



COVID-19 KEY EU DEVELOPMENTS POLICY & REGULATORY UPDATE

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This regular alert covers key regulatory EU developments related to the COVID-19 situation. It does not purport to provide an exhaustive overview of developments and contains no analysis or opinion.

LATEST KEY DEVELOPMENTS

Competition & State Aid

- EU approves new and amended Member State measures to support the economy

Trade / Export Controls

- Commission publishes second report on impact of coronavirus on EU trade
- Trade negotiations with Australia continue amidst pandemic
- New WTO Report on impact of coronavirus on services trade
- INTA meeting discusses EU trade policy in the recovery period
- Letters to Commission President addressing EU trade policy during COVID-19 crisis

Medicines, Medical Devices, and Personal Protective Equipment

- European Commission launches public consultation on *“Roadmap on timely patient access to affordable medicines”*

Cybersecurity, Privacy & Data Protection

- *No noteworthy developments for this issue*

COMPETITION & STATE AID

State Aid

EU approves new and amended Member State measures to support the economy (see [here](#))

Since the onset of the coronavirus outbreak, the European Commission has adopted a significant number of State aid measures under Article 107(2)b, Article 107(3)b and under the Temporary Framework.

The most recent measures adopted to support the economy and companies affected by coronavirus outbreak include:

- €97 million Danish scheme to compensate travel operators for damages caused by cancellations due to coronavirus outbreak
- €120 million Finnish scheme to compensate companies in the restaurant industry for damages caused by coronavirus outbreak
- €12 million Italian scheme to support companies active in the agricultural sector affected by coronavirus outbreak
- €4 million Estonian rent compensation scheme to support businesses affected by coronavirus outbreak
- €800,000 Latvian scheme to support tour operators in the context of coronavirus outbreak
- €260 million for two Luxembourg aid schemes to support certain companies affected by the COVID-19 pandemic.
- €184 million Czech rent compensation scheme to support businesses affected by the coronavirus outbreak
- €250 million Irish scheme to support micro and small companies affected by coronavirus outbreak in restarting their activities
- €200 million Irish scheme to support research and development, testing and production of coronavirus-relevant products
- €36.3 million Czech scheme to support SMEs in the primary agricultural sector affected by coronavirus outbreak
- €5 billion French “umbrella” scheme to support research, development, testing infrastructures and production of coronavirus relevant products

TRADE / EXPORT CONTROL

Commission publishes second report on impact of coronavirus on EU trade (see [here](#))

The EU Commission published an updated analysis of the likely trade effects resulting from the fall in economic activity following the COVID-19 outbreak. The Report estimates a decrease in global trade of 10-16% for 2020. For the EU's 27 Member States, the forecasted decline is between 9%-15% for extra-EU exports and 11%-14% for extra-EU imports (goods and services combined).

Trade negotiations with Australia continue amidst

The seventh round of negotiations for an EU-Australia trade agreement took place online from 4 to 15 May 2020, showing a commitment by both sides to progress in the negotiations, despite the current difficult context. Discussions covered a number of issues, such as dispute settlement, customs and trade

<p>pandemic (see here)</p>	<p>facilitation, competition, services and investment. The discussions also reaffirmed a shared commitment to rules-based trade, as well as fostering the recovery of both economies from the global pandemic.</p>
<p>New WTO Report on impact of coronavirus on services trade (see here)</p>	<p>The WTO has published a new information note examining how the COVID-19 pandemic has affected trade in services. Some key conclusions of the report:</p> <ul style="list-style-type: none"> • Services sectors such as tourism, transport and distribution have been seriously disrupted by the pandemic and the measures imposed to combat it. Such disruptions are having a broad economic and trade impact. • The type and extent of effects on trade in services vary by sector and mode of supply. Trade in services that involves proximity between suppliers and consumers has been severely impeded. Largely paralyzed are GATS mode 2 (i.e., supply in context of movement of consumers abroad) and GATS mode 4 (involving temporary movement of natural persons). • Greater reliance on online services, due to the crisis, has arisen in various sectors, such as retail, health, education, telecommunications and audiovisual services. Suppliers are boosting efforts to expand online operations, and consumers are adopting new habits that may contribute to a long-term shift towards online services. In the future, increased supply of services through digital networks could increase trade through GATS? mode 1 (cross-border supply).
<p>INTA meeting discusses EU trade policy in the recovery period (see here)</p>	<p>The European Parliament’s Committee on International Trade (INTA) held a meeting on 28 May 2020 to discuss a range of topics with EU Trade Commissioner Hogan, including <i>“the beefing up of the EU’s trade toolbox to ensure a level playing field in the recovery period as well as the diversification, resilience and sustainability of supply chains.”</i></p>
<p>Letters to Commission President addressing EU trade policy during COVID-19 crisis (see here and here)</p>	<p>In an open letter to Commission President Ursula von der Leyen, several former high-ranking Commission officials (including former Trade Director-General Peter Carl) shared their views on how the EU should approach trade policy during the period of recovery from the coronavirus crisis. The letter expresses concern that the EU’s trade defence instruments are slower and less powerful than those of its trading partners, placing EU companies at a competitive disadvantage in the current crisis. Accordingly, the letter advocates stronger trade defence action by the EU, including by shortening anti-dumping and anti-subsidy procedures and adopting more safeguard measures.</p> <p>The letter also asserts that the medical sector should be treated as akin to defence, with a large part of production to be carried out at home or in the economies of close allies.</p> <p>In response, two other former Commission officials, Jean-Luc Demarty and David O’Sullivan wrote their own letter, disagreeing that the widespread use of trade defence will help the EU out of the crisis. Instead, they point to other solutions, such as stockpiling or encouraging greater diversification of supply, to build resilience and address concerns about excessive dependence on imports of crucial products.</p>

MEDICINES, MEDICAL DEVICES, AND PERSONAL PROTECTIVE EQUIPMENT

European Commission launches public consultation on “Roadmap on timely patient access to affordable medicines” (see [here](#))

On 2 June 2020, the European Commission launched a public consultation on the Roadmap on “*Timely patient access to affordable medicines*”. Stakeholders and citizens are invited to comment on this first initiative undertaken in view of the anticipated adoption of the Pharmaceutical Strategy for Europe (“Strategy”) by end-2020.

The Roadmap will encompass lessons learned from COVID-19 on how the EU can better prepare for future pandemics.

The Roadmap lays out specific issues that the Commission seeks to address in the forthcoming Strategy, including access, affordability and shortages of medicines, environmental risks related to the manufacturing, use and disposal of medicinal products, and barriers to research and technological/scientific development.

The Strategy will be implemented through legislative and non-legislative actions. These could include a review of orphan and pediatric medicines regulations and a targeted evaluation and review of basic pharmaceutical legislation.

The consultation is open for comments until 7 July 2020.

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