There seems to be a mismatch between the rate of growth of demand for services and the rate at which supporting infrastructure is being put in place. “Lack of basic infrastructural facilities and availability of high-quality medicines reduce the demand for Ayurveda,” said Prof. Sharmishtha Mallick, Department of Sociology, Delhi University. Similarly, players face a challenge in creating awareness of the differences between Ayurvedic, organic and natural products and services.

Highlighting the differences, Dr. Saji Kumar Dhatri, President, CII Ayurveda Panel, said, “While every Ayurvedic product and service is natural and organic, every natural organic product or service may not be Ayurvedic. Any detoxification is not real ‘Panchakarma’, any diet is not ‘ahara’ and any massage is not ‘abhyangam’.”

With the growing demand for these Ayurvedic products and services, available opportunities need to be harnessed to develop strategically innovative entry strategies that will transform Ayurveda to an up-to-date field of science.



Procurement and development of raw materials need to be improved without any lacunae in the quality and fundamental methods of Ayurveda. Today, farming practices have drastically deviated from age-old traditional ways, with an increase in the use of pesticides, herbicides and insecticides that are often seen as solutions to safeguard and increase produce.

Furthermore, “low-quality air, water pollution, soil pollution and an abundant use of insecticides and pesticides cause a lot of harm to the natural ingredients and resources we produce in India,” said Anurag Sharma, MD of Shri Baidyanath Ayurveda Bhawan.

Vivek Sahni, CEO of Kama Ayurveda, reiterates that raw materials must be extracted from nature's sources. He avoids any secondary or intermediate use of externally outsourced or other inorganic materials. He ensures sourcing from optimal origin points to create authentic treatments.

“The roses for our products are sourced from Kannauj, the saffron is sourced from Kashmir and the Indigo is grown in Kama Ayurveda's own organic garden in Coimbatore,” he said.

Therefore, to enhance the productivity of Ayurvedic products and services, there must be continuity in the use and proliferation of traditional natural elements. According

to an Ayurvedic practitioner, the co-founder of Pukka Herbs, Sebastian Pole, “Consumers want more natural products and Pukka Herbs is part of that movement. The whole point of this trend is to follow the principles of organic farming to make sure you put back into the land what you take out.” More such organic plantations and natural farming modes, sourced from traditional methods, need to be adopted to make effective implementation of traditional practices.

Lastly, use of technology is playing a significant role in the modern era of medical Ayurvedic practice, and is creating many avenues for prevention of ‘over treatment’. It has accelerated diagnoses and enhanced effective treatment strategies.

According to Dr. Shenoji Rajan, MD, Ayurkshetra, “This is because recent inventions and technologies have placed modern science at an extraordinary development stage. In this modern era, we may see a slight change or no change in practice of Ayurveda because its principles are ancient, tried and tested”.

Lack of or slow incorporation of technology may pose a challenge to Ayurveda, but this can be its strength - products and services could be made more easily available and accessible by the use of technology.



Role of the Government

The Government is a provider of alternative therapy services in India, with its formal institutionalisation and integration of Ayurveda, Yoga, Unani and Siddha medicines, and Homeopathy (AYUSH) into the national health delivery system. The Department of AYUSH also runs various alternative therapy hospitals and clinics across India. The AYUSH industry is currently estimated at US\$10 billion and is expected to grow to US\$15 billion by 2020.

It is also important for the Government to take cognizance of the direction in which the market is headed so that it can best facilitate its growth.

Anil Kumar K of Kerala Ayurveda outlined his expectations and said, “Along with spreading awareness among the general public, measures have to be taken to sensitise the Government about the requirements of the Ayurveda industry. Some areas that require intervention from the Government include measures such as facilitation of the licensing process, an increase in the number of Wildlife Officers so that there is acceleration of sanctions that are required for export of Ayurvedic medicines. The Government can also help to facilitate MoUs with foreign governments to enable quick registration or licensing of Ayurvedic products outside India.”



Currently, insurance companies cover expenses for Ayurvedic treatments in the case of conditions such as spinal cord disorders, bone disorder, arthritis and cancer. However, such claims constitute only 5-10 per cent of the country's health insurance claims. Although the highly personalised care and quality services provided are undoubtedly evident, in view of the AYUSH Ministry's objective of bringing the country's traditional medicine in the limelight, it is crucial to ensure that government initiatives and programmes are in alignment with the requirement of the current population and health trends and needs.

An increasing demand for Ayurvedic products and services is imminent, in view of the rise in Ayurveda initiatives and start-ups, and the Government's creation of more than 65 AYUSH hospitals. An increase in insurance coverage and seamless operational efficiency in implementation of the Government's objectives is therefore imperative. According to a senior member of the AyurVAID Hospitals, “New Ayurveda facilities should be opened for non-communicable and diseases, and geriatrics. The Government should make it possible for qualified physicians to practice Ayurveda exclusively and for health insurance providers to include Ayurveda in their packages.”

One potential avenue the Government can explore to achieve this is education. Rajesh Kotecha, Secretary, Ministry of AYUSH said, “We have to look at research integration and teaching.” It is noteworthy that the last decade has witnessed an influx of healthcare trainees from foreign countries such as Japan and South Korea into Kerala to learn Ayurveda healthcare practices. This rising trend underlines the importance of research and education in this field, and is a clear imperative for the future growth of Ayurveda.

“In order to match the AYUSH research approach with the modern system of medicine, the Ministry of AYUSH and the Indian Council of Medical Research (ICMR) have decided to conduct molecular-based studies based on specific leads from the Ministry,” said Shripad Yesso Naik, Minister of State (independent charge) in the Ministry of AYUSH.



These factors highlight the need for evidence-based research aimed at bringing in innovation and standardisation in Ayurveda. The establishment of the All India Institute of Ayurveda is set to take this initiative forward to bring to the fore the latent educational and research potential in this field. This could also be seen as an opportunity to standardise research protocols, clinical trials, branding and patents.

Conclusion

In the past decade, Ayurveda has seen a resurgence in its adoption. Most significantly, it has proliferated to online and other technological mediums and appeals to a new market of millennial consumers who were not thought of as conventional consumers of Ayurveda. Not only this, the mode of delivery and presentation of Ayurveda has also drastically changed.

This has enabled the remolding of its image and significance among consumers, and radically expanded the available market base for Ayurvedic products, while developing new channels of outreach for companies. These developments signal a burgeoning market that is ripe with opportunity and has tremendous potential to grow and expand. The landscape of players who can capture their individual target market segments is therefore broad, but much needs to be defined.

It is clear that Ayurveda has immense potential to unleash its power as a reliable natural care-oriented global medical authority. However, irrespective of which line of service in Ayurveda one looks at, Kerala is singularly advantaged in its ability to deliver Ayurvedic products and services. It is equipped with the right resources and orientation.

Two key aspects that give Kerala a credible advantage is the size of opportunity and the existence of unmet demand for Ayurvedic products and services in the fields of healthcare and research. The state's core capabilities are strengthened by a diverse range of products and services, extensive advancements in research and education, a year-on-year increase in tourism and the strong support of the authorities through government-led initiatives for implementation of Ayurveda in hospitals and healthcare establishments. Investments in Kerala will not only strengthen the platform for the exponential growth of new ventures in Ayurveda, but also for traditional organisations making Ayurvedic products at the grassroots level.





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Confederation of Indian Industry

The Mantosh Sondhi Centre
23, Institutional Area, Lodi Road, New Delhi - 110 003 (India)
T: 91 11 45771000 / 24629994-7 * F: 91 11 24626149
E: info@cii.in * W: www.cii.in

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- i. Confederation of Indian Industry (CII) - Kerala, 92,93, 10th Floor, ABAD Nucleus and Office, NH-49, Kundannoor – Petta Road, Marudu, Cochin – 682304, Kerala, India, Tel: +91-484 401 2300, Fax: +91-484 401 2800; Email: info@cii.in; Web: www.cii.in; and
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