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Research Papers

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Structure and Growth Performance of Indian Pharmaceutical Industry in the Post-Trips Period : An Empirical Analysis

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The Indian pharmaceutical industry has shown the remarkable performance in post-TRIPS period. Not only did the industry improve its production performance seen in the previous decades, the industry has been playing a significant role in decreasing the mortality rate and increasing the life expectancy rate. The paper seeks to study the structure, performance and growth of Indian pharmaceutical industry in the post-TRIPS period (1996-2010) by selecting few leading companies of the pharmaceutical industry. The result of the study shows that post-TRIPs period saw the strongest performance of the Indian pharmaceutical industry on several fronts. The results of the study indicate that Indian pharmaceutical industry is performing well on the financial front and the industry has a very strong base in terms of growth of sales and market share. The trends in the market share of leading companies shows that these companies have maintained their market shares throughout the period whereas inter-company comparison shows that growth rate for sales has been highest for Lupin, Reddy's laboratories, Sun pharmaceuticals and these companies have the highest market share in the pharmaceutical industry.

Keywords : Indian Pharmaceutical Industry, TRIPS, Harfindahl Index, Market Share, Inter-company Comparison.

Introduction

The Indian pharmaceutical industry is very aptly defined as the 'life line' industry, as it plays a vital role in alleviating the sufferings of millions of people and controlling various ailments that afflict human beings. This industry has made an unmatchable contribution to the mankind (Kumar : 2004). The establishment of a modern pharmaceutical industry in India may be said to have commenced by Prof.Acharya and Roy in 1901 when he started the first Indian owned drug factory 'the Bengal Chemicals and Pharmaceutical Works' at Kolkata. It was followed by B.D. Amin who started 'Alembic Chemicals' in Baroda. The growth of the pharmaceutical industry was further given a fillip by the British medical scientists who started medical institutions like The Haffkins Institute at Bombay (1904), King Institute of Preventive Medicine at Madras (1904), These institutes led

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Determinants of Corporate Investments in India : Role of Foreign Direct Investment

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This paper presents evidence on the role of Foreign Direct Investment on corporate investments of manufacturing firms in India. In this paper,investment behavior is analyzed in the context of flexible accelerator model with supply-side financial variables namely FDI, internal funds and bank credit. The results indicate thatbesides accelerator and other financial variables viz., bank credit and internal funds, FDI plays a significant role in determining the corporate investments in India.

Keywords : FDI, Fixed Investment, Internal Funds, Finance Constraint, Fixed Effects Model.

Introduction

In order to achieve higher growth trajectory and to compete in global markets, developing countries make an intensive efforts to attract foreign investment. Incidentally, foreign investment is very essential for securing scientific, technical and industrial knowhow. By supplementing domestic saving, foreign investment also contributes to the process of industrialization. The Government of India, to attract foreign investment, liberalized its foreign investment policy in 1991 to permit automatic approval for foreign investment up to 51 per cent equity in 34 industries. The Foreign Investment Promotion Board (FIPB) was also setup to process applications in cases not covered by automatic approval. As a consequence of these measures FDI inflows to India increased many fold from just $0.07 billion in 1991 to $32.19 billion in 2011[1]. In GDP terms, the share of FDI as a percentage of GDP increased by more than 57 times from just 0.03 per cent to 1.72 per cent during the same period.

In this study, we investigate whether such increased FDI inflows had played any role in stepping up corporate investments in the country. In the investment literature, there have been a number of attempts to study the determinants of corporate investments in India. Most of the studies found that net sales (accelerator), internal funds, bank credit, depreciation reserves, capacity utilization,

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Fiscal Consolidation in Haryana : An Analysis

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In this paper, we propose to examine the management of Haryana state government finances over the last three decades from 1983-84 to 2011-12. For broad analysis of trends, the period covered corresponds to the 8th Finance Commission (1983-84 to 1988-89) to 12th Finance Commission (2005-06 to 2009-2010) and the first two years of 13th Finance Commission (2010-11 & 2011-12). However, for in depth examination, we would confine ourselves to the analysis of the period 2000-01 to 2011-12 (11th FC onwards) in this exercise. The financial management may be looked at primarily from two angles : one is to examine the efficiency of management of receipts (primarily taxes and user charges), expenditure, management of deficit and surplus and the debt. The other perspective may be to examine the state financial management in relation to the socio-economic objectives and priorities of the state government in relation to the targeted levels of socio-economic welfare reflected by the HDI and Gender Indices. The management of finances by the state Government in Haryana has been satisfactory. However, the state needs to change its priorities and quality of expenditure needs to be improved. To enhance the adequacy of the resources required for the development strategy of the state economy, the own revenue resources generation must be increased to capacity through ensuring higher efficiency, autonomy, accountability and transparency of the resource mobilisation administration.

Keywords : Revenue Deficit, Fiscal Deficit, Primary Deficit, Finance Commissions, Haryana, Gross State Domestic Product, The Haryana Fiscal Responsibility and Budget Management Act.

Introduction

Managing public finances with efficiency is a major challenge in the process of governance. With growing gap between public expenditure and resource mobilisation, it has been continuously exerting pressure on the state government to maintain fiscal balance within the desirable limits which have been prescribed by the Fiscal Responsibility and Budget Management (FRBM) Act. Revenue deficit, fiscal deficit, primary deficit, debt servicing and stock of debt are the important fiscal indicators that determine fiscal health of a State. The most desirable fiscal position any State expects to maintain may be the revenue surplus. This would

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Impact of India's New Economic Policy on Women Employment

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In the last two decades India has travelled a long way in terms of growth and economic development, and is now amongst the fastest-growing economies in the world. This paper traces the pattern of changes in female employment in the pre and post-liberalisation period in Rural and Urban India. The study will examine the overall impact of globalisation and economic reforms on the nature of the Indian labour market, making a conscious effort to highlight the glaring disparities in terms of the nature and growth of female employment and unemployment with men, the changes in the status of employment across various sectors and the trends in relative wages and earnings. The study mainly uses secondary data collected from NSS quinquennial surveys which provide the most exhaustive data on employment trends and conditions in India starting from 1983 till the latest NSS round which is the 66th round (2009-10). It is seen that despite India's economic boom the condition of female has not improved since 1980's.

Keywords : Female Labour Force Participation, Work Force Participation, Relatives Wages, Globalisation, Education.

Introduction

As a result of poor management of the various macroeconomic issues and the poor implementation of the corresponding policies of the government to achieve macroeconomic stabilization, the Indian economy faced a severe macroeconomic debt crisis in the 1980s which could only be combated through accepting the conditions lay out by the IMF and the World Bank. The Indian policymakers under the Narasimham Rao government hence implemented the new economic policy in June 1991 which constituted of policies aimed at mainly three broad areas – Liberalization, Globalization and Privatization. This resulted in the spread of market ideologies and consumerism. The Indian government introduced various reforms in varied areas such as fiscal, monetary, industry and exchange rated trade policy to stimulate the economy which in turn

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Do Derivatives Hasten the Commodity Prices?

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Futures markets have been vilified as the speculators' haven with the allegation that excessive speculation in the futures forum has led to increased price volatilities and creates inflationary pressures in the economy. In addition, the role of commodities as asset classes has played a denting role for the economies. This fact remains in India and the politicians claim inarguably, global liquidity infusion may fuel the commodity prices. But, what actions have been taken in the short-run in order to stabilize the economy in the long run. Therefore, interventions in the market should be examined to see whether they could hinder, or could help in a cost-effective way to increase, market stability. Henceforth, the key focus of this paper is to examine the nature of long and short-run relationships between Spot and Future prices of individual commodity indices using Engle and Granger Cointegration technique and ECM.

Keywords : Commodity Futures, Engle and Granger Cointegration Approach, Granger's Causality Error Correction Mechanism, VECM.

Introduction

Derivatives trading in the commodity market have been a topic of argumentation in the field of finance. There are number of studies attempted to look at the impact of futures price on commodity market price. Price discovery, hedging, financing, liquidity, price stabilization, encouraging competition, increasing efficiency, inherent leverage, low transaction costs, and lack of short sale restrictions as well as fulfilling desires of speculators are some of the prime economic functions of the futures market as suggested by Fleming, Ostdiek and Whaley (1996). As a result, prices are first updated in the futures market, which thus serves as a price discovery vehicle for investors (Tse, 1999). There are other explanations also for one market leading the other and infrequent trading hypothesis of Tan and Lim (2001), liquidity factor identified by Daigler, 1990 as referred in (Sanjay, S, & Rajput, N, 2012). Henceforth, commodity derivative trading was allowed in India in the new millennium. Despite the realization of the need for commodity derivative trading in India and the subsequent resumption of trade in

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Impact of Group Based Microfinance Programmes on Risk and Vulnerability : Field Evidences from Haryana

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Group based micro-finance programmes have recently become an increasingly important component of the strategies to reduce poverty, vulnerability, risk and for the promotion of micro and small enterprise development. This paper explores the risks that households face and whether and how microfinance can build the capacity of the members to manage risks and make them less vulnerable. The study was undertaken in the state of Haryana covering two government programmes viz. Swaranjayanti Gram SwarozgarYojana, Swayamsiddha and a community based NGO named as Social Centre for Rural Initiatives and Advancement. The study found that a large number of respondents have benefited, although to a limited degree, from microfinance through reducing their vulnerability, and are comparatively in a better position to deal with risky situations. The results of logistic regression showed that the loan amount played a very significant role in reducing risk as the higher the loan amount disbursed, the higher the possibility of reducing risk. A loan used for productive purposes is an important factor in reducing risk and results show that higher the use of loan in productive activities, the higher the possibility of reducing the risk. The major policy implication is to focus to increase income through the promotion of income generation activities on sustainable basis.

Keywords : Microfinance, Vulnerability, Self-Help Groups, Risk, SGSY, Swayamsiddha, SCRIA.

Introduction

Following the neo-classical principle of marginal utility, a poor household would derive more satisfaction (utility) from receiving an extra rupee than a better off household. Similarly, a household would derive more satisfaction from receiving an extra rupee in hard time than in good time. This is why the static definition of poverty (having an income below a certain threshold, usually the poverty line) does not confine an important dimension, which is

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