

MARKET ANALYSIS FOR NUTRACEUTICALS

The global nutraceutical market size was valued at USD 382.51 billion in 2019 and is expected to expand at a CAGR of 8.3% over the forecast period. Favourable outlook towards medical nutrition in light of the increasing application for the treatment of cardiovascular disorders and malnutrition is likely to stimulate the growth of dietary supplements. Rising healthcare costs, coupled with the growing geriatric population across the world, are anticipated to assist the growth of the global functional food industry over the forecast period. Growing consumer interest in a healthy diet has led to a thriving food and beverage market in the recent past and the trend is expected to continue over the forecast period. Demand for functional foods is on the rise as they are believed to impart exceptional health benefits owing to their nutrient content. This is further expected to boost the growth of the market for nutraceuticals. Positive attitude of the consumers towards functional foods mainly on account of the added health and wellness benefits offered by these nutraceutical products is fueling the market growth. Growing geriatric population, increasing healthcare costs, changing lifestyles, food innovations, and expectations regarding their higher prices have aided the overall growth of the nutraceuticals industry. It has been reported that nine out of ten adults consume 55% minerals and over 50% vitamins in their daily diets. Asia Pacific accounted for the major market share of 31.01% in 2019 and is likely to maintain its lead over the forecast period. Rising levels of disposable income, changing lifestyle, and shift in preferences for healthier dietary intake in emerging economies are expected to drive the demand for nutraceuticals in Asia Pacific. Brazil, China, and India are likely to expand at the fastest CAGR over the forecast period. The global nutraceuticals industry has been witnessing key developments in terms of product innovation and portfolio expansion over the past few years. Public companies have been proactive in initiating strategies to gain a competitive advantage in the nutraceuticals industry. In the short term, privately-held market participants are expected to follow suit. With respect to product, the global nutraceutical market is categorized into dietary supplements, functional beverages, and functional foods. The

functional beverages segment led the overall market for nutraceuticals in 2019, followed by functional foods and dietary supplements. Technological up gradation, coupled with product development, is projected to drive the functional beverage industry over the coming years. For ingredient formulation, particle size reduction and micro-encapsulation techniques have extended the product offerings of the nutraceutical manufacturers. Advancement in the production of novel ingredients to cover the unpleasant taste of omega-3 fatty acids and amino acids has also had a major impact on this segment's growth. The omega-3 fatty acids-based functional foods industry size is expected to reach USD 38.76 million by 2027, expanding at a CAGR of 9.3% from 2020 to 2027. Omega -3 is considered a heart-healthy fat that reduces the risk of heart diseases. According to the statistics provided by America's Health Rankings, over 40% of the U.S. citizens are not meeting the recommended requirement, thereby increasing the risk of heart diseases. Asia Pacific emerged as the key region in the market for nutraceuticals in 2019 on account of growing health concerns among consumers and increasing awareness regarding nutraceuticals. Additionally, growth in the aging population, changing spending patterns on healthcare products, and changing lifestyles has enhanced the growth of the nutraceutical industry in Asia Pacific. Vast product portfolio and government regulations on nutraceutical products are a few factors suppressing the nutraceuticals industry growth. However, the growing trend of food fortification with nutraceutical products is anticipated to create a growth opportunity for the nutraceuticals industry. Rising awareness regarding nutritional enrichment in China and India is expected to remain a favorable factor for the nutraceuticals industry growth. Furthermore, expansion of the retail market in countries, including China, Indonesia, Malaysia, and India, in light of regulatory support to promote investments is expected to increase the accessibility to buyers over the forecast period, thereby driving the market for nutraceuticals. Varying lifestyle, along with rapid urbanization, has also led to consumer inclination towards healthy diet options, which is positively impacting the market growth for nutraceuticals.