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A Critical Medicines Act to secure Europe's pharmaceutical independence

The 13th of December, the European Economic and Social Committee (EESC) warned that the EU's overreliance on imports of active pharmaceutical ingredients and finished medicines from Asia poses threats to the health and well-being of EU citizens. The EESC therefore proposed a **Critical Medicines Act**.

The European Union faces a growing challenge in securing its supply of essential pharmaceuticals, with the majority of its active pharmaceutical ingredients (APIs) and finished medicines currently imported from Asia, with China being the single largest supplier. This reliance on external suppliers has raised concerns about the EU's resilience to supply chain disruptions, price volatility and potential geopolitical risks.



To address these concerns, the EESC recommends that the EU take a number of steps to strengthen its domestic pharmaceutical production capacity. These include:

- **Establishing a new EU mechanism to support the production of APIs and finished medicines in Europe.** The proposed Critical Medicines Act is envisioned as a comprehensive EU mechanism, presented in the form of a regulation, to actively support the production of APIs and finished medicines within the European Union. This mechanism would provide funding for research and development, infrastructure development and operating costs.
- **Encouraging the development of innovative production technologies.** This could involve investment in research and development, collaboration with academia and industry and the adoption of cutting-edge manufacturing practices.
- **Promoting the use of APIs and finished medicines produced in Europe.** Public procurement policies, subsidies and other incentives should be implemented to encourage the use of APIs and finished medicines produced in Europe.
- **Adopting fair pricing mechanisms for APIs and finished medicines to ensure that patients have access to affordable healthcare.** This could involve measures such as price controls, competitive bidding processes and the promotion of generic medicines.

The implementation of these recommendations will require significant investment and cooperation between EU Member States. The EESC is calling on the European Commission to take the lead in coordinating this effort and to develop a comprehensive strategy that can protect Europe's health security, promote economic prosperity and ensure the affordability of medicines for EU citizens.

For further information about this article, click [here](#).

European Commission opens access to EU supercomputers to speed up Artificial Intelligence development

The 16th of November, the European Commission and the European High-Performance Computing Joint Undertaking (EuroHPC JU) committed to open and widen access to the EU's world-class supercomputing resources for European artificial intelligence start-ups, SMEs and the broader AI community as part of the EU AI Start-Up Initiative. To support the further development and scalability of AI models, access to world-class supercomputers that accelerate AI training and testing is crucial, since it is going to reduce training time from months or years to a matter of weeks.



The statement was made in the context of the fourth AI Alliance Assembly in Madrid and follows an announcement by **President von der Leyen** in her 2023 State of the Union address. European AI and high-performance computing (HPC) actors will

closely cooperate to drive breakthrough innovation and enhance the competitiveness of the European AI industrial ecosystem. This will accelerate the development of AI and position the European Union as a global competitive leader.

The European Union is currently at the forefront of supercomputing worldwide. Three of the EU's supercomputers are world-class - LEONARDO, LUMI and MareNostrum5 - owing to the efforts of the EuroHPC JU. **With the forthcoming extension of EuroHPC JU's capabilities, European supercomputing resources will play a pivotal role in the creation and training of extensive foundational AI models.**

Next Steps

Participating States of the EuroHPC Joint Undertaking, with the support of the Commission, will accelerate research, development, demonstration, and deployment efforts related to the European supercomputing infrastructure. This commitment aims to contribute to the Union's overarching goal of establishing a global AI ecosystem that is trustworthy, responsible and sustainable. As such, this will mean:

- **Launch of the *Large AI grand challenge*:** this competition is a collaboration led by the EU funded project AI-BOOST, with access to the European Supercomputers being facilitated by the EuroHPC JU. It encourages the wide participation from European start-ups with experience in large-scale AI models. The challenge will select up to four promising European AI start-ups that will be given access to EuroHPC supercomputing facilities to foster the development of large-scale AI models in Europe and a € 1 million prize will be distributed among the winners.
- **Opening up European supercomputer capacity:** access will be established for ethical and responsible AI start-ups, enabling them to efficiently train their models using European supercomputers.

- **Enhanced activities and services:** the EuroHPC JU will advance activities and services powered by High-Performance Computing to foster trustworthy AI in Europe. These efforts will aim to facilitate increased accessibility for AI communities and promote the optimal and efficient use of High-Performance Computing (HPC) technologies for scientific and industrial innovation.

Background

In the 2023 State of the Union address, **President von der Leyen** called for the need to capitalise on Europe's lead in supercomputing. She therefore announced a new initiative to open up Europe's high-performance computers to AI start-ups to train their models, thus boosting innovation in AI.

For further information about this article, click [here](#).

CEPLIS is a partner of a new European Project: SP4SE

CEPLIS is involved in a new EU funded project on **social protection**. The project aims at **strengthening social dialogue at sectoral level by building the capacity of national social partners, in order to tackle the need of self-employed professionals to be covered by an**



adequate social protection. It aims at **giving social partners the tools to contribute to the design of social protection reforms, and to autonomously set up and manage social protection schemes, in line with Council Recommendation 2019/387.** The proposal will first investigate existing social protection schemes for the professional self-employed and especially the changes introduced since the pandemic. The aim is to better understand which are the actors engaged in each scheme, which are the beneficiaries, which are the governance models and

where the funding comes from. The purpose is to strengthen the capacity of national sectoral social partners and promote their role in ensuring an adequate social protection for the professional self-employed. Given its nature, agreeing on a common definition of self-employment is a demanding task. At the same time, social protection includes different profiles of social assistance and social security, with extensive variations among countries. In brief, this social dialogue proposal entails a real understanding of both demand and supply of social protection for the self-employed. But also, more concretely, wishes to give the right tools to close existing social protection gaps.

The 28th of September CEPLIS, represented by our Jr. Policy advisor Alexandre De Blauwe, was present at the opening meeting. Together with the Malta Federation of Professional Associations; Equal Ireland Education Research and Related Services Co. Ltd; the National

Union of Liberal Professions, from France; Eurocadres and the Union of Belgian Liberal and Intellectual Professions.

Confprofessioni, the project's leading partner, coordinated online the steering committee meeting of the SP4SE project the 9th of this January. The main objectives were sharing information on the implementation of the project, and particularly on the comparative research, planning next activities, and particularly the consultation phase, as well as discussing on reporting obligations.

For further information on the Project, click [here](#).

News from our members:

Nicola Testa elected as new CoLAP President

On the 9th of November, Coordinamento Libere Associazioni Professionali (CoLAP) announced that **Mr. Nicola Testa is the new President of the organization. A new Board of Directors was also elected.**



Mr. Nicola Testa, President of CoLAP

Its members are: Alberino Battagliola, Riccardo Campagna, Luca Castrichella, Elena Cavallo, Marco Deriu, Paolo di Iorio, Maria Cristina Falaschi, Bruna la Sorda, Alessandra Millevolte, Giuseppe Montanini, Mauro Orazi, Luigi Pessina, Marco Ricci, Carmine Russo and Stefania Sinigaglia.

"CoLAP is a serious matter. It is a set of ideas that we must know how to keep together, of unknowns to face day by day and, in our case, with an aggravating circumstance, the fact that different professions must know how to live together and share a project, an aggravating factor that is at the same time a wealth to be exploited to enforce our proposals.", declared the new President... A truth for all inter-professional bodies.

For further information about this article, click [here](#).

Portuguese ANPL voices concern over new IRS Withholding Model for Freelancers

The Portuguese Association of Liberal Professionals (ANPL) voiced concerns over the recent proposal in Budget regarding tax retention for freelancers. The association opposes uniform measures that transpose employee models onto freelance professionals without recognizing the unique characteristics of liberal professions.

During a meeting on October 20, 2022, with the then Secretary of State for Tax Affairs, António Mendonça Mendes, ANPL had the opportunity to express its views on the adjustment of

withholding tax rates for service providers, as presented in Proposal Law No. 109/XV/2nd (GOV) (pdf).

The application of a fixed withholding tax rate to the income of liberal professionals—typically 25% for most service providers and 11.5% for scientific or artistic activities—raises concerns of injustice. Lower-income professionals may end up withholding significantly more tax than necessary, while higher-income professionals withhold less, leading to constant concerns about covering the tax bill upon settlement.



Mr. João Ascenso, ANPL Board Member and tax law expert

João Ascenso, ANPL Board Member and tax law expert, stated, "ANPL welcomes the application of a variable withholding tax rate, allowing lower-income freelancers to have a higher net income. Simultaneously, higher rates for higher-earning professionals would enable better control of the final tax amounts owed to the State, aligning the net income of higher earners more closely with their actual income."

However, Ascenso pointed out some serious issues with the proposal in question. Firstly, it is not a final proposal but an **indication that the Tax Authority needs to adapt its computer systems to apply the withholding tax model of dependent workers to freelancers**. This is not a legislative change that would implement this regime from the next year but a system adjustment, requiring a subsequent legislative change.

Secondly, concerns arise about the proposal **allowing companies and individuals hiring freelancers to know the annual income of the service provider through this system**. This information may compromise the negotiating position of freelancers, especially those with lower incomes, potentially leading to contract renegotiations at lower rates, taking advantage of their possible economic vulnerability.

ANPL supports the principle of **variable withholding tax rates** but would prefer freelancers to have more autonomy and freedom to choose the applicable rate. The association suggests **allowing freelancers to make optional advance payments**, which is currently impossible.



Mr. Orlando Monteiro da Silva, President of ANPL

Ensuring fairness and avoiding major inequalities between employees and freelancers is crucial. However, ANPL emphasizes the need to recognize the specificities of liberal professions rather than imposing uniform models designed for dependent workers.

For further information on this, click [here](#).