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India urges Japan to provide wider pharma market access

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Singapore: The Indian commerce Minister, Ms Nirmala Sitharaman has urged Japan to provide Indian pharmaceutical sector with a wider share and greater market access in Japan. Ms Sitharaman further pointed out that the share of India in the Japanese drug market continued to be below par and limited mostly to active pharmaceutical ingredients (or APIs - raw materials for drugs). She said the demand for generic medicines in Japan and India's capability to meet this demand can prove a win-win for both countries.

An official statement by Ms Sitharaman read, "The Japanese pharmaceutical market offers a huge untapped potential for Indian pharma industry. India's strength in pharma sector is well established. This, coupled with the decision of Government of Japan towards attaining an 80 per cent share of generic medicines by 2018, should provide an opportunity for the generic drug industry of India," She further said that Indian companies should use the India-Japan Comprehensive Economic Partnership Agreement (CEPA) much more to boost exports to Japan, she said at a seminar organised by think-tank RIS.

The minister expressed concern over India's trade deficit with Japan increasing from $3.1 billion before the CEPA was inked in 2011 to $5.2 billion thereafter. She said there was a need to address implementation issues of CEPA. For example, she said, Japan had accorded preferential tariff to fish surimi from India. A negligible amount of an imported cryo-protectant, TSPP, is applied for preservation. Though the value of the TSPP is less than 0.5 per cent of the overall product cost, it is precluded from CEPA benefits as the 'product is not of Indian origin', she pointed out.

Japan and India are the second and third largest economies in Asia. The economic engagement witnessed significant rise after both countries signed a Comprehensive Economic Partnership Agreement (CEPA) in 2011.

The trade between the two countries pre-CEPA in 2010 was USD 10.4 billion and currently it stands at USD 14.5 billion. Trade deficit with respect to Japan was USD 3.1 billion pre-CEPA, and now it is USD 5.2 billion.