

# ABPI Response to the International Trade Committee Inquiry on UK-India Trade Negotiations

10 February 2022

## **About the ABPI**

The ABPI welcomes the opportunity to submit this evidence to the House of Commons International Trade Committee inquiry on UK-India trade negotiations.

The ABPI exists to make the UK the best place in the world to research, develop and use new medicines and vaccines. We represent companies of all sizes who invest in discovering the medicines of the future.

Our members supply cutting edge treatments that improve and save the lives of millions of people. We work in partnership with Government and the NHS so patients can get new treatments faster and the NHS can plan how much it spends on medicines.

Every day, we partner with organisations in the life sciences community and beyond to transform lives across the UK.

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

1.1 As the UK seeks to negotiate a range of trade agreements, it is important that robust public consultation is in place that supports the Government to identify the right priorities for the UK's trade agenda. To date, the Government's consultation process has worked well. However, it is worth noting that with the volume of consultations published, further consideration to the timing of their publication could allow respondents the maximum opportunity to provide comprehensive responses, with appropriate evidence. This is particularly important for trade associations as consultation with member companies is critical in providing the most accurate response possible.

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

2.1 The ABPI is satisfied with the Government's strategic approach/negotiations objectives for the UK-India trade negotiations.

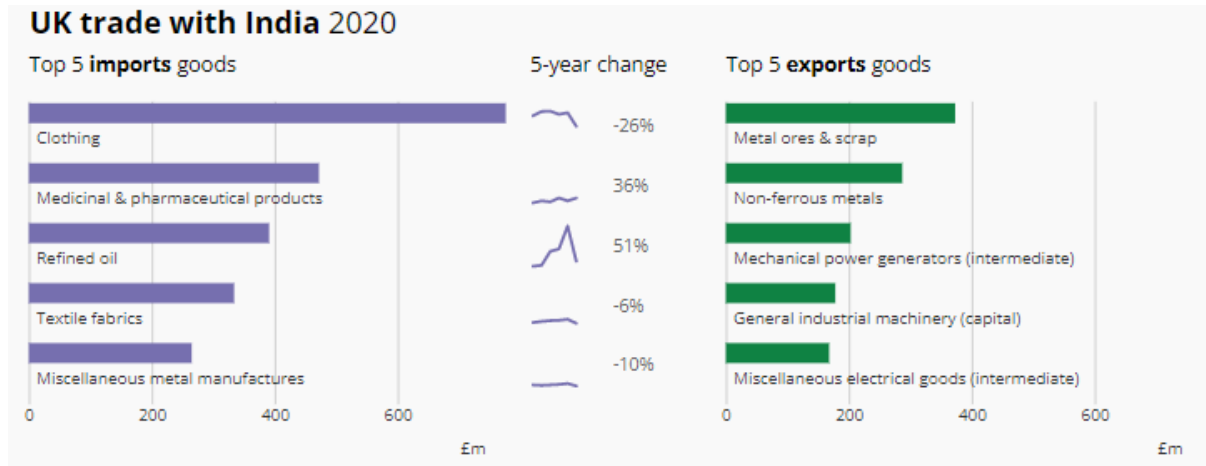
### **Q3. How are the terms of a new trade agreement between the UK and India likely to affect you, your business or organisation, or those that you represent?**

- 3.1 The UK's new trade policy agenda is fundamental to secure the UK's ambition to become a life sciences superpower and support the successful implementation of the Life Sciences Vision. The UK's exceptional strength in the research and production of world-class medicines and vaccines has developed over many decades out of a strong science base, open approach to foreign investment in pharmaceuticals, a skilled manufacturing workforce, and culture of protecting and championing innovation through intellectual property (IP) rights. Its regulators are recognised as among the most experienced and sophisticated in the world.
- 3.2 This ecosystem enables the UK to thrive as a major exporter of life-saving medicines to patients across the globe. Over £21 billion worth of medicinal and pharmaceutical products were exported around the world in 2020, making pharmaceuticals the UK's 2nd highest value good exported globally.
- 3.3 The UK therefore needs to ensure that its trade policy aligns with its life science goals, enabling the sector to pull in the imports, talent, and capital it needs for world-class science and manufacturing, and ensuring it can export UK pharmaceutical innovation easily and compete fairly in export markets.
- 3.4 The UK's trade negotiations with India are a priority to the UK and global life sciences industry. Our companies face a range of challenges when trading with India, including barriers to obtaining and enforcing IP rights, lack of harmonised regulatory standards, discriminatory procurement practices, tariff barriers and complex customs procedures. The differences between the UK and Indian life science environments create an uneven playing field at the expense of the UK and its life science innovators.
- 3.5 Finally, securing a comprehensive trade deal with India that delivers in terms of value to UK businesses is the priority for global pharmaceutical companies, rather than speed of completing a deal and/or reaching an interim agreement. An 'early harvest deal' risks a more beneficial comprehensive free trade agreement (FTA) that supports UK life sciences companies and Government's life science ambitions.

### **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?**

4.1 2020 trade data from the Office for National Statistics show that there is currently a trade deficit between the UK and India in terms of pharmaceutical products.



Source: Office for National Statistics – UK trade statistics

4.2 This trend differs from the UK's trade dynamics with other countries where we more commonly see a trade surplus, with pharmaceuticals often being one of the UK's highest value exports. The ABPI therefore believes that a comprehensive trade agreement between the UK and India has the potential to increase the value of UK medicines exports to India, particularly for innovative medicines. Achieving this will not only have a positive impact on UK business and the UK economy, but will be mutually beneficial for India, by increasing patient access to innovative medicines and vaccines.

4.3 Access to innovative medicines in India remains a challenge which needs to be addressed. The factors contributing to this situation are wide and complex, and not all can be addressed within the structure of a trade agreement.

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

5.1 The Government must ensure that stakeholders from key UK sectors are 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. The current Department for International Trade (DIT) Trade Advisory Groups (TAGs) offer a valuable mechanism for this input, and the ABPI is pleased to be able to contribute through this mechanism. Additionally, a wide range of technical expertise exists across the UK Government and it is important that DIT consults with these experts across government departments to both draw on this knowledge, and ensure that the UK's trade policy supports wider government ambitions. For example, the

UK's Medicines and Healthcare products Regulatory Agency (MHRA) must be involved in any discussion around provisions that relate to the regulation of medicines in these negotiations, to provide expertise in terms of any impact on UK domestic regulation and to support government aims of securing UK influence in shaping international medicines regulation. In turn, this is critical in supporting the ambition of the Life Sciences Vision, which sets out the Government's broader ambition for the sector.

**For further information please contact Joe Edwards.**