Europe India Chamber of Commerce

Newsletter

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India endorses new draft of counterfeit drugs definition

India's suggestions to modify a new definition of counterfeit drugs proposed by an international task force have been accepted. A new draft by the International Medical Products Anti-Counterfeiting Taskforce (IMPACT), a World Health Organization (WHO) initiative, was recently agreed upon by the 24 countries including the US, the UK, Canada, countries from the European Union, Brazil, Tanzania and Ghana, and WHO representatives. The draft will need approval at the WHO executive board meeting at Geneva in January 2009. Indian drug manufacturers and officials had raised concerns on the ground that the proposed definition could deter access to legitimate off-patent or generic drugs. They had argued that a new word-history-that was inserted into the definition was ambiguous and could be used as a market barrier by some countries. In the global battle against counterfeit medicines, India had sought clarity on the proposed expanded definition of counterfeits, staving off attempts to equate counterfeits with generic medicines. At present, the World Health Organisation defines counterfeits as medicines that are deliberately and fraudulently mis-labelled, regarding identity or source. Also, counterfeits could contain varying levels to no level of the active ingredient of the original medicine. India has its own norms and punishments on counterfeit medicines and is not opposed to being part of global initiatives to tackle them, the source said. But, a clear global definition on counterfeits was necessary, as countries often rely on WHO's norms and definitions when framing their laws, and an ill-thought-through definition could cast a shadow on generic medicines. Indian drug companies are largely producers of generic drugs or medicines that are chemically similar and are as efficacious as an innovative medicine.

During the EICC Pharma Roundtable in Brussels in September the Indian pharma majors had effectively brought up this issue with their counterparts in Europe and had termed the definition of counterfeit as "misguided with lack of clarity".

Europe plans to regain its leadership in pharmaceutical innovation

In order for Europe to regain its leadership in pharmaceutical innovation, for the health and wealth of Europe's 500 million citizens and also to address the challenges, the European Commission has tabled a package, consisting of the following four key issues; a communication to launch reflections on ways to improve market access and to develop initiatives to boost EU pharmaceutical research; a proposal to tackle the growing issues of counterfeiting and illegal distribution of medicines; proposals to enable citizens to have access to high-quality information on prescription-only medicines and proposals to improve patient protection by strengthening the EU system for the safety monitoring ('pharmacovigilance') of medicines. It is widely believed that the EU has been losing ground in pharmaceutical innovation. European patients still suffer from inequalities in the availability of information about medicines, whilst counterfeits are on the rise. Research and development policy is one of the European Union's priorities, at the heart of the Lisbon Strategy. The renewed Lisbon Agenda of 2005 aims at making the European Union (EU) the leading competitive economy in the world and achieving full employment by 2010. Education, Research and Innovation form the "knowledge triangle" that will allow Europe to improve its economic dynamism and social model. For over 100 years, Europe has been a powerhouse of pharmaceutical research and development. Innovative medicines developed in Europe have played a major role in helping millions of people lead longer, healthier and more productive lives and eradicating diseases which were previously life-threatening.

The pharmaceutical sector makes an important contribution to European and global well-being through the availability of medicines, economic growth and sustainable employment. It has been and remains a strategic sector for Europe, employs more than 634,000 people and accounts for more than 17% of the EU Research and Development (R&D) expenditure. Most importantly, innovation in human medicines has enabled patients to benefit from treatments considered unimaginable a few decades ago. Much has been achieved. However, major health, economic and scientific challenges lie ahead, the report stated.

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Swedish LCD maker Lava to foray into Indian market

With the market size of LCD televisions in India doubling each year, Sweden-based luxury electronic goods maker Lava Electronics is planning to enter the Indian market in the third quarter of next year. According to company sources, the products would be priced about 40-50 per cent higher than those available at present. The company plans to set up 30-40 exclusive stores in the first two years of operation in the country. The €60 million firm has presence in Europe, Hong Kong, Australia and has entered the US recently. According to company sources, the sales of 5,000-10,000 units in the first year should be a modest target.

DisplaySearch, the worldwide leader in display market research and consulting, in its recent report predicted that by 2012, LCD TV shipments will surpass those of CRT TVs in India. India has the second largest population in the world and an annual GDP growth rate of more than 8% from 2002 to 2012, with a TV market that is projected to be 13 million units in 2008. CRT TV accounts for 92.9% of those units in 2008, followed by LCD TV with 6.6% and PDP TV with 0.5%. However, DisplaySearch finds that on India flat panel TV market is just at the beginning of a real growth curve, with Y/Y growth of more than 100% expected for each of the next five years. Growth will be driven by enhanced purchasing power, the digital broadcast (DTH, IPTV, STB cable) transition as well as consumer awareness and affordability of flat panel TVs. India's growing upper middle class is projected to be the greatest source of LCD TV purchasing power. DisplaySearch analyzes the favorable demographics where more than 23M Indians - greater than the entire population of Australia—will enter this demographic in the next five years. Meanwhile, major brands like Samsung, LGE, Sony and Philips and Indian local brands like Videocon and Onida are all focusing promotional efforts around LCD TV. Several Chinese brands are also targeting India with their first exports. Among the imports of LCD TV into India, approximately 25% were imported in as CBU (Complete Built Unit) and 75% were imported as SKD (Semi-Knock Down) or CKD (Complete Knock Down). In 2007, the leading India LCD TV brands were Samsung, with more than 30% share, followed by Sony (19%), and LG (16%). The leading PDP TV brands are LGE, Samsung and Panasonic. LGE also leads the CRT TV market in India with more than 25% market share, followed by Samsung and Videocon.

Rising cost of pension and health care makes MEPs demand social security reform

Europe is bracing for the social and economic impacts of a retiring "baby boom" generation. But aging population is a long-term and global trend – one that will continue for generations to come. European citizens are getting older and greyer. By 2050 it is estimated that the average age in the European Union will be 49, up from 39 now. Coupled with a low birth rate, future generations will see more of their earnings going to support a geriatric Europe - funding pensions and healthcare. This unprecedented possible scenario will create a number of challenges for current and future governments. Also how to sustain public pension/social security systems as a bigger percentage of people reach retirement and live longer to enjoy it was the gist of the discussion on the report by German Christian Democrat Member of European Parliament Gabriele Stauner. The report highlighted these increased pressure on pensions and the extra strain on the healthcare system that an older population brings.

Ms Stauner suggests that Europe should encourage people to work beyond the suggested retirement age, particularly since Europeans are now healthier and live longer. However, a dwindling birth rate and potential lack of an employable young workforce is still an issue. The MEP wants to get students into the workforce through training. The exception is Sweden with 41%, which has a range of social and economic measures to help students who are parents. A reform of social security spending across Europe could rectify this imbalance, according to the report. The report stresses the importance of immigration to boost the working population. The Blue Card scheme proposed by the Commission and backed by Parliament should help the movement of migrant workers around Europe. It is thought that the European ageing process will lead to a dramatic rise in dependency ratios over the next decades. At the same time labour mobility will increase as a result of greater European economic integration. With uncoordinated social security policies, national pension funds compete for contributors whose mobility is the source of indeterminacy. The viability of coordination among national social security systems depends critically on which policy parameter it is based on. The benefits from coordination are limited and coordination is unlikely to yield efficient outcomes.

European Union takes lead in tackling climate change with historic pact news
Europe has taken the lead in fighting the war against global warming with European Union (EU) leaders backing a package of laws aimed at slashing the bloc's emissions of greenhouse gases. The EU pact is expected to encourage similar moves around the globe. The EU was credited with saving the UNFCCC's Kyoto Protocol from oblivion after US President Bush refused to ratify it in 2001. EU leaders have faced enormous pressure to approve a package of measures to implement their climate change and energy pledges and the climate change package have appeared to be more complicated, as the EU's biggest economy. The measures, which were approved by the European Parliament to become law, would commit the EU to cutting carbon dioxide (CO2) emissions by 20% by 2020, compared to 1990 levels, and to raising renewable sources to 20% of total energy use. But environmental groups reacted with dismay, saying the laws were so watered down that they would not do the job they were written for. The EU's compromise is so full of concessions to industry and national interests that it is 'abysmal' and 'betrays EU climate policy,' environmental group WWF said in a statement. The laws approved in Brussels bind EU member states to cut their emissions of the gases which cause global warming to 20 per cent below 1990 levels by 2020, the most ambitious pledge on climate change yet made by any world power. It has been called the "20-20-20" deal. EU leaders say this puts the bloc in a powerful negotiating position ahead of world talks on a deal on climate change, to be held in Copenhagen in December 2009. And wealthier states such as Sweden and Belgium were assured that they would be able to count emissions-reductions projects that they sponsor in the world's poorest countries towards their own national emissions-reduction targets under the EU laws.

EICC Secretary General to address the MACCIA Conference in India
EICC Secretary General Sunil Prasad will address the “Global Maharashtra” conference being organized by the Maharashtra Chamber of Commerce, Industry & Agriculture (MACCIA) in Mumbai on 10 January 2009. The MACCIA is the apex Chamber of Industry, Trade & Agriculture, founded in the year 1927. The theme of his talk is *“Promoting EU-India Trade Opportunities through Strengthening of the Strategic Partnership”*. Entrepreneurs and Professionals from 60 cities all over the world will participate in the Conference. Presentations will be made on different sectors of Industry such as Agro-processing, Pharmaceutical & Chemical Industry, Travel & Tourism including Medical Tourism, Construction; IT enabled services and Financial Services.

On the invitation of the India’s Trade body, the Confederation of Indian Industry (CII), Mr. Prasad will also attend the 4th Global Investors' Summit in Ahmedabad on 12-13 January 2009 being organised by the Government of Gujarat. Aimed at bringing together business leaders, investors, corporations, thought leaders, policy and opinion makers; the summit is intended to serve as a perfect platform to understand and explore business opportunities in the State of Gujarat. The event will afford the EICC to network with pharmaceutical and other companies who have interest in Europe.

BASF opens applications laboratory for pharmaceutical industry in India
BASF has recently opened an applications laboratory for pharmaceutical excipients and active ingredients in Mumbai. BASF is the world’s leading chemical company and with its high-value products and intelligent solutions, BASF plays an important role in finding answers to global challenges such as climate protection, energy efficiency, nutrition and mobility. The aim of opening their laboratory in India is to move even closer to customers in the key markets of the Asia-Pacific region. The new laboratory will allow BASF to meet the requirements of the pharmaceutical industry for technical support more quickly. In Asia, and particularly in India, the pharmaceutical industry has grown particularly through the strong market position of generics. The new laboratory is integrated into the existing research and development facilities of BASF India Ltd. in Mumbai. It is provided with state-of-the-art equipment allowing all the production processes that are relevant for solid dosage forms, such as granulation, tabletting and coating, to be carried out. In addition, the laboratory also has a wide range of measuring equipment, which can be used to analyze fundamental parameters within the processes. Finished tablets can also be tested for friability, dissolution, disintegration or color deviations.

Hedge funds shrinking and shrinking, and to shrink 25% by December

The financial crisis is imposing heavy burdens on the hedge fund industry, and the strain has become more visible. The global hedge fund industry, which has been hit by severe outflows and mark-to-market losses, is set to lose at least 25% of its assets in the last quarter, a global authority which tracks developments on these mystery players revealed recently. The industry, which has shrunk from $1.8 trillion at the end of the second quarter to $1.63 trillion in September 2008, is set to lose at least $470 billion more by the end of December 2008. However, the Hedge funds managers are still bullish on India. They feel that the country offers an oasis of high growth that is almost impossible to find in the developed world, which is slipping into a recession. However, the challenge, according to them, is to find investors who understand “Buy Low, Sell High” to take advantage of great global emerging markets, especially India that are “On-Sale” right now. According to them, India must aggressively market itself as a great opportunity and help investors understand that, on a company-by-company basis, there are many great opportunities to invest and not to just look at it on a macro-basis.

India continues to top list of 30 off-shoring destinations

In an increasingly slowing economy, offshore providers of human resources services are well positioned to take market share from US-based suppliers as buyer companies are now more focused on early cost savings that can be gained from labor arbitrage. Despite the bad financial condition, India remains the world leader in offshoring services. Analyzing 72 offshoring countries, the research firm Gartner has announced its 'Top 30 offshoring destinations', where India placed the top followed by China. The report shows that the dynamic nature of the market has seen a number of countries position themselves as credible alternatives to the BRIC nations (Brazil, Russia, India and China). India and China continue to hold their ground as the leaders for offshoring services, says Gartner. India has an edge because it has decent quality English speaking people who are willing to do routine work (“Grunt Work”) at a highly competitive price. As long as it maintains that edge, remains consistent and predictable, India has a place as the Software backyard and the BackOffice of the world. A large IT Manpower pool and dominance of English in higher education system also helps to build India as a preferred choice for "Offshoring". Many US and European companies, that set up offshore services operations in India, may also have an operation in China. China has still not overcome customers' concerns about English language skills, intellectual property (IP) protection, and attrition in the country. In contrast, India has a sophisticated and time-tested legal environment built around Western common law. Even if China invests heavily in education, the population cannot get in four to five years as fluent in English as Indians. India's demographics also favor its continuation as a key offshore services location. On account of China's one-child-per-family policy, the country's population is aging.

Indians are the largest recipients of UK citizenship in 2006

More foreigners were granted citizenship in Britain than in any other European Union country in 2006, according to latest figures released by Eurostat, EU's statistics body. Of the 154,000 foreign nationals granted British citizenship in 2006, Indians accounted for 15,125, largest from Asia. Pakistan nationals granted British citizenship numbered 10,260. Only a fraction of new Britons came from other EU states. Most were from Asia, Africa and former Eastern bloc countries. In 2006, 735,000 persons acquired citizenship of an European Union member state compared with 722,000 in 2005, 647,000 in 2003 and 483,000 in 1998. The new citizens came mainly from non-EU European countries (27% of the total number of citizenships acquired), Africa (27%), Asia (22%) and North and South America (12%). France granted citizenship to 148,000 foreign nationals and Germany to 125,000. The largest groups acquiring citizenship of an EU member state in 2006 were citizens of Turkey (64,000 persons), Morocco (48,000), Iraq (23,000), Ecuador (21,000) and Serbia and Montenegro (20,000). According to a research based organization, foreigners coming to Britain will account for the bulk of the increase in population, which is expected to rise from 60 million this year to 67 million in 2031. However, it is very likely that thousands of high-net worth people of Indian and other foreign origin will quit Britain following UK policy to levy tax on people with non-domicile status. About 42% of South Asian high-net worth individuals considered non-domicile in the UK are preparing to leave once the change takes effect.
