<u>Trade-Technology E-Zine-2</u>
(Centre for International Trade in Technology)

Indian drug makers maintain pace of US marketing approvals

Twenty five Indian generic drug makers got a little over 200 approvals from the US Food and Drug Administration (FDA) in 2009, half a dozen more than the number approved in 2008.

This increase is despite the decreased growth of drug sales in the US — the world's largest market — which has seen a tightening of regulations and aggressive competition. Dr Reddy's Laboratories got the highest number (32) of tentative and final approvals in 2009, ahead of Aurobindo (26), Wockhardt (23), Sun Pharma (18) and Zydus Cadila (18), according to the latest data on the FDA website.

A recent McKinsey & Company study said the global pharma market is about $773 billion, of which the US accounts for 38 per cent. This latter share is expected to decrease to 34 per cent by 2013, when drug sales will reach $987 billion. A BCC Research report estimates the global market for generic drugs was worth $84 billion in 2009, of which the US accounted for 42 per cent.

(*Business Standard*, 04 January 2010)

50:50 JVs with Overseas firms to get foreign tag

In a bid to further streamline the FDI policy, the government is going to classify a 50:50 joint venture (JV) between a domestic firm and an overseas entity as foreign company. All foreign partners, having such JVs with an Indian firm, will have to divest at least 0.5% in favour of the Indian partner to retain the status of an Indian-owned company. The clarification regarding 50:50 JVs is expected to be issued by the department of industrial policy and promotion (DIPP) soon. Prior to Press Note 2, 2009, companies set up under 50:50 JVs were treated as Indian. However, with the new clarification by DIPP, these would now be counted as foreign companies.

(*The Financial Express*, 4 January 2010)

Auto component industry set to cash in on OEM sales

The Indian auto component industry is expected to draw more than half of its turnover from exports by 2016 on the back of enhanced R&D coupled with high sourcing targets by global OEM from India. Currently, the total turnover of the auto component industry (members of ACMA) stands at around $20 billion, which the industry association expects to double to $40 billion by 2016. The total investment made by the industry is around $9 billion now which will go up to $20 billion by 2016.

(*The Financial Express*, 5 January 2010)

Shortage of trained professionals hit clinical research industry

With the $400 million Indian clinical research industry growing two-and-a-half times faster than the global rate, the industry is facing an acute dearth of employable clinical research professionals.

About 7% of the $42-billion global clinical trials market is expected to come India's way in the next four years. The industry, which currently employs close to 10,000 people, may see the requirement rising close to 30,000 to 40,000 in the next four years, says Sudhir Pai, managing director, Lotus Clinical Research Academy Pvt Ltd.

He further said a flight of skilled people from India to countries such as China, Malaysia and other Asian nations is also creating a gap between the demand and supply of clinical researchers in the country. Each year, approximately 1,000 students graduate from clinical research related courses from various universities and institutions, while a large part of the requirement is filled by employing people who get trained on the job, says Pai.

(*The Financial Express*, 5 January 2010)

Bosch to invest Rs 2,000 cr in India

Bosch of Germany will invest Rs 2,000 crore in India between 2010 and 2012, of which a lion's share will go into its automotive business. Nearly a quarter of this sum has been earmarked for R&D which is critical to its six subsidiaries.

The company has already pumped in Rs 2,100 crore between 2005 and 2009 and the decision to go in for a near identical sum in half the timeframe is a clear reflection of its faith in the country. This has been especially significant at a time when the rest of the world, especially the US and Europe which are critical to Bosch, wilted in the slowdown.

(*Business Line*, 5 January 2010)

Need For Re-Orientation of TUFS

Indian Textiles Industry particularly spinning sector has been the major beneficiary of Technology Upgradation Fund Scheme (TUFS). This year, we had allocated Rs. 3,140 crore for TUFS and for the first time Rs. 2,546 crore of subsidy was released in a single tranche and the amount was credited to the bank accounts of beneficiaries in record time of three working days. Thiru. Dayanidhi Maran, Union Minister of Textiles said that the Finance Ministry has been approached to provide an additional Rs. 1,500 crore for TUFS during fiscal 2009-10. He stressed that there is a need to have a re-look into the working of TUFS and the scheme should be orientated to facilitate induction of the state-of-the-art technologies in the Textiles Sector. The emphasis of the Scheme should be to technologically upgrade Powerloom Sector which caters to 80% of domestic demands and 60% to export markets.

(www.pib.nic.in, 6 January 2010)