

# India 'too reliant' on Chinese drug imports, worries Delhi

BBC NEWS, Delhi

There's loud chatter in Mandarin, Hindi and English - all thrown in a heady mix of business, big numbers, and of course money converted in at least two currencies.

It's speed dating but with a difference - business is the focus here, at this Delhi event.

This is not something you'd expect between Indian and Chinese traders - who traditionally view each other with suspicion.

Many credit dating sessions like these for Indian and Chinese representatives are now dominating the world's pharmaceutical industry. Yet this is not something that India is very pleased about.

India produces a third of the world's medicines, mostly in the form of generic drugs. But more than 80 percent of the raw materials for these drugs are imported from China.

That gives its neighbour and rival a virtual monopoly over pricing and supply - so much so that there are no domestic producers left for many essential medicines in India.

The government is now worried that in the event of a dispute with China, India could face a public health crisis. It is a scenario it is determined to avoid.

So just what medicines are these? Many of them are lifesaving, and healthcare in India depends on them.

These drugs include the most commonly used painkillers such as paracetamol and Aspirin, and antibiotics such as amoxicillin.

India has more than



Indian businessman Ravinder Sethi wants Chinese firms to bring their factories to India.

doubled the import of antibiotic drugs from China in recent years, and the trade is now worth billions of dollars.

In 2012 it is estimated that Indian drug imports totalled \$4.6bn (£2.9bn), a rise of about 58 percent compared to \$2.9bn in 2011.

There are now no domestic producers left for penicillin and its derivative, for example, leading to fears of a public health crisis if China were to ever stop its supply.

Drug companies in India blame the government, saying that low-cost imports have driven many manufacturers to close down.

Some, such as Eskay Pharmaceuticals, have now given up producing the ingredients for other drug manufacturers, to produce more complex formulations themselves, which they then export to developed markets in the US and Europe.

"Bureaucracy and lack of environmental clearances in India have made it uneconomical to produce raw materials anymore," says chief executive Ketan Shah.

But switching back to mass production of raw materials is not difficult, he adds. "China became so much more competitive artificially. Indian companies had no incentive to continue production - so we are out of it."

"But it is not too late at all. If the government acts quickly things can turn around in less than 10 years."

India is dependent on China for imports of ingredients of several essential drugs:

Painkillers - Aspirin, paracetamol; Anti-diabetics - Metformin; Stomach ulcers - Ranitidine; Anti-inflammatories - Ibuprofen; Antibiotics - Amoxicillin, ciprofloxacin, cefixime, ofloxacin, ampicillin, metronidazole.

Now the Indian government has decided to step in. Ajit Doval, India's National Security Adviser, recently warned that India should take immediate steps to create adequate

infrastructure to become self-sufficient in manufacturing essential medicines.

Delhi wants Chinese manufacturers to shift production to India, and to help them, the government is setting up large-scale pharmaceuticals and chemical industry clusters.

One such cluster is the Mangalore Special Economic Zone (SEZ). Here businessman Ravinder Sethi is using it to sell the idea of a large industrial park to the Chinese.

"One of the major constraints so far stopping Chinese pharmaceutical companies from investing here is infrastructure," he says. "Not just macro level ones like roads, ports and airports but micro ones."

"These units are looking for power, steam, water and central effluent treatments plants - because by their very nature, they are very polluting industries."

So in the SEZ he is promoting, they are providing a central effluent treatment plant hoping to attract

producers. And the potential to invest and grow is huge in India.

The country's pharmaceutical sector was worth \$6bn in 2005 and \$18bn in 2012, and is expected to touch \$45bn by 2020, according to a study by McKinsey.

Policymakers do not just want Chinese investment in India, but are also negotiating better access for India's pharmaceutical industry in China.

This will not just secure India's drug supply, but also help compensate for the widening trade deficit between the two neighbours.

Indian MP Sanjay Jaiswal - a politician who is also a qualified doctor - says it is a matter of national concern, and that any deterioration in relations with China could potentially result in severe shortages of essential drugs.

"I have asked Chinese officials that when we are buying bulk drugs from their country, why are they not taking our pharmaceuticals? Because we are the cheapest manufacturers of generic and branded drugs."

"Still they prefer to buy European medicines that are three times costlier than Indian products. But they are not allowing [the] Indian pharmaceutical industry to enter China. Relations cannot be one-sided."

China might be happy to take more imports from India, but whether it would be prepared to allow some of its industries to shift production to India is a different matter.

And the answer to that could have profound repercussions for the future of India's healthcare security.



HM Hakim Ali, chairman of Bangladesh Foundation for Tourism Development, receives the Nawab Bahadur Syed Nawab Ali - Hasan Ali Foundation award on tourism, from Biren Sikder, state minister for youth and sports, at a programme in Dhaka on Sunday. Zunaid Ahmed Palak, state minister for ICT, was also present.

## DBH reelects chairman

Star Business Desk

Faruq A Choudhury, former foreign secretary, has recently been reelected as the chairman of Delta Brac Housing Finance Corporation for the next two years.

A former career diplomat, Choudhury is also a member of the governing board of BRAC and BRAC University Trustee Board. He has also been a director of Delta Brac Housing since its inception.



## Factory relocations to cost \$3b

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Organisers ran a mobile SMS poll at the summit where more than half the participants expressed that access to low-cost finance is the first challenge to factory relocation, followed by sharing remediation costs, lack of lands, high costs, value added taxes on import of safety equipment, and lack of certification for safety items.

The brands are working with owners to finance their suppliers, Mansur said. Accord, a platform of 150 retailers and brands mainly from Europe, and Alliance, a platform of 27 US-based retailers and brands, are working with the International Finance Corporation to offer guarantees for their suppliers to get loans.

"These efforts by Accord and Alliance will help reduce the risks of loan," Mansur said. Risk sharing, lower interest rates and loan tenure are key issues in financing, he said.

VF Corporation, an American clothing giant, teamed up with IFC to provide \$10 million to finance fire and building safety improvements, said Thomas A Nelson, the company's vice president of global product supply.

This fund is part of VF's overall \$17 million commitment to the health and

safety of Bangladeshi garment workers, Nelson added. "We are focusing on the safety of workers who make our products."

Rob Wayss, executive director of Accord on Fire and Building Safety in Bangladesh, said: "We approached 10 brands and some are in the final stages of approving funds for factory remediation." Accord is in discussion with retailers to get finance for suppliers for factory remediation, he added.

Muhammad A Rume Ali, a former deputy governor of BB, said: "We need a standard to make funds available for the garment factories because it is needed not only for the exporters but, more importantly, for the millions of workers in the sector."

"The industry is not waiting to receive financial solutions for remediation. They are carrying on remediation efforts, which is unique," said Kyle Kelhofer, IFC country manager for Bangladesh, Nepal and Bhutan.

"The inspection of some factories that were outside the purview of Accord and Alliance are being carried out under the National Action Plan. It is necessary to discuss how they will carry on remediation," said Sarah Labowitz, co-director of NY University Stern Centre for Business and Human Rights.

"I hope that real discussions will take place on the practical solutions to how finance comes to small and medium sized factories."

## Invitation for Re-Tender



### Border Management Equipment for Border Guard Bangladesh (BGB)- Project

Headquarters Border Guard Bangladesh, Logistic Branch, Quartering & Ordnance Directorate, Dhaka

1.	Ministry/Division	Ministry of Home Affairs
2.	Agency	Border Guard Bangladesh (BGB)
3.	Procuring Entity Name	Director General, Border Guard Bangladesh
4.	Procuring Entity Code	2231, Border Guard Bangladesh
5.	Invitation For	Generator, Double Cabin Pickup & Microbus
6.	Invitation Ref No	44.02.1205.010.03.404.14.01
7.	Date	07 December 2014

#### KEY INFORMATION

8.	Procurement Method	Open Tendering Method (OTM)
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#### FUNDING INFORMATION

9.	Budget and Source of Funds	GOB (Government of Bangladesh)
10.	Development Partners (if applicable)	None

#### PARTICULAR INFORMATION

11.	Project Code	5013
12.	Project Name	Border Management Equipment for Border Guard Bangladesh (BGB) - Project
13.	Tender Package No	GD-12, GD- 19 & GD- 20
14.	Tender Package Name	Generator, Double Cabin Pickup & Microbus
	Date	
15.	Tender Publication date	09 December 2014
16.	Tender last Selling date	17 December 2014
17.	Pre-tender meeting date and time (if required)	15 December 2014 at 12.00 hours
	Date	Time
18.	Tender Closing date and time	18 December 2014 1155 hours
19.	Tender Opening date and time	18 December 2014 1200 hours
20.	Name & address of the office (s)	Address
	Selling Tender Document	Headquarters Border Guard Bangladesh, Logistic Branch, Quartering & Ordnance Directorate, Peelkhana, Dhaka
	Receiving Tender Document	Headquarters Border Guard Bangladesh, Logistic Branch, Quartering & Ordnance Directorate, Peelkhana, Dhaka
	Opening Tender Document	Headquarters Border Guard Bangladesh, Logistic Branch, Quartering & Ordnance Directorate, Peelkhana, Dhaka

#### INFORMATION FOR TENDER

21.	Eligibility	a. Any individual enlisted firm of BGB or other Govt/Semi Govt/ Autonomous organization of related contractors who fulfill the qualifications criteria stipulated in the tender data sheet (TDS), PCC and other conditions of the tender documents. b. The tenderer shall have a minimum of 02 (Two) years experience of manufacturing or supplying of subject item or related services. c. Tenderers to fulfill the qualification criterias mentioned in the tender data sheet d. The tender shall have upto date trade license, income tax and VAT certificate. e. The tender shall have required amount of liquid assets or working capital, credit facility from any scheduled Bank f. Manufacturer certificate.				
22.	Brief Description of Supply & installation	Supply of Generator, Double Cabin Pickup & Microbus.				
23.	Brief Description of Related Service	Technical Specification attached with tender document				
24.	Price of Tender Document (Tk)	For Serial No-26, 28 TK. 1000/- each & for Serial No-27 TK. 2000/- (Non Refundable)				
25.	Lot No	Identification of Lot	Qty	Location	Tender security amount (Tk)	Completion time in Days/weeks/months
26.	GD-12	Generator (5-6 KVA)	30 Nos	HQ BGB Logistic Branch	80,000/-	90 days
27.	GD-19	Double Cabin Pickup (2400-2600 cc)	03 Unit	Quartering and Ordnance Directorate	4,30,000/-	120 days
28.	GD-20	Microbus (2500-3000 cc)	01 Unit	Peelkhana, Dhaka	1,00,000/-	120 days

#### PROCURING ENTITY DETAILS

29.	Name of Official inviting Tender	Kazi Arman Hossain, Project Director, Border Management Equipment for Border Guard Bangladesh (BGB) - Project, Quartering & Ordnance Directorate, HQ BGB.
30.	Designation of Official inviting Tender	Project Director, Quartering & Ordnance Directorate, Dhaka
31.	Address of Official inviting Tender	Quartering & Ordnance Directorate, Headquarters Border Guard Bangladesh, Dhaka.
32.	Contact details of Official inviting Tender	Telephone NO : 9650123 Fax : 9650245
33.	a. The Procuring entity reserves the right to accept or reject all tenders	
33.	b. If the tenderer Submits any false/incorrect or forget to deposit certificate, the tender security shall be forfeited	
34.	If it is not possible to receive/open the tender on the schedule date for any unavoidable circumstance the same will be received/opened on the next working date at the same time and same venue.	

WWW.bgb.gov.bd

GD-4599

Project Director  
For Director General  
Headquarters Border Guard Bangladesh