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The cover features a collage of four images: a night view of a city skyline with a prominent domed building, a large industrial pipe system, a handshake between two men in front of Indian and Russian flags, and a forest of birch trees.

Jt. CEO Council on Cards Enter, A New Phase

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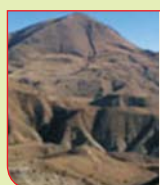
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Founder Chairman
Late Shri R.K. Prasad

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The news items and information published herein have been collected from various sources, which are considered to be reliable. Readers are however requested to verify the facts before making business decisions using the same.

Joint CEO Council in Offing for B2B Interaction

Indo-Russian Economic Ties Enter a New Phase



Documents signed during Russian Prime Minister Viktor Zubkov's visit to India

1. Memorandum on the development of cooperation in law enforcement matters between the Central Board of Excise and Customs, Department of Revenue, Ministry of Finance of India and the Federal Customs Service (Russian Federation) was signed by S.K. Shingal, Special Secretary and ex-officio Chairman, Central Board of Excise and Customs and Andrei Belyaninov, Head, Federal Customs Agency on 12 February 2008. The Memorandum facilitates greater cooperation on fighting drug smuggling, psychotropic substances and their precursors, dual use goods, contraband and customs offences in commercial trade by constituting a Joint Working Group, information exchange, regular meetings of the customs officials to counter customs violations and sharing best practices.

2. Memorandum on Cooperation in the Field of Archives between the National Archives of India and Federal Archival Agency (Russian Federation) was signed by Lov Verma, Director General, National Archives of India and Vladimir Petrovich Tarasov, Deputy Head, Federal Archival Agency on 12 February 2008. The Memorandum provides for cooperation between the two archival agencies through exchange of archival specialists; sharing of information, including documents on Russian and Indian history, automating archival records; joint publication of documents; and exhibitions.

The year 2008 began in India-Russia relations just as 2007 ended with a bang. Close on the heels of the successful visit of Indian Prime Minister Manmohan Singh to Moscow in November 2007, Russian Prime Minister Viktor Zubkov led a high-level delegation of Russian Ministers, senior officials, and businessmen to India on 12 and 13 February, 2008. The Russian Premier inaugurated the 'Year of Russia in India' together with Prime Minister Singh at an impressive ceremony at the ramparts of the Red Fort on February 12.

Delhi and other Indian cities will hope to see the best of Russian arts and culture in India between now and December 2008. Zubkov held talks with Prime Minister Singh, and called on President Pratibha Patil and Vice-President Hamid Ansari. He also held fruitful meetings with External Affairs Minister, Finance Minister and the Leader of Opposition in the Lok Sabha.

The Russian Premier's visit to India was also timed to coincide with the second session of the India-Russia Forum on Trade and Investment. The event witnessed the participation of over 500 business representatives from the public and private sector in both countries, and resulted in two outcomes that can be considered significant: firstly, it was decided to establish a CEOs Council which will be akin to a Joint Business Council. This should kick-start and provide effective ignition for the "B2B" interaction. It is a timely initiative since, over time, the trade relationship between the two countries will need to be determined by the burgeoning private entrepreneurs in both countries. Secondly, a joint task force (JTF) will now monitor the implementation of the recommendations of the joint

study group for taking the trade and economic relations between the two countries to newer highs by removing the impediments to bilateral trade and commerce. The JTF will also examine the feasibility of a Comprehensive Economic Cooperation agreement (CECA). The trade and investment forum resulted in the Captains of Indian and Russian industry and finance coming together to discuss prospects of working together in IT, financial services, power and energy sector, and other key spheres as transport, infrastructure, metallurgy and mining.

Significantly, Premier Zubkov's India visit also coincided with the Russian Vneshtorgbank (VTB) and Russian telecom and services conglomerate giant Sistema inaugurating their representative offices in the Indian Capital.

Overall, the Russian Premier's visit did have a significant focus on trade and economic cooperation, and should help both countries to march in tandem in realizing the goals laid down by the political leadership in both India and Russia in further advancing their partnership. The rock-solid foundation provided by the close and friendly relations that the two countries have enjoyed over the

past six decades will help businesses in both countries to similarly move forward and advance cooperation in sectors ranging from energy to aviation, and metallurgy to the power and engineering sector.

February 2008 also witnessed the visit to Moscow of Vijay Singh, India's Defence Secretary. During his five-day visit beginning 19 February, Singh was accompanied by a high-level delegation, and had useful meetings with his counterparts in Moscow and officials from the Russian Federal Service for Military Technical Cooperation (FSMTC), and the Rosoboronexport (RoE) among others. In addition to visiting Russian enterprises involved in the bilateral military-technical cooperation with India, Shri Vijay Singh had useful interactions at the Sevmash shipyard at Severodvinsk (where INS Vikramaditya Admiral Gorshkov- is being retro-fitted), and with senior officials at the Russian aircraft Corporation MiG.

The documents that have been concluded between India and Russia during the visit can be accessed at the official website of the Ministry of External Affairs at www.mea.gov.in. ■

India & Turkmenistan Discuss JVs in Energy

Deputy Prime Minister and Foreign Minister of Turkmenistan, Rashid Meredov led a high-level delegation comprising of five Ministers of Oil & Gas, Education, Trade, Culture and Protection of Nature to India from 20 to 22 January, 2008.

Meredov co-chaired the Second Session of the India-Turkmenistan Inter-Governmental Commission for Trade, Economic, Scientific and Technological Cooperation along with Minister of State for External Affairs E. Ahamed. During the visit, Meredov also met the External Affairs Minister, Prime Minister and the Vice President. The other delegation members held meetings with relevant Ministries and organisations to discuss bilateral cooperation in respective spheres.

The Inter-Governmental Commission reviewed bilateral cooperation in the fields of trade & investment, hydrocarbons, education, science & technology and culture since the first meeting of the Commission in October 2006 in Ashgabat. The two sides agreed on further efforts for expanding and

strengthening cooperation, particularly greater exchange of business delegations, participation in trade fairs/ exhibitions, increase in banking ties, encouraging investments, discussions on collaborative ventures between energy companies as a follow up of the transit visit of the Minister of Petroleum & Natural Gas to Ashgabat in November 2007, scientific exchanges in areas such as seismology and astronomy, realizing the business potential in the infrastructure sector, developing transport linkages and greater cultural exchanges in the context of close historical and civilization linkages between the two countries. Cooperation in higher-education and human resource development was also discussed in view of ongoing reforms by the Turkmenistan government in these areas. A Protocol on the conclusion of the Inter-Governmental Commission was signed at the end of the meeting.

The visiting delegation handed over an invitation from the President of Turkmenistan to the Vice President of India to visit Turkmenistan later this year. ■

India & Kyrgyz Republic Agree to Further Strengthen Bonds

At the invitation of Pranab Mukherjee, External Affairs Minister of India, Minister of Foreign Affairs of the Kyrgyz Republic Ednan Karabaev paid an official visit to India from 4 to 6 February 2008.

The two Ministers held delegation level talks on bilateral, regional and global issues of mutual concern. External Affairs Minister hosted a lunch in honour of the visiting dignitary and delegation. Karabaev had meetings with Arjun Singh, Minister of Human Resources Development; Ambika Soni, Minister of Culture and Tourism and Kamal Nath, Minister of Commerce and Industry. E. Ahamed, Minister of State (External Affairs) also hosted a lunch in honour of the visiting Minister.

Karabaev also delivered a lecture on the topic 'Kyrgyzstan in Central Asian Dynamics' at the Indian Council for World Affairs 4 February 2008.

The talks were held in an atmosphere of friendship, warmth and mutual understanding. The two sides expressed satisfaction with the ongoing bilateral institutional mechanism of Inter Governmental Commission, Foreign Office Consultations and mutually beneficial cooperation and partnership between India and the Kyrgyz Republic encompassing political exchanges, economic, defence, scientific and technological cooperation, and cultural and educational exchanges. They agreed to work together for the further enhancement of their multifaceted relationship based on shared values, mutual respect and cooperation, and similarity of views on major international issues.

During the visit, Programme of Cooperation was signed between the two Foreign Ministries which lays down the roadmap for dialogue and cooperation between the two Ministries.

Both sides noted that bilateral trade between the two countries, though below potential, had steadily increased in the previous years. Both sides agreed to

work to substantially raise the level of mutual trade and to sustain this level of growth. They also

welcomed the growing investment partnerships between Indian and Kyrgyz companies in several sectors such as mining and processing of minerals and metals, leather manufacture and food processing.



The Kyrgyz Foreign Minister expressed appreciation for commissioned and ongoing Indian assisted projects in the Kyrgyz Republic. An India-Kyrgyz Centre of Information Technology was inaugurated on 15th August 2007 at Bishkek. Setting up of Potato Processing Plant and

Mountain Medical Research Centre with Indian assistance in the Kyrgyz Republic is in advanced stage of planning and is to be implemented shortly.

The External Affairs Minister announced humanitarian relief assistance of US\$ 100,000 for the victims of earthquake that hit southern Kyrgyzstan on 3 January 2008.

Stressing the need for greater people-to-people interaction, particularly through academic and cultural exchanges, the two sides stressed the need for early conclusion of the Cultural Exchange Agreement.

The two sides welcomed the UN General Assembly Resolution on announcement of 2nd October as the International Non-violence Day and the UN General Assembly Resolution on the establishment of 20th February as the World Social Fairness Day. The two sides recognized these initiatives as important achievements of India and Kyrgyzstan for world peace and stability.

Karabaev invited the External Affairs Minister and E. Ahamed, Minister of State (External Affairs) to visit the Kyrgyz Republic. The invitations were accepted in principle. ■

One-Stop-Shop Principle to Push Russian Admin Reforms

The Moscow-based International Trade Center recently hosted a conference sponsored by the MOEDT of Russia titled "2007 Administrative Reform Efforts in Review. Outline of the Work Agenda for 2008, featuring heads of federal ministries, services, agencies, as well as heads of regional governments of the Russian Federation. The conference was co-sponsored by the World Bank.

Among the speakers at the Plenary Session were A.V. Popova, State Secretary, Deputy Minister of Economic Development and Trade of the Russian Federation, A.V. Sharaov, Director of Department of Government Regulation in the Economy, and M.V. Parshin, Deputy Director of Department of Government Regulation in the Economy, as well as Klaus Rohland, World Bank Country Director and Resident Representative in Russia.

The main thrust of the administrative reform in 2008-2010 is to improve the quality and affordability of public services by implementing a "one-stop shop" principle. In 2006 and 2007 in the context of efforts carried out by the Government Commission on Administrative Reform some 200 administrative regulations were designed and implemented covering most publicly demanded and significant public functions and services (such as issuance of permits, licenses, conducting audits, issuance of receipts, etc).

Addressing the conference, A.V. Popova, State Secretary, Deputy Minister of Economic Development and Trade, noted that the progress in achieving the goals set out for the administrative reform, such as enhancing the efficiency of public services, improving oversight over their provision, and lowering administrative barriers, has been mixed.

"To date, over 400 administrative regulations have been adopted, most of which have been endorsed by MOEDT of Russia and are being successfully implemented by such agencies as the Federal Migration Service, Federal Agency for Real Estate Cadastre, and the Federal Registration Service", said Popova.

The priority for 2008 is to promote multi-functional centers (MFC) supermarkets for services the goal being to provide as many services as possible through a one-

stop shop. By MOEDT design, an ideal MFC should include a passport office, a local building administration, as well as a bank and a notary operating on an electronic line (queue) principle. According to Andrei Sharov, Director of Department of Government Regulation in the Economy, 74 regions are prepared to launch MFCs. In 2007, 16 regions established MFCs (altogether there are 18 operating MFCs). At an MFC, a citizen or an entrepreneur may receive up to 200 services (federal, regional, and municipal) simultaneously through a one-stop shop.

"People should not be concerned about which level of government is providing a particular service. An MFC encompasses all three levels of government federal, regional, and municipal. If you prefer to split up these functions, i.e. have your centers provide services separately to entrepreneurs, and pensioners, you should not be using this brand name because you will not get any money from the federal budget, so you are advised to come up with a different name for a center like that", Sharov warned.

Klaus Rohland, World Bank Country Director and Resident Representative in Russia noted that "in some emerging economies there is a misconception that the market is at odds with the government, which is wrong".

"The government should be strong and big in order to create a framework for the private sector. This has been our experience in dealing with both developed and developing countries", Rohland noted.

He supported the productive initiative to set up multifunctional centers (MFC) to provide public services across 16 regions in the country.

"The people of Russia need a "one-stop shop" system. The people should engage in a direct dialog with the government and see that their problems are being addressed", concluded Roland.

The federal budget has allocated Rub 122.4 million to finance the opening of 18 MFCs in 2008. In total, in 2008 the government has earmarked Rub 960 million to finance the administrative reform in Russia. The funds will be allocated on a competitive basis between federal and regional governments. ■

23rd Exim Bank Annual Commencement Day Lecture Emerging South Must Change Global Economic Governance

- Kemal Dervis, UNDP Administrator



Kemal Dervis, Administrator of the United Nations Development Programme, delivered an address on the theme "Perspectives on the New Structure of the World Economy" on the occasion of the 23rd Annual Commencement Day Lecture of the Export-Import Bank of India on March 18, 2008 in Mumbai. Dervis, who visited India along with a UNDP delegation, argues that Emerging South, which includes India, must change global governance in order to improve the world economy. Excerpts.

My last visit took place in the autumn of 2005. I recall that at that time my Indian friends were debating whether an 8 percent growth rate was a sustainable medium term target or whether perhaps 7 percent was a more realistic and likely goal. International experts were generally projecting a somewhat lower growth rate for India, closer to 6 percent over the next decade or so. Today the debate has shifted: most projections, national or international, have climbed into the 8 to 9 percent range, for the coming years at least.

India has joined China as one of the two new emerging giants in the world economy, bringing great hope to its own people, but also hope to hundreds of millions of citizens of developing countries who now can start to believe that it is actually possible to catch up with the rich advanced countries, that the world will not forever be divided between have and have not countries, that our new 21st century can be one of economic convergence rather than further divergence.

There have been cases of very rapid growth before: Japan in the four decades following World War II, and the Republic of Korea more recently. But the scale of these examples was limited and did not result in an improvement in the world size distribution of income if we view the world "as if" it was one country. Such an improvement is now occurring, although the often

massive rise of within-country inequalities almost everywhere in the world is counteracting the equalizing effect of Indian and Chinese growth. The lack of progress in many of the poorest countries, most in Sub-Saharan Africa, is a further factor contributing to the stubborn persistence of worldwide inequality.

Since the summer of 2007 a different type of hope has emerged in connection with the rapid growth of India and China: could this "Asian growth" help avoid a significant world economic slowdown, even if close to recessionary conditions were to prevail in 2008 and 2009 in many of the rich economies, particularly in the United States, after the spread of the sub-prime mortgage crisis?



I will focus on two dimensions of the world economy today which also have some relevance to India. First I will share with you some thoughts on the role the financial sector has played in recent world economic events and on what some call “financial capitalism” as opposed to the “industrial capitalism” of earlier times.

Analysts from across the world are wondering and debating how, what started as the sub-prime mortgage crisis in the United States and has since developed into a serious financial sector crisis in the US and parts of Europe, will affect for the world economy as a whole and the developing countries including India in particular. So I wanted to share some personal thoughts with you tonight on the recent financial sector events within a longer term perspective. I then would like to address another aspect of the recent debate, relating to the changing structure of the world economy and look at the increasing share of the “emerging South” in macroeconomic aggregates and what this means for both income distribution and growth in the world economy. Finally, in conclusion, I will say a few words about the global economic governance issue in light of recent developments and the new structure of the world economy.

Global growth acceleration and the financial sector

It seems clear that the last two decades have been characterized by rapid and accelerating world growth, with the trend interrupted three times: around 1997, around 2001 and now again around 2008, although we do not know yet how serious this interruption will be. All three of them have been caused by financial sector difficulties of a more or less global nature. The first of these financial sector shocks was the Asian Financial crisis that spread to Russia and Latin America.

We are still in the middle of living through the third financial sector shock the world economy is experiencing since the early 1990s.

The fact, however, is that the financial sector can never be a purely private affair. It is at the heart of the modern market economy and plays an organizing role that is a public good. Its failure affects the whole economy and all citizens. The public policy maker cannot let the financial sector fail in a systemic manner and has to, in one way or another, rescue it. It is important and fair, therefore, that it is regulated in a way that encourages

responsibility, a longer term horizon and an evaluation of risk by its managers, that is not truncated by the unavoidable need for the socialization of large losses.

These considerations are based on events in the most advanced and richest economies as well as on the capital flow reversals experienced by many emerging market economies in the past.

They are perhaps not yet directly applicable to a country like India, where the financial sector is being liberalized only gradually, where public financial institutions still play an important role, and where the capital account is still only partially open. India is likely to be affected by the turmoil, however. Moreover, for India's own development, a further strengthening of the financial sector's ability to mobilize and intermediate resources, including foreign resources, to support growth will be beneficial. In doing so it may be useful to analyze some of the excesses that have occurred worldwide and to build a modern regulatory system that combines incentives for dynamism and innovation with incentives for responsibility and longer term horizons.

The Changing Structure of the World Economy

Let me now turn to some remarks on what the current slowdown in the rich economies means for world growth and growth in the developing economies in light of the structural changes that have taken place.

Some argue that despite the serious nature of the slowdown in the advanced economies triggered by the financial sector difficulties referred to above, the worldwide slowdown will be very limited because of the new economic weight gained by the “emerging South”, and by India and China in particular. Let us look, therefore, at changes in structure and convergence trends in the world economy.

At the start the ten richest countries were only about twice as rich on average as these ten comparator countries. The difference tripled over a century and a half. Starting in the 1960s, however, these ten fast growing countries did start to catch up, however and the income gap has now been reduced to three and is continuing to fall. After a long period of divergence, there have now been several decades of convergence for these countries.

India was not over this long period one of the ten fastest growing countries in the “South”. Can we say, therefore,

that the modern era of globalization, is one of convergence? Unfortunately the story is not as simple.

The story here is one of massive and persistent divergence. Whatever is allowing some of the developing countries to profit from globalization and “catch up” with the richest countries is not “happening” in a large number of countries, many, but not all in Africa.

Nonetheless, thanks mainly to the huge populations of India and China, and the economic performance of these two giants, it is correct to say that the convergence trend, certainly when weighted by population, is stronger than the divergence trend and that for large parts of the emerging South, there is at last a “catch up” of per capita incomes.

There is also the increasing and impressive role of “Southern” multinationals, many of them Indian, and the role they will play in the world economy. Such an analysis is beyond the scope of my lecture tonight and indeed while there is much academic and professional work along these lines, the North-South linkages which have gained such an importance in recent years, appear to remain under-analysed.

Let me just stress, at this point, that the fact that the “emerging South” has gained much weight in the world economy, does not mean that there will be de-coupling of growth in the coming months and years. If the rich North experiences a more serious slowdown than what is currently projected, with growth averaging less than 1.5 percent in the 2008-2009 period, the consequences will be severe also for the “emerging South”. It is important to remember in this context that the internal American market may shrink even if US GDP growth remains significantly positive, given the fall of the dollar and the likely reduction in the US current account deficit that is part of the overall adjustment process. I do not think we fully understand the complex linkages that are at work. In modelling exercises, much depends on what is assumed exogenous and what is treated as endogenous. Much will also, of course depend on policy reactions. As was recently pointed out by the new Managing Director of the IMF, there are many countries in the world with reasonably strong fiscal positions and these countries could help counteract the forces pushing the economy into a slowdown. This statement surprised many, coming from the head of an institution known for its fiscal conservatism, but I think Dominique Strauss Kahn was

quite right in stressing the need for an international approach to fiscal policy, with countries that have more fiscal headroom having a greater ability to help protect the world economy from recession.

We are at a moment of considerable uncertainty. Since the summer of 2007 almost every week has brought further bad news from the financial sector in the US and Europe, with the disease deepening and spreading across financial institutions. In an increasing number of cases, it now appears not just as a liquidity problem, but also as an insolvency problem. On the other hand, given the size of the financial sector turmoil, the real sector seems to be resisting rather well, so far at least. Rather surprisingly, we also see a continued upward surge in commodity prices, unprecedented in recent times, which in itself could be seen as another kind of “de-coupling”: not a “de-coupling” of the South from the North, but a “decoupling” of real sector expectations from the mood in the financial sector! After all very rapid price rises in raw materials and commodities should signal strong future growth rather than a recession. I will not be imprudent enough to make strong predictions tonight. But it seems to me that as has been the case in the two previous recent financial sector rooted crises referred to above, the strong policy response triggered by financial sector panic, particularly in the United States, may help stop a slide into recession.

It may also be the case that the “autonomous” or purely regionally driven part of effective demand, particularly investment demand, has risen substantially, in China and India, and other parts of Asia. This deserves careful analysis. On balance chances are that this contribution from the “emerging” South, coupled with a truly vigorous Keynesian mix of expansionary policy in the United States, will have a strong effect and halt the slide some time during 2008, despite a much more conservative stance by the European Central Bank which is stubbornly sticking to its “inflation control is our only mandate” approach. So world growth may continue in the 2 to 3 percent range in the coming two years. Not the surge we saw in the growth acceleration of 2002-2006, but enough to stay away from a global recession and avoid the terrible pain it would bring to the world's poorest and most vulnerable people. This would allow Indian growth also to be hurt less by global circumstances and hopefully maintain a pace not too far from the 8.0 percent neighborhood over the next two years, which would of course be a great achievement in

a world economy that grows only in the 2 to 3 percent range (at market prices).

The strongly expansionist US macro-policy response does of course carry with it the dangers of an inflationary impulse and of causing again what happened three times in the last 10 years: replacing one asset bubble by another. After emerging market debt in the mid-1990s, dot com stocks at the turn of the century and mortgage backed securities in the 2004-2007 period, it may well be commodities that are now rising in price at an unreasonable and unsustainable rate, fuelled again by the underlying huge investment resources and accompanying liquidity available in Asia because of high savings rates, in the Middle East because of the oil bonanza and in the advanced economies because of a significant rise in the share of profits and high incomes in GDP. Each of these bubbles has had a root in real economic changes. Emerging markets did become more attractive destinations for investment as their governments undertook market friendly reforms and opened their economies to global forces. The dot com sector did open up new prospects for doing business and increasing productivity.

The impressive growth of India and China has increased the demand for raw materials, food and energy in a lasting way. But each time, financial markets overshoot and macroeconomic policies are forced to react to the ensuing bust by encouraging, unwittingly, another bubble somewhere else!

I would not be surprised, therefore, that two or three years from now we realize that the liquidity and macro-boost generated to fight the sub-prime housing crisis ended up fuelling a commodity bubble, and that we may again, then, be faced with fighting the negative consequences of an unforeseen downward adjustment, this time in commodity prices! Which brings me, again, to what I started with: if we want to reap the benefits of technical progress and global opportunities in a more steady fashion, rather than being subjected to continuously recurring shocks from the financial sector, it may be time to attack the root causes of these shocks in terms of financial sector regulation that focuses on the nature of the structural problems in the financial sector, rather than using rather blunt macroeconomic instruments which may work in the short term by bailing everybody out, but often prepare the next financial storm.

Concluding remarks

All this matters to India and to the developing world: regulatory troubles in the developed world may cause India's growth rate to decline substantially. It may rob Africa of the first real chance in decades to accelerate its progress. It may mean that hundreds of millions of vulnerable people are denied the chance to escape extreme poverty. I do believe, therefore, that the "emerging South" must weigh in, using all peaceful means at its disposal, to change the nature of global governance. It is also essential that the LDCs can increase their voice. It is difficult to understand that the Security Council of the United Nations reflects the world as it was in 1945. It does not seem right that Brazil and India have less of a vote in the Boards of the IMF and the World Bank than very small European countries. It does not seem right that the Financial Stability Forum remains a rich men's club. It does not seem right that countries such as India are invited to G8 meetings just for lunch. It does not seem right that the "emerging South" still is allowed only a minor role in the big decisions on the top management positions in the international system, including the chairmanship of committees such as the International Monetary and Financial Committee (IMFC).

On the one hand it is argued that the "emerging South" should save the world economy from recession, that it should accept and adapt to all the policies elaborated in the rich North, that it should now also take major responsibility in the fight against the very real challenge of climate change, and, at the same time the South is denied its natural place and weight in the decision making and coordinating institutions of the international community. I do believe it is time for change. I do believe that the rich countries cannot have their cake and eat it too. I do hope that India will engage in the overdue effort to build better and more equitable global governance, not least relating to the financial sector. I do hope India will lend its increasing weight to a reform and strengthening of the United Nations and the Bretton Woods institutions, so that the interdependent world we live in can provide benefits to all, can be regulated in a prudent and responsible manner, and so that the interests of the poorest women and men on our planet can receive equal attention to the interests of the richest and the most powerful. I do believe this is what the Mahatma Gandhi stood for when he fought for the new, modern, independent India. ■

CRAMS Hold Huge Prospects for Indian Pharma Units



Contract Research and Manufacturing Services (CRAMS), is becoming one of the most promising opportunities for the Indian pharmaceutical industry. India, with its intrinsic competitive advantages, remains as one of the most preferred outsourcing destinations and is now playing a vital role in manufacturing, drug development and value chain of various innovator pharmaceutical companies. Over the last five years, CRAMS industry has been contributing close to eight percent to the total Indian pharmaceutical business.

CRAMS pertains to outsourcing services/products from low-cost providers with world-class standards, in line with international regulatory norms like the USFDA, Australian-TGA, UKMCA, and EMEA.

It has become a strategic imperative for global pharma companies to make India an integral part of their manufacturing value chain to maintain lean cost structures and combat intense competition in the global generics industry.

Pharmaceutical multinationals have traditionally been outsourcing intermediates, API's and formulations. They are increasingly focusing on realigning their manufacturing activities in order to concentrate on core activities such as R&D and brand building - thereby reinforcing the potential for cost savings through contract manufacturing.

The pharmaceutical companies like Dishman, Divi's Labs, Shasun have focused low cost manufacturing, intervening at a crucial point of the value-chain from where they have managed to evolve into providing high-end, complex manufacturing services to MNC clients like Solvay, AstraZeneca, Merck, Glaxo SmithKline and Eli Lilly.

Whereas companies like Nicholas Piramal, Cadila Healthcare, Orchid Chemicals and Pharmaceuticals have gained a strong foothold in the CRAMS arena utilising excess manufacturing capacities. They have moved into providing drug discovery, custom chemical synthesis services and the like.

There are companies like Veeda Clinical Research, iGATE Clinical Research International, SIRO Clinpharm, Neeman Medical International, HCL Systems, Cognizant Manipal Acunova, ClinInvent that provide services for Phase I-IV Trials, IT support for intensive data management, high throughput screening at early discovery stages.

Indian contract research service providers have untapped potential in services like bioinformatics, medicinal chemistry and regulatory filings can be offered, which form the ground for new drug discovery or contract research. This segment under CRAMS is dynamic and still evolving into a well-established offering.

The Indian cost advantage extends well beyond low labour costs and ensures that the cost reduction process is a continuous process. The factors that drive India's cost advantage include:

Capital Efficiency

Indian companies are able to reduce the upfront capital cost of setting up a project by as much as 25-50 percent due to access to locally fabricated equipment and high-quality local technology or engineering skills. Indian companies have been able to establish USFDA standard plants at approximately 50 percent lower capital costs as compared to US or Europe based manufacturing units.

Lower Filing Costs

Generic filings require complex technical and legal documentation, which takes about eight quarters. The cost of filing DMFs and ANDAs is at least 50-60 percent lower for Indian companies as compared to their US or European counterparts.

Process Engineering

The highly competitive local market and lack of pricing power force Indian companies to work on the molecule even after a product is launched. This often results in gains in the form of improved yields and more cost-effective manufacturing processes. The customer and supplier generally share such benefits in a pre-determined ratio, thus providing the benefit of continuous cost reduction.

Manpower Cost Advantage

India has a huge talent pool of skilled scientists, available at a fraction of the cost in developed countries like the US. Labour costs in India are around a seventh of the levels in developed countries and offer an obvious cost advantage.

At the same time, existing global CRAMS players are facing adverse business conditions, on account of increasing regulatory compliances on environmental issues and competition from low cost countries.

Pharma multinationals are also increasingly using India as a base for exports not only to the immediate neighboring markets, but also to other markets around the world such as Japan, South Africa, Latin America and Europe. Further, they are also exploiting India's competencies in the field of Information Technology and its strong and low cost IT skill sets; by setting up centers for their global clinical data management functions in India.



Growth Drivers for CRAMS

At present, the global manufacturing outsourcing opportunity is estimated at US\$20 billion and is expected to reach US\$31 billion by 2010. The contract manufacturing market in India is expected to reach US\$ 900 million by 2010.

Contract Research

Contract Research offers significant opportunity to the Indian pharma industry, which is becoming a global R&D hot-spot for innovator pharma companies. The global contract research opportunity is expected to reach US\$24 billion by 2010.

The model of R&D investment by India is shifting from core-process research to new drug development and novel drug delivery systems (NDDS). For instance, Ranbaxy has out-listed its NDDS to Bayer for the development of Cipro XR formulation.

Clinical Research

At present, a majority of clinical trials conducted in India are for Phase II and Phase III. The government is in the process of considering the recommendation of the Drug Technical Advisory Board (DTAB) to allow Phase I clinical trials for the drugs discovered abroad. If this happens, then it will enable the Indian CRAMS industry to provide a wide range of drug discovery services. ASSOCHAM estimates that the clinical trial market in India will be US\$ 1 billion by 2010.

Government Support

On the regulatory front, the government is also trying to promote the growth of this industry by providing a tax exemption on all services carried out by the contract research and clinical trials industry. This step is likely to further boost clinical trial outsourcing to India.

The major trends that are expected in the future include:

- Mergers and acquisitions in the industry
- New product launches by MNCs and Indian companies
- In-licensing of patented products by Indian companies to launch them in the Indian market and
- Increase in the number of contract research organizations.

Globally, drugs worth \$70 billion would be going off patent by 2011 and Indian companies providing contract-manufacturing services are expected to garner approximately 30-40 percent of this opportunity. The improvement in IT and telephony are key enablers of this trend, as is the recognition of Good Clinical Practices (GCPs) and Good Laboratory Practice Standards (GLPs). ■

Russia Keen on Investing in Energy-Efficient Projects

Just about a year ago, the Russian Government made a decision to create a legal framework for the Joint Implementation, an important instrument under the Kyoto Protocol. The Ministry of Economic Development and Trade, the legal Russian entity of the Russian Government for using this kind of instrument, developed the necessary legal documents for approval of the above-mentioned projects.

Recently, the Ministry of Justice registered the last of three orders submitted by the Ministry of Economic Development and Trade. Registration marks the final step in developing of the legal and normative base necessary for the approval of the Joint Implementation projects. It is expected that as early as in February this year the Ministry of Economic Development and Trade will receive the first applications for projects implemented under the Kyoto Protocol through the Joint Implementation.

"The Government of the Russian Federation is not interested in plain emission trading. We

would like to create financial mechanisms and instruments in support of investment projects promoting energy efficiency and renewable energy" commented Vsevolod Gavrilov, Deputy Head of the Department in the Ministry of Economic Development and Trade of Russia.

Moreover, the Ministry of Economic Development and Trade of the Russian Federation in cooperation with the World Bank is starting a study on the "Green Investment Scheme (GIS)" in the framework of the Kyoto Protocol, which envisages the investments in the energy efficient and ecological projects. The study should provide an answer to numerous questions regarding the legal aspect of projects implementation and schemes for investments, as well as the methodology for projects' selection and implementation.

We are proud to assist the Russian Federation in making best use of the instruments of the Kyoto Protocol - Joint Implementation and International Emission Trading" said Klaus Rohland, Country Director and Resident Representative of the World Bank in Russia.

The study on the "Green Investment Scheme (GIS)" has been supported by the Japanese Government with a \$725,000 grant. The first results of the study could become available by autumn this year.

Carbon Finance Development Project

Russia is the third largest emitter of greenhouse gases, after the US and China. Under the Kyoto Protocol Russia is committed to stabilize its greenhouse gas emissions during the commitment period of 2008-2012 to 1990 levels. Russia has significant headroom of Assigned Amount Units (AAUs) to sell under International Emission Trading (IET) - in the order of three billion tonnes - since its greenhouse gas emissions are projected to be significantly lower during the commitment period than in 1990. Russia can also participate in JI projects and could potentially receive large volume of JI investments. Russia was a key in the Kyoto Protocol coming into force on February 16, 2005 and the continued engagement of Russia in the process will be crucial. It is clear that a significant enhancement of Russia's capacity to participate in IET and JI is critical to the effective implementation of the Kyoto Protocol. ■



'Russia's Forest-Based Industry Needs Foreign Investment'

An international conference on forests was held recently in Moscow, chaired by Victor A. Zubkov, the Russian Prime Minister. In attendance were some 40 regular members of the Council on Forest Sector Development, including federal ministers and heads of the federal agencies and services, governors of the major forest regions of Russia, representatives of Russian business and academic community, professional associations, as well as about 35 invited international participants (CEOs and senior managers of major international forest sector companies, World Bank and International Finance Corporation).

Addressing the conference, Zubkov said that the country's forest industry was open for international cooperation and foreign investment. He also emphasized that a Council on developing the forest industry was set up at the Russian Cabinet to launch dialogue between the state and businesses.

Zubkov pointed out that last year foreign investment in Russia reached a mind-boggling \$80 billion. The Russian economy, he said, has grown stable and predictable.

According to Zubkov, Russia is set to build 30 new biofuel plants. "Existing plants will be overhauled and 30 new ethanol producing plants [will be built]," he said.

"The Russian government this year is planning to pass a program to develop biofuel production by increasing ethanol output to 2 million tonnes per year", he said.

"The Russian government plans to allocate about 1 billion rubles from its Investment Fund to regions for building roads leading to logging areas. The first allocations are expected to be disbursed in August-September," added Zubkov.

Andrei Belousov, Deputy Minister of Economic Development and Trade complemented the Prime Minister by saying, "The lack of roads hinders the development of the country's timber sector. About 70% of the country's potential logging area cannot be used because of the absence of suitable roads".

Klaus Rohland, World Bank Country Director for

Russia, highlighted the roles of the World Bank and IFC as the biggest providers of multilateral long-term financing and technical assistance in

forestry and forest products sector. He underscored the special role the World Bank Group plays in the transfer of knowledge (analytical and advisory services), quoting as an example the Russia Sustainable Forestry Pilot Project which provided critical advisory support to the Government in the development of a Russian national forest certification system that would be compatible with leading international systems. IFC has also identified the forest products sector as the priority target sector for its investments in Russia. IFC's strategy in the Forest Products sector in Russia mirrors the Government's policy to encourage downstream investment to better utilize the vast forest resources.

Speaking about the challenges ahead in the Russian forest sector development and drawing upon the applicable international experience, Rohland stressed the crucial role of a predictable economic policy and competition as the key enabling factors for the industry modernization and innovation. He further identified the following strategic priorities where Government continued attention would be critically needed in order to further improve the investment climate in the forest sector, and where the World Bank Group can also play a role: (1) invest in forest information and monitoring systems that can produce credible, freely accessible data; (2) improve human resources in forest sector (basic and professional education and training of forest managers and workers); and (3) develop forest infrastructure ("smart" forest road networks).

Keynote speakers also included representatives of the Federal Forestry Agency, Siberian Accord Inter-regional Association, Karelia Republic, Kostroma Oblast, Vnesheconombank, Mondi Europe (Austria), Taiga Asset Management (Sweden), Ilim Group (US-Russia JV), Stora Enso (Finland), and UPM-Kymmene (Finland).



Victor A. Zubkov



The speakers highlighted the Government's current plans and instruments for attracting long-term, responsible investments into the forest sector modernization and innovation, as well as the remaining problems and bottlenecks in the sectoral investment climate. Among the most critical issues

listed were: (i) the continued lack of stability and predictability of Government's economic policy and enforcement measures in the forest sector; (ii) acute shortage of sectoral human resources, including, in particular, specialized design, engineering and workers skills (resulting in a dramatic shortage of 'bankable' investment proposals and business plans); and (iii) insufficiency of forest infrastructure, especially forest road networks. In this context, it was emphasized that accessible forest resources in Russia are in fact significantly smaller than the total size of resource, and that in a number of regions that have been traditionally viewed as 'forest-rich' the actual shortage of resource is already affecting investment decisions. Also noteworthy was a proposal by the Ministry of Economic Development and Trade to link the application of budgetary subsidies for commercial credit with a requirement to have the credited operations subscribed into a voluntary third-party forest certification scheme. ■

IPOs from CIS Poised to Regain Momentum

The pipeline of initial public offerings (IPOs) from Russia and other former Soviet states is set to regain momentum later this year after contracting sharply in the first quarter, a survey released on Wednesday said.

IPOs from Russia and the Commonwealth of Independent States (CIS) raised \$566 million in the first three months of 2008, against \$10.58 billion in the same period last year, said the survey by strategic and financial communications consultant PBN.

It said the global credit crunch and political uncertainty in Russia ahead of the March presidential elections held up the flow of public stock offerings in the region, which raised a record \$34.3 billion in 33 IPOs last year.

"With the presidential succession (in Russia) settled, the pipeline for IPOs remains strong," Peter Necarsulmer, chairman and chief executive of PBN, said in the survey.

"However, it appears that many are aiming for a third or fourth-quarter offering at best, in the hope that the investment environment will be more benign by then. We do not expect to see much upturn in the remainder of the first half."

The first quarter of 2008 saw two IPOs in the region -- by Russian electricity producer TGC-7 (VTGK.MM: Quote, Profile, Research), which placed \$466 million in Russia, and Kazakh oil and gas producer ZhaikMunai (ZKMq.L: Quote, Profile, Research), which placed \$100 million in London.

This compares with five IPOs in the first quarter of 2007 that raised \$10.58 billion, the PBN survey showed.

This figure, however, was inflated by the mammoth share sale of Russia's largest lender, Sberbank (SBER03.MM: Quote, Profile, Research), which raised \$8.8 billion in February and was the world's biggest public offering in 2007.

Even discounting this one-off event, the amount of IPO capital raised in Russia and the CIS during the first quarter has fallen by around 70 percent year on year.

"One side-effect of this pause is that we expect to see an increase in interest in strategic stake sales and other M&A activity as companies seek alternative routes for growth or exit," Necarsulmer said. (Reporting by Simon Shuster; Editing by David Hulmes). ■

\$200 mln World Bank Project to Benefit 10 Russian Cities

Russian consumers in at least 10 cities will benefit from a pilot programme to improve housing and community services due to a partnership between the Russian Federation and the World Bank, which has recently approved a US\$200 million loan for a Housing and Communal Services (HCS) Project in Russia.

The project will test a competitive grant mechanism to cities that increase market mechanisms in housing and communal services (heating, power, water, sewage and sanitation) and also strengthen social protection of vulnerable consumer groups. Lessons from the project would be studied and adapted by the Russian Government for use in federally-funded infrastructure projects, including the housing and communal service reform program, which is one of the four country's socio-economic priorities.

The Housing and Communal Services Project will help the Government scale up the quality of housing and communal services in part based on the Bank's global knowledge and experience in designing and implementing similar projects around the world.

Investment needs in the Russian housing and communal service sector are substantial, both to rehabilitation deteriorating stock and to increase access to services. The sector is also inefficient. Providers of communal services in a number of regions run at a loss due to inadequate tariffs and managerial shortcomings. The heat efficiency rate of some service providers is as low as 30 percent due to the deterioration of assets.

The Russian Government has enacted a wide array of legal and regulatory reforms to improve the situation in the sector. It has also allocated over \$10 billion to related housing and infrastructure investments. Together with the World Bank, it aims to test a more comprehensive reform strategy that would focus on implementation at the local level.

"By bringing global knowledge to local reform efforts, the World Bank is essentially supporting innovation," said Klaus Rohland, Director and Resident Representative of the World Bank in the Russian Federation. "The monitoring and evaluation

framework will help the Government determine what approaches are most successful for scaling up in federal and regional programs."

The competition to participate in the pilot program will be open to cities ranging in population from 90,000-600,000 people and that meet minimum criteria of financial performance by the municipal administration and communal service providers. Participating cities need to implement a reform program successfully before gaining access to grants for investments.

The loan, which represents and compliments only a small share of the larger Government program, will initially finance technical support and advise for the design and implementation of reforms, including improvements in the financial viability of communal service providers, strengthened social protection of consumers, and creating market competition in housing management and maintenance. After delivering results on reforms, cities will receive grants for modernizing and rehabilitating existing infrastructure. The two step process is important since the political willingness and capacity of local authorities is essential to reforms in this sector. Knowledge-sharing among cities to share experience will also be a key feature of the project.

The loan will also finance technical support to design capital investment programs for measurable improvements in reducing operating losses, pipe breaks, water leakage, or energy inefficiency, while increasing the share of private investment in the sector and private management of facilities. The monitoring and evaluation framework will enable the Government to assess the value of public investments through a physical audit (to confirm that rehabilitated stock is performing as expected) and a consumer satisfaction survey. The project will help increase public acceptance of reforms by providing tangible benefits through infrastructure investments.

The five-year project will be financed by a variable spread loan denominated in US dollars with a repayment period of 15 years, including a five-year grace period.



Barclays Buys Russia's Expobank for £373 mln to Develop Retail & Corporate Services

Barclays Bank, the U.K. banking group, has signed a deal to buy Russia's Expobank for \$745 million. The UK group plans to develop the retail as well as the corporate services. The deal will be financed out of the bank's existing cash resources and will be complete this summer after regulatory approval.



Barclays is paying about four times book value in cash for the Russian bank a multiple which is in line with recent deals in the country.

Frits Seegers, Global Retail and Commercial Banking Chief Executive has identified Russia as a target for expansion as its economy is growing at about 6-7 percent a year. It expects its return on investment to be in the mid teens above its cost of equity which is about

10.5 percent. The deal gives Barclays a foothold in the fast-growing Russian banking market and will help in increasing its overall exposure to emerging markets. After the deal Expobank will become part of the Barclays global retail and commercial

banking emerging markets business run by Ahmed Khizer Khan.

Expobank is founded in 1994 and is owned by Petropavlovsk Finance which is in turn owned by VMHY. This company has four shareholders including mining entrepreneur Peter Hambro, who will share the proceeds of the sale. Barclays Bank has no plans to replace Expobank's current chief executive or top management. Andrey Vdovin and Kirill Yakubovskiy, who are also shareholders in Expobank, will remain on its board. Sergey Radchenkov will remain as chairman of the board and will report to Ahmed Khizer Khan.

Expobank has around 1,300 employees. As of January 31, 2007, the bank had net assets of \$186 million. Expobank has 32 branches mainly in Western Russia. It is a relatively small retail and commercial bank with 32 branches and it has one of the largest cash machine networks in Moscow. It has 250,000 retail customers and 6,500 small business customers and will be part of its Global Retail and Commercial Banking (GRCB) Emerging Markets business led by Ahmed Khizer Khan. It is ranked among the top 50 banks for its network size.

Barclays' Capital arm now provides services for corporations and other investors in Russia and the deal will give the bank the first retail banking presence in the country. Barclays already offers investment banking services in Russia through its Barclays Capital subsidiary. Barclays PLC has about 27 million clients in more than 50 countries. The bank employs over 134,000 personnel.

Kirill Yakubovskiy, Chairman of the Board at Expobank, was quoted as saying: "Becoming part of the Barclays group is the start of a new era not only for Expobank itself, but also for the Russian banking sector as a whole."

Money Makers of Barclays

Barclay's investment banking Chief Bob Diamond picked up a pay package worth more than £21 million. His package includes salary and bonuses of £6.75m and shares worth up to £14.4m under two incentive schemes.

Diamond joined the bank from the US. His level of pay only became public when he joined the bank's board in 2005.

The £21m includes £250,000 base salary, £6.5m cash bonus, a £11.3m share award held in a trust for three years and £3m of shares which will be received in three years provided performance criteria are achieved. The sum is down slightly from the £22m in 2006.

However, his total is boosted by the £14.8m "retained incentive opportunity" - half in cash, half in shares - put in place three years ago when he joined the board of Barclays. He received the sum because the profits of the investment banking division Barclays Capital exceeded the targets - despite the US sub-prime mortgage crisis.

Diamond is one of the highest profile bankers in the City and last year topped the Guardian's annual boardroom pay survey. He came out ahead of Bart Becht, £22m boss of Cillit Bang maker Reckitt Benckiser, and Giles Thorley, of Punch Taverns, who earned £11m in 2006.

Bank Approves 140 bn Rubles for 11 Russian Projects



Vladimir Dmitriev

The Supervisory Board of State Corporation 'Bank for Development and Foreign Economic Affairs (Vnesheconombank)' approved the Bank's participation in implementing 11 major projects worth 140 billion rubles, Vnesheconombank Chairman Vladimir Dmitriev told news reporters recently.

Among projects approved, he mentioned a project aimed at building a timber-processing complex in the Boguchan district of the Krasnoyarsk Territory within the investment project "Development of Lower Angara Area'. Construction of the complex with a capacity of 800,000 tonnes of pulp per year is scheduled for this year. VEB is to invest 40 billion rubles in the construction of the complex.

Besides, VEB participates in the project to build a production facility of sub-micron semiconductor components in Zelenograd with topological standards of 0.11-0.13 micron. The project is being carried out by OJSC Angstrom-T. The Bank is to open a credit line to fund this project in the amount of 815 million euros for a period of nine years.

VEB participates in a complex program of cooperation with the United Aircraft Construction Corporation. According to V.Dmitriev, the Bank is establishing a credit-documentary limit for the United Aircraft Construction Corporation in the amount of 24.69

billion rubles. The funds will be used among other things to establish a research-production aircraft construction cluster on the basis of TsAGI (The Central Aerohydrodynamics Institute), (the city of Zhukovsky, the Moscow region).

The Bank for Development also participates in implementing infrastructure projects including water supply and water drainage development project in the Rostov region. The project was initiated by OJSC Eurasian. The total value of the project is 41.5 billion rubles. VEB is responsible for opening a credit line in the amount of 4.5 billion rubles for a period of 14 years. VEB also participates in the project aimed at developing the infrastructure of industrial parks in the Kaluga region. The total value of the project is 6.4 billion rubles, its financing period is 10 years.

Production facilities of strategic investors, namely, Volkswagen, Volvo Truck, Peugeot-Citroen will be placed there together with industrial sites of automobile components manufacturers with the total amount of investment being 100 billion rubles. "1 ruble in state investment is expected to raise 10 to 15 rubles in private investment. VEB is ready to allocate 5 billion rubles to implement this project", said V. Dmiriev. ■

VTB Bank, 1st Russian Bank to open India Branch

VTB (Vneshtorgbank) Bank, the second largest Russian bank, has become the first Russian Bank to open its full operational branch in India to service corporate clients. This will contribute to forging foreign trade relationship between Russia and India. VTB has been operating in India through their representative office in Delhi since 2005.

The branch assets in New Delhi are estimated to

exceed USD 50 million by the end of this year with equity amounting to USD 27 million. The branch assets are likely to double to over USD 90 million by next year.

Currently there are two Indian banks i.e. State Bank of India and Canara Bank combine and ICICI Bank has their branches in Russia.

The largest bank of Russia, Sber Bank is also planning to begin their operation in India. ■

Bird-watching in Armenia



Armenia is a mountainous country with elevations above sea level ranging from 379m to 4090m, and it combines elements of three geobotanical regions: Caucasian, Iranian and Eastern Mediterranean. Various factors, such as the country's geographical situation and complex geomorphology, lead to there being a variety of landscapes and habitats from rocky semi-deserts and mountain steppes to mature mixed and deciduous forests and alpine meadows up to the snowline. Armenia also has numerous natural lakes (with Sevan being the largest in the entire Caucasus), rivers running down the mountain gorges, and a large system of artificial wetlands and reservoirs.

This, in turn, results in unusually rich diversity of flora and fauna in a relatively small country. Up to the present over 340 bird species have been recorded in Armenia, of which about 240 species breed here. Many of European bird species are represented in Armenia by particular subspecies, while almost all of the Caucasian specialities are habitually encountered during a spring-summer birdwatching trip.

Some of these most sought-after birds are Caspian Snowcock, Caucasian Grouse, Armenian Gull, Ride's Accentor, Persian Wheatear and Semi-collared Flycatcher. Other interesting species for birdwatchers are Pygmy Cormorant, Marbled, Ferruginous and White-headed Ducks, White-tailed Plover, an excellent selection of raptors,

Blue-cheeked Bee-eater, Bimaculated Lark, White-throated Robin, Finch's Wheatear, Menetries's, Upcher's and Green Warblers, Eastern and Western Rock Nuthatches, Wallcreeper, Grey-necked Bunting, Pale Rock Sparrow, Red-fronted Serin, Crimson-winged, Trumpeter and Mongolian Finches.

Situated on an important migration flyway Armenia offers superb opportunity to see, among many others, such species as Demoiselle Crane, Black-winged Pratincole, Broad-billed, Terek and Marsh Sandpipers, Greater Black-headed Gull, Calandra Lark, Moustached Warbler, and spectacular migration of eagles, harriers and buzzards.

The richness of birds in conjunction with the hospitality of the local people, numerous ancient historical and cultural monuments and some of the most impressive scenery in the Western Palaearctic, makes Armenia a worthwhile and rewarding destination for every birdwatcher.

Archaeology

Armenia is a real paradise for those interested in archaeology. There is no virtually a single place not occupied by any archaeological monument. It is a common situation when digging private house cellar - not to speak about major construction works for highways or factories - results in new exciting discoveries.

The history of human settlement of Armenia dates back to Early Stone Age.



Numerous cave settlements, rock carvings and impressive material unearthed indicate continued progress of first social entities at the territory of Armenian Plateau.

The Bronze Age was the period of formation of the Indo-European and early Armenian tribes, as well as of huge waves of nomads and migrating masses virtually from all directions. It is the times when Armenian tribe unions and confederations were neighbouring Hittite and Assyrian Kingdoms, when the megalithic observatory of Karahunj and the first complete cycle metallurgic factory of Metsamor were built. Rich findings of sites and tomb fields of Lake Sevan basin, Aragats Mount region and many others allows to restore the picture of life of what later became Nairi Kingdom.

Period of Urartu - Biblical Ararat Kingdom - was marked by the invention of iron, active construction of towns, fortresses, temples, as well as roads network. Arts and especially shrine crafts reached level of genuine masterpieces.

Hellenism in Armenia is demonstrated by

unprecedented fusion of local and Greco-Roman elements practically in all spheres of life. It was the peak of might of Armenian Kingdom that expressed in establishment of new capitals, towns and development of fine and applied arts and crafts. Modern excavations provide an opportunity to affirm the notes on Armenia of such ancient authors, as Strabo, Pliny and many others.

Christianity adoption gave a mighty impetus and made Armenia recognized leader in such areas, as architecture, literature, natural sciences and arts.

This short description allows considering the range and volume of archaeological activities in Armenia.

Everyone interested in history and culture can find his or her own places of interest or just one inimitable corner long dreamed.

It is possible to arrange any kind of archaeological tour in Armenia - a general survey or advanced study of particular period/region, or even brief or full-time participation to excavations - it is up to you to decide. Our partner archaeologists will be glad to welcome you and to extend their support. ■

IATA Sets Tourism Priorities for CIS

IATA's regional office for Russia and the Commonwealth of Independent States (C.I.S.) is based in Moscow and serves as the central point of contact for IATA's member airlines in the region. The regional office also maintains close ties with governments, their agencies, airports, air navigation service providers and regional industry organizations to represent the interests of member airlines in addition to promoting and achieving IATA's 2008 industry priorities.

Regional Priorities for 2008

Safety: Safety is IATA's number one priority. The IATA Operational Safety Audit (IOSA) is a key tool to move the entire industry forward to the highest level of safety standards and best practices of the industry. All IATA members must be IOSA registered by end of 2008.

IATA's fuel savings campaign: The Russia & CIS regional office is committed to cutting costs by promoting fuel savings solutions.

Simplifying the Business: E-ticketing is the top priority. The Russia & CIS regional office is committed to achieve 100% e-ticketing in the Russia & CIS by 31 of May 2008.

IATA Settlement Systems: BSPs are operating in Kazakhstan (100% ET platform), Moldova, Russia and Ukraine, a feasibility study on-going in Azerbaijan. IATA Russia & CIS regional office is working towards full implementation of BSPs in the region for the benefit of airlines, travel agents and passengers.

Provide aviation solutions to IATA Members and other industry participants in order to improve efficiency and reduce cost BSP Russia was launched in September 2006, now 35 airlines and 350 agents locations in Moscow, St-Petersburg, Vladivostok, Kazan, Nizhniy Novgorod, Ufa, Yuzhno-Sakhalinsk etc. are part of BSP Russia.

From July 2007 IATA Moscow office is handling applications from Russian agents for IATA agency accreditation. Currently 455 agents locations in Russia are IATA Accredited.

IATA Russia is actively supporting the Simplifying the Business initiative to reduce costs in a number of areas. ■

Azerbaijan, the Country of the Great Silk Road

Since the ancient times cities of Azerbaijan were known as centers of trade, culture, various crafts, science and education. Their production was used both in domestic and foreign markets and through the Great Silk Road. The Caucasus part of the Great Silk Road included cities of Sheki, Shamakhi, Baku, Gabala, Basgal and Lagich that were capital cities of the country in different periods of time. These cities are mentioned by antique, medieval and later authors who wrote in the ancient Greek, Latin, Syrian, Arab, Persian, Georgian, Turkish, Russian, English, Italian, German and French languages. Among these authors were travelers and missionaries, geographers and scientists, merchants and pilgrims, writers and poets.



A variety of goods was transported in both directions through land and sea routes of the Great Silk Road. However fame and name of the Great Silk Road as international route was due to export to the West of oriental silk and silk products that were even more expensive than gold and precious stones. SHEKI is one of the ancient cities in the Caucasus.

Various crafts were developed in Sheki-blacksmith's work, armory, copper, tinning, jewelry, pottery, leathery, confectionary, tailoring, silk weaving, carpet weaving, woodworking including mosaics and music instruments. Sheki jewelers are famous for their gold belts, ear-rings, bracelets, rings, and necklaces. But the city is most famous for its silk weaving. Sheki and surrounding area were main silk weaving centers in Caucasus in XIX-beginning of the XX centuries. Here 40% of total Azeri raw silk production that covered needs of the Russian silk industry was produced. Sheki that was called "Azeri Lyons" had the largest filature in the world. Also House of Silk was built here. Sheki silk was awarded a medal at the world exhibition in London in 1862. Among various embroidery types the most widespread were tambour, silk and decorative needlework and where only men worked.

Sheki is famous for its architecture monuments including Alban churches, fortress and mosques, Palace of Sheki khans and caravan houses, baths and bazaars, dwelling houses and bridges. Palace of Sheki khans is one of outstanding monuments being built in 1760s.

Crafts & trade

Crafts of Azerbaijan have always been famous for their diversity. The





country had well-developed trade, both domestic and foreign. During existence of the Great Silk Road the country was actively involved bilateral trade transactions. This is proved by geographers and travelers of the time and with a large number of road and city caravan houses. Azerbaijan was connected through bilateral land and sea routes with China, Syria, India, Asia Minor, Iran, Egypt, Europe, North Africa, Arabic peninsula and Russia. Russian merchants such as famous Afanasi Nikitin used to come here for silk and other goods and traveled further to India. That's when England established new routes to India through Azerbaijan and Russia. Azerbaijan exported oil and carpets, raw silk and silk fibers, cotton and weapons, dried fruits, salt, precious stones, jewels, saffron, natural dye stuff (madder), polychrome ceramic and wood utensils, non-ferrous metals and metal products, sturgeon and black caviar, racehorses and *lignum vitae*. The country has been famous for its medicinal oil called *naftalan* which is unique in the world. The country imported various furs, Chinese silk, fibers, porcelain, faience, Indian spicery and perfume, Syrian and Egyptian glass products. Unknown author of XIII century wrote that Azerbaijan cities imported Chinese silk and fibers, precious Chinese brocade with gold threads, precious Chinese porcelain. And it's no surprise that even now porcelain is called "cheeni" in Azerbaijan which means "Chinese." In general the most active trade relations between Azerbaijan and China were in XIII-XV centuries.

Trade routes and connections

A lot of local and international routes existed in Azerbaijan, not only in trade but also cultural, education, scientific, political, religious relations. Not only merchants but also travelers, missionaries, pilgrims were using these routes. Most important routes running through Azerbaijan were the Great Silk Road and Spices Road. Both routes were running from the East to the West both in the land and through the sea. They ran from China, India, Central Asia, Afghanistan, Iran, Caucasus, Asia Minor, Arabic peninsula, North Africa, Indian Ocean, Japanese Sea, Chinese Sea, Caspian Sea, Black Sea, Mediterranean Sea, to Russia, Scandinavia and Europe. The following cities were located on these routes: Baku, Tebriz, Ganja, Gabala, Darband, Barda, Nakhchivan, Maraga, Khamadan, Sheki, Shamakhi and Ordubad. Azerbaijan relations with India were considered important and existed during the Great Silk Road. Indian merchants traded most with Baku and Shamakhi, main traded goods were spicery and cashmere fibers known as "tirme." Baku was a transit point for goods from China and India which were then transported through the Black Sea and Byzantium to Constantinople. In this regard it should be noted that Byzantine gold coin of XII century was found in local coin treasures. Azerbaijan and its cities located on the Great Silk Road were very important for Europe. In XIII-XIV centuries Genoa and Venice kept fleet in the Caspian Sea coast where they established main trading posts. Great poet Nizami in his poem *Seven Beauties* confirms that Great Silk Road was known in Azerbaijan. The poem says about "Chinese khakan" (king), seven beauties mean countries on the Silk Road. For example, Bahram, the main character of the poem, visits seven pavilions where beauties from all these countries are. o Musky or black-Indian beauty o Yellow-Arabic o Green-Byzantine o Red-Slavic o Turquoise-Egyptian o Sandal-Chinese o White-Asian

Material culture

Azerbaijan is rich in architecture masterpieces proving its high level of construction. Stones, marble, bricks and woods were used in construction works. Among memorial buildings the following ones worth noting: Yusuf ibn Kuseyr mausoleum, Momine-khatun, Garabaglar (Nakhchivan, XII-XIV centuries), Ahsadan-baba (Barda, XIV century), Seid Yahya Bakuvi (Baku, XV century) mausoleums. There existed a few types of defense facilities: fortress cities, fortresses, castles, signal towers, defense lines. The most important ones were:



• Fortress cities-Baku (Old City), Ganja, Barda, Sheki, Nakhchivan, Gabala, Beylagan • Fortresses-Sabail in Baku bay, Alinja in Nakhchivan, Gulistan and Galei Bugurd in Shamakhi • Defense lines-"long walls" of Beshbarmak, Samur, Gilgilchay, Zagatala • Castles and signal towers-Maiden tower in Baku, Nardaran, Mardakyan, Ramana on the Apsheron peninsula, Muhas in Oguz district and Aydin bulag in Sheki Among religious monuments there are early Christian temples of V-VI centuries: round cupola temples in Kilisadag in Sheki, Mamrukh, Lekit, Kish villages; basils in Kum, Lekit; synagogues-6-cupola synagogue in Guba (XVII century), classic-in Oguz (XIX century) and a new one in Baku (XXI century); mosques-in Baku (Juma, XIV century, Tezepir, XIX century, Bibi-Eybat, restored in XIX century); in Shemakha-Juma mosque (VII-XIX centuries). In Sheki around 40 mosques were built, 6 of them are operational now (built in XVI-XIX centuries). Orthodox churches-Holy wives church in Baku, XIX century; Ateshgah Zoroaster religion temple in the outskirts of Baku (XVIII century); Khanegakh-on the Pirsaat river (XIII century), on the Alinja river (XIII century). Fortresses: Chirag-gala (VI century); Icheri Sheher (XII century); Sheki (XVIII century); Sabail-in Baku bay (XIII century). Palaces: Shirvanshakhs Palace ensemble in Baku (XV century); Palace of Sheki khans (XVIII century). Dwelling houses: Shekikhanovs' (XVIII century); poetess Natavan's in Shusha (XIX century); Villas: Sh. Assadullaev's, H. Z. Tagiev's, M. Mukhtarov's, T. Ashurbekov's, I. Gadzhinski's, Nobel brothers' Villa Petrolea. Baths: in Nardaran (XIV century), in Baku fortress (XVII century), in Sheki (XIX century). Ovdan, abdan, erdan are water collecting facilities for capturing ground water and rain water. They were elements of architecture panorama and were located at caravan houses mainly, forming small architecture complexes. Ovdan had epigraphy indicating name of a sponsor and date of construction as well as name of architect. For example, shakh's ovdan

in the Old City; ovdan of XIV-XV centuries in Shamakhi citadel. Apsheron had over 100 ovdans in XV-XX centuries. Caravan houses in Baku fortress, in Sheki and on the trade routes. Bridges: through the Araz river in outskirts of Julfa (XII-XIII centuries); 11 and 15 span Khudaferin bridges (VII-XIII centuries). Azerbaijan has lots of ethnographic monuments. These include memorial signs on fortresses and mosques, khanegakhs and caravan houses. Numismatic fund of the country includes local coin stamp-silver and copper emerged in III century B.C. in Alban kingdom. Later it was in circulation in many countries including Atabeks, Ildegizids, Sefevis, local khans. Coin mints existed in Darband, Shamakhi, Baku, Tebriz, Ganja, Gabala, Maraga, Sheki, Barda and Nakhchivan. Along with local money other coins circulated in Azerbaijan including gold, silver, copper coins of Alexander the Great, Byzantium, Sasanids, Arabs, Mongolians, Osmons, Russians etc. Magnificent jewels are represented with gold and silver products like women's belts and ear-rings, bracelets, necklaces, rings, buttons, finger-rings, both domestically produced and imported. Museums: regional and specialized, picture galleries, carpets museum, museum of Azerbaijan history, museums-apartments. It's hard to over-estimate role of the Great Silk Road international route in the history of most countries both in the East and West. This important road is described in many legends and eposes, however between III B.C.-XV A.D. it was a real, furcated route servicing mankind of the Old world. Restoration of the Great Silk Road is not just tribute to the past but assessment of its importance now when: o Humankind feels like a united family on the Earth o Humankind strives for intensive exchange in culture, economy, information, ideology, sports, education between different countries and peoples o Humankind is ready for a dialogue of civilizations and space travels However not everything can be learned immediately. There are different ways and methods of how to share achievements and information. One of them is international tourism which allows people from different countries and continents meet each other, see nature and sightseeings. Tourists coming to Azerbaijan to learn about local routes of restored Great Silk Road can see sightseeings, architecture masterpieces of local masters, unique examples of material and non-material culture known worldwide as well as learn local traditions, original cuisine, unique dresses, dances, songs and leave Azerbaijan with everlasting memories. ■

Russian Cities

Historical & Rich in Tradition

Moscow, the capital of Russia is located on the river Moskva in the western region of Russia. The real flavor of Moscow is situated in all the small nooks and crannies on every street. Russian contrasts are more present here than in any other city in Russia. Ancient monasteries and ultra-modern monoliths stand side by side and the new Russian millionaires and the poor pensioners walk side by side in the same streets. Moscow's streets are lined with massive department stores and beautiful churches that are being restored after the vandalism of the Soviet era and the hard-line atheism of that time.

Every visitor to Moscow is irresistibly drawn to the Red Square, the historical and spiritual heart of the city, so loaded with associations and drama that it seems to embody all of Russia's triumphs and tragedies.

The Kremlin glitters in the heart of Moscow. It thrills and tantalizes whenever you see its towers against the skyline or its cathedrals and palaces arrayed above the Moskva River. The Kremlin is surrounded by a beautiful residential district that is known as the Belyi Gorod or the White Town. The Belyi Gorod was the very heart of the city during the sixteenth century, and even today it has a strongly medieval feel.



Moscow is also well known as the site of the Saint Basil's Cathedral, with its elegant onion domes. The Patriarch of Moscow, whose residence is the Danilov Monastery, serves as the head of the Russian Orthodox Church.

Moscow has a surprising number of no less than five airports, which are all situated about 30 to 40 km from the city centre.

Perm

Situated along the impressive Kama River, Perm is the most Eastern city of Europe, and is also the sixth largest city in Russia and the second largest in the Urals. Perm is around two-thirds the size of the United Kingdom and





covers a great area in the very heart of the Ural Mountains.

Perm is often internationally known as the name for the geological period (290 - 245 million years ago) in which the Ural Mountain Range was formed, but actually Perm is a very young city as it was only declared as a city in 1723. Perm is a main Russian transportation hub with the mighty Kama River, the Great Trans Siberian Railroad and the main motorways from Moscow to Siberia that all cross here. The city is the gateway from Europe to Asia and to Siberia in particular.

As the cultural heart and the former capital of the Urals, Perm is always directly associated with the Ural Mountains. Perm has an extreme diversity of rivers and caves that is unmatched in Russia, perfect for long outdoor Ural Mountain tours. Most tourists often find themselves on an excursion through the deep shafts of a working salt mine in the ancient city of Solikamsk, taking a shot of vodka on an excursion in the Urals oldest vodka distillery, having a barbeque at the Europe-Asia border or strolling through the beautiful sites of mosques, synagogues and several catholic churches.

Perm actually owes its existence to two factors: the large amounts of natural resources of minerals, oil and timber, that are present in and around this area, and the perfect location. A ferry trip on the mighty Kama River, a stroll through the central bazaar that releases the smell of original spicy kebabs and schwarmas being sold at all the typical small Russian kiosks, makes Perm a must see destination for every tourist.

The striking city of St. Petersburg is split by the River Neva and its tributaries, with further sections delineated by the course of the canalized Moyka and Fontanka rivers. All these waterways conveniently divide St Petersburg into a series of islands and make it fairly easy for visitors to get their bearings.

St. Petersburg

St. Petersburg's centre lies on the south bank of the Neva, with the curving River Fontanka marking its southern boundary. The area within the Fontanka is made up by a series of wide avenues that fan out from the most visible landmark on the south bank of the Neva, the Admiralty.

Many of the city's greatest sights and monuments - the Hermitage, the Russian Museum, the Mikhail Castle, the Summer Garden and the St. Isaac and Kazan cathedrals - are located on and around Nevskiy prospect, which is the main avenue.

Across the Neva is Vasilevskiy Island, largest of the city's islands, which is home to the Strelka. The Strelka is the island's eastern tip and it is here that some of St Petersburg's oldest institutions and most fascinating museums can be found. On the north side of the River Neva, the Petrograd Side is home to the Peter and Paul Fortress. The construction of this fortress is seen as marking the foundation of the city itself. Beyond the River Fontanka, the two most popular destinations are the Smolnyy, from where the Bolsheviks orchestrated the October Revolution, and the Alexander Nevskiy Monastery.

There are few other cities that can offer as many stunning attractions and intriguing moods as St. Petersburg, "the City of Tsars". St. Petersburg is in easy reach of the



capitals of Europe and Scandinavia and it offers luxury accommodation, expert destination management companies and very good travel services.

Chelyabinsk

Located on the eastern slope of the Ural Mountains, Chelyabinsk is the major industrial, scientific, and cultural center of the Ural Mountain area. This beautiful city is surrounded by a pine forest and lies along the pretty Miass River.

Chelyabinsk is slightly hilly in the west, gradually descending to the east and sectioned by the Miass River and narrows with lakes and swamps, which sets the perfect hiking, skiing or ice skating spot for all types of visitors and tourists. Ice covers the rivers from the beginning of November to the middle of April. Its thickness runs up to 80 centimeters through to the end of winter and is enjoyed by all the locals who enjoy ice skating.

Chelyabinsk has become one of Russia's major industrial centers over the past few years, supplying well-known metal products and nearly one-fifth of the country's big bore pipes, over sixty percent of stainless steel and about 40 percent of road-building machines.

Citizens of and tourists to Chelyabinsk have the opportunity to attend drama and concert theatres, an art gallery, a huge philharmonic hall, a beautiful organ hall, a circus, several museums and 19 cinemas.



Stroll down Arbat Street, lined with trees, lamps of cast iron and lots of benches make the street cozy and comfortable. There are clothing shops, bookstores, a photo gallery, and jewelry shops. There's even an Irish Pub. All along Arbat Street in February you can see ice sculptures of birds, angels, people, or anything else that came to the artist's mind.

Chelyabinsk boasts enough sites to see in the summer and enough snow to make the whole family feel like skiing in the winter. The city center is compact enough to explore it by foot and the people are very hospitable.

Vladimir

Vladimir is one of the oldest and most famous cities in the region of central Russia. It has a population of 360,000 people and covers a mere 11.145 hectares. According to data discovered by historians and archeologists, Vladimir was founded in 995 and was the capital of Russia, and also the political, cultural and religious center. The presence of the historical characters who shaped the past can still be felt when walking the streets of this great Russian cit

Vladimir is famous for its unique white stone cathedrals, towers and palaces. Unlike any other northern buildings, their exteriors are elaborately carved with high relief stone sculptures.

The modern part of Vladimir is a part of the Golden Ring of the ancient Russian cities and is a significant tourist center. Its three chief monuments, that are inscribed by the UNESCO on the World Heritage List are definitely a must-see. The 5-domed Assumption Neoclassical Style Cathedral was constructed in 1158 and was painted by the great Andrei Rublev and Daniil Chernyi in 1408. The Warrior-like Cathedral of St. Demetrius was built in the years 1194 to 1197 and represents a truly international project of Russian and Byzantine masters. The Golden Gate was originally a tower over the city's main gate and was built during the years 1158 to 1164.

The geographical position of Vladimir also makes it an attractive place not only for tourism but also for business development. The city is located in the Central Region of Russia, about 180km east of Moscow and not far from other scientific-industrial centers, such as Nizhni-Novgorod, Ivanovo, Yaroslavl and Ryazan. Vladimir is splendidly linked with them by railways, highways and hundreds of big and small rivers with the overall length of 8.6 thousand km flow on territory. ■

Kyrgyzstan, Where Mountains Rise to Kiss Heavens



The territory of Kyrgyzstan is almost entirely mountainous, making it a perfect destination for many different kinds of trekking. Kyrgyzstan's mountains also boast many natural hot springs, and Lake Issyk-Kul, the second largest alpine lake in the world (after Lake Titicaca) offers many beautiful beaches for relaxing and swimming during the summer.

Kyrgyzstan is made up of seven different oblasts, Chui, where the capital, Bishkek, is located, Talas, Issyk-Kul, Naryn, Jalal-Abad, Osh and Batken. Culturally, Chui and Issyk-Kul are by far the most Russified areas of the country. Naryn and Talas contain the most traditionally Kyrgyz populations, while Jalal-Abad, Osh and Batken enjoy a strong Uzbek influence on both their culture and language.

The most prominent local languages are Russian and Kyrgyz, with a smattering of Kazakh spoken in the North, while in the South it is common to hear Uzbek, or Kyrgyz-Uzbek creole. Kyrgyz-Russian creole is also extremely common in the Northern provinces especially, but in the country as a whole. Most locals, if they study a foreign language, study English. A few are familiar with German or French, but a reliable English-speaker can be found in most large towns.

What Kyrgyzstan lacks in gracious buildings and fancy

cakes it makes up for with nomadic traditions such as laid-back hospitality, a healthy distrust of authority and a fondness for drinking fermented mare's milk. It is perhaps the most accessible and welcoming of the Central Asian republics.

British Mediterranean has three flights a week from London to Bishkek, the capital city of Kyrgyzstan. Bishkek is connected with Istanbul, Moscow, Kiev and Novosibirsk. It's also a possibility to fly into Almaty in Kazakhstan and catch a bus for the three hour ride to Bishkek (a Kazakhstan transit visa is required). Trains run from Bishkek a few times a week to Tashkent (Uzbekistan), Almaty and Krasnoyarsk (Siberia), and daily to Moscow. There are frequent buses between Bishkek and Tashkent and Almaty, though you often have to change buses at the border; a seasonal bus service links Osh and Kashgar via the Irkeshtam Pass and special jeep tours cross from Bishkek to Kashgar via the Torugart Pass.

Flying is the least edifying and arguably the most dangerous mode of transport in Kyrgyzstan, but in winter it can be the only way to beat the snow. Bishkek-to-Osh is a popular flight. Shared taxis are the most frequent and convenient way to get between towns cheaply, and the best way to see what remains of the land of the nomads. There are also buses and minibuses, but

journeys are slow and vehicles are prone to breakdowns. Shared taxis shuttle travellers between most towns. Larger towns have public buses and marshrutnoe minibuses buzzing around on fixed routes.

Ala-Archa Canyon

This grand, rugged but very accessible gorge is a state nature park offering dozens of walking and trekking possibilities, including hikes to glaciers and, for the serious mountaineer, treks to the region's highest peak. There are basic shelters scattered throughout the park but the best way to enjoy the area is to bring your own tent and supplies.

You can use the Upper Ala-Archa Mountain Ski Base as a starting point from which to ski on glaciers, even in summer, though lifts only operate during the December to April winter season. Bishkek travel agents can arrange excursions to the canyon or you can make your own way there by car or by using the local buses. A small fee is charged at the entrance to the park.

Lake Issyk-Kul

Lake Issyk-Kul is a huge dent, filled with water, folded between the 4000m (13123ft) peaks of the Küngey Alatau and the Terskey Alatau ranges. It sits 1600m (5250ft) above sea level and measures a huge 170km (105mi) long and 70km (43mi) across, making it the second-largest alpine lake in the world after Lake Titicaca in South America.

The main reason to come here is to soak up the lakeside ambience, enjoy the thermal springs and remaining spas, explore some of the best hiking trails in Central Asia (from the town of Karakol) and try your hand at catching the local trout - allegedly bulking up to a prized 35kg.

Mountain wildlife includes big cats, ibex, bear and wild boar, though a serious poaching problem exists. Give yourself at least a week to explore this region and improve your leg definition.

Osh

The standard refrain from anyone you ask is that 'Osh is older than Rome'. Legends credit all sorts of people with its founding, from King Solomon (Suleyman) to Alexander the Great. These days it's Kyrgyzstan's second-biggest city and the administrative centre of the huge, populous province that engulfs the Fergana valley on the Kyrgyzstan side.

It suffers a kind of demographic schizophrenia, being a major centre of Kyrgyzstan but with a strong (40%) Uzbek population more in tune with Uzbekistan and the rest of the Fergana valley.

Trekking & Camping

The Tien-Shan mountains dominate the country. The oblast borders are decided based mainly on the location of spurs of the range and mountain passes. For those interested in trekking and camping, every oblast offers different attractions and challenges. Some of the most popular locations from camping are southern Osh, the area between Naryn City and the Torugart pass, and the mountains and glaciers surrounding Karakol in Issyk-Kul. Local guides and porters can be hired from many different tour companies in Bishkek and in the oblast capitals.

Skiing is still in its infancy as a tourism industry, but there is one fairly cheap and well-equipped base about a half-hour from Bishkek. In the Karakol Valley National Park, outside Karakol, there is also a ski base with three T-bars and rental equipment available of good quality.

Nomadic Tradition

Kyrgyz culture is based on nomadic traditions that harkens back to the days of the Mongol hordes. Although modern Kyrgyz people live mainly in houses or apartment buildings, in the summer time it is still possible to observe the native people living in a yurt with their herds of sheep, goats, horses, and occasionally even yaks. There are a number of yurt camps that cater to tourists in every oblast; some of the most notable (and remote) are in Tash Rabat, the "House of Stones" in Naryn oblast past Naryn City, and in Jety-Oguz ("Seven Bulls") Valley near the city of Karakol on Lake Issyk-Kul.

Kyrgyz women produce a variety of handicrafts created out of felt, including slippers, bags, decorative panels, traditional hats known as "Kalpaks" and colorful carpets called "shyrdaks." These carpets are made in a variety of sizes, from foot-by-foot sized to several yards in length. Shyrdaks come in a wide variety of traditional patterns; the Kyrgyz favor brightly colored ones, often combining bright red and green. More subtly-hued shyrdaks, made for foreign customers, can be found in Bishkek, often for a slightly higher price than the more "traditional" carpets. Naryn oblast is widely considered the home of the best shyrdak makers in the country; there are several cooperatives there where it is possible to commission a work specially. ■

Kazakhstan, a blend of ancient and modern cultures

The Republic of Kazakhstan is well known for rather unique natural and geographic conditions.

Astana

Astana, the capital city of Kazakhstan is an important industry and cultural center of the republic, also railway auto-transport junction. In the past it was famous for its fairs. Merchants from all regions of Kazakhstan, Russia and Central Asian countries used to gather and show their goods. As the development of untouched lands began, the town was renamed Tselinograd and typified the administrative center of an agricultural region.

Since acquiring the status of the capital of Kazakhstan in 1997 the city's face has changed dramatically. The architects and builders working in the capital create wonderful architectural ensembles, which harmoniously combine modern design and oriental color.

The Baiterek Tower has become the city's symbol and its visiting card. The height of the construction is 105 meters. At the mark of 97 meters there is an observation deck providing a bird's eye view of the city. The figure of 97 was not chosen at random. It symbolizes the year of moving the capital from Almaty to Astana. The Baiterek Tower accommodates an art gallery, a large aquarium and a restaurant.

Astana is turning into one of the main business centers. All governmental organizations, diplomatic missions of



44 countries and 113 joint ventures and foreign businesses are located there.

Every year the city hosts various international industrial exhibitions, conferences, musical contests and festivals of Kazakhstani people.

In 1999 by the decision of UNESCO Astana was awarded the title of World City. The city has an opera and ballet theater, a drama theater and a variety of museums. Monuments of Astana are a linking element between the new capital and its history held in esteem by all peoples of Kazakhstan.

Currently many administrative buildings, business and entertainment centers of the capital of Kazakhstan are under construction. Among them is Duman entertainment complex. It is a place for public recreation featuring an oceanarium, a 3D movie theater, a theater, area for slot machines and interactive games, a multifunctional sideshow venue, bowling, a night club, a casino, a hotel, cafes and restaurants and an indoor aquapark.

Another attraction of Astana is the ethnopark "Map of Kazakhstan- Atameken" representing a unique outdoor museum. The map area of 1.7 hectares features cities and historical memorials of Kazakhstan.

The climate of the region is extreme with typically long and snowy winters. Average January temperature is -14 °C.



C to 18 °C with dropdown below -40°C. Spring is late but amazing beautiful. It comes at the end of March. At this time steppe looks especially wonderful with its wealth of blooming toffees and tulips. Summers are moderately hot, with lots of showers and dear sunny days. Average Julv temperature is pins 20 °Ñ to 24 °C.

Southern Kazakhstan (Almaty, Jambyl, South-Kazakhstan and Kyzylorda regions) is an area rich with ancient history and culture known for such famous monuments of medieval architecture as mausoleums of Aisha-Bibi, Karakhan, Babadzha-Khatun in Taraz, an architectural ensemble of Khodja Akhmet Yasavi in Turkestan, etc. This list may be nicely supplemented with unique Scythian burial mounds in Semirechje (Almaty region). It is, incidentally, the very region that has played host to the world-famous space-vehicle launching site Baikonyr. Besides, the region affords unique climatic opportunities for recreation, rehabilitation, hunting, alpinism, mountain-skiing and skating.

Almaty

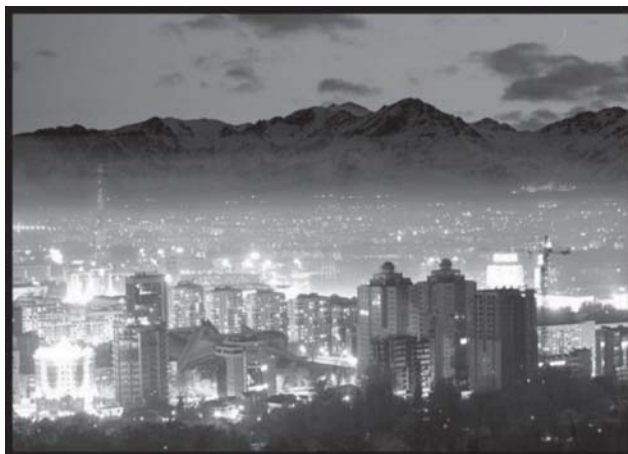
According to history the city of Almaty in Kazakhstan was set on the place of the ancient settlement Almaty, which dates from the III century BC. In 1854 it was developed as a frontier fort at the border of the Russian Empire. For the first time the city has been named Vernyi, later Alma-Ata and now - Almaty.

Artifacts, including ones from the Issyk burial-place, a burial-place of a young warrior, located about 70 km far from Almaty. The number of golden handicrafts found there exceeds 4 thousand units, which are exhibited at the Golden Hall of the Central Museum of the Republic.

West Kazakhstan (Aktobe, Atyrau, Mangystau regions) is situated on the crossroads of the European and Asian continents in the basin of the Caspian Sea, the Volga and the Ural. It is the location of the world second deepest depression that of Kargiye lying 132 m below sea level, remarkable chalky rocks. Tremendous scientific interest present reserves and monuments of ancient Mangyshlak and Ustyurt, numerous memorable places evoking Kazakh epos.

In North Kazakhstan (Kostanay, North-Kazakhstan and Pavlodar regions), everything landscape, climatic conditions favor all sorts of tourist recreation automobile, bicycle, water ones.

Health resorts of Kokshetau, Bayan-aul, Muyaldy offer fine rehabilitation opportunities while natural preserves Kurgaldzhino and Naurzum would be quite interesting for amateurs of "cognitive" tourism.



Central Kazakhstan (Karagandy region) displays to perfect advantage one of the largest lakes of the world the lake of Balkhash supplemented by a unique mountainous and forest oasis. The area harbors plenty of memorable places exhibiting various archaeological and ethnographic relics.

East Kazakhstan is represented by the Altai and its wooded foothills, the river of Irtysh and such lakes as Zaisan, Markakol, Alakol, Sauskan. Fairly rich are flora and fauna of the region. Besides Semipalatinsk region is the birthplace of the great Kazakh poet enlightener Abay Kunanbaev, remarkable writer Mukhtar Aueзов.

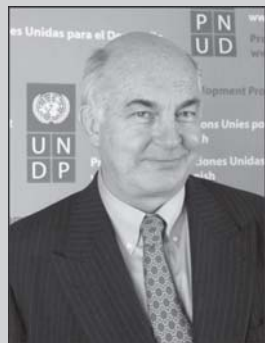
Alakol, a lake of healing powers

Alakol (Multi-colored lake) is one of the most unique lakes in Kazakhstan. It is located in the south-eastern part of the Republic on the border with China. Alakol Lake is the biggest lake of the whole chain of Alakol lakes. It is unique in its beauty and wildlife. The lake is located 347 meters above sea level, it is 104 km long and 52 km wide.

The lake's shore has unique black medicinal pebble. The water of Alakol lake has the same structure as sea water: chloride-sulphate-sodium. Alakol's water is warm and the average summer temperature of the water is 26 degrees Celsius. The lake's water is said to be helpful in treating many skin diseases and has a good effect on arthritis, the nervous system. It also improves the general condition of the body. Alakol valley is in the zone of insufficient moistening and it is a great climate for treating lung diseases. Good results of treating such diseases as psoriasis, eczema, neurodermatitis and nettle-rash have been proven scientifically and in practice. Tourists can stay at the recreation center "Arktur" located in the Northeast region of Almaty and is located on the southwest coast of the lake. ■

23 годовщина актового дня Экспортно Импортного Банка Восходящий Юг должен изменить глобальное экономическое управление

- Кемал Дарвис, Администратор ПРООН



Кемал Дарвис, Администратор Программы Развития Организации Объединённых Наций (ПРООН), выступил с речью на тему «Перспективы новой структуры всемирной экономики» по случаю 23 годовщина актового дня Экспортно Импортного Банка Индии 18 марта, 2008 в Мумбаи. Дарвис, посетивший Индию вместе с делегацией ПРООН, считает, что восходящий Юг, в том числе и Индия, должны изменить глобальное управление с целью улучшения всемирной экономики.

Выдержки.

В последний раз я там был осенью 2005 года. Я помню, как в то время мои индийские друзья спорили, может ли быть устойчивой среднесрочной целью темп роста в 8% или может быть 7% будет более реалистичной целью. Международные эксперты предсказывали меньший темп роста для Индии около 6% в следующие десять лет. Ныне дебат переместился: Today the debate has shifted: большинство прогнозов, национальных или международных поднялись в район 8 – 9 % по меньшей мере в предстоящие годы.

Индия вместе с Китаем становятся новыми гигантами в мировой экономике. Они подают огромные надежды не только своим народам, но сотням миллионам гражданам развивающихся стран, которые могут начать верить в то, что действительно можно догнать богатые развитые страны, что мир не будет на вечно разделён на имущих и не имущих и что наше новое 21 столетие может стать величайшим схождением а не расхождением.

Раньше тоже были примеры стремительного роста: Япония, за четыре десятка лет после второй мировой войны, совсем недавно Корейская Республика. Но масштабы этих примеров были ограниченными и не привели к улучшению в всемирномасштабном распределении дохода. Но сейчас происходит такое улучшение, хотя массивный подъём неравенства внутри многих стран мира

нейтрализует уравнивающий эффект индийского и китайского роста. Отсутствие какого либо существенного прогресса в странах Африки расположенных к югу от Сахары содействует упорной устойчивости всемирного неравенства.

И вот летом 2007 году появилась новая надежда в связи с быстрым ростом Индии и Китая: сможет ли этот «Азиатский рост» помочь избежать значимого снижения всемирного экономического развития, не смотря на то, что условия близкие к рецессионным могут преобладать в 2008 и 2009 годах, особенно в США после распространения там ипотечного кризиса?

Я сфокусируюсь на двух измерениях сегодняшней всемирной экономики, которые релевантны Индии. В начале я поделюсь с вами некоторыми моими мыслями о роли, которую играет финансовый сектор в международных экономических делах и о том, что некоторые начали называть «финансовым капитализмом» в противовес «промышленному капитализму», как его называли ранее.

Аналитики из различных стран мира задаются вопросом и размышляют, что начало ипотечный кризис в США, который после этого развился там и в некоторых частях Европы в серьёзный кризис финансового сектора, могущий повлиять на развивающийся страны, в частности Индию. Поэтому я хотел бы поделиться с вами некоторыми личными соображениями о событиях в финансовом секторе, имея в виду долгосрочные

перспективы. Я хотел бы уделить внимание еще одному аспекту идущего сейчас дебата, касающегося изменения структуры всемирной экономики и рассмотреть увеличивающуюся долю «восходящего Юга» в макроэкономической совокупности, и что это означает, как для распределения, так и роста доходов в мировой экономике. И в заключении я скажу несколько слов о вопросе касающегося управления глобальной экономикой, в свете недавних событий и новой структуры всемирной экономики

1. Ускорение глобального роста и финансовый сектор

Довольно ясно видно, что в последние двадцать лет наблюдался быстрый всемирный рост, за исключением нескольких лет – это в 1997 году, потом в 2001 году и сейчас в 2008, хотя мы не знаем какой серьёзности будут следующие замедления. Все эти три перерыва в росте произошли из-за трудностей в финансовом секторе, более или менее глобального характера. Первым финансовым шоком был Азиатский финансовый кризис, который распространился на Россию и Латинскую Америку.

Мы все ещё испытываем третий шок финансовых кризисов, которые испытывает всемирная экономика с начала 90-ых годов.

Фактом остаётся то, что финансовый сектор ни когда не может быть чисто частным делом. Он находится в центре современной рыночной экономики и играет организующую роль на благо общества. Его неудачи влияют на экономику в целом и на всех граждан. Те, кто определяют общественную политику, не должны позволить финансовому сектору терпеть неудачи в систематической манере и должны тем или иным способом спасать его. Поэтому, очень важно регулировать его таким способом, который поощряет ответственность, более долгосрочный горизонт и оценку риска его управляющими, что не усекается неизбежной необходимостью социализации больших потерь.

Эти соображения основаны на событиях в самых развитых и богатых экономиках мира и также на обратном движении потока капиталов, наблюдавшегося в прошлом во многих появляющихся рыночных экономиках.

Они может быть прямым образом и не касаются Индии, где финансовый сектор либерализируется постепенно, где государственные финансовые институты всё ещё играют важную роль и где счёт движения капитала открыт только частично. Тем не менее,

эти беспорядки могут повлиять и на Индию. Более того, ради её собственного развития было бы полезным ещё более укреплять способность финансового сектора мобилизовать промежуточные ресурсы, включая внешние ресурсы. Делая это, было бы полезным анализировать некоторые эксцессы, произошедшие в мире и построить современную систему управления, сочетающую поощрения динамизма и новаторства и меры поощрения ответственности и долгосрочные горизонты

2. Изменяющаяся структура всемирной экономики.

А сейчас позвольте мне обратить ваше внимание на то, как влияет нынешний спад в некоторых богатых экономиках мира на всемирный рост и рост в развивающихся странах, в свете наблюдающихся сейчас структурных изменений.

Некоторые утверждают, что во преки серьёзности характера спада в развитых странах мира, зачатого, упомянутыми выше, трудностями в финансовом секторе, всемирный спад будет ограничен благодаря весу новых экономик, обретаемых «восходящим Югом» и в частности Индией и Китаем. Поэтому давайте рассмотрим изменения в структуре и тенденциях спада во всемирной экономике.

В начале, десять самых богатых стран мира были в среднем только в два раза богаче по сравнению с этими быстро растущими странами десятию странами. Но в следующие полтора века их богатство утроилось. Однако в 60 годах быстро растущие страны начали догонять и покрывать разрыв в доходе. И сейчас после долгого периода расхождения настает период схождения для этих стран.

Индия долгий период времени не была одной из быстро развивающихся стран Юга. Поэтому, можем ли мы сказать, что современная эра глобализации является одним из элементов схождения? К сожалению, история не так проста.

История здесь – это массивное и настойчивое расхождение. То что позволяет некоторым развивающимся странам извлекать пользу из глобализации и догонять богатые страны не происходит в ряде стран, многие из которых, но не все, находятся в Африке.

Тем не менее, благодаря, в основном, огромному населению Индии и Китая и экономическим достижениям этих двух гигантов, правильно было бы сказать, что тенденция схождения, когда она взвешивается населением, сильнее, чем тенденция расхождения и в большей части

восходящего Юга, наконец, доход на душу населения догоняет тот, что в развитых странах.

Есть также растущая и впечатляющая роль южных транснациональных компаний, многие из которых индийские и роль, которую они будут играть в мировой экономике. Такие анализы не входят в рамки моей сегодняшней лекции. И действительно, хотя есть много академической и профессиональной работы по этим линиям, связь между Севером и Югом, которая приобрела важность в последние годы, остаётся не достаточно анилизированной.

Позвольте мне подчеркнуть, что факт того, что на этом этапе «восходящий Юг» приобрёл большой вес в мировой экономике, не означает, что произойдет разединение роста в предстоящие месяцы и года. Если богатый Север испытает более суровый спад, чем сейчас прогнозируется, с темпом роста в менее чем 1.5 % в период 2008-2009 г., то последствия для «восходящего Юга» тоже будут суровыми. В этом контексте важно помнить, что внутренний американский рынок может сократиться даже если рост ВВП США останется значимо позитивным, учитывая падение курса доллара и вероятное уменьшение дефицита текущего счёта, что является частью общего процесса приспособления. Я думаю, что мы не полностью понимаем идущий сейчас сложный процесс соединения. В создании модели многое зависит от того, что понимается под понятием экзогенный (внешний) и эндогенный (внутренний). И конечно многое будет зависеть от политических реакций. Как недавно подчеркнул новый управляющий директор МВФ, есть много стран в мире с достаточно сильной фискальной позицией и эти страны смогут помочь противодействовать силам толкающим экономику в спад. Это заявление, исходящее от главы института известного за свой фискальный консерватизм, удивило многих, но я считаю, что Доминик Страусс Кахн был довольно прав подчеркнув необходимость международного подхода к фискальной политике, со странами имеющими больше фискального операционного запаса и имеющих больше способности защитить всемирную экономику от рецессии.

Сейчас мы находимся в положении значительной неуверенности. Начиная с лета 2007 года почти каждая неделя приносила плохие новости от финансового сектора в США и Европе, где болезнь углублялась и распространялась на все финансовые институты. Во многих случаях это была не только ликвидная проблема, но и также проблема неплатёжеспособности. С другой

стороны, учитывая масштабы беспорядков в финансовом секторе, реальный сектор довольно хорошо сопротивляется, по меньшей мере до сего времени.

Довольно удивительно то, что мы также видим безостановочный рост цен на продовольствие являющимся беспрецедентным в последние годы, что само по себе может быть рассмотрено как «разхождение»: «не расхождение» Юга от Севера, а «расхождение» ожиданий реального сектора от настроения в финансовом секторе! Ведь очень быстрый рост цен сырья и продовольствия должен означать сильный будущий рост, а не рецессию. Я думаю, что я не буду очень неблагоприятным сделать сильные прогнозы сегодня. Но мне кажется, что это было так в указанных выше двух финансовых секторах, сильная политическая реакция в ответ на панику в финансовом секторе, в частности в США, может помочь остановить соскальзывание в рецессию.

Это также может быть то, что автономно или чисто регионально управляемая часть эффективного требования, в частности инвестиционного требования, значительно возрасла, в Китае и Индии и других частях Азии. Это заслуживает тщательного анализа. В итоге есть шансы того, что этот вклад «восходящего Юга» вместе с действительно энергичной Кейнезийской смесью экспансионистской политики в США, будет иметь сильный эффект и остановит спад в ходе 2008 года, вопреки более консервативной позиции Европейского Центрального Банка, который упрямо придерживается подходу «контроль инфляции является нашим единственным мандатом». Так что всемирный рост может продолжаться в пределах 2-3 % в предстоящие два года. Конечно не такой порыв роста, который мы видели в 2002-2006 г., но достаточный, чтобы держаться вдали от рецессии и избежать ужасную боль, которая может обрушиться на самые бедные и уязвимые слои народов мира. Это также в какой-то мере защитит Идию от глобальных треволнений и поддержит темп роста приблизительно в 8.0% в следующие два года, что, конечно, будет большим достижением в мировой экономике, темп роста которой составляет всего лишь 2-3% (по рыночным расценкам).

Сильная экспансионистская реакция макрополитики США, естественно, несёт в себе опасность инфляционного импульса и вновь причиняет то, что случилось три раза в последние десять лет: заменяя один пузырь активов другим. После появлявшейся рыночной

задолженности в середине 90ых годов, акций компаний продающих через интернет (дот ком) в начале этого тысячелетия и ипотечных ценных бумаг в период 2004-2007 годов, вполне возможно сейчас это будет продовольствие, которое сейчас повышается в ценах нерезонным и неподдерживаемым темпом, вновь разжигаемых базисными огромными инвестиционными ресурсами и сопутствующей ликвидностью имеющейся в Азии благодаря высоким темпам сбережений, в Средней Азии благодаря нефтяной бонанзе и в развитых странах благодаря значимому росту доли прибыли и высокого дохода в ВВП. Каждый из этих пузырей произошёл из-за перемен в реальной экономике. Появляющиеся рынки становились более привлекательными местами назначения для инвестиций, так как их правительства провели благоприятные для рынка реформы и открыли свои экономики глобальным силам. Сектор дот ком открыл новые перспективы для бизнеса и повышения продуктивности.

В связи с впечатлительным ростом экономик Индии и Китая увеличился спрос на сырьё, продукты питания и энергию. Но каждый раз финансовые рынки промахивались и макроэкономической политике приходилось реагировать на грозящее банкротство поощрением, неосознанно, созданием другого пузыря где-то в другом месте.

Поэтому я не удивлюсь, если через два, три года мы поймём, что ликвидность и макро-стимулы, создаваемые для того, чтобы бороться с ипотечным кризисом закончатся искусственным раздуванием экономического подъёма, или надуванием ещё одного пузыря и потом мы вновь предстанем перед негативными последствиями непредвиденных поправок в сторону понижения, на этот раз в ценах на товары широкого потребления! Что приводит меня вновь к тому с чего я начал: если мы хотим пожать плоды технического прогресса и глобальных возможностей более благоразумным образом, и не подвергаться вновь и вновь шокам от финансового сектора, то вероятно настало время искоренить причины этих шоков в терминах регулирования финансового сектора, которые должны фокусироваться на характере структурных проблем, а не на тупых макроэкономических инструментах, которые могут сработать в краткосрочных терминах выручая всех, но часто подготавливают следующий финансовый шторм.

Заключение

Всё это имеет значение для Индии

и развивающегося мира: проблемы законодательного регулирования в развивающемся мире могут существенно замедлить рост. Это может лишить Африку первого действительного реального шанса в десятилетия ускорить свой прогресс. Это может значить, что сотни миллионы бедных не смогут вырваться из тисков нищеты. Поэтому я верю, что «восходящий Юг» должен приложить усилия, чтобы изменить характер глобального управления. Так же важно, чтобы менее развитые страны тоже подняли свой голос. Трудно понять почему Совет Безопасности ООН всё ещё отражает мир, каким он был в 1945 году. И кажется неправильным то, что Бразилия и Индия имеет меньше права на вето и голоса в советах МВФ, чем небольшие Европейские страны. И кажется неправильным то, что форум финансовой стабильности остаётся клубом богатых стран. И кажется неправильным то, что такие страны как Индия приглашаются на встречи «большой восьмёрки» только на ужин. И кажется неправильным то, что «восходящему Югу» разрешается играть только небольшую роль в принятии больших решений принимаемых на высоких управленческих позициях в международной системе, в их числе председательство комитетов, таких как международный финансовый комитет.

С одной стороны говорят, что «восходящий Юг» должен спасти всемирную экономику от рецессии, что он должен принять и адаптировать всю политику разработанную богатым Севером, что он должен взять на себя всю важную ответственность в борьбе с очень реальными проблемами изменения климата, и в то же время Югу не даётся его положенное место в международных институтах по принятию решений и координации. И я считаю, что настало время для перемен. Я считаю, что богатые страны не могут иметь и то и другое. Я надеюсь, что Индия начнёт прилагать усилия, чтобы построить лучшее и более равноправное глобальное управление, не менее касающееся финансового сектора. Я надеюсь, что Индия придаст больший вес усилиям на проведение реформ и упрочению ООН и институтов Бреттон Уудс, так чтобы межзависимый мир, в котором мы живём мог дать всем пользу, и который управляли бы здравомысленно и ответственно, так чтобы в межзависимом мире, в котором мы живём интересам беднейших женщин и мужчин было уделено такое же внимание как и интересам самых богатых и самых влиятельных и сильных. И я считаю, что именно за это стоял Махатма Ганди, когда он боролся за новую, современную и независимую Индию.

CRAMS обещает огромные перспективы для индийских фармацевтических предприятий.



Услуги исследования и производства на контрактных условиях, в английской аббревиатуре CRAMS (Contract Research and Manufacturing Services), становятся одними из самых перспективных возможностей для индийских фармацевтических предприятий. Индия, присущими ей преимуществами, обеспечивающими конкурентоспособность, является предпочитаемым пунктом назначения аутсорсинга и сейчас она играет важную роль в производстве, разработке препаратов в цепочке создания добавленной стоимости различных новаторских фармацевтических компаний. В течение последних пяти лет промышленность CRAMS внесла около восьми процентов в общий индийский фармацевтический бизнес.

CRAMS имеет отношение к службе/продукции аутсорсинга от низкозатратных поставщиков мировыми стандартами, которые соответствуют международным регулирующим нормам управления санитарным надзором за качеством пищевых продуктов, медикаментов США, австралийской администрации лекарственных средств, агентств по контролю над медицинскими препаратами Великобритании и европейского агентства по оценке лекарственных средств.

Для международных фармацевтических компаний стало стратегически важным сделать Индию интегральной частью и производственной цепочкой создания добавленной стоимости, чтобы поддержать структуру низких затрат в условиях острой конкуренции в глобальной промышленности по производству генерических препаратов.

Фармацевтические транснациональные компании обычно были заняты аутсорсингом промежуточных продуктов, активны в фармакологических ингредиентах и технологиях приготовления лекарственных средств. Сейчас они уделяют больше внимания реконструкции своей производственной деятельности, такой как научное исследование, развитие, раскрутка бренда, укрепление потенциалов экономии затрат с помощью производства по контрактам.

Такие фармацевтические компании, как Dishman, Divi's Labs, Shasun сфокусировались на малозатратном производстве, вступая в дел в критическом пункте цепочки с добавленной стоимостью, о

куда они смогли стать поставщиками сложной производственной службы самого высокого уровня таким международным компаниям, как Solvay, AstraZeneca, Merck, Glaxo SmithKline, Eli Lilly.

Принимая во внимание тот факт, что такие компании, как Nicholas Piramal, Cadila Healthcare, Orchid Chemicals и Pharmaceuticals хорошо закрепились на арене CRAMS, используя излишние производственные мощности, они продвинулись в область разработки новых препаратов, снабжения специальными химическими синтетами и т.д.

Такие компании, как компания клинического обследования Veeda, международные компании клинического обследования iGATE, SIRO Clinpharm, медицинская международная компания Neeman, систем HCL, Cognizant Manipal Acunova, ClinInvent предоставляют услуги для осуществления испытаний Фаз 1-4, информационно-технологическую поддержку для интенсивного управления данными, тщательное обследование на ранних стадиях открытия.

Индийские обслуживающие компании при изучении условий контракта раскрывают потенциалы таких областей, как биоформатика, медицинская химия могут предложить регуляторные регистрационные документы, которые могут стать базой для открытия новых препаратов или изучения условий контракта.

Преимущества Индии в низкозатратном охватывающем не только дешевый рабочий труд, но и процесс сокращения расходов, которые являются непрерывающимся процессом. Число факторов,

которые содействуют ценовому преимуществу в Индии входят:

Эффективность капитала

Индийские компании способны сократить авансовые капитальные затраты, установленные проектом, почти на 25-50% благодаря доступу к оборудованию местного производства, высококачественной местной технологии и инженерным кадрам. Индийские компании смогли осуществить завод, выпускающий продукцию, соответствующую стандартам управления санитарным надзором за качеством пищевых продуктов и медикаментов США, затратами, которые на

половин меньше, чем те, что в США или Европе.

Более дешовый регистрационный процесс

Генерический регуляторный регистрационный процесс нуждается в сложной технической и легальной документации, на который нужно потратить восемь четвертей. Стоимость регистрационного процесса данных DMFs ANDAs примерно на 50-60% ниже для индийских компаний по сравнению с американскими или европейскими компаниями.

Технология производств

Высоко конкурентный местный рынок и отсутствие ценовой силы заставляют индийские компании работать над молекулами даже после выхода продукции на рынок. Это часто приводит к выгодам и более рентабельному производственному процессу.

Ценовое преимущество рабочей силы

Индия обладает огромным резервом таланта опытных ученых, которых можно нанять за частицу той зарплаты, которую получают таких развитых странах как США. Стоимость труда Индии составляет седьмую часть уровня развитых стран и предлагает явное ценовое преимущество.

В то же время, существующие игрокам CRAMS приходится действовать почти враждебно деловой обстановке, из-за ужесточения регуляторных правил по вопросам окружающей среды и конкурентности со стороны более низкокзатратных стран.

Сейчас транснациональные фармацевтические компании всё чаще используют Индию как базу для экспорта своей продукции не только в ближайшие рынки, но и другие страны мира такие как Япония, ЮАР, Латинская Америка, страны Европы. Более того они также используют компетенцию Индии в области информационной технологии её мощные и дешовые резервы талантов в этой области, устанавливая Индию центром по менеджменту глобальных клинических данных.

Двигатели роста CRAM



Ожидается, что глобальные контрактно-исследовательские возможности достигнут показателя в 24 миллиарда к 2010 году.

Модель научно-исследовательской инвестиции перешла от традиционного исследования к разработке новых препаратов и систем доставки лекарственных веществ участку действия, английской аббревиатурой (NDDS). Например, компания Ranbaxy выполнила задачу NDDS для Bayer, разработав технологию приготовления Cipro XR.

Клиническое исследование

Сейчас большинство клинических испытаний проводимых в Индии касаются фазы II фазы III. Правительство рассматривает предложения по рекомендации технического совета по разработке лекарственных веществ (DTAB) разрешит проводить клинические испытания первой фазы разработанные за границей лекарственных веществ. Если это случится, то индийская промышленность CRAMS предоставит широкий круг услуг разработке новых лекарственных веществ. Индийская ассоциация торговли и промышленной палаты подсчитала, что рынок клинических испытаний будет генерировать 2010 один миллиард долларов США.

Поддержка правительств

Правительство Индии содействует росту этой промышленности и на регуляторном фронте, освобождение от уплаты налогов всех услуг компаний предоставляемых изучением условий контракта промышленности проводящие клинические испытания. Это мероприятие придаст дальнейший импульс аутсорсингу клинических испытаний в Индию.

В число важных тенденций в будущем входят:

- Слияние поглощение промышленности
- Новая продукция транснациональных индийских компаний
- Лицензирование патентованной продукции индийскими компаниями для выхода и на индийские рынки
- Увеличение числа организаций проводящих изучение условий контракта.

К 2010 году во всем мире сойдут с патентом лекарственные препараты стоимостью 70 миллиардов долларов ожидается, что индийские компании предоставляющие контрактно-производительные услуги воспользуются 30-40 % этой возможности. Улучшения в области информационной технологии и телефони являются ключевыми двигателями этой тенденции, как это признано организациями следящим за правилами клинической практики и лабораторными стандартами.