

Transform the EU from company nursery to powerhouse

Europe is known as a forward-thinking continent, where knowledge and innovation have been at its core for centuries. What was true then remains relevant today. Yet, we are at risk of being overtaken by countries like the United States and China. That's unfortunate - and not without consequences. More and more companies are relocating their activities or launching their innovations abroad, causing Europe to lose not only its innovative strength but also its strategic autonomy and its ability to reap the benefits of the societal and economic impact of these innovations. In particular, this is worrisome when it comes to strategic key technologies, such as biotechnology.

It's time to act. If we want to remain a global (biotech) innovation frontrunner, we must take decisive steps now. Hollandbio, the biotech industry association in The Netherlands, believes that Europe must address key issues to make it more attractive for innovative companies to stay and grow here. We need these companies urgently to help tackle the major societal challenges Europe is currently facing.

Enabling a 28th regime could turn out in a positive way for biotech companies if they tackle the following issues:

1. **The EU market is not interesting enough for scaling up because of regulatory fragmentation.** Biotech companies need a large scale because of the high development costs that need to be covered. Currently biotech companies often choose to take the United States as launching market. Streamlined European authorization procedures coupled to a European entity through which companies could flawlessly carry out activities in every Member State would make launching in the EU more attractive.
2. **International funding rounds are a pain.** Biotech companies need a lot of funding for their costly product development. These investments often transcend borders of individual Member States and as a consequence need to go through all kinds of different hurdles depending on the regulatory context in each Member State. The 28th regime would make it much easier for companies to get funding from different countries inside the EU and therefore contribute to a more integrated and larger funding pool.
3. **The granting of EU subsidies is not streamlined.** EU grants and subsidies often need an extra approval in the Netherlands before the money can be used. This 28th regime would streamline grant and subsidy timelines.

For Dutch biotech, the 28th regime – if worked out in the right way - could make it more favourable to scale in the EU instead of doing so in the United States or other markets so as hollandbio, we are in strong belief that we should implement this directive.

