

## **Thailand's Herbal Products**

People all over the world are becoming more health-conscious. Besides taking regular exercises they are paying more attention to what they eat in order to maintain a healthy body. Herbal products, in the form of food supplements and health drinks, have gained increasing popularity among consumers of all ages. Likewise, traditional herbal remedy is now looked upon by more and more people as the alternative to modern drugs. Indeed, many herbal medicine, have been found to cause less side effects.

Due to the increasing interest in herbs and the availability of a wide variety of herbal plants in Thailand, the market prospects for herbal products, both domestic and export, look bright. At the same time, however, competition in the global trade of herbs is expected to intensify too. If Thailand's herbal industry wants to register a steady growth, the standardization of production and good market management are two key factors which need to be implemented.

### **Domestic herbal market**

According to the latest figures, the market value of herbal products in Thailand totals about Baht 30,000 million a year. The market has been growing by at least 20 per cent annually. Herbal medicine in particular are becoming more popular because the modern drugs which are chemical-based synthetics tend to produce side effects. Nonetheless Thai physicians in general have not yet been confident enough about the effectiveness of Thai herbs. As a result, herbs in general have not been prescribed to patients for the treatment of illnesses. In the U.S., medical authorities have accepted herbal remedy as an alternative to modern drugs. In Australia, medical authorities there are considering offering herbs to all hospitals so that patients can choose for themselves. In Thailand, if medical researchers can speed up their studies of local herbs and offer solid evidence as to the effectiveness of herbal ingredients in medicine for the treatment of illnesses, herbal remedy as the alternative to prescription drugs is likely to gain wider acceptance.

Today, it has already been shown that 15 groups of symptoms of illnesses can be treated with the use of herbs in place of prescription drugs imported from abroad. Herbs are not only found to be as equally effective as modern drugs but also generally much less expensive. These include herbal medicine for the relief of pain, fever and allergies as well as for treatment of infection, diabetes, high cholesterol and even cancer. Some studies have indicated that over 70 per cent of all illnesses can be treated successfully with herbal medicine. Such common symptoms as headache, stomach-ache, joint pain, cramp and colds can be relieved by using herbal remedy. If

herbs gain wider acceptance as alternative medicine in Thailand, billions of baht spent each year on imported drugs can be saved.

To help promote the local herbal market, the government can employ a number of measures. One is the introduction of herbal remedy in hospitals. Another is to include certain types of herbs to the list of basic drugs, so that people can have a choice. Detailed information about herbal remedy can also be made available to the public. The export promotion of herbal products can help spur the growth of the local herbal industry. At the same time the government should help protect Thailand's herbal products. Medical researchers from foreign countries have already succeeded in patenting a number of herbs found in Thailand. If this is allowed to continue, it can work against Thailand in the global market for herbal products.

### **Herbal cosmetics**

The market for herbal cosmetics has seen a steady growth. Herbal cosmetics are increasingly popular among teenagers and working women. Total value of the domestic market amounts to about Baht 2 billion. The rate of growth has been about 30 per cent a year. Regarding export, significant outlets for Thai herbal cosmetics are mostly in Asia -- Japan, Hong Kong, India, Singapore and countries in the Middle East. In addition, the U.S. and China are two new markets with strong potential.

### **Overall herbal export**

In recent years, export of Thailand's herbal products has been averaging between Baht 100-200 million a year while export of herbal extracts about Baht 300-400 million a year. Compared to the domestic herbal market, the export market is still small. For the year 2003, export of herbal products is forecasted to increase by 10 per cent. However, export of herbal extracts is expected to decline, also by 10 per cent, because more Thai producers have realized that herbal products command higher prices on the world market than herbal extracts. Major export outlets for Thai herbs are Japan and the U.S.

### **Competition**

As the interest in herbal products has risen steadily worldwide, competition in the world herbal trade is certain to intensify, especially when all the large drug companies are starting to manufacture pharmaceutical products from natural ingredients. Thailand's main competitors are China and India. Due to its sheer size, China already has over 1,000 plants producing herbal products. China has also been striving to get all these plants up to the GMP standard because all imports into most Western countries now must achieve that standard. India has been cooperating

with foreign research institutes, especially those in Germany, to improve the production standard of herbal products.

As for Thailand, its herbal products in general can compete in the global marketplace. The advantage Thailand enjoys is the wide availability of herbs as raw materials for making herbal products. On the other hand, the Thai herbal industry is still largely undeveloped. Although many studies of herbs have been done by Thai researchers, emphasis is largely on the ingredients of herbs. Little, if any, of the marketing side of herbs has been looked into. Nevertheless, Thai herbs are becoming better known abroad, thanks to the various trade exhibitions sponsored by the government in recent years.

### **What should Thailand do to develop its herbal industry ?**

The growing popularity of herbs at home and abroad offers Thailand a good opportunity to develop its herbal industry. We have the advantage of having widely available herbal plants as raw materials. But for Thailand to remain competitive in the world herbal trade, the following factors need to be considered.

*Research and development.* Since export outlets around the world are placing an emphasis on higher standard of quality of herbal products, Thailand should do more on research and development, especially on quality of production and market demand for various types of herbs. We should set a target for our herbal products to achieve the GMP or the HACCP standard.

*Good management.* Herbal remedy is gaining wider acceptance because medicine made from herbs have been found to cause less side effects than prescription drugs. To expand the market for herbs, good management is necessary from the cultivation of herbal plants and the harvesting of herbs to the correct and hygienic way to store herbs to make them germ-free.

*Up-to-date information.* Changes occur continuously in today's global marketplace. Thailand's herbal industry must adapt itself to changes by being well-informed. Any information that is important to us must be incorporated into our business strategy, so that we can keep up with the competition.

In time of economic uncertainties, we have been stressing the importance of self-reliance and the value of traditional knowledge. If Thai entrepreneurs can combine these two factors with production quality and good management, Thailand will find itself among the forefront in the world herbal market.