

Rural India grows bigger in pharma pie

Rupali Mukherjee

The Times of India, 4th December 2007

Rural markets are increasingly occupying a larger slice of the pharma pie, showing a sizeable growth year-on-year. These markets now account for 21% of the pharmaceutical market, while metros and cities occupy the majority share.

As per industry estimates, metros and cities account for nearly 60% of the market, with the balance taken by small towns (20%) and rural markets (21%). Last year, the share of rural markets was around 15% of the total pharma market. During 2006, it increased to 21% up from 16% in 2004, and 18% in 2005.

As rural incomes continue to go up, this segment is expected to grow over time.

Overall the domestic pharma market is expected to show double-digit growth and will be primarily driven by new products and market expansion strategies.

Compared to single digit growth in global markets, the market showed a growth of over 17% in 2006. The growth drivers – new introductions and price-/volume growth of the older products showed positive trends.

“The significant share of smaller markets such as rural and town areas can be credited to the strong whole-sale distribution system. These markets are driving the Indian growth rates in the region of 20%,” says Utkarsh Palnitkar industry leader health sciences, Ernst & Young.

Also, these markets are registering the highest growth of nearly 40%, as against around 15% in metros.

The rising importance of smaller markets (rural and towns) has an

important implication for pharmaceutical companies. Sales infrastructure deployed in these markets does not match the current revenue share or the future market potential of these markets, analysts say.

This is because in an average mass product sales division, only 20% to 30% of the sales force is deployed in these markets. The number is even lower for specialty products divisions.

“Though rural markets are dominated by acute ailments, chronic (lifestyle related) segments have slowly started making inroads,” says Hitesh Gajaria of consulting firm KPMG.

While the rural markets will show strong growth, the larger markets (cities and metros) will remain important in the near future, driven by certain factors. Affordability will rise significantly in these markets due to higher disposable incomes, analysts say.

The prevalence of lifestyle-related ailments is likely to be much higher than in the rural markets. Finally, these markets will witness the steepest rise in the standards of healthcare infrastructure, they add.

Rural job scheme: many positives, a few concerns

Special Correspondent

The Hindu, 30th Decenber, 2007

Administrative problems continue to limit its effectiveness

The national Rural Employment Guarantee Act (NREGA) has succeeded in generating huge employment and achieving considerable economic empowerment in ten districts across the State, but some administrative problems continue to limit its effectiveness.

Social audits in ten villages in Tiruvannamalai district in October and in 25 villages in Villupuram in July by a Group of NGOs have revealed many positives: employment is being generated on a massive scale and the minimum wage of Rs.80 is largely being paid with regularity.

Women benefit

However, a reluctance to engage with SC/ST and Below-Poverty-Line (BPL) communities and a lack of transparency in administration was significant concerns.

The NREGA has provided, on an average, 63 days of employment to 7.78 lakh households, or around 31 lakh people in the state. Women have significantly benefited from the Act, making up 82 per cent of those employed.

“There are many positives. The Act is not just generating employment and wages, but it is also creating valuable assets for future generations,” Annie Raja, member of the National Rural Employment Guarantee Council, said on Saturday.

She was speaking on the sidelines of a statewide meeting organised by the

Right to Food Campaign (Tamil Nadu) to assess the impact of the Act across the State. It was attended by more than 200 people, including panchayat leaders, NGOs and workers on NREGA sites from various districts.

Challenges

Ms. Raja expressed concern over a recent Central move to revise NREGA wages to bring them in line with Public Works Department schedules of rates. This would mean that wages would likely fall below the current minimum of Rs.80. “In these districts, people are now planning their lives around the 80 rupees,” she said. “We do not have the right to take that away from them.”

She warned that a significant problem was a widespread reluctance in the State to take up projects on SC/ST and Below-Poverty-Line (BPL) lands. In addition to public work projects, the NREGA also allows for land belonging to SC/ST and BPL families to be developed under the banner of the Act.

S. Kannaiyan, convener, Right to Food Campaign (Tamil Nadu), said there was a need for greater transparency in the maintenance of master rolls to enable more accountability in the payment of wages.

Another problem in Villupuram and Tiruvannamalai was the inability of the administration to generate the 100 days of employment that the Act guarantees, due to lack of enough projects. On

average, only 63 days of employment have been generated in Tamil Nadu.

“A core issue is lack of administrative staff,” Ms. Raja said. “The responsibility falls on one person to maintain the muster-rolls, issue job-cards and handle

several other tasks. State governments have to take a more serious attitude.

Women, child development get a boost

Special Correspondent

The Hindu, 30th December, 2007

ICDS decentralized and made community-driven

The Haryana Women and Child Development Department took several initiatives in 2007 like constitution of village level committees of women and their convergence with Panchayati Raj Institutions (PRIs), formation of Sakshar Mahila Samooh (SMS) and facility of micro-credit for SMS from Rastriya Mahila Kosh (RMK).

It also launched schemes like construction of Mahila Shakti Sadans, incentive awards for improvement in sex ratio and educational loans for girls and women for higher education.

In a significant move, the Integrated Child Development Services (ICDS) Programme was decentralized and made community driven.

Village committees

The Government set up 6,157 village level Sub-Committees of women under the overall supervision of Gram Panchayats to facilitate implementation of programmes pertaining to development of women and children.

In another major initiative, it was decided to dispense with centralized system of procuring the ready to eat food items for the beneficiaries of ICDS and entrust the responsibility of preparation of food items to women Self Groups or Mothers' Groups. This generated employment for about 75,000 rural women.

The government enhanced the financial norms from Rs.2 to Rs.3 per day per child and Rs. For severely malnourished children per day and from Rs.2.50 to Rs.5 per day per mother and adolescent girl so that protein and calories' requirements could be ensured to all the beneficiaries. These rates are highest in the country, an official spokesman said here on Sunday.

6,000 Mahila Samoohs

It also set up about 6,000 “Sakshar Mahila Samoohs”(SMS), a group of educated women in every village, to lend the necessary resource support to the Gram Panchayat and its sub-committee for effective discharge of the functions

assigned to them. The SMS generated awareness on key issues like sex ratio, literacy, universalization of elementary education, health and nutrition, opportunities for economic empowerment for women, hygiene, sanitation and environment for women, girls, children and the village community.

The spokesman added that UNICEF had agreed to provide technical support to the State Government in its multi-faceted endeavors to empower women and the girl child, formulation of a strategy to address issues of female foeticide and to explore private sector participation in areas that could be beneficial in increasing resources available to children.

It was a major achievement that the Rastriya Mahila Kosh (RMK) agreed to recognize SMS as an eligible NGO for the purpose of promoting micro credit but also trained their members. Interestingly, NABARD has also shown interest to use SMS for micro credit, he added.

Chief Minister Bhupinder Singh Hooda announced that Mahila Chaupals, rechristened as Mahila Shakti Sadans, would be constructed in all villages in a phased manner. These would be equipped with library, furniture, computer and stationary to make them self-sufficient resource centre to address gender needs of the village.

Loan scheme

The Haryana Women Development Corporation benefited about 2,800 women under its loan scheme in 2007 by enabling them to set up their own enterprises. And to promote and encourage higher education among girls, the corporation started giving Education

Loans to girls and women at cheaper interest rates.

It was decided that the district showing improvement in declining sex ratio and securing first three positions in the State would be given awards at district level every year. And to reduce the number of malnourished children in Haryana, Nutrition Awards were instituted at district level. Furthermore, to encourage rural girls to go in for higher education, 384 girls were conferred Rural Adolescent Girls Awards.