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- Nature restoration law: European Parliament adopts position for negotiations with the Council
- SME Performance Review Annual Report 2022/2023
- Pharma lobby group warns EU could lose edge with proposed law
- Chips Act: Council of the European Union gives its final approval
- News from Members

Nature restoration law: European Parliament adopts position for negotiations with the Council

The 12th of July, the European Parliament has adopted its position on the EU nature restoration law with 336 votes in favour and 300 against. A vote to reject the European Commission's proposal did not pass (312 votes to 324 and 12 abstentions). In this context, MEPs have underlined that restoring the ecosystem is key to combating climate change

and biodiversity loss, and reduces risks to food security. They further stressed that the draft law does not impose the creation of new protected areas in the EU, nor blocks new renewable energy infrastructure, adding a new article in order to underline that such installations are overwhelmingly in the public interest.



The EP put emphasis on the need for new law to contribute to reaching the EU's international commitments, in particular the UN Kunming-Montreal Global Biodiversity framework. MEPs have supported the Commission's proposal to put restoration measures in place by 2030 covering at least 20% of all land and sea areas in the EU.

It is understood that, the law shall only apply when the European Commission has provided data on the necessary conditions to guarantee long-term food security and when EU Member States have quantified the area that needs to be restored to reach the restoration targets for each habitat type. The Parliament has however assured that there was a possibility to postpone the targets under exceptional socioeconomic consequences. It is estimated that 80% of the ecosystems are in a bad state at the European level.

After the vote, **rapporteur César Luena**, **MEP** (**SD**, **SPAIN**), **declared**: "The Nature Restoration Law is an essential piece of the European Green Deal and follows the scientific consensus and recommendations to restore Europe's ecosystems. Farmers and fishers will benefit from it and it ensures a habitable earth for future generations. Our position adopted today sends a clear message. Now we must continue the good work, defend our ground during the negotiations with member states and reach an agreement before the end of this Parliament's mandate to pass the first regulation on nature restoration in the EU's history."

The unusually verbally aggressive nature of the debates that lead to the vote was the object of several articles and comments on both the written and the digital media. Well-known Belgian newspaper *Le Soir* observed that the result was a "defeat for democracy" as the intense

inter-party hostility that was manifested during the discussions might have created an animosity between the political families present within the EP. According to Le Soir, the "despicable" verbal exchanges and the "personal" defeat of the President of the European People's Party (EPP), could have a persistent negative impact on future debates within the EP.

European Parliament will now start negotiations with the Council on the final shape of the legislation.

You may find more information <u>here</u>.

SME Performance Review Annual Report 2022/2023

The 27th of June, the European Commission has released the 2022/2023 Annual Report on European SMEs. The latter is prepared on a yearly basis and provides a synopsis of the size, structure and importance of SMEs to the European economy. It is in fact one of the main tools the European Commission uses to monitor and assess countries' progress in implementing the SME strategy and the Small Business Act (SBA). With an emphasis on the priorities under the SME strategy and the SBA, the review brings comprehensive information on the performance of SMEs.

This year's report has highlighted several difficulties and their negative influence on

SMEs' health, such as the outcomes of the COVID-19 pandemic, the unprecedented economic uncertainty, the inflation, and the energy costs. The growth of SMEs is also deeply impacted by Russia's invasion of Ukraine according to the European Commission, as they have been directly, and indirectly, influenced by broader war-related developments.

Furthermore, at the same time as coping with extraordinary economic and social challenges during the last couple of years, SMEs have also had to prepare for the transition to a digital and sustainable economy.

The conclusion of this 2022/2023 Annual Report are therefore quite contrasted: "The situation for the EU SMEs is perilous and will remain so in the foreseeable future.



Inflationary pressure in the EU paints a challenging picture for the economic robustness of the EU's SMEs. While at first sight the value added figures for 2022 suggest that SMEs have returned to a healthy growth path despite the recent cascade of political and economic turmoil".

The negative development of the last year is however to be balanced according to the report, as SME employment has been increased by 2.4%. The latter indicates a rebound from the previous negative COVID-19 effect.

Against this background, Commission President Ursula von der Leyen has announced an SME Relief Package scheduled for adoption in September 2023. SMEs need a clear vision and policies with a special focus on competitiveness, fairness and relief to support their

development in the short and long-term. The relief package will aim to address SMEs' most critical challenges in four priority areas:

- Bringing down regulatory obstacles
- Speeding up payments
- Providing access to finance
- Making skilled workforce easier to hire, as the lack of skilled workers has been identified as a prime obstacle for SMEs.

Besides providing an EU-wide annual report, the European Commission has also released on the same day the *SME fact sheets* that present an assessment of the progress in the implementation of the SME Strategy and the Small Business Act at national level. The sheets focus on key performance indicators and national policy developments related to SME policy.

You may find the full annual report and the fact sheets here.

Pharma lobby group warns EU could lose edge with proposed law

The 21st of June, the news agency *REUTERS* has published an article reporting that **Europe's pharmaceutical sector could lose out to increased competition from emerging markets**, China and the U.S. in terms of research and innovation if a proposed European Union health package is not amended.

The EU Commission presented a proposal to overhaul a wide range of rules governing health and medicines in the 27-member bloc in April, but the move has met with backlash from the industry. Among the new measures, the **EU wants to reverse the decline of regional manufacturing**, avoid a repeat of the drug shortages caused by the COVID-19 pandemic, improve access to healthcare and affordable drugs, as well as putting an end to the parallel medicines market that takes advantage of price disparities between EU countries.



The European Federation of Pharmaceutical Industries and Associations (EFPIA) said in a statement that, while it supported the crackdown on the parallel market, the benefits of which is estimated to be worth over 6 billion euros, it views other parts of the package as damaging.

EFPIA's members include European pharmaceutical giants such as AstraZeneca, Pfizer, Novo Nordisk, Bayer and Sanofi. The industry group expects a 25% relative decline in research and

development and a drop in Europe's global share of clinical trials from 25% to 19% if the law is passed.

In a statement, EFPIA noted that "The proposed legislation does begin to evolve Europe's regulatory system, which has not been extensively modernised in the last twenty years and is increasingly slower than the United States."

"However, it significantly reduces European intellectual property (IP) rights while adding complex incentives for additional IP protection which in practice makes it impossible to achieve these incentives."

Brussels has proposed shortening from then to eight years the period of IP protections companies get before generics can enter the market.

You may find more information on this article here.

Chips Act: Council of the European Union gives its final approval

The 25th of July, the Council of the European Union has approved the regulation to **strengthen Europe's semiconductor ecosystem**, better known as the 'Chips Act'. This is the last step in the decision-making procedure.

The Chips Act aims to create the conditions for the development of a European industrial base in the field of semiconductors, attract investment, promote research and innovation and prepare Europe for any future chip supply crisis. The program should mobilise €43 billion in public and private investment (€3.3 billion from the EU budget), with the objective of doubling the EU's global



market share in semiconductors, from 10% now to at least 20% by 2030.

Speaking on behalf of the rotating Presidency of the Council, Héctor Gómez Hernández, Spanish Minister for Industry, Trade and Tourism stated: "With the Chips Act, Europe will be a frontrunner in the world semiconductors race. We can already see it in action: new production plants, new investments, new research projects. And in the long run, this will also contribute to the renaissance of our industry and the reduction of our foreign dependencies."

Following the Council of the European Union's approval of the European Parliament's position, the legislative act is now adopted. After being signed by the President of the European Parliament and the President of the Council, the regulation will be published in the Official Journal of the European Union and will enter into force on the third day following its publication.

The Council has also passed an amendment to the regulation establishing the joint undertakings under Horizon Europe, to allow the establishment of the chips joint undertaking, which builds upon and renames the existing key digital technologies joint undertaking. The amendment was approved by the Council following consultation with the Parliament. Both texts will be published in the Official Journal at the same time.

You may find more information on this article <u>here</u>.

News from Members

Socialist Deputies meet with liberal professionals from ANPL

The 13th of July, our Portuguese inter-professional member ANPL was received in the Portuguese Parliament by the Socialist Party (PS) MPs of the 1st Committee on Constitutional Affairs, Rights, Freedoms, and Guarantees. The party in question has currently the majority of seats within the Parliament of Portugal.

The MPs of the PS Parliamentary Group, Joana Sá Pereira and Pedro Anastácio, Coordinator



and Member of the Professional Orders Working Group respectively, received a delegation from the National Association of Liberal Professionals (ANPL).

The topics of the discussions included the Representation of Liberal Professionals in Portugal, the Statute of Liberal Professionals,

the Exercise of Liberal Professions in Europe, the World, Consumer Interests, and the Future of Liberal Professions were thoroughly discussed together.

During the meeting, the impact of mental health and financial anxiety, which particularly affect liberal professionals, was also highlighted.

The ANPL was represented by its **President Mr. Orlando Monteiro da Silva, as well as by** Messrs. Artur Miler, dentist, João Ascenso, lawyer and tax specialist, and Ms. Filipa Barbosa, clinical psychologist.

The ANPL will hold its 1st Liberal Professional Forum in Porto on the 23rd of September at the occasion of the World Day of Liberal Professions, at the Auditorium of the Almeida Garrett Municipal Library, in the Gardens of the Crystal Palace, in partnership with the Porto Municipal Council. The event will be free for liberal professionals. The provisional program is available for consultation, and registration is mandatory and subject to validation at https://anpl.pt/forum/.

You may find more information on this article <u>here</u>.