

## **BACKGROUND DOCUMENT**

**in support of the exchange between Commissioner for Internal Market, Thierry Breton, and the Members of the Oireachtas Joint Committee on European Union Affairs on EU industrial policy priorities, including vaccine production and digital transformation**  
20 April 2021

### **Industrial Policy**

The European Commission presented its new Industrial Strategy on 10 March 2020. This strategy encompassed three key priorities: (1) maintaining European industry's global competitiveness and a level-playing field, at home and globally, (2) making Europe climate-neutral by 2050 and (3) shaping Europe's digital future. It proposed a comprehensive set of actions, including an Intellectual Property Action Plan, an Action Plan on Critical Raw Materials, the establishment of a Clean Hydrogen Alliance, guidance on Green Public Procurement and a review of EU competition rules. In addition, it contained a dedicated Strategy for small and medium-sized enterprises (SMEs) and presented a new approach of analysing industrial ecosystems that encompass all actors along the value chain.

The COVID-19 pandemic has shaken the European economy at its core. To draw lessons from the crisis, the Commission announced an update to its Industrial Strategy. While the objectives and actions presented in the 2020 strategy remain relevant and their implementation is well on track, this update will present actions to strengthen the resilience of Europe's Single Market Economy, mitigate risks associated with strategic dependencies and accelerate the green and digital transition of the industrial ecosystems. The updated strategy will be presented on 26 April 2021.

### **Ramping up vaccine production in the European Union**

The European Commission announced on 17 February the establishment of the Task Force for the Industrial Scale-up of COVID-19 vaccine production under the leadership of Commissioner Thierry Breton. The Task Force aims to support the ramp-up of production capacity and address supply chain bottlenecks. This includes the following priorities:

- Transparency on the production and supply chain: To improve predictability in vaccine deliveries to Member States, it is crucial to have full transparency on the production capacity in the EU. Therefore, the Task Force maps production sites, conducts site visits and assesses the capacity of the sites. The Task Force also organises production review meetings with vaccine manufacturers and Member States. In addition, it tracks issues in the vaccines supply chain, including key ingredients (such as lipids for mRNA vaccines), production materials (such as single-use bioreactor bags and filters) and other equipment (such as syringes).
- Troubleshooting: As vaccine developers are ramping up production in an unprecedented way, the Task Force helps manufacturers resolve supply chain bottlenecks. The Task Force serves as a helpdesk, connects manufacturers and suppliers and finds concrete solutions. For example, the Task Force has been able to resolve a shortfall of filters for multiple vaccine production sites, thereby avoiding significant delays in vaccine production. Moreover, the

Task Force engages with global partners, such as the United States, to address international supply chain issues.

- Matchmaking & fostering partnerships: There is ample production and supply chain capacity available in Europe, but we must make better use of it. The Task Force consulted Member States, industrial clusters and bioregions on their unused production capacity. Subsequently, it organised a matchmaking event to bring vaccine developers, manufacturing organisations, suppliers and distributors together and foster new partnerships. The event on 29 and 31 March 2021 comprised almost 300 companies from 26 EU Member States, including several suppliers from Ireland.
- New production capacity: The establishment of new production capacity is a long-term endeavour, as it can take more than 9 months to establish new production lines for key materials (e.g. disposables) and more than 2 years to establish new active substance production. The Task Force is closely monitoring opportunities across the EU.
- Prepare for variants and future health emergencies: The “HERA Incubator” is the Commission’s bio-defence plan against COVID-19 variants. It will serve, in the long term, as a pilot for Europe’s Health Emergency Preparedness and Response Authority (HERA). The Task Force is preparing the industrial dimension of the HERA Incubator, including the launch of EU FAB, a network of ‘ever-warm’ production facilities, preferably multi-user and multi-technology.

Since January, EU vaccine deliveries have doubled every month. The expansion of production capacity has allowed the EU to accelerate the delivery of 50 million doses of BioNTech/Pfizer (almost 545.000 doses for Ireland), which will be delivered in Q2 instead of Q4. This will bring vaccine deliveries to EU Member States in Q2 to 250 million doses from BioNTech/Pfizer, 35 million doses from Moderna, 70 million doses from AstraZeneca and 55 million doses from Janssen. In addition, European factories are producing for the world. By the end of the year, the EU is expected to have an annual production capacity in the EU of over 3 billion doses.

### **Digital Decade: the vision for Europe’s digital transformation by 2030**

The Commission’s Communication “2030 Digital Compass: the European Way for the Digital Decade” presents the vision for Europe’s digital transformation by 2030. This vision is based on digital leadership and technological excellence in Europe and abroad, while empowering all EU citizens and businesses to access and use the infrastructures, technology and data they need. The Communication presents four priorities: (i) digital skills, (ii) secure, resilient and sustainable digital infrastructures, (iii) digital transformation of businesses, and (iv) digitalisation of public services. Targets and key milestones for each priority will lay the foundation for policy programmes to operationalise the Digital Compass.

### **Digital Services Act Package**

Under the umbrella of Digital Services Act package, the Commission presented on 15 December 2020 two initiatives to reorganise our digital space in Europe: a Regulation on contestable and fair markets in the digital sector (Digital Markets Act) and a Regulation on a Single Market For Digital Services (Digital Services Act). The package aims to update and modernise the European

regulatory framework for the digital transformation in the Digital Decade and shows that Europe leads the way on digital agenda, setting up global standards.

The Digital Markets Act seeks to restore and ensure contestability in digital markets and address particularly problematic practices by large digital gatekeepers. This ex ante regulation is based on the principles of internal market harmonisation and complements competition enforcement. It focuses on large online platforms that engage in pre-identified unfair practices against businesses and consumers. In this regard, it provides for swift solutions of the current situation via obligations for gatekeeper platforms. Furthermore, the Digital Markets Act aims to provide for a framework that will be stable over next decades, among others via future proof definition of the gatekeeper platforms and unfair practices covered by its scope.

On the other hand, central to the ambition of the Digital Services Act is ensuring a borderless, strong and deep Single Market that will foster growth of European companies, and where citizens have genuine choice and control over the content that they share and receive online. This proposal keeps the fundamentals of the ecommerce directive and adds a modern framework for digital services addressing the challenges posed by their use for the whole society as well as for individual consumers. To put this in action, the proposal foresees a sophisticated and effective enforcement structure relying on the authorities in the country of origin but with greater involvement of the authorities of the countries where service providers offer their services and of the Commission, in particular for very large platforms.

## **Oireachtas Joint Committee on European Union Affairs**

### **Brief opening statement by Commissioner Breton**

(5 minutes)

*EU industrial policy priorities,  
including vaccine production and digital transformation*

**20 April 2021**

Honourable Members of Dáil Éireann,  
Honourable Members of Seanad Éireann,

- This is a timely exchange, ahead of the industrial strategy update that the Commission will present next week, which will support the triple transition to make our industry more green, digital and resilient.
- I will not go into detail now. But let me touch upon one area that clearly illustrates the importance of resilience: our vaccine production strategy.
- We face today a historical challenge: to vaccinate Europe and the world in record time. We overcame the scientific challenge by developing vaccines. The challenge is now an industrial one: to produce them.
- No country can do this alone. Therefore, I am convinced that European solidarity is the only way to avoid vaccine nationalism.
- The industrial ramp-up is a reality. Since January, EU vaccine deliveries have doubled every month.

- In addition, our factories are producing for the world. The reason is clear: it is in our collective interest to avoid the development of variants elsewhere. This task is today on the shoulders of the EU.
- By the end of the year, we will have an annual production capacity in the EU of over 3 billion doses.
- The challenge now for Member States is to scale up vaccination campaigns and to fight vaccine hesitancy.
- And the work does not stop here. We need to prepare for the emergence of COVID variants. As part of the so-called “Hera Incubator”, the Commission is negotiating with Pfizer-BioNTech for 1.8 billion supplementary doses until 2023.

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- I would like to end my introduction with a few words on digital matters, which are of particular relevance to Ireland.
- The Commission recently presented the Digital Decade, which will serve as a compass to guide us in four key areas: skills, infrastructure, business and public services.
- We are acting on two dimensions: the modernisation of our regulatory framework, and the support to digital sovereignty.
- On the regulatory framework, the Commission has proposed several major legislations on Data and platforms. I would just mention the Digital Services Act and the Digital Markets Act.

- The second dimension is about reducing Europe's strategic dependencies in key infrastructure and technologies. We are working on four fronts:
  - Connectivity with 5G and 6G but also a connectivity space-based project.
  - Microelectronics: we want to be able to design and produce in the EU the most powerful and resource-efficient processors.
  - Cloud: we must develop European alternatives to hyper-scalers to store and process the most sensitive data.
  - High performance computers: our ambition is to acquire 3 supercomputers in the top-5 globally.

Honourable Members,

- Whether it is on vaccine production or on digital transformation, we must aim to make Europe stronger. Through the European recovery plan – the ground-breaking and largest stimulus package ever – we now have the means for this ambition. But Member States must seize this opportunity.
- Thank you. I look forward to the discussion.