

Update on IPI – International Procurement Instrument

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About MedTech Europe

The European trade association for the medical technology industry including diagnostics, medical devices and digital health.

OUR MEMBERS



130+ multinational corporations*

*medical devices, diagnostics and digital health



50+ medical technology associations

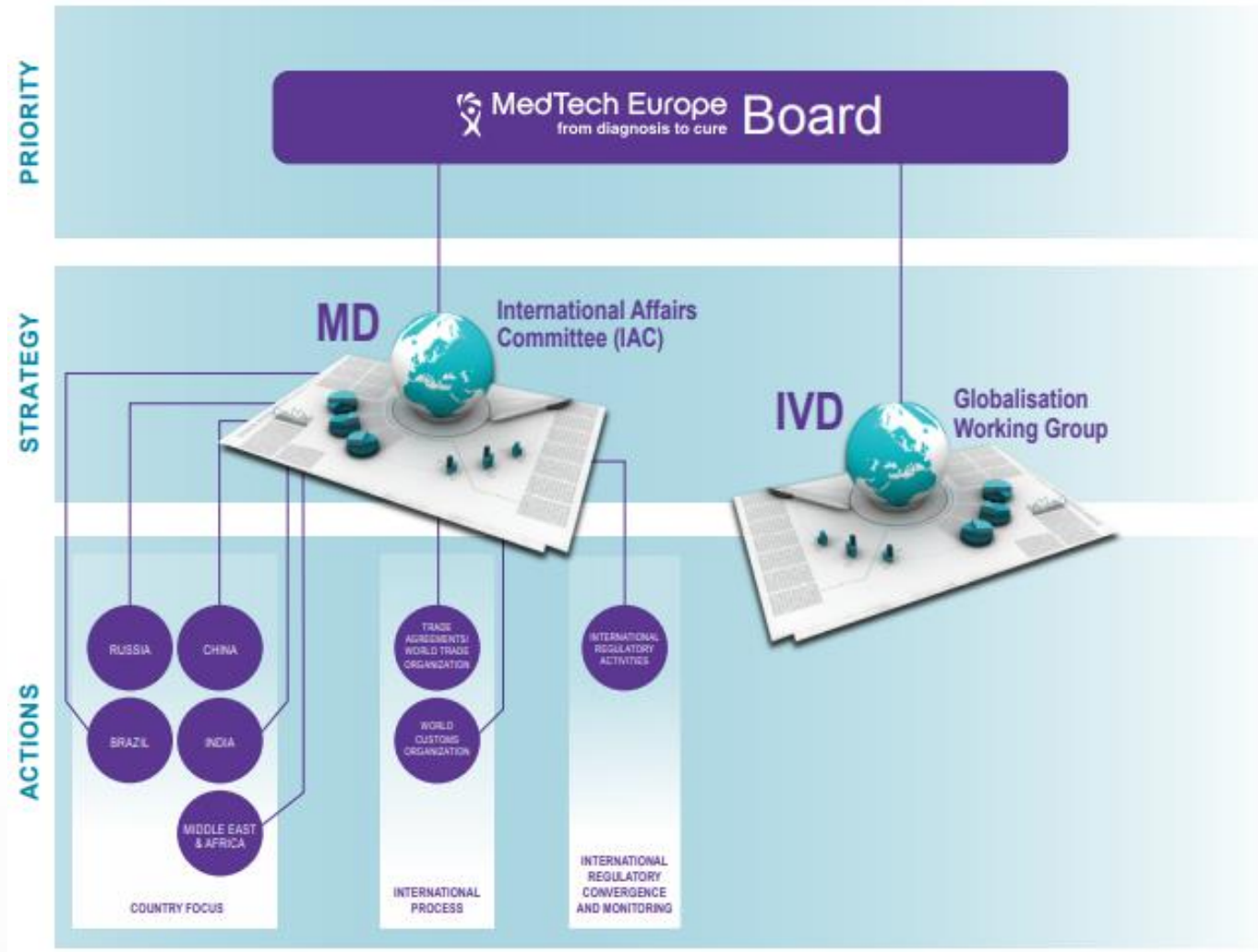


MedTech Europe organisation

Based in Brussels, Belgium with 45+ staff

- Digital Health
- Environmental Policy
- External Affairs
- ***International Affairs***
- Legal and Compliance
- Market Access and Economic Policy
- Market Data
- Regulatory and Industrial Policy
- Research and Innovation

MedTech Europe International Affairs department



Challenges in public procurement for medical technologies in non-EU/non-EEA regions

- Increasing push for national/regional programmes to gain self sufficiency in health matters
 - Accelerated by the COVID-19 pandemic
 - Especially in countries relying on imports of medical devices
- Public procurement used in some cases to achieve broader industrial policy objectives
 - Not (just) about lowering prices for local consumers, but (also) about supporting local producers
- Challenges include:
 - Localization incentives
 - Import substitution measures
 - Increase in local content requirements
 - Lack of transparency
 - National establishment
 - Etc.

On the other hand...

- In Europe, companies from other countries can bid for public tenders on an equal footing with European companies.
- The EU public procurement market is one of the largest and most accessible in the world... BUT... EU countries are among the most affected worldwide by discriminatory measures in public procurement
- Some statistics (2019):
 - EUR 2.4 trillion – EU procurement market, open to bidders from all around the world
 - EUR 8 trillion – worldwide procurement market, more than half is closed to European companies
 - EUR 10 billion – EU companies win only a tiny bit of the world's procurement market per year
- Restrictions affect competitive EU sectors such as the MedTech Industry

EU's actions to unlock public procurement opportunities

- At global level
 - The EU is part of the Agreement on Government Procurement (GPA) concluded in the World Trade Organisation (WTO) framework. It allows EU companies to bid for certain public contracts of the other WTO GPA partners. However, several countries with some of the world's largest public procurement markets, have not signed up.
- Bilaterally
 - The EU has agreements with countries across the world to ensure European companies better conditions when it comes to public procurement. E.g., Japan, Canada.

Ensuring more reciprocity – the International Procurement Instrument (IPI)

- IPI is a **tool to open up access to non-EU procurement markets** to European companies
 - To shift into offensive gear to ensure reciprocity and tackle protectionism;
 - To enforce the principle of balanced reciprocal market access for EU business to third countries' procurement markets.
- The original proposal dates back to 2012, then amended in 2016. Member States only reached an agreement on a negotiating mandate in June 2021. Then historical, informal agreement in trilogue negotiations on 14 March 2022.
 - The agreement reached between the Parliament and the Council negotiators now has to be approved by both institutions.

How would it work?

1. The EU initiates an investigation in case of alleged restrictive and/or discriminatory measures against EU companies in procurement markets of countries outside the EU.
2. The EU will invite the country concerned to start consultations to remedy the situation in case such an investigation would confirm restrictive or discriminatory measures or practices.
3. As a last resort, after consultation with EU Member States, the EU could apply measures restricting the access of companies, goods and services from the third country concerned to the European procurement market.

Key considerations

- Public procurement represents the main market for medical technologies in many countries.
- Strong push for import substitution policy and localization requirements, making access to markets outside of Europe more difficult to European products.
- Industry's long-lasting frustration for not being able to address the procurement issues.
- IPI's potential to improve the level playing field.

Thank you!

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