



# **The Indian** **NUTRACEUTICALS** **AND WELLNESS** **INDUSTRY**

MISSP is a facilitative platform led by Embassy of India, Berne, to connect Swiss SMEs, making up more than 99% of Swiss companies, with the vibrant New India. For further information, please write to [missp2@missp.ch](mailto:missp2@missp.ch)

## ABOUT MOMENTUM IN INDIA: SWISS SMES PROGRAMME (MISSP)

India has made a jump of 79 positions to 63 in 2019 from 142 in 2014 in World Bank's Doing Business rankings. The World Bank has hailed India as one of the top 10 improvers for the third consecutive year. The Government of India is targeting US\$ 1.4 trillion infrastructure investment over 2020-25 to enable economic growth. Switzerland is an ideal partner for India as it is amongst the leaders in the world in innovation, international competitiveness and environmental performance.

India provides a great opportunity for the Swiss SMEs sector to invest and grow.

The Embassy of India, Berne, has been promoting India as an active economic partner and investment destination for Swiss SMEs, which make up 99% of the Swiss companies. In line with this, the Embassy of India, Berne, launched the 'Momentum in India: Swiss SMEs Programme' (MISSP) to facilitate Swiss SMEs explore, enter, and expand in the Indian market.

The MISSP programme responds to the need for an organized platform dedicated to assist Swiss SMEs establish successful business models across the value chain in India. The Business support services provided by the MISSP programme to Swiss SMEs India entry/expansion strategy include the following:

- Strategy consulting
- M&A
- Operational market entry support
- Tax & legal support
- Financial services
- Project financing
- Location services
- Technology collaboration
- Partner Search and Due diligence

As you would have noticed, the MISSP is a true one-stop source for Swiss SMEs requiring support services, with the additional benefits of:

- Participation in Specialized Common Workshops by subject matter experts
- Regular tax & legal updates
- Access to the MISSP Network and Exchange Platforms to facilitate member companies to share their experiences, best practices, success stories and network among themselves

The program is implemented with the support of Central and State Governments in India and other key Indian and Swiss industry partners, who assist the Swiss SMEs have a smooth experience in various aspects of doing business in India.

As on date, 83 Swiss companies from various sectors have onboarded on the MISSP programme.

The MISSP programme is implemented and monitored by the Embassy of India, Berne, with T&A Consulting as Knowledge Partner responsible for the day-to-day management of the program and Rödl & Partner as the Legal & Tax Partner.

The MISSP team wishes you a great read of this teaser and looks forward to having you join us as the next MISSP member company.

We also invite you to visit our website [www.missp.ch](http://www.missp.ch) and follow us on Twitter at @misspeoi



## OVERVIEW

### Industry Snapshot



Valued at **USD 4 billion**  
in 2019

Source: Indian Nutraceutical Industry, Current Scenario and Future Trends, ASSOCHAM and MRSS

India accounts for  
**2%** of the global nutraceutical  
market.

Source: National Healthcare Federation of India



Growing at a CAGR of **21%**  
The Indian nutraceutical  
industry is expected to reach  
**USD 18 billion by  
2025**

Source: Indian Nutraceutical Industry,  
Current Scenario and Future Trends,  
ASSOCHAM and MRSS

In India, in terms of application  
nutraceuticals are used



● **51%** for nutritional deficiency

● **30%** for muscle building

● **15%** for weight management

Source: Economic Times

### Key characteristics of the Indian nutraceutical industry

- 60% of doctor's prescription include health and dietary supplements.
- India has the largest number of US FDA approved plants located outside the USA.

Source: Economic Times

## Market Segments and Share

### Nutraceuticals and Wellness Industry

The dietary supplement market in India was valued at **USD 6 billion** in 2019. The functional food and beverages market in India was valued at **USD 1.5 billion** in 2019

Functional foods and beverages

Dietary supplements

Source: The Indian Nutraceutical Market, ASSOCHAM

35%

65%

Vitamins and minerals make up **40%** of the dietary supplement market

Proteins make up **22%** of the dietary supplement market

Herbal supplements make up **22%** of the dietary supplement market

Functional food make up **68%** of the functional f&b market

Functional beverages make up **32%** of the functional f&b market

Source: Indian Nutraceutical Market, ASSOCHAM

## Current Market Space

Prominent dietary supplement makers in India include companies such as Himalaya, Dabur, Parry, GSK, Abbott, Zydus Wellness and Piramal.

Prominent functional food makers in India include companies such as ITC, Amul, Dabur, Britannia, Kellogg's, Nestle and Coca-Cola.



100% FDI is permitted in the manufacturing of nutraceuticals under automatic route

On-line ventures like HealthKart have established a prominent market in catering to the health needs of the urban population

Indian brands like Patanjali, and Himalaya have established a prominent customer base in India.

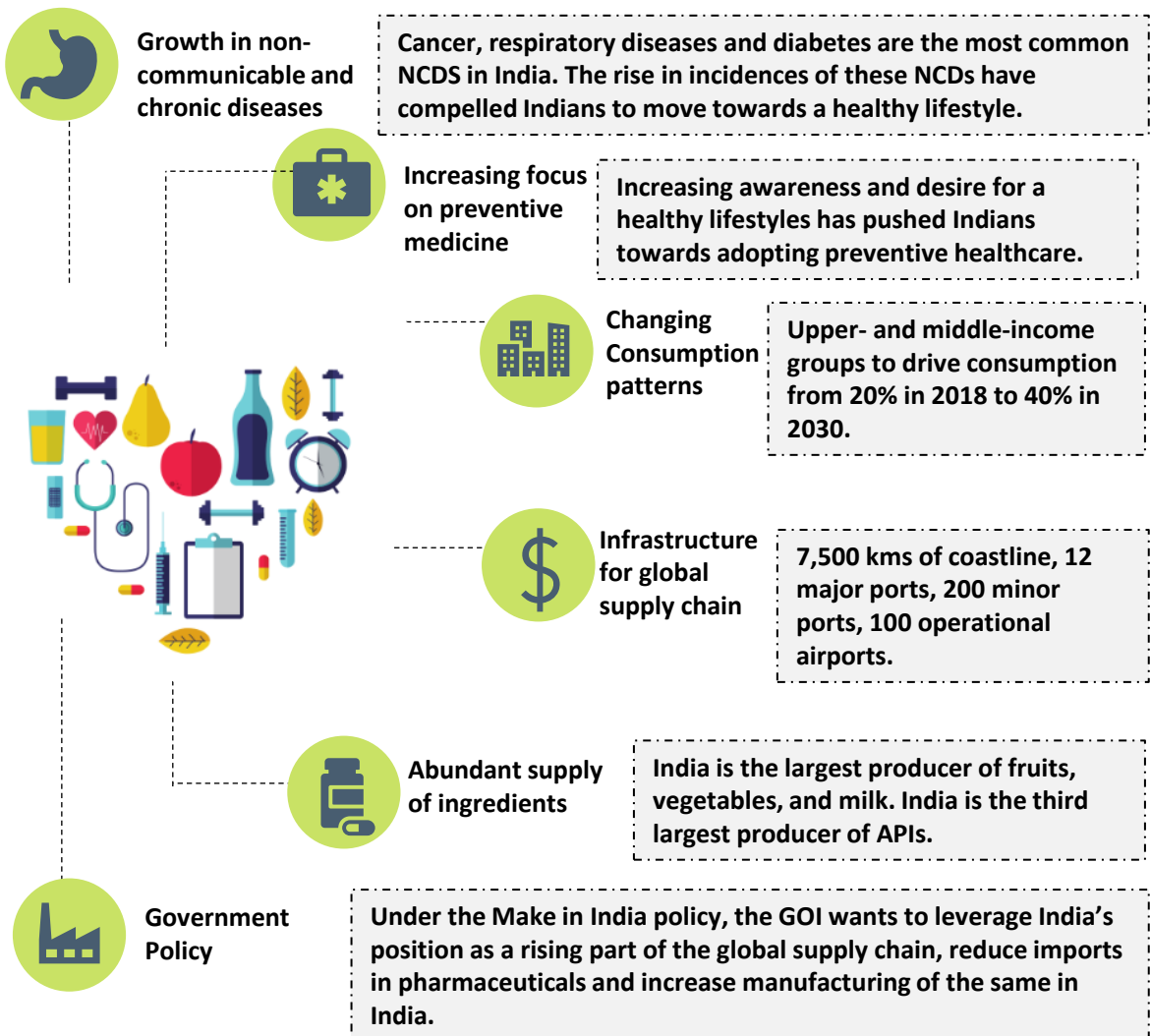
The wearable device market is growing at a CAGR of 27% propelled by Increasing health awareness among Indian population.



Source: Media releases, Economic Times, ASSOCHAM, BioSpectrum



## GROWTH DRIVERS





## Opportunities in India



Exclusive outlets for functional food and beverages such as the likes of Neulife have provided more credibility to customers and aided in building better relationship. This allows companies producing fitness related products—protein powders, muscle weight gain powders—to enter the Indian market.

The demand for wearable fitness devices such as Fitbits, MI Band and its likes is growing at a CAGR of 27%. This creates a market for companies manufacturing wearables health devices to tap the high demand present primarily in the urban Indian population.

The success of online health supplement stores such as HealthKart in India has opened up opportunities for investments in e-commerce pertaining to nutraceuticals primarily.



Nanoceuticals are nutrients that have been manufactured using nanotechnology. Dietary supplement manufacturers have transformed fat-soluble nutrients into water-soluble ones, providing complete and uniform nutrient absorption, and making supplements that pass-through membranes directly into human cells. Such advances create an opportunity for companies to invest in R&D in the sector.

Organic products have become popular under the backdrop of healthy living, consumption of essential dietary supplements and functional foods and beverages. This has created a scope for companies dealing in organic products to tap the rising demand of the Indian market.

The integration healthcare apps along with nutraceuticals market has created an opportunity for software companies to enter the market.

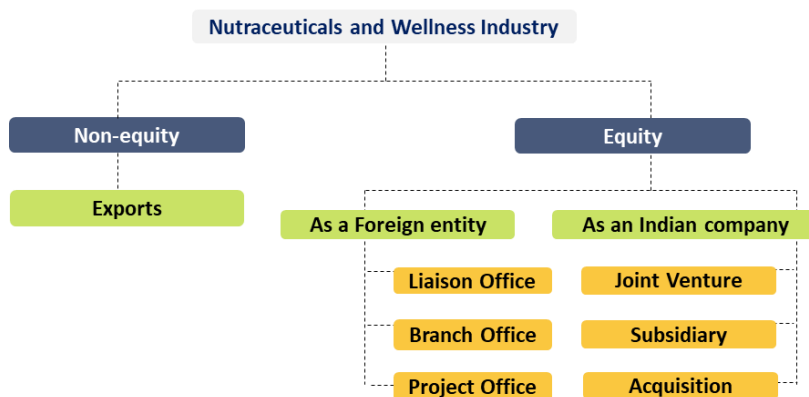


Foreign companies looking to invest in manufacturing plants can leverage India's infrastructure base and government's Make in India policy.



## MARKET ENTRY

### Market Entry Route



Since the Indian market varies across regions, it is advisable for foreign companies to first establish an understanding of the market through exports.

Companies can either export directly or contact distributors.

Opting for distributors help foreign companies to tap the already existing consumer base of the distributors. Furthermore, with low level risks, companies can analyse the market—demand corridors, customer demands, geographies of profit—and market their products better.

Once a customer base has been successfully generated and the company wants to expand their business in India, it can move into a partnership with an Indian firm.

In order to export functional foods and beverages to India, each company has to follow the guideline set aside by the FSSAI. For, dietary supplements, FSSAI and CDSCO approvals are required.

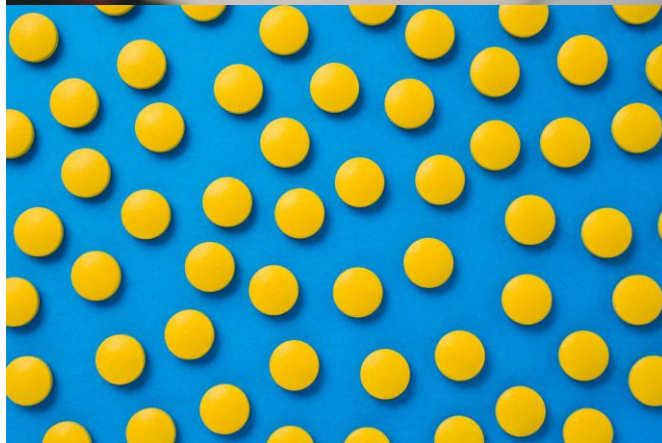


## T&A's POINT OF VIEW

The convergence of food and pharma has allowed nutraceuticals industry to amalgamate the former's expertise in large scale manufacturing and logistics with the latter's expertise in research.

On one hand, multinational companies like Nestle, Cargill and their likes have established a stronghold on the market. On the other hand, there is an increased tendency of Venture Capitalist and Private Equity funding in the sector to support early stage nutraceutical businesses as the Indian Government pushes for the Make In India initiative.

Going forward India will be able to leverage existing manufacturing locations, and bring in efficiencies in the supply Chain.





## About Us

Business with India starts here

T&A Consulting is a global advisory firm, with extensive experience of working with overseas enterprises towards achieving successful and accelerated entry into India.

We work with various international Investment Attraction agencies where India is a key market and have been delivering a range of programmes to identify outward investment opportunities from India.

Incepted in 2006 in the capital city of New Delhi, T&A currently has 4 offices in India and global operations in Toronto, Canada, and Zurich, Switzerland.

Today, within its different verticals, the company caters to international economic development agencies, overseas enterprises, higher education institutions, and tourism boards.



### **India Market Entry:**

Opportunity assessment, feasibility studies, targeted market research reports, competitor analysis, price bench-marking, location identification & Partner identification



### **Outward Foreign Direct Investment (OFDI):**

Targeted analysis of outward investment, trends and opportunities to assist international inward investment agencies with lead generation.



### **Client Engagement and Business Development:**

Relationship management with foreign Economic Development and Trade Promotion Organizations, organizing trade and reverse trade missions



### **Tourism Representation:**

Promoting Indian outbound tourism and providing representation to tourism boards and destination management companies



### **Education Representation:**

Student recruitment support and representation to international education institutions and assisting in forging partnerships for research and student and faculty exchange

Looking at India market?

Get in touch

Contact: [missp2@missp.ch](mailto:missp2@missp.ch)

+41-31-528 08 37

MISSP is a facilitative platform led by Embassy of India, Berne, to connect Swiss SMEs, making up more than 99% of Swiss companies, with the vibrant New India. For further information, please write to [missp2@missp.ch](mailto:missp2@missp.ch)