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<b>Title</b>	<i>European manufacturers urge Japan to agree on pricing policy.</i>

The European medical device industry is keen for Japan to agree with the Europeans and the USA on a pricing policy in the healthcare field. Eucomed, the European industry association, is urging Japan to reject foreign reference pricing for medical technologies.

Eucomed chairman Barry Wilson wrote to the Japanese Minister of Health, Labour and Welfare to express concern about Japan's plans to impose a system of foreign reference pricing on medical technologies and devices, as a means of reducing prices.

The Japanese Ministry wants to put this new system of price controls into effect on 1 April. European and US manufacturers fear it could cost them more than 500 million Euros. On 12 December the Japanese Ministry of Health, Labour and Welfare adopted the new measures for setting prices on pacemakers, stents, heart catheters and orthopaedic products, such as artificial knees and hips.

The new rules would give the Ministry the authority to cut payments for the products based on a sampling of prices for the same or similar products in foreign markets.

However, argues Eucomed, prices in Japan are higher than in other countries as a logical reflection of the higher cost of doing business.

Eucomed is working with the USA on this. In December 2001, members of the US Senate signed a letter to Prime Minister Koizumi asking Japan to abandon foreign reference pricing.

Eucomed is also looking for support from the European business community in Japan and from the European Commission.

The industry association has already expressed concern in the past about the Japanese reimbursement system for medical technologies. Eucomed believes that it discourages technological innovation.

The European manufacturers would also like to see a much quicker regulatory process.

Japan is one of the European medical technologies industry's largest overseas markets, second only to the USA.

The Japanese market is worth some 24 billion Euros. The overall value of exports of medical technologies from Europe to Japan in 2000 was 1.8 billion Euros, according to Eucomed. The association represents manufacturers and distributors in over 20 European countries, including all European Union members.