

Present position and trend of business economics essay

[Economics](#)



India is one of the fastest-growing pharmaceutical markets in the world and has established itself as a global manufacturing and research hub. A large raw material base and the availability of a skilled workforce give the industry a definite competitive advantage. The Indian pharmaceutical industry was estimated to be worth US\$ 21.5 billion in 2009-10 and is expected to touch US\$ 40 billion by 2015. Globally, India ranks third in terms of volume of production and fourteenth largest by value. The domestic market is likely to grow from US\$ 13 billion in 2009-2010 to US\$ 20 billion by 2015. The domestic pharmaceuticals sector is witnessing strong growth due to higher penetration in tier-II and tier-III cities and greater focus on the largely-untapped rural market. Improvement in healthcare delivery and increased healthcare insurance have further accelerated market growth. In recent years, the industry has been witnessing a strong wave of modernization and technological up gradation. This has resulted in: A shift from manufacturing tablets and capsules to high-value, specialty products like parenteral solutions and novel drug delivery systems (NDDS). Vertical integration and horizontal consolidation of production processes. Development of supply chain management. Improvement in productivity. [http://www. ibef. org/exports/Pharmaceutical. aspx](http://www.ibef.org/exports/Pharmaceutical.aspx)

India's Export And Import of Pharmaceuticals Products

As per the Directorate General of Commercial Intelligence and Statistics (D. G. C. I. S.) Kolkata, value of Imports of " Pharmaceuticals Products" for the period 2009-10 to 2010-11 is as under: Values in Rs. Crore

Year**Imports****Growth (%)**

2009-10 995915. 152010-11 1109379. 822011-12 1438531. 53C: UsersDhaval DesaiDesktopCapture1. PNGC: UsersDhaval DesaiDesktopCapture. PNGIt

may be observed that the imports shown positive 31. 53% in growth in year 2011- 12 compared to the previous year. Indian pharmaceuticals firms nearly doubled imports of drug ingredients last year. Companies said this was to make up for shortages in local production, while analysts said it may have been aimed at cutting costs ahead of proposed curbs on drug prices. India imported \$4. 6 billion worth of pharmaceuticals raw materials in 2012, up from \$2. 9 billion in the previous year. <http://pharmaceuticals.gov.in/annualreport2012.pdf>

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Values in Rs. Crore

Year**Exports****Growth (%)**

2009-10 42, 4566. 622010-11 47, 55112. 002011-12 63, 34733.

22<http://pharmaceuticals.gov.in/annualreport2012.pdf>

C: UsersDhaval DesaiDesktopCapture. PNGC: UsersDhaval DesaiDesktopCapture1. PNG

The share of Exports of the " Pharmaceuticals Products" in the total National Exports positive 33. 22% the period 2011-12 compared to the previous year. India is expected to double pharmaceutical exports in the next two years, with the Pharmaceutical Export Promotion Council (Pharmexcil) eyeing overseas sales worth Rs. 1, 22, 500 crore (\$25 billion) by the end of 2013-14. The figure stood at around \$10 billion in 2010-11." We will have to explore new markets other than US and Europe to meet the \$25-billion export target," said NR Munjal, chairman, Pharmexcil and president, Indian Drug Manufacturers' Association. <http://www.hindustantimes.com/business-news/WorldEconomy/India-pharma-exports-to-double/Article1-766513.aspx>

Growth of Import And Export of " Pharmaceuticals Products"

So here we can see that, Growth of Import in " Pharmaceuticals products" is double corresponding period 2009-10 to 2011-12 as well Growth in Export of " Pharmaceuticals Products" is five times corresponding period 2009-10 to 2011-12. <http://pharmaceuticals.gov.in/annualreport2012.pdf>

Import of " Pharmaceuticals Products" of USA and Slovenia

Values in Rs. Crore

Country**2009-10****2010-11****2011-12**

USA1039. 61987. 711420. 29Slovenia26. 473. 1111.

09<http://pharmaceuticals.gov.in/annualreport2012.pdf>**Export of " Pharmaceuticals Products" of USA and Slovenia**

Values in Rs. Crore

Country**2009-10****2010-11****2011-12**

USA9264. 9611353. 3215606. 12Slovenia244. 12203. 54343.

79<http://pharmaceuticals.gov.in/annualreport2012.pdf>" Of

the export markets, Indian pharmaceuticals will focus on the US market which presents significant opportunities for the next two years for generics, due to patent cliffs and recent changes in healthcare policies," said the India Ratings report on outlook for Indian pharmaceuticals for 2013. Patent expiry opportunities, coupled with efforts to contain healthcare spends, are likely to drive the generic market in developed countries. Affordability and availability will make a case for generics usage in the branded generic developing markets. As per IMS Health, global generic spending is expected to increase to USD 430 billion by 2016 from USD 242 billion in 2011. <http://www.https://assignbuster.com/present-position-and-trend-of-business-economics-essay/>

indianexpress. com/news/us-exports-may-drive-top-indian-pharma-companies-to-grow-20--in-2013/1068707

India's Performance Chart

L: GCR FINALIndia Rank. PNG L: GCR FINALINDIA Rank 1. PNG http://www.mckinsey.com/locations/india/mckinseyonindia/pdf/india_pharma_2015.pdf

7. Policy and norms for import and export in Slovenia

Tariff and VAT

If you trade internationally, importing and exporting both inside and outside the European Union (EU) can seem complicated, The Integrated Tariff of the EU, also known as the Tariff, is particularly useful. The Tariff could be mistaken for an additional duty that you have to pay, but is actually a guide that clarifies what you as an importer or exporter need to know and the rates of duty you should pay. http://www.nibusinessinfo.co.uk/sites/default/files/GU_INT_IntroductionToTheTariff.gif

This guide explains what the Tariff is and what information is contained in each volume, details of the online EU customs database (known as the TARIC) and how it relates to the Tariff, and how to classify your goods by using the Tariff Classification Service.

Licenses and Certificate

Under Registration, Evaluation, and Authorization of Chemicals (REACH) legislation, importers or manufacturers of more than one tone of chemicals a year must register with the European Chemicals Agency and build an inventory of every chemical that comes into, is part of, or goes out of the business. Traded products must be labeled and packaged according to <https://assignbuster.com/present-position-and-trend-of-business-economics-essay/>

specific rules. Importers must establish if any substance (which is intended to be released under normal or reasonably foreseeable conditions of use) is present in these articles in quantities totaling over one tone. Import restrictions can be product-specific or trade-specific. Many products are subject to product-specific standards and need to be supported by applicable certificates, product-specific licenses and documentation. Restrictions or limitations on the quantity of some imports mean that you may have to pay anti-dumping duties on your goods. For more information, see our guide on anti-dumping and countervailing duties. You can check the Tariff to see if your goods will be subject to these and other licenses. The Tariff is a customs document which shows commodity codes, licenses, duties, taxes and other measures to classify all goods for import and export.

Wholesale dealer's license

If you purchase or sell medicines from other countries within the EU, you must have a wholesale dealer's license. If you import medicines from outside the European Economic Area, you must also have a wholesale dealer's import license. There are specific regulations that exporters in the healthcare and medical sector need to comply with to protect their business. These relate to the wholesaler dealer's license, export licenses for controlled substances, and Certificates of Free Sale. Licenses are issued by the Medicines and Healthcare products Regulatory Agency (MHRA). These licenses allow you to import both licensed and unlicensed medicinal products. However, you must notify the MHRA before importing unlicensed products and can only supply them to meet the special needs of an

individual patient. The list of controlled goods includes materials, chemicals, 'micro-organisms' and 'toxins'.

licenses for controlled substances

Additional requirements apply to imports or exports of controlled substances such as opiates and nanotechnology. If you want to export/import a controlled drug, you will need a domestic license before you can apply for an export/import license. For some substances, an import certificate from the country to which the substances are being exported is required before the Home Office will issue an export certificate.

Product licensing and approvals

Imported medicines and medical devices can only be sold in the UK if they meet UK requirements. Medical devices that are imported from another EU country where they are approved for sale automatically meet UK requirements. Medicines that are already licensed in other EU states still need UK licensing, but can be licensed under the simpler parallel import licensing scheme. Where goods are imported from outside the EU, the importer must put the product through the appropriate licensing or approval process. However, it may be possible to simplify this process for medical devices that originated from within the EU. For example, the supplier might be able to provide the original Certificate of Free Sale showing that EU requirements have been met. Goods imported to the UK must comply with domestic business standards, including a licence to manufacture and distribute medicines, approval of medical devices by notified bodies, and CE marking of medical devices.

Export Certificates of Free Sale

For medical devices, the importing country may require a Certificate of Free Sale, showing that the device meets European standards. These are issued by the Department of Health. Medical equipment that contains radioactive materials may require additional certification.

Exporting goods for processing

You may be able to obtain relief from customs duties when you re-import European Community (EC) goods that have previously been exported from the EC for processing. Outward Processing Relief (OPR) enables you to claim relief from customs duty if you can show that the exported goods were used in the products or are incorporated into the products being imported.

<http://www.nibusinessinfo.co.uk/content/export-regulations-healthcare-and-medical-sector8>. Policies and Norms of India for Import or ExportThe basic objectives of Government's Policy relating to the drugs and pharmaceutical sector were enumerated in the Drug Policy of 1986. These basic objectives still remain largely valid. However, the drug and pharmaceutical industry in the country today faces new challenges on account of liberalization of the Indian economy, the globalization of the world economy and on account of new obligations undertaken by India under the WTO Agreements. These challenges require a change in emphasis in the current pharmaceutical policy and the need for new initiatives beyond those enumerated in the Drug Policy 1986, as modified in 1994, so that policy inputs are directed more towards promoting accelerated growth of the pharmaceutical industry and towards making it more internationally competitive. The need for radically improving the policy framework for

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knowledge-based industry has also been acknowledged by the Government. The Prime Minister's Advisory Council on Trade and Industry has made important recommendations regarding knowledge-based industry. The pharmaceutical industry has been identified as one of the most important knowledge based industries in which India has a comparative advantage.

2. The process of liberalization set in motion in 1991, has considerably reduced the scope of industrial licensing and demolished many non-tariff barriers to imports. Important steps already taken in this regard are: -

Industrial licensing for the manufacture of all drugs and pharmaceuticals has been abolished except for bulk drugs produced by the use of recombinant DNA technology, bulk drugs requiring in-vivo use of nucleic acids, and specific cell/tissue targeted formulations. Reservation of 5 drugs for manufacture by the public sector only was abolished in Feb. 1999, thus opening them up for manufacture by the private sector also. Foreign investment through automatic route was raised from 51% to 74% in March, 2000 and the same has been raised to 100%. Automatic approval for Foreign Technology Agreements is being given in the case of all bulk drugs, their intermediates and formulations except those produced by the use of recombinant DNA technology, for which the procedure prescribed by the Government would be followed. Drugs and pharmaceuticals manufacturing units in the public sector are being allowed to face competition including competition from imports. Wherever possible, these units are being privatized. Extending the facility of weighted deductions of 150% of the expenditure on in-house research and development to cover as eligible expenditure, the expenditure on filing patents, obtaining regulatory

approvals and clinical trials besides R&D in biotechnology. Introduction of the Patents (Second Amendment) bill in the Parliament. It, inter-alia, provides for the extension in the life of a patent to 20 years. 3. The impact of the policies enunciated, from time to time, by the Government has been salutary. It has enabled the pharmaceutical industry to meet almost entirely the country's demand for formulations and substantially for bulk drugs. A reorientation of the objectives of the current policy has also become necessary on account of these issues:-The essentiality of improving incentives for research and development in the Indian pharmaceutical industry, to enable the industry to achieve sustainable growth particularly in view of anticipated changes in the Patent Law; andThe need for reducing further the rigours of price control particularly in view of the ongoing process of liberalization. 4. It is against this backdrop, that Pharmaceutical Policy-2002 is being enunciated.

<http://www.nppaindia.nic.in/index1.html>