

**c) Exports**

Export markets for Indian produced pharmaceuticals include the United Kingdom, United States and areas of the Middle East and Africa. Exports for 1994 totalled Cdn \$1,144 million and are expected to be Cdn \$1,640 million in 1996.

Exports are encouraged with special subsidies such as zero taxation on profits derived from products shipped.

**d) Imports**

Imports from Canada accounted for less than 1% of the total of Cdn \$627 million in 1994. Major sources of imports included the United States (37%), Germany (25%), France (10%), Italy (10%) and China (8%). Products imported included antibiotics, penicillin, erythromycin, vitamins, vaccines (polio, human and veterinary), preparation insulin, caustic and other hormones and tetracycline.

Of the total imports reported for 1994, Cdn \$321 million or 51% were imported in bulk form and formulated in India.

One sign of India's willingness to create an open door policy with foreign firms is evident in the import tariff. The import tariff for bulk medicines and their intermediates has gradually decreased since the inception of the new economic policy in the early 1990s. The lowering of import tariffs is seen as part of the general liberalization of trade policies designed to encourage competition and limit price increases. Imports may also be necessary to keep up with domestic demand which is expected to double by 2000 AD. The table below shows the yearly decline in import tariffs for pharmaceuticals. Some drugs, those deemed to be essential, as well as life-saving medicines, are exempted from tariffs.