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Subject: Flash Report: European Risk Forum meeting on regulation, innovation and new technologies

On 20 June, I participated at a European Risk Forum meeting on Regulation, Innovation and New Technologies. Around 35 participants from industry associations (Cefic/chemicals, Fuels Europe, Plastics Europe, EuropaBio, Food & Drink Europe, Toy Industries of Europe, EFPIA/pharmaceuticals, IFAH/animal health products, VCI/German chemicals industry, BDI/German industry) and individual companies (e.g. BASF, Unilever, Bayer, Covestro, Henkel).

The Maltese Presidency presented the Council work on making regulations more future-proof and innovation-friendly. Some takeaways from that:

- Importance of supportive local regulations for the national/regional innovation ecosystem.
- In most MS, there are few linkages between ministries in charge of research and innovation and ministries in charge of better regulation.
- Many MS have some ad hoc experience in considering innovation impact in evaluations or simplification, but few MS have embedded innovation-friendly regulation in policy-making.
- Need for building trust-based relationships and move from consultation to collaborative action.

I presented the Commission's industrial policy approach and the role of innovation-friendly regulation on EU, national and regional level in that context. In terms of what is missing in the Commission's industrial policy approach, the only concrete response was that the overall narrative is not visible enough. The people/skills dimension was highly appreciated. A chemical company mentioned negative effects of REACH on recyclability/circular economy. One industry representative highlighted the constraints in competition rules for cooperation between companies.

There was a quite interesting contribution from the International Risk Governance Council about adaptive regulation that allows to incorporate learning into the life of a regulatory standard by collecting data, feedback to the regulator and periodic review. The European Medicines Agency was mentioned as example of adaptive licensing and the Lautenberg Chemical Safety Act adopted in the US in 2016. The representative of the International Risk Governance Council also drew the attention to cybersecurity risks in IoT connected health devices.

There were a couple of sector-specific examples presented by industry representatives:

- In biotech there are strong regulatory barriers to innovation, mainly due to public mistrust in GMO products. The potential of plant breeding for SMEs was also referred to.
- In nanotech, the technology-neutral regulatory framework allows for sufficient flexibility to foster innovation. The challenge is rather the implementation. German chemicals industry engaged with regulators and other stakeholders (trade unions, NGOs) to provide guidance (e.g. health and safety at workplace).
- In the food industry, the revised Novel Foods Regulation should stimulate innovation while ensuring product safety with a more efficient authorisation process.
- In the pharma industry, the regulatory framework is considered burdensome, but well-respected and adaptive. Importance of global standards was highlighted to reduce burden of multiple authorisation processes. The industry representative suggested that IPR rules and price regulation should take dynamic efficiency into account.



European Commission

DG Internal Market, Industry, Entrepreneurship and SMEs (GROWTH)
Innovation Policy and Investment for Growth – F1

