

Rules of origin for medical devices, still a 'sticking point' in proposed India-UK FTA

Press Trust of India

New Delhi

Finalising the rules of origin for the medical devices sector remains a sticking-point in the proposed free-trade agreement (FTA) between India and the UK and the talks are on to iron out the differences, an official said.

Huge potential is there in the medical devices sector in India, as it imports about 80 per cent of its requirement, with the US, Germany, China, Singapore and Netherlands being top exporters of such devices to the country.

"In the medical devices sector, a lot of issues related to rules of origin are still there. Demand for customs duty concessions is also there," the official said, adding negotiations are going on between the two countries to resolve the differences in both goods and services sectors.

MAJOR CATEGORIES

The government has taken steps to promote domestic manufacturing of medical devices/equipment and attract large investment in the sector.

Such schemes/initiatives include Promotion of Medical Device Parks, National Biopharma Mission, and a Production-linked Incentive scheme for the sector. The six major categories of medical

devices that are being mainly imported into the country include consumables, disposables, electronics and equipment, implants, IVD reagent and surgical instruments.

The 'rules of origin' provision prescribes minimal processing that should happen in the FTA country, so that the final manufactured product may be called originating goods in that country. Under this provision, a country that has inked an FTA with India cannot dump goods from some third country in the Indian market by just putting a label on it. It has to undertake a prescribed value addition in that product to export to India. Rules of origin norms help contain dumping of goods.

According to experts, India should refrain from giving duty concessions, as the government here is promoting domestic manufacturing of these devices. "India can consider giving relaxations for those equipment which are not manufactured in India," Rajinder Singh Kanwar from Export Promotion Council For Medical Devices said.

The negotiations between the two countries for the agreement cover as many as 26 policy areas/chapters. Investment is being negotiated as a separate agreement between India and the UK and it would be concluded simultaneously with the free-trade agreement.