



Statement by EVP Margrethe Vestager on the European Commission's communication "Building the future with nature: Boosting Biotechnology and Biomanufacturing in the EU"

Brussels, 20 March 2024

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Today, we present a communication on boosting biotechnology and biomanufacturing in the EU.

Everywhere across Europe, we are faced with the same problems. Climate change affects us all. Resource scarcity affects us all. Inequality in health treatments affects us all - with rare diseases that still can't find any cure.

To many of these problems, biotechnology provides solutions. These days, we are witnessing nothing less than a small revolution in the area of biotechnologies.

Let me give you a few examples.

- In health, biotechnology is what could bring treatments to diseases we thought incurable. Recently, I had the pleasure to visit a company in Ghent called Argenx. It is using antibody-cells from llamas to treat autoimmune diseases, that had no solution so far.
- Top innovators are working on new materials that look and work like plastic, except they're made of organic by-products. And fully biodegradable. Imagine what a full-scale deployment of such technology could mean – potentially solve the crisis we have with plastic pollution.
- Across Europe, biotech businesses are also using natural processes to produce colour pigments, to replace chemical colouring agents. It would help to decrease the colossal use of water from the textile sector. And avoid that toxic residues end-up in our waterways.

But that's not all.

With this potential to solve some of our most pressing problems, biotechnology also largely supports Europe's economy, and high-quality jobs. Already in 2018, it contributed directly 31 billion euros of EU GDP, and created over 210,000 direct jobs in healthcare, industry, and agriculture. Being one of the fastest growing innovative industries in Europe, these figures will rise further.

Last but not least, biotech also strengthens Europe's path towards independence of fossil fuels. Biogas, for instance, is already replacing fossil fuels in many applications across the world – to heat places, or to generate electricity.

So one thing comes clear: the potential of this sector in Europe is simply huge. And it is made by a diversity of different players. Small rising start-ups, mid-size businesses with an already international footprint, all the way to well-established worldwide leaders.

Whether big or small, those players are faced with the same barriers that affect European innovation generally:

- A difficulty of getting from research to placing products on the market, despite the excellent level of European researchers,
- A limited access to finance, despite very high ambitions, and because of that a need for finance,
- Too much complexity in regulation, and too long approval times.

European biotech businesses may be affected differently by those barriers to growth, depending on their size, or their specific sector. But in one way or another, they all need active support to overcome the barriers.

That's what we aim to do with this Communication.

We want to leverage Europe's clear scientific edge in biotech, and turn it into commercial success. While providing solutions to the pressing problems that we are faced with.

Whether that means allowing small players to scale-up. Or enabling global leaders to do even better.

We want to make Europe a world biotech leader.

To get there, we identified three priorities: awareness, financing, and regulation.

First – we must increase awareness. Both outside and inside the biotech sector.

On the one hand, many are not aware of the huge benefits of biotech, and biomanufacturing. And if you don't know what this industry does, it is easy to grow sceptical about it. But cheese, beer, and wine – they were all the very first products of biotechnology, some 6000 years ago!

On the other hand, biotech businesses themselves, are not enough aware of the support tools they have at hand, to develop their activities. One example regards artificial intelligence.

AI could hugely help businesses to streamline, and scale-up their operations.

That's why we will give biotech firms access to our network of supercomputers – an idea that we launched a few weeks ago with our Innovation Package. And we know it works. In 2023, Candour Oy, a Finnish start-up company that does online identity proofing, has taken a giant leap towards internationalisation, and reduced its time-to-market, by gaining access to LUMI, one of Europe's supercomputers.

Second – we must facilitate access to financing.

In biotech as in many other innovative sectors, Europe cannot remain only a fantastic cradle of ideas for the rest of the world. What is born here, should have the opportunity to grow here. For this, we must facilitate biotech and biomanufacturing businesses' access to Europe's venture capital.

We will advocate for the inclusion of biotech and biomanufacturing into the European Innovation Council accelerator. In addition, biotech is one of the sectors identified as critical technology under the Strategic Technologies for Europe Platform. This gives them fast access to EU budgetary support tools. It also allows them to get a full picture of all funding opportunities they can access.

Third - and this is also a question of competitiveness - we must simplify the regulatory environment, and speed-up the application of regulation.

Lets' take biorefineries, for instance. They have to go through very lengthy permitting and authorisation procedures, before they can become operational. This means building permit, environmental authorisation, industrial risk analysis and so on.

This is a critical point for Europe's overall attractiveness. Europe will not be attractive to businesses worldwide, if permitting and other administrative procedures take much longer than in other parts of the world.

Thanks to the Net-Zero Industry Act, biotech businesses can benefit from streamlined administrative and permit-granting procedures. We will also establish an EU Biotech Hub by end of the year. It will enable biotech firms to better understand existing regulation, and use it better, in order to use it faster.

But we must do more. We need simplification, faster approvals and faster road to market.

This year, we will study the best mechanisms to achieve this, including targeted simplifications to the regulatory framework. So as to eventually propose what could become an EU Biotech Act.

One final note before I leave the floor to questions.

We've seen it: biotech has tremendous potential. To transform health care, to feed the world, to solve climate change, to boost jobs and prosperity with biomanufacturing.

But as every technology, it also comes with risks. Mainly due to its possible dual use. Biomanufacturing can be used to synthetically manufacture new molecules. These new molecules can have basic civilian uses, to produce sustainable pest repellents for instance. They can also be used in the military to produce new fuels for missiles.

That is why biotechnology was identified as one of the ten critical technology areas for European economic security. It is currently subject to an ongoing assessment of the risks to technology security, and technology leakage. Based on this work, the Commission and Member States will take risk mitigation measures in order to unleash the full potential of the technology.

We want to reap the full benefits of biotech in the best way for Europe, but also globally. For this, we will intensify our strong cooperation with the broadest possible range of like-minded partners, such as the US, India, Japan or South Korea.

This is already happening with our US partners as part of the EU-US Trade and Technology Council, as well as the EU-US Science & Technology Agreement - which we just extended to another five years.

Under these workstreams, we are exploring opportunities to cooperate, using biotech and biomanufacturing to fight climate change, to protect biodiversity or improve health. We will step-up increase our international cooperation in the future.

Because if we leverage our leadership edge in biotech, we gain more than just an opportunity to increase social and economic welfare. We gain a chance to shape the world the way we want to see it shaped.

Biotech and biomanufacturing can help us create a better tomorrow. The time is now to unleash this potential.

Thank you.

STATEMENT/24/1610