Nutraceuticals are expanding into new territories as the need for new therapies increases, according to business intelligence provider GBI Research.

The company's latest report: 'Nutraceuticals: New Application for Probiotics' reveals that most of the innovation in the nutraceuticals sector is being carried out by food companies and specialised biotechs geared to advancing nutraceutical technology.

Oliver Mundell, Analyst at GBI Research, says: "Despite regulatory infrastructure posing limitations, nutraceuticals have successfully diversified into areas traditionally occupied by mainstream pharma.

"Furthermore, developers of nutraceuticals are now targeting areas with high unmet clinical need such as depression and neurodegenerative disease."

IMAGE FOR PUBLICATION: PLEASE CLICK HERE: 'Public understanding of the definition of nutraceuticals'

Nestlé have been expanding their presence in the healthcare market with the formation of Nestlé Health Sciences, who have made a string of acquisitions and deals that have led to some commentators considering them amongst the top 50 pharma companies.

Mundell comments: "Nestlé are a good example of a food company entering into the healthcare and pharma industry. They have invested heavily in clinical and preclinical projects as well as acquisitions of already marketed brands."

However, some pharma companies are looking to exit the marketspace, with GSK having recently offloaded several key nutraceutical brands.

Mundell adds: “The exit of GSK from the nutraceuticals sector marks the end of almost 50 years in the industry. Strategic decisions to leave the nutraceuticals sector are understandable, given the high market saturation and regulatory issues that nutraceutical products face. These factors are also the factors driving the diversification and medicalisation of the sector.”

There are still many challenges that the nutraceutical industry faces. Despite showing sustained growth, 78% of industry professionals surveyed by GBI Research did not believe that there was a clear, well-understood definition of the term within their country and that the public, therefore, did not fully understand what exactly nutraceuticals were.

Mundell concludes: “Furthermore, regulatory differences between regions make global product marketing difficult and weak regulatory frameworks conceal potentially beneficial products that are often marketed alongside inferior products due to restrictions on claims that products in specific categories can make.”

Information based on GBI Research’s report: ‘Nutraceuticals: New Application for Probiotics, Genetic Modification and Diet as Products Make Gains in Rx Territory’