



## PHARMACEUTICALS EXPORT PROMOTION COUNCIL

(Set up by Ministry of Commerce, Govt. of India)

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### **EU confronted on herbal medicines & chemicals ban**

15 May 2010, 0259 hrs IST, Amiti Sen, ET Bureau

Direct link to the News/Story:-

<http://economictimes.indiatimes.com/articleshow/5932895.cms?prtpage=1>

NEW DELHI: India has taken up with European Union the issue of its traditional medicine and chemical industries that are set to face various import restrictions in the European Union. In its on-going bilateral free trade agreement negotiations with the trade bloc, India has sought dilution of the proposed controls to ensure continued exports to the region.

“While the traditional herbal medicine industry is going to face regulatory restrictions in EU from next year, the restrictions on chemicals, currently applicable on large exporters, is going to be extended even to small players over the next few years,” a commerce department official told ET.

The directive on traditional herbal medicinal products (THMP) that will be implemented across the EU in 2011 makes it compulsory for companies to show thirty years of traditional uses, including 15 years in the EU.

“This may result in a complete denial of market access for THMP,” the official said.

This is unacceptable to India, especially as it is being imposed by a region with which it is working on an agreement to ease goods, services and investment flow, the official added.

The commerce department has, therefore, included the issue of THMP in the FTA talks.

“We had taken up the issue at the recent meeting that we had with EU officials in Brussels and plan to pursue it further,” the official said. India has also asked the EU to relax its registration, evaluation and authorisation of chemicals (REACH) norms for the chemicals sector which will bring in small exporters in its ambit over the next eight years.

“At present, only companies that export 1,000 tonne and above are supposed to get their products tested as per the stringent REACH norms, but by 2018 any exporter who exports 1 tonne or more will have to follow the regulations,” the official said.

This will severely affect exports from India not just because the superior testing procedures increases costs for producers, but also due to the fact that there aren't enough testing laboratories in India. India exports about \$ 1 billion of traditional medicines, which is a small fraction of more than \$80 billion of exports taking place worldwide. It's chemical exports is much higher at \$170 billion