

## India govt seeks Argentina to ease trade policy to increase pharma trade

Thursday, October 15, 2009 08:00 IST

**Our Bureau, Mumbai**

The Minister of State for Defence Dr M M Pallam Raju has sought the Argentine president Cristina Fernandez de Kirchner to ease the country's pharma import policy to allow easy access for Indian pharmaceutical companies to the Argentine market, in order to increase the pharma trade between the two countries.

Expressing hope that the bilateral trade between the two countries are expected to strengthen with Argentina being a member of Mercosur Trade Bloc, the India Mercosur Preferential Trade Agreement, he informed that the Indian and Argentine companies are keen to cooperate in areas such as pharmaceuticals, biotechnology and manufacturing.

Addressing a seminar on 'Argentina- India: Trade, Investment and Business Opportunities', organised by FICCI, Assocham and CII, in cooperation with Embassy of Argentina, Dr Pallam Raju, however, added that the Indian pharma industry is facing difficulty in pharma trade with Argentina as India does not figure in the Group of 27 countries Buenos Aires allows imports from.

As per Argentine pharma import policy, pharma imports are allowed from a group of 15 countries mentioned under 'Annexure 1' and another group of 11 countries mentioned under 'Annexure 2'. All other countries outside these two annexures, has to pass through a complicated procedure which makes pharma imports into Argentina from these countries very difficult.

"India currently does not figure in these two lists and, therefore, Indian pharma companies are not able to export finished formulations to Argentina even though Argentine pharma manufacturers import their pharmaceutical raw materials from India. This is inspite of the fact that India companies have good manufacturing and R&D capabilities as well as the largest number of US FDA approved plants outside USA," said Dr Raju. He also conveyed that the Indian companies have expressed that they would like the Argentine visas to be granted more expeditiously.

According to the Argentina Pharmaceuticals and Healthcare Report, published by Business Monitor International in August 2009, Argentina's pharmaceutical expenditure in 2008 was US\$ 11.56 billion pesos (US\$ 3.73 billion). The study predicts the total amount spent on prescription and OTC medicines to reach a value of 26.62 billion pesos (US\$ 4.23 billion) in 2013 equating to a compound annual growth rate of 17.8 per cent.

In US dollar terms, however, as a result of the weakening peso, drug market expenditure will fall sharply from US\$ 3.73 billion in 2008 to US\$3.37 billion in 2009. This will affect all the subsequent forecasts in this report. In the Business Environment Rankings for Q409, Argentina is ranked in seventh place in the America's region. Globally, Argentina is ranked in 31st position, above Russia and Qatar and just behind Turkey and Colombia.

The bilateral trade between India and Argentina has witnessed quantum jump during the last 5 years from about US\$ 611.29 million in 2003-04 to US\$ 1.196 billion in 2007-08. Indian exports to Argentina during this period grew from US\$ 87.33 million to US\$ 289.68 million. Imports from Argentina, on the other hand, went up from US\$ 523.96 in 2003-04 to US\$ 905.87 million in 2007-08. Principal items of India's exports are chemicals, automobiles (including 2-wheelers) auto parts, textiles and garments, engineering goods, electrical & electronic equipment, metal products, hand tools, rubber & plastic products, jute yarn and products, essential oils, leather & leather products, etc. Chemical products account for about 40 per cent of India's total exports to Argentina.

The visit of Argentine president, now, marks 15 years since the last visit by the then Argentine President Carlos Menem in 1994. With the discussion for collaborations for cooperation in the areas of defence, industrial research, hydrocarbons, space and civil nuclear energy under progress, the minister expressed that the bilateral relations between the two countries are moving into higher trajectory and hoped that the issues related to pharmaceutical trade will be resolved soon.

Source-Pharmabiz

<http://www.pharmabiz.com/article/detnews.asp?articleid=52136&sectionid>