

AstraZeneca submission to the House of Commons International Trade Committee

UK trade negotiations: Agreement with India inquiry

Q1. How adequately has the Government undertaken public consultation in formulating its strategic approach / negotiating objectives?

1. AstraZeneca is supportive of the Government's public consultation process. We welcome the opportunity to feed into these processes – both through public consultations and through our participation in DIT's Trade Advisory Groups (TAGs). We support an open and continuous dialogue between the government and business as the UK develops its autonomous trade strategy.
2. While much of the consultation process to date has worked effectively, there are several practical ways in which it could be improved. First, the structure of the UK-India consultation questionnaire was somewhat repetitive when soliciting information on the challenges faced by UK business in the Indian market. Moreover, greater space could be provided in the questionnaire on how challenges in market should be practically addressed. This would enable respondents to propose coherent policy solutions to the challenges faced, drawing on the technical expertise of businesses and practical experiences of operating in the market. Finally, the results of the public consultation are often quite high-level – it would be good practice to publish a more detailed breakdown of how many respondents called for specific negotiating objectives.

Q2. How adequate and appropriate is / are the Government's strategic approach / negotiating objectives?

3. We welcome the Government's strategic approach to negotiations with India and endorse the negotiating objectives published on January 13th. Our only concern is the lack of clarity on the UK's openness to concluding an interim agreement ("early harvest deal") with India. It is not clear what the UK would seek to include within the scope of such a deal, nor how the UK would maintain momentum behind full FTA negotiations with India after such a deal was concluded. We would certainly hope that no interim deal would be concluded with India that did not address some of the most pressing and challenging barriers faced in the Indian market – such as the issues surrounding intellectual property rights and public procurement – but this is not currently clear.

Q3. How are the terms of a new trade agreement between the UK and India likely to affect you, your business or organisation, or those that you represent?

4. A UK-India FTA has enormous potential to address a range of barriers that UK life sciences companies face when trading with India. These broadly fall into three key categories, namely intellectual property rights; regulatory standards; and public procurement. By bringing India's intellectual property rules in line with internationally agreed standards and strengthening IP enforcement, a new FTA would significantly encourage greater trade and investment in life sciences in India. Promoting good regulatory practices under a future UK-

India FTA, as well as formulating bespoke regulatory dialogues to address issues surrounding GMP and clinical trials, would improve the overall business environment for UK life sciences companies in India and serve to boost UK exports to the region. Finally, addressing restrictions on international entities in India's public procurement market will unlock opportunities for investment and provide greater access to innovative treatments for Indian patients, as well as allowing UK innovators to compete on a level-playing field.

Q4. What are the potential impacts of an agreement on:

- the UK's economy as a whole?
- particular sectors of the UK economy?
- the UK's devolved nations and English regions?
- social, labour, environmental and animal welfare issues?
- UK consumers?

5. A UK-India FTA has the potential to materially boost the value of innovative UK exports to India. In 2020 the UK exported £110.56m of pharmaceutical goods to India, only 3.4% of total UK exports to India.¹ Indeed, despite having a £2 trillion economy and 1.4 billion people, India accounts for just 1.6% of total UK trade. By unlocking significant barriers to UK life sciences exports – in terms of intellectual property, regulation and procurement – FTA negotiations have the power to facilitate a significant boost in UK exports to India. This in turn supports highly skilled and highly paid jobs in the biopharmaceutical sector across all regions of the UK.

Q5. How should the Government communicate its progress in negotiations; and seek the views of stakeholders during those negotiations?

6. The Government must ensure that the UK life sciences sector is regularly consulted as the negotiations with India progress to ensure there is a clear, evidence-based understanding of the implications of decision making in relation to the negotiations.
7. To achieve this, the Trade Advisory Groups (TAG) process should be utilised to encourage a more dynamic consultation with industry on its approach to FTA negotiations. While the UK's current TAG system operates well as a consultation mechanism at the C-suit level, it does not serve the same purpose as a platform for technical engagement. We believe that by involving industry's technical experts in the TAG process, as well as holding TAG meetings on a more frequent and flexible basis, a more valuable 'real-time' dialogue with policymakers and negotiators could be established that would support a more strategic approach to negotiations. Furthermore, as the UK's largest pharmaceutical company, AstraZeneca would be happy to provide advice and evidence to DIT on a regular basis during the negotiations.

¹ Office for National Statistics, "[Trade in goods: country-by-commodity exports](#)", accessed 02 July 2021.