



PHARMACEUTICALS EXPORT PROMOTION COUNCIL

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News / Story reproduced with thanks:- **Pharmabiz**

Commerce Ministry turns down demand to include Russia in Focus Market scheme

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<http://www.pharmabiz.com/article/detnews.asp?articleid=54097§ionid=>

The Union Commerce Ministry has once again turned down the pharma exporters' long pending demand for inclusion of Russia among the countries listed for the Focus Market scheme announced by the central government some years back to offset the high freight cost and other disabilities to certain select international markets with a view to enhance the country's competitiveness to these countries.

According to sources, the commerce ministry has summarily rejected the exporters' demand in this regard on the plea of limited resources available with the Ministry. Senior officials told an industry delegation, which called on the officials recently, that the government's priorities are not Russia or such other countries but the countries in Africa and Latin America.

The inclusion of Russia and Ukraine in the list of Focus Market countries has been a long pending demand of the industry as both these countries account for more than 70 per cent of the export market in the CIS countries. Though the government included Ukraine in the list some time back, it decided not to include Russia in the list. The ministry's refusal to include Russia in the list has irked the exporters as Russia accounts for a substantial per cent of the pharma exports to CIS countries. Though the name of Russia had figured in the list since last year, the ministry refused to oblige due to resources constraint.

The focus market scheme was introduced by the Central government in the annual supplement to the foreign trade policy, announced on April 7, 2006. One of the important conditions under the scheme was that only exports made through direct shipping lines would be eligible for benefits while exports made through transshipment are not eligible for entitlement under the Scheme.

The scheme is especially good for the small players in the industry who does not have the competence and wherewithal to export their products to the developed and developing countries where the competition is cut-throat.

This scheme allows duty credit facility at 2.5 per cent of the free-on-board value of exports of all products to the notified countries. The objective of the focus market scheme was to offset the high freight cost and other disabilities to certain select international markets with a view to enhance the country's competitiveness to these countries. The government had identified three focus areas namely focus Africa, focus CIS and focus LAC for this scheme.