

A CRITICAL STUDY ON TRADE BARRIERS IN INDIA IN MEDICAL SECTOR

¹K.Vaishnavi

¹Student, Saveetha School of Law, Saveetha University,
Saveetha Institute of Medical and Technical Sciences, Chennai-77,Tamilnadu,India.

²Arul Kannappan

²Assistant Professor, Saveetha School of Law, Saveetha University,
Saveetha Institute of Medical and Technical Sciences, Chennai-77,Tamilnadu,India.

¹vaishnavik2521@gmail.com, ²arulkannappan.ssl@saveetha.com

ABSTRACT:

Exchange health product has been flourishing in recent years because the demand for higher health has been growing throughout the globe. At identical time, exchange health product is hampered by substantive trade barriers. during this paper, we have a tendency to gift proof that countries around the world still apply tariffs and non tariff measures that increase costs and limit the supply of health-related product similar to prescribed drugs, vaccines, and medical instrumentation. The case for liberalising exchange these product is so robust. additionally, we have a tendency to show that rising trade facilitation performance, exploitation the globe Trade Organisation Trade Facilitation Agreement as a start line, will be joined to improved handling of health-related product similar to vaccines that, in turn, would boost usage. within the last a part of the paper, we have a tendency to study the worth variations for hormone across countries. we have a tendency to observe that the worth of hormone has numerous determinants, one in every of them being open trade: the upper the extent of competition between makers, the lower the worth of hormone. In summary, lowering trade barriers on health product will build a substantive contribution to putting together up health systems and lowering owed payments of patients.

KEY WORDS: Trade, health, improvisation, competition, vaccines, Agreement.

INTRODUCTION:

Trade economists have long argued the case that exaggerated openness to international markets will, beneath the proper circumstances, boost productivity, that is that the backbone of sustained growth in per capita incomes. The distribution of the gains from exchange some way that conforms to every society's read of equity is a difficulty best addressed by complementary policies similar to welfare and social safety web measures. however the expertise of the many developing countries suggests that trade will be a vital a part of promoting economic process, which may facilitate cut back financial condition. Trade is so intimately joined to property Development Goal (SDG) one that relates to ending financial condition, and SDG eight that relates to promoting sustained, inclusive, and property economic process. the connection between trade and growth isn't as straightforward and direct as was believed by some commentators within the Nineteen Nineties, however there's a broad agreement that while not openness to international markets for merchandise, services, labor, and capital, it's troublesome, if not not possible, to evoke speedy economic process and development. Trade and health is a difficulty that has been extensively examined over the last 10–15 years. However, that discussion has targeted for the most part on the difficulty of holding rights. Trade agreements currently habitually embody chapters on protection of holding rights. At the globe Trade Organisation (WTO), the Agreement on Trade-Related Aspects of holding Rights (TRIPS Agreement) lays down minimum standards for defense in member states. prescribed drugs square measure a product wherever holding problems loom giant from a development stand, as a result of there might be a conflict between promoting innovation on the one hand, and lengthening access to crucial medications on the opposite. Indeed, several developing countries were therefore involved regarding this conflict within the context of the AIDS epidemic that they with success campaigned for the 2001 Declaration on visits Agreement and Public Health.

OBJECTIVES:

- To know the policies of exporting the trade barriers
- To study about the tariff and non tariff measures of health products
- To study about the development of trade barriers in India

HYPOTHESIS:**ALTERNATIVE HYPOTHESIS:**

There is no significant impact of world trade organisation on trade barriers in medical sector

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METHODOLOGY:

Empirical legal research is also termed as Non-Doctrinal legal research; even empirical technique is also called as fact research. Empirical research is nothing but a methodology of research, where researcher tries to collect knowledge or information from first hand study or primary data related to his particular matter or topic and after analysis and interpretation of those information he draws out the conclusion of that research work.

TARIFF ON HEALTH PRODUCTS:

Tariffs and non tariff measures (NTMs) limit access to health merchandise. Tariffs are comparatively straightforward to live as they're rumored to international bodies, as well as the World Trade Organization. In distinction, comparable international records on NTMs are distributed. Yet, NTMs play a very important role for health merchandise. Developed countries, especially, have demanding standards for medicines and different health merchandise. It's necessary to emphasize at the beginning that though some NTMs, reminiscent of quotas, will have necessary public edges that justify their use, identical can't be aforementioned of tariffs. Tariffs merely transfer financial gain from shoppers to native producers and also the government, with a further value in economic potency. There's no public policy objective, reminiscent of client protection, that's achieved by tariffs. Conceivably, there may well be associated argument that, so as to market baby industries in developing countries, it's necessary to guard producers of health merchandise. However, that position has verified problematic in historical context, as infants seldom "grow up." Additionally, it's tough, from a development perspective, to just accept that promotion of a selected domestic business trumps the general public health objective of making certain most doable access to health merchandise. In most regions, average tariff rates on medical instrumentality are under for prescribed drugs. However, the averages once more mask

substantial cross-country variation: of course, the countries with the best tariffs during this sector apply them at levels that way exceed those for prescribed drugs. as an instance, Djibouti taxes foreign medical instruments at a median rate of pure gold, Islamic Republic of Iran applies a 14 July tariff, and rates within the next ten most protected countries (covering 5 of the six UN agency regions) are around ten. There are doubtless economics motivations for these tariffs in every country, additionally to doable revenue-raising objectives. On average, tariff rates on prescribed drugs and medical instrumentality ar comparatively low, and a large vary of nations permit nontaxable access. However, the very fact that tariffs persist in the slightest degree is puzzling in lightweight of the importance of making certain access to cheap medicines for poor individuals. From a economics perspective, it'd be necessary to grasp what forces in some developing countries align to stop the entry of low-priced health merchandise from the globe market. In some cases, it's seemingly baby industries. however there additionally seem to be countries that levy tariffs on foreign medicines despite the fact that they are doing not have vital domestic capability.

DEVELOPING OF TRADE BARRIERS IN INDIA:

Before the trade have numerous countries at such totally different levels of development been concerned in such a lot activity aimed toward restructuring their national health systems(NHS). there's associate predominant motivation: to attain a productive transformation of the health sector and build it self- property, cost-efficient, and economical, thus on scale back its burden on the State and increase its economic contribution and performance. during this endeavour, national health authorities face a double challenge: to preserve the integrity of the NHS and to supply universal health care to their populations and reconcile economic interests with the social objective of the NHS. provided that access to health care incorporates a crucial impact on all human productivity, the relaxation and gap of this sector ought to take under consideration the first objectives of health and also the social implications of economic reforms. However, in several developing countries, the social context and economic setting within which the productive transformation of the health sector should be fostered is being crucially stricken by the conditions obligatory by the International money and also the UN agency. The implementation of structural adjustment programs has angry sharp reductions publically health budgets and a deterioration of the quality of living. additionally, the restricted economic resources and high rates of increase in several developing countries have additionally reduced their policy choices to reconstitute health service systems and accomplish property development and equitable economic process. what

is more, governments should subsume changes within the health sector that are mostly a results of the technological revolution: intensive use of capital, trained human resources, and advanced technology. As a results of the on top of things and trends, several governments are taking steps to modernise the arena by implementing new service-delivery schemes through the utilization of market mechanisms. on these lines, market factors at the national and international levels ought to be thought-about united of the driving forces behind property development within the health sector. As monetary issues become additional acute, governments are duty-bound to hunt efficient and cost-efficient approaches and innovative policy devices to beat the shortage of resources, neutralise the monetary crisis, and minimise the negative impacts. therewith perspective, several choices are explored; as an instance, the linkage of the health sector with different sectors reminiscent of agriculture, education, trade, or the setting. the employment of market mechanisms is additionally bit by bit exchange public policy interventions. In several countries, the implementation of policy reforms has led to accumulated non-public sector participation as a results of the sale of public health sector enterprises, the creation of latest non-public establishments, and also the encouragement of insurance schemes and community funding for health care programs. International trade health services is gap several potentialities for increasing the economic contribution of the health sector to the financial system. Governments from each developed and developing countries ar exploring totally different choices as well as the implementation of export ways for health services and also the relaxation of business possession to maximise their resource endowment and competitive blessings. This endeavour needs facing the challenge of adaptive trade objectives like foreign currency generation with those of granting their populations universal access to quality health care at an inexpensive value. However, any decide to assess whether or not the objectives of health and trade ar compatible should be thought-about within the lightweight of 3 main interim policy objectives of public health: equitable access to health care, quality, and economical use of resources. equitable access will be outlined as “equal utilization of health services for identical need” combined with vertical equity, which implies that the users contribute in line with their economic capability. Quality refers to the quality of health care provided by the system. potency is said to the optimum allocation of resources.

EXPORT POLICIES:

India operates a very comprehensive set of export policies that are associate outcome of the many years of efforts to create take away or offset barriers associated disincentives for

exports that were an inevitable by-product of its import substitution policies. 252 aspects of those policies that are relevant for India's commerce relationship with East Pakistan within the context of a bilateral FTA or SAFTA are the following Rebates for exporters underneath duty neutralisation schemes reminiscent of duty downside and DEPB26 are well reduced throughout the past 5 years as tariff levels have declined. as an instance, DEPB rates for exported clothes that were 16 PF throughout 2002/03 had been reduced to a variety of between three 2% and 8.5% in Dec 2004. As discovered within the RMG case study, these reduced DEPB rates mean that Indian domestic costs of marketable clothes (as well as of different exportable) are seemingly to be shortly on top of fob export costs, and will be below cif costs, increasing the issue for East Pakistan RMG exporters to vie within the Indian market, even underneath associate FTA. This reduces or maybe removes the quality 'uneven enjoying field' downside of associate FTA on the Indian facet i.e. the matter that FTAs can ordinarily permit exporters to exempt or rebate import duties on inputs within the traditional approach, however that the exported merchandise then vie while not paying tariffs with producers within the partner country, that pay traditional tariffs on their foreign inputs.

- In recent years Republic of India has incontestable that it's willing to subsidise its exports of rice once there are massive domestic surpluses. In some years India's exports were massive relative to the slim international market and doubtless reduced world costs, with ensuing economic welfare edges to East Pakistan as associate businessperson. East Pakistan would wish to think twice concerning the economic prices associated edges of this if rice were to be enclosed in an FTA with Republic of India. Republic of India has additionally been willing to subsidise wheat and sugar exports once there are domestic surpluses, however in these cases the volumes haven't been enough to own a lot of impact on world costs, thus this is often less of a complication in wondering these 2 sectors within the context of a bilateral FTA or SAFTA.

RECOMMENDATIONS:

- POLICY SUPPORT

Produce necessary bodies to drive the policies

Set up associate freelance body with a permanent workplace and support workers to market and facilitate the medical device business with representatives from all connected government departments further as business.

It would operate as one window to facilitate for medical technology sector. produce benchmarks as per international best practices and update all the stakeholders on international development. Develop information networks with partners from business. to spot and stop creation of gratuitous and unwarranted technical barriers to trade particularly by new or ever-changing technical rules. To support and prepare autochthonous businesses face competition, access foreign markets, and realize new business partners abroad. Going international will increase SMEs' performance, enhances fight, and reinforces property growth.

The inter-ministerial task force might still operate until the facilitating body is ready to severally service and facilitate the business.

Body Department

Department of prescribed drugs be strong and rechristened as Department of prescribed drugs and Medical Devices. Necessary revisions within the scope of services in conjunction with creation of a separate post of Director within the department to manage problems relating to the Medical devices sector.

Discriminatory treatment in government acquisition

Since medical devices are factory-made within the country on an oversized scale for the primary time, the conditions of tender documents reminiscent of expertise for last three/ 5 years etc. will be fittingly relaxed for brand spanking new makers. Preference could also be given to medical devices that ar being factory-made in Republic of India with a further preference for medical devices factory-made underneath MSME sector.

- INFRASTRUCTURE

1. found out producing hubs/ clusters in surgery mode

The government will develop necessary infrastructure with revenant expenses borne by the non-public business as per usage.

2. found out Medical device parks

With the correct infrastructure in places that ar contributory to medical device producing. to market begin ups right from incubation to development and market reach out. to start with, one such park could also be promoted close to metropolis.

3. funding support

R&D ought to be supported/ coordinated by agencies like ICMR, DBT, CSIR, DIETY & DoP through the only window facilitating body. Low value funding like interest grant to MSME

4. Facilities for effectuality and safety testing

1. Medical device testing centers ought to be found out ideally within the surgery mode

Common medical device testing facilities will be found out by government in major medical device producing hubs to facilitate testing/ analysis of medical devices. revenant expense will be borne by the business.

2. Designate “Centers of Excellence” (CoE) for supporting development and validation.

These centers having existing requisite facilities and experience for various classes of medical devices (Example: immortal, BIS, IIT-M, IIT-D, IISc-B, CIPET, DRDO). they might support, Product development – style and prototyping, Validation and certification of the medical use of devices, Adopt, implement and advocate policies on effectuality and safety testing. Strengthen a created in Republic of India marking (BIS) specific to Medical devices in line with international standards like metal and government agency

CONCLUSION:

This paper has provided a primary examine one necessary non-income linkage from a additional open commerce system to the SDGs, specifically SDG three, that deals with health. there's clear proof that developing countries apply tariffs and NTMs that have the impact of accelerating costs and decreasing availableness of health-related merchandise reminiscent of prescribed drugs, vaccines, and medical instrumentality. The case for liberalising trade these merchandise is robust. additionally, there's compelling proof that up trade facilitation performance—using the WTO’s Trade Facilitation Agreement as a beginning point—could be joined to improved handling of health-related merchandise reminiscent of vaccines, that successively would boost usage. The case of hormone showed that trade is essential for the provision of hormone to patients across the globe. learning the worth variations across countries, we tend to ascertained that the worth of hormone has numerous determinants. Pharmaceutical firms usually charge higher costs in markets with higher per capita financial gain. the extent of competition and size of the market ar further factors that influence the ultimate worth. Government will try and leverage the competition between makers further as their buying power to bring down the worth of hormone. increase health systems that lower due payments is another choice to create hormone cheaper to patients. One space of tension for trade and health outcomes is that the protection of material possession rights. That protection will promote innovation by pharmaceutical firms, which, in turn, will improve patient outcomes. However, market size effects combined with the terribly high development prices for brand spanking new medications mean that even sturdy

protection of material possession rights has verified depleted to come up with treatments for a few common developing country ailments like protozoal infection. However, non-public sector funding through foundations is ever-changing that position somewhat, by providing incentives for development-relevant drug analysis. it's necessary to recollect that the principal constraint in terms of up people's health in developing countries is that the weakness of the health services sector and delivery systems. for several conditions, medicines are offered and off-patent, which implies they'll be created quite cheaply, as well as by developing country makers of generics in countries reminiscent of Republic of India and Brazil. Facilitating the movement of generic medicine to poorer developing countries is a very important health policy objective, however one that has to be secured by public and personal sector payment on health care, as well as through the event of delivery infrastructure and skilled services. we tend to so ought to stress the importance of complementary policies reminiscent of infrastructure and human resources development, as associate adjunct to a liberal foreign policy in relevancy health merchandise. Although trade incorporates a comparatively low profile within the SDGs and their companion targets, it's by no means that absent from the package of measures offered to policy manufacturers to market the SDGs. Trade economists ought to do additional to indicate that trade will profit property development through non-income channels. Work on relaxation of environmental product and services is another necessary example from outside health: by identical reasoning as was given here, relaxation in these sectors will directly facilitate accomplish the SDGs by promoting property. Future policy analysis might usefully think about distinctive additional examples like health and also the environment—areas within which trade will promote property development through non-income channels. Similarly, analysts in different areas featured additional conspicuously within the SDGs ought to be trying to incorporate trade the spoken communication on however best to market property and inclusive growth.

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