Recommendations
of the
EU-Japan Business Round Table
to the Leaders of the European Union and Japan

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Working Party B
Life Sciences and Biotechnologies, Healthcare and Well-being

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List of Abbreviations

Abbreviation	Meaning
WP	Working Party
EU	European Union
LS & BT	Life sciences and Biotechnologies
MRA	Mutual Recognition Agreement
GMP	Good Manufacturing Practice
GLP	Good Laboratory Practice
MAFF	Ministry of Agriculture, Forestry and Fisheries
NHI	National Health Insurance
MLHW	Ministry of Labor Health and Welfare
MOF	Ministry of Finance
PMDA	Pharmaceutical and Medical Device Agency
HTA	Health Technology Assessment
FSC	Food Safety Commission
CBD	Convention on Biological Diversity
ABS	Access and Benefit Sharing
IFAH	International Federation of Animal Health

Recommendations from both European and Japanese industries

General Issues

WP-B / # 01 / EJ to EJ Enhancement of bio-venture activities

In both the EU and Japan, bio-venture activities should be enhanced further and dynamically integrated with each other. BRT members call for government support to expand these networks of activities through such measures as bio-conferences or the establishment of cluster centres. It is also necessary to support bioventures financially under the current economic recession.

<Background>

In the biotechnology-based industries, bioventures have played an important role to create innovative technologies and products. Bioventures in the EU and Japan are behind those in the US and need more collaborations or integrations between venture companies. To realize this, expansion and activation of venture networks will be very valuable. Under the current economic situation, it is difficult for ventures to obtain capital from the markets. Some financial support should be considered to vitalize them.

Healthcare

WP-B / # 02 / EJ to EJ Regulatory harmonization and MRA for pharmaceuticals

The regulatory harmonization and further extension of "Mutual Recognition Agreement" should be proceeded in order to avoid redundant inspections of manufacturing facilities.

<Background>

As currently only oral solid dosage forms are included within the MRA between Japan and the EU, there are still a lot of redundant inspections of manufacturing facilities. This is not only a costly process, but it also slows down the launching of new drugs in Japan creating a significant disadvantage for Japanese patients.

In order to eliminate this problem and to integrate EU-Japan economics more efficiently, harmonization of standards/guidelines and expansion of MRA should be conducted under mutual agreements. Below-mentioned are highly prioritized items for harmonization and expansion of MRA.

<Prioritized items for harmonization and MRA>

Harmonization:

- Safety measures from surveillance to vigilance should be harmonized with international standards
- Clinical development guideline and biological preparation standards for Vaccine
- Minimum Requirements for Biological Products

Mutual Recognition Agreement:
- MRA of GMP should expand to liquids, and sterile forms, API and bio products to avoid redundant inspections and testing.

WP-B / # 03 / EJ to EJ Balance between prevention and treatment in healthcare

Seek balance between prevention and treatment. Thus, confirm inclusion of vaccination programs and include contraception in the scope of public funding.

<Background>
Disease prevention and diagnostic/ screening procedures are getting a more important position in healthcare area as they allow to improve the treatment of numerous diseases but also to effectively lower the healthcare cost in mid- and long-term. Therefore, vaccines and contraception should be in the scope of public funding.

WP-B / # 04 / EJ to EJ Mutual recognition of quality management audit results for medical devices between EU and Japan

Start a mutual recognition of quality management audit results for lower risk medical devices, e.g. those classified as Class II, ARCD under the Japanese Pharmaceutical Affairs Law, as a first step.

<Background>
Based on Medical Devices Directive (MDD) of the EU and the Japanese Pharmaceutical Affairs Law (J-PAL), Quality Management System (QMS) audit results are required for each application for a license to introduce new medical devices in the market. The current Japanese procedure requires manufacturers to provide repeated QMS audits for each new product application or evaluation by a different certifying body. In Europe, the regular annual ISO audit results can be used for all applications during the period in which the ISO audit is valid.

As the Japanese QMS is based on ISO 13485 with only small modifications, it would reduce the burden on manufacturers considerably if QMS audit results would be mutually recognized, allowing European manufacturers to use the annual ISO audit results for all applications during one year.

WP-B / # 05 / EJ to EJ **Mutual recognition of medical devices product licenses**

Introduce a mutual recognition of medical device product licenses between the EU and Japan

<Background>

Mutual recognition of licenses for medical devices in Japan and the EU would make it possible to introduce new products in both the Japanese and European markets in the same time frame and with one process.

As mentioned before, it could be possible to start with lower risk, class II devices.

The evaluation scheme between the Medical Devices Directive of the EU and the Japanese Pharmaceutical Affairs Law are quite similar, with
- Evaluation schemes based on registered 3rd party bodies (Notified Bodies)
- Essentially quite similar requirements
- Based on IEC or JIS standard compliance.
With these similarities, a mutual recognition should be easy to implement.

WP-B / # 06 / EJ to EJ **Mutual recognition of clinical trial results for medical devices**

Introduce a mutual recognition of clinical trial results for medical device development

<Background>

Differences in the definition of Good Clinical Practice between Japan and the EU currently prevents the use of non-Japanese clinical trial results in the application for new medical devices in Japan. Mutual recognition of clinical trial results would make it possible to make new products available to patients in Japan and the EU in the same time frame and through one process, ensuring high level of quality while reducing the burden on manufacturers.

Industrial Biotechnology

WP-B / # 07 / EJ to EJ **Strengthening activities for industrial biotechnology**

To enhance the global competitiveness of the bio-based economy through increase cooperation between the EU and Japan, we suggest a number of actions that would strengthen activities in the area of industrial biotechnology

- ✓ *Develop and implement EU-Japan common R&D programmes and strategies to encourage use of agro-food by-products and wastes*

- ✓ *Support collaborative development of technologies to produce biomass based products and sustainable biofuels*

- ✓ *Benchmark the EU and Japanese policy strategies and legislation / regulations in order to stimulate the market introduction of bio-based products from innovative technologies*

- ✓ *Set demonstration experiments of bio-based products in different environment model areas in the EU and Japan to assess the possibilities and limitations of the development and use of bio-based products*
- ✓ *Encourage the introduction of composting systems to promote the use of bio-based products and bio-based polymers*
- ✓ *Consider common standards and certification systems for each product category between the EU and Japan to establish a global de facto standard for bio-based products*

- ✓ *Set up a common task force to analyse which global incentives can stimulate or support the re-conversion towards a bio-based economy*

Plant Protection and Biotechnology

WP-B / # 08 / EJ to EJ Enhancement of cooperation with industry and academia

Enhance international cooperation in the development of plants with new beneficial traits / Promotion of industry & academia cooperation.

Potential Research Topics:
Genetic improvement of plant growth and yield to stabilize crop production in variable growth conditions by
· enhancing plant gene discovery and regulatory network research
· studying cellular growth and plant development
· elucidating growth-promoting plant hormones

Healthcare

WP-B / # 09 / EJ to E Evaluation of innovation values for pharmaceuticals in prices

The EU government should reinforce its innovation policy to member states and clarify its healthcare policy, resulting in the appropriate evaluation of the value of pharmaceuticals.

<Background>

In the EU, innovation policy is stated by the Lisbon declaration and the G10 group report indicating the importance of innovation in pharmaceuticals. However, each state operates its own healthcare system in different ways, resulting in gaps in survival rates and the QOL of citizens. Under the current economic recession, prices of pharmaceutical products are targeted as a major tool for medical cost containment. BRT members calls on the EU to clarify its healthcare policy and to discuss and totally improve healthcare situations in member states by securing appropriate healthcare budgets, preventing interference with patient access to new medicines, and considering the proper utilization of healthcare technology assessment.

Plant Protection & Biotechnology

WP-B / # 10 / EJ to E Shortening review times for products by plant protection & biotechnology

Shorten review times for new applications/ registrations.

<Background>

Research and development of innovative and beneficial Plant Protection & Biotechnology products requires high input costs. Therefore, timely access to the markets is crucial for the R&D-intensive companies in order to successfully market their products and recover their initial R&D investments, which then again are used to finance further innovations.

Establishment and maintenance of science-based, predictable and timely regulatory systems free from undue political influence and the appropriate protection of proprietary data are therefore key requirements for sustainable and innovative research.

Animal Health

WP-B / # 11 / EJ to E Introduction of "1-1-1 concept" for all animal health products

Introduction of 1-1-1 concept for all products (one dossier – one assessment – one decision on marketing authorization).

<Background>

One of the key objectives of the European Union is to create a single market for goods. This goal has yet to be achieved for the animal health industry, with the exception of centrally authorized products. In line with the concepts already existing in the EU (i.e. quality, safety and efficacy described in one single EU dossier as the basis for granting marketing authorizations for veterinary medicinal products, one single assessment of the dossier employing the best expertise, resulting in one decision for marketing authorization) the animal health industry in

Europe is seeking a systemic change based on the one, one, one concept ("1-1-1 Concept") for all products. This appears to be the most simple and straightforward way to address all of the major shortcomings of the current system and to finally achieve the goal of a single market for safe and efficacious veterinary medicines.

Healthcare

WP-B / # 12 / EJ to J Nation-wide electronic database for individual health/medical records in Japan

Map out the "grand design" of a nationwide electronically integrated database for individual health/medical records as a basic Japan health policy

<Background>

The Japanese government should intend to electronically integrate individual health/medical care related data and information nationwide in order to supply high-quality and patient-suitable medical care, and map out a "grand design" of the systems. The integrated database will also improve the efficiency of medical care by eliminating duplicated examinations or reducing adverse events and treatment for them. Furthermore, the data will be useful for the discovery of new innovative medical treatments and devices. Several European countries have already taken the lead on this issue, so Japan may be able to learn much from the experiences of the EU.

WP-B / # 13 / EJ to J Citizens ID numbering system for social security in Japan

Commence non-partisan discussions on earlier introduction of citizens ID numbering system to provide better and impartial public services especially in social security fields.

<Background>

The ruling Democratic Party of Japan (DPJ) clearly mentioned a citizens ID numbering system in its "Manifesto" in the Lower House election in 2009. The Japanese government will draw "Outlines for Social Security and Taxation Number (tentative)" by June 2011 and submit relevant bills to the extraordinary session of the Diet in autumn 2011. The opposition parties positively agreed to start non-partisan discussions on the introduction of this system, industrial organizations such as the Federation of Economic Organizations (Keidanren) considers it essential to develop a firm infrastructure, which can provide public services impartially, certainly, transparently and effectively for realization of secure and affluent society. The Japanese government proposed a policy that this ID number will be applied to taxation and social security and allocated to citizens by 2013. For privacy protection, personal data will be separately managed per category, such as medical and nursing services.

WP-B / # 14 / EJ to J **Full-fledged implementation of the new drug pricing system and abolishment of market expansion re-pricing**

Finalize the implementation of the new, internationally competitive pharma pricing system in Japan based on the industry proposal and abolish the rule of re-pricing by market expansion.

<Background>

The NHI price reform proposed by the industry has been positively reviewed by the Chuikyo in December 2009 and the government decided to start a pilot implementation in April 2010. This represents a significant improvement, as it provides price stability for innovative drugs. As a compensation for this new scheme, the government will attach a system that fosters the registration of "unapproved / off-label use drugs". Companies have received requests on developments of 181 unapproved / off-label use drugs and started forwarding those constructively. The government should evaluate the companies' efforts to eliminate the so-called drug lag in Japan and implement the new premium system for innovative drugs at the 2012 drug revision.

Furthermore, we urge to abolish the current rule of the re-pricing by market expansion, which is opposite to the policy to evaluate pharmaceutical innovation.

WP-B / # 15 / EJ to J **Regulatory transparency and review time by PMDA**

Increase the transparency of evaluation standards, / registration process and consistent consultations & and shorten review time for pharmaceuticals and medical devices by PMDA.

<Background>

Innovation can contribute to improved patient quality of life, reduction of social cost and robust industry growth. In order to precede with the proper evaluation and promote innovation, transparency of evaluation standards and evaluation processes should be guaranteed and improved by both governments. Adoption of health economics/ HTA and establishment of a National Data Base for medication/cost are essential for the improvement of transparency.

The increase of staff / personnel at PMDA in 2007, together with an increase of registration fee, is a welcomed move towards a reduction of review time. It is important to continue to monitor if this will be linked with a significant reduction of review time. Also, it is suggested that Japanese authorities make more extensive use of overseas data, as this would significantly reduce cost and time required to register products in Japan.

WP-B / # 16 / EJ to J Measures against counterfeit products

Private imports of medicines provide a channel for counterfeits, mostly in OTC non-reimbursed drugs.

Plant Protection and Biotechnology

WP-B / # 17 / EJ to J Support to research for plant protection & biotechnology

Support research in Plant Protection & Biotechnology

<Background>

Research and development of innovative and beneficial Plant Protection & Biotechnology products is key to ensure safe food supply but also to increase the efficiency and therefore, the competitiveness of the agricultural sector.

To support this undertaking the governments should increase its spending for the research in Plant Protection & Biotechnology.

WP-B / # 18 / EJ to J Efforts on increasing output of agriculture in Japan

Continue efforts towards increasing output production of Japanese agriculture

<Background>

Japanese self-sufficiency on a calorie requirement basis is today below 40% so that it can be reasonably expected that the food & feed commodity prices will increase over the mid-long term. In addition, growing global population will also continue to drive demand against increasingly limited supply.

To counter this negative development the Japanese government should reform and drive Japanese agriculture toward increasing output production, also by utilization of biotechnologies, such as GMO's.

Recommendations from European industry

Animal Health

WP-B / # 19 / E to EJ Regulatory harmonization for animal health products

Further harmonization and streamlining of regulatory requirements for product registration of animal health products

<Background>

While such global new veterinary medicinal products go already through rigorous review processes in Europe and the USA prior to registration, it requires substantial additional testing in Japan under the Pharmaceutical Affairs Law before an approval is granted. Regulatory requirements for an innovative veterinary medicinal product based on biotechnology are especially stringent in Japan, and therefore, a product which is readily available to veterinarians and animal owners in Europe cannot be used in Japan. Increased harmonization of regulatory requirements would certainly improve access of animals and animal owners to innovative animal health products.

An additional important aspect is the negative impact on animal welfare: since the regulatory requirements are not harmonized, the companies are required to repeat tests on animals in Japan, even though results of identical tests are already available and are fully compliant with stringent frameworks like GLP or VICH.

WP-B / # 20 / E to EJ Mutual recognition of GMP and marketing authorization for animal health products

Mutual recognition of European and Japanese marketing authorizations and recognition of GMP certification for veterinary products

<Background>

While the studies conducted under Good Laboratory Practice or Good Clinical Practice are usually accepted by the Japanese government for inclusion in the dossier, there is still no mutual recognition of Good Manufacturing Practice (GMP) for veterinary medicinal products. Moreover, any overseas production facilities that are involved in manufacture of veterinary medicinal products imported into Japan have to be accredited by MAFF even though their GMP status is authorized by European authorities. This process involves a large amount of administrative works.

In order to improve decreased speed, predictability and quality of the registration process in Japan, which were pointed out in the benchmark surveys conducted by the International Federation of Animal Health in 2007, several new steps were

taken by MAFF with some progress. However, there are still delays in review process of some product segments. An EU – Japan Economic Integration Agreement should aim for Mutual recognition of European and Japanese marketing authorization for veterinary products by starting off with mutual recognition of GMP certification of veterinary medicines. Harmonized regulations on animal vaccines should also be addressed under such an agreement.

WP-B / # 21 / E to E Responsible use of antibiotics in animal health

Promote the responsible use of antibiotics in animal health

<Background>

In common with the rest of the world, Europeans and Japanese are concerned by the development of resistance to antibiotic medicines used in human health and the potential threat that the use antibiotics in animal health will accelerate this process. The use of antibiotics as growth promoters has been prohibited in EU since 2006.

As a responsible industry, the animal health industry seeks to work with veterinarians, farmers and the feed industry to dispel the myths about the use of antibiotics in animals and promote their responsible use.

Healthcare

WP-B / # 22 / E to J Application of GMP on medicinal gases (manufacture of medicinal gases) in Japan

Harmonize with the EU the regulation for GMP on medicinal gases in Japan

<Background>

Medicinal gases are drugs or medicinal devices and have to be compliant with governmental regulations. Main regulations are national Pharmacopeia, GMP (Good Manufacturing Practices), and GDP (Good Delivery Practices).

Annex 6 describes GMP and GDP for medical gases: production and distribution.

The currently loose interpretation of GMP in Japan along with relatively low standards of Japanese Pharmacopeia suggest, that Japanese authorities will most likely propose a new regulations on Medical gases based on a more strict application of GMP so as to improve safety in this domain.

Further harmonization of GMP interpretation for medical gases with European Countries would be a good way to improve this situation and create a real differentiation between industrial and medical gases.

Animal Health

WP-B / # 23 / E to J Shortening review times for animal health products

Shorten review times for new product applications

<Background>

In Japan, marketing authorization of a veterinary medicinal product is granted by the Ministry of Agriculture, Forestry and Fisheries (MAFF). For an animal drug intended for use in food-producing animals, the Food Safety Commission (FSC) and the Ministry of Health, Labour and Welfare (MHLW) are also involved in establishing the acceptable daily intake and maximum residue limit, respectively. The review process, involving three different authorities, is rather complex and certainly has some room for efficiency improvement. Also, the review can take extremely long time to be completed, delaying so the access of animal owners and animals to innovative animal health products.

WP-B / # 24 / E to J Implementation of the Veterinary International Cooperation on Harmonization of Technical Requirement (VICH)

No dual standards

<Background>

VICH in its charter mandates that the VICH guidelines replace corresponding regional requirements once they are adopted. While global companies comply with VICH guidelines, JMAFF continues to maintain obsolete local guidelines for registration of domestic products creating dual standards. A substantial number of additional new studies have to be conducted in order to meet Japan's unique regulatory requirements.

Recommendations from Japanese industry

Foods

WP-B / # 25 / J to EJ Promote people's understanding of GMO's based on scientific knowledge by both the governments and the private sectors

To fulfil people's acceptance of GMO's, governments and private sectors should cooperate in educating people about the efficiency and safety of GMO's based on scientific knowledge, considering world food supply and demand prospects.

<Background>
Stable supply of food is an urgent requirement. In the mid and long term, while world population keeps growing, there is a limit to cover the supply only by enhancing conventional breeding on existing farmland. Considering this situation, the introduction and utilization of GMO should be regarded as an urgent matter. People's understanding is indispensible for market acceptance. Both governments and private sectors need to educate their people based on the scientific knowledge to eliminate these concerns.

Healthcare

WP-B / # 26 / J to E Shorten the approval time to register new micro-organism and introduce new technology for producing seasonings and amino acids

Shortening the approval time needed for registration of new materials and introduction of new technologies which aim for product expansion, cost reduction, environmental concerns or diversification of the fermentation material. Clarification of the approval process is also requested.

<Background>
The long term process for approving a set of safety evaluation such as the bacteria manufacturing process, test products and co-products, delays the enhancement of production and consequently, competitiveness in the EU market. The slow approval process makes companies hesitate to invest in the EU market. On the other hand, it also weakens the export competitiveness of EU companies. For information: US companies are introducing new technologies aggressively .

General Issues

WP-B / # 27 / J to J Formulation and steady implementation of action plans for realization of "Japan's New Growth Strategies"

Formulate concrete action plans for realization of "Japan's New Growth Strategies" focusing on LS & BT fields as well as a new strategy for promotion of R&D and faster applications in LS & BT.