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## [CIP@EU: Newsletter #5](#)

### **Portuguese Presidency of the Council of the EU: a business assessment**

At the end of the semester in which our country held the Presidency of the Council of the European Union, we can say that, globally, Portugal knew how to effectively carry out its mission.

The crucial objective of the Portuguese Presidency was to speed up processes, avoiding setbacks, so that European funds, both those of the Recovery Plan for Europe and those of the Multiannual Financial Framework (MFF), could reach the real economy as soon as possible. This role has been fulfilled. The Portuguese Presidency contributed to the successful completion of the legislative process and thus paved the way for negotiations on the Recovery and Resilience Plans (RRP) and the Partnership Agreements between each Member State and the European Commission.

On other fronts, progress was also made, with the launch of many MFF programmes for 2021/2027, with particular emphasis on Horizon Europe, with a budget of around 95 billion euros for research and innovation activities, and for InvestEU, which brings together 14 financial instruments existing until now and succeeds the Fund created by the Juncker Plan.

It is also important to highlight the fact that the Presidency has anticipated the beginning of reflection on the future of European economic governance, bringing together European officials and experts, on June 30, at a high-level conference in Lisbon.

Within the scope of Social Europe, the main priority of the Presidency was the Porto Social Summit, on the 7th and 8th of May: an initiative with high symbolism, but risky, given the difficulty of reaching a consensus. The Summit proved to be successful, with the Social Commitment adopted, signed by European institutions, social partners and civil society organizations. This commitment reflects everyone's commitment to implementing the European Pillar of Social Rights and working together to promote an inclusive, sustainable, fair and job-creating recovery, based on a competitive economy that leaves no one behind. Its content was balanced, not surprising, therefore, the criticism it deserved from more extremist forces, unfriendly to agreements which contribute to social peace.

With regard to the digital transition, discussions between the Council and the European Parliament on the Digital Services Act (DSA) – guaranteeing a safe and responsible online

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environment – and on the Digital Markets Act (DMA) – guaranteeing equitable and open digital markets. The Presidency also overcame a four-year impasse regarding privacy rules. The events Digital Day 2021 and Digital Assembly were also Presidency highlights, organised together with the European Commission. The first culminated in the signing of three declarations by member states, with commitments in key domains such as digital connectivity between Europe, Africa, Asia and Latin America, start-ups and clean digital technologies. The second presented the Digital Europe Program and discussed the future of digital transformation in the European Union, as well as the objectives for the 2030s. Also noteworthy was the inauguration, on 1 June, of the first high-speed link, via submarine optical cable “EllaLink”, between Europe and South America, connecting Sines to Fortaleza.

As for digital taxation, there have been advances that bring us closer to a global solution at the OECD level, as an alternative to the introduction of unilateral solutions at European or national level, which could ultimately have a negative impact on SMEs and consumers Europeans. It is also worth mentioning the joint organization of the Presidency and the European Commission, in March, of the European Consumer Summit, which gave impetus to the realization of the New Consumer Agenda.

In the area of international relations, the Summit's conclusions with India are promising, pointing to the re-launch of negotiations for a free trade agreement, the start of negotiations on an investment protection agreement and the adoption of the new Connectivity Partnership. The three events in which the CIP was involved, in partnership with the Presidency, are worth mentioning: with Africa, Mercosur and India, the last two co-organized with BusinessEurope. These events allowed business communities to be involved in very rich debates on Europe's relationship with emerging economies, where it is possible to leverage business opportunities.

The agreement with Mercosur is transferred to the Slovenian Presidency, where, despite significant efforts, the Presidency was unable to gather the conditions for a positive outcome.

To the Slovenian Presidency are also transferred concerns about the need to relaunch the agenda for the internal market, in order to eliminate barriers and curb the growth of threats or even setbacks in terms of European legislation and of significant differences in the implementation of legislative acts between Member States.

Concerns about the proliferation of new legal requirements and obligations, which imply more costs for companies or even unjustified interference in their autonomy, are also transferred to the new Presidency.

On balance, we can say that Europe has advanced positively, although not as much as we would have liked in order to overcome the challenges, both immediate and future, that the EU faces. We can be proud of the Presidency's contribution in advancing files, in building consensus, within the Council, in negotiations with the European Parliament and in working with the European Commission.