War in Ukraine: EU local leaders discuss how to mitigate the economic impact on regions and cities

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Economic support and long-term financial programmes are needed to overcome ongoing raising energy prices and inflation across Europe caused by the war in Ukraine. Members of the Commission for Economic Policy of the European Committee of the Regions (CoR) underlined the urgency of further collaboration between local and regional authorities to become independent from Russian trade and energy supplies.

The Russian invasion of Ukraine is causing major economic consequences across the regions and cities of the European Union. Energy prices have raised drastically and the cost of oil in the EU is now nearly double what was a year ago. EU sanctions against Russia and the inflationary crisis have a strong impact on local and regional economies that are relying on trade and energy links with Russia. On 12 May, members of the CoR's Commission for Economic Policy (ECON) highlighted in a debate with representatives of the European Commission that regions close to the Ukrainian and Russian borders are facing increasing challenges and need to be included in long-term solutions that require flexibility in existing financing programmes.

Ilpo Heltimoinen (FI/ECR), City Councilor of Lappeenranta, underlined the severe impact of the conflict on his region, given that the export of wood, one of the most important industrial sectors in the area, mainly relies on the Saimaa canal that connects Finland with Russia, which the Russian government is threatening to close. Pehr Granfalk (SI/EPP), Member of the Solna Municipal Council, emphasised that Swedish regions, which mainly imported chemicals from Russia and Belarus to purify water, are now facing a shortage due to the war. Therefore – he stated –, the goal should be to find reliable supply within the Union on the long-term in order to be independent from

resources coming from outside the EU. Mirosław Lech (PL/EA), Mayor of Korycin, declared that there can be no dialogue or agreement with Russia on economic issues and that the European Union has to be united more than ever. Local and regional authorities are the ones mostly affected by the closure of gas supply for Poland and should therefore support each other to ensure economic strength in all EU regions and cities.

During the meeting, CoR members further adopted a draft opinion on the EU data act, which aims to ensure that EU businesses can innovate and compete in all sectors, empower individuals with their own data and better equip the public sector to respond to societal challenges such as pandemic emergencies. In the draft opinion, the CoR supports these objectives and believes that the regulation can improve the rights of SMEs in particular and reduce their dependence on large data holders.

The rapporteur Anne Karjalainen (FI/PES), Chair of Kerava City Council and of the CoR's Commission responsible for Research and Employment (SEDEC), said: " Data is the basis for innovation and better services for citizens. We want to improve fair access to data in order to stimulate innovation and facilitate the exploitation of the potential of digital technologies for the benefit of society and the economy. However, we must avoid unnecessary regulation and administrative burdens and take into account the capacity of local and regional authorities to participate in the future development of the public sector through data and as part of the local ecosystem."

The CoR calls on the European Commission to clearly define the emergency situation in which data legislation allows the public sector to access business data free of charge, taking into account, for example, cross-border emergencies. The data legislation should also take into account national legislation on public access to public authority documents. The draft opinion is scheduled to be adopted in the CoR plenary session at the end of June.

Furthermore, ECON members had a first exchange of views on the opinion on the " European Chips Act on strengthening Europe's semiconductor ecosystem " with the Minister for Regional Development of Free State of Saxony Thomas Schmidt (DE/EPP) as rapporteur, and appointed Martine Pinville (FR/PES), member of the Regional Council of Nouvelle-Aquitaine, as rapporteur for the revised

opinion "Protecting Industrial and Craft Geographical Indications in the European Union".

Following up on the adoption of the first opinion drafted by Martine Pinville in October 2021, the European Commission recently put forward a draft framework which aims at protecting the intellectual property for craft and industrial products. The new CoR's revised opinion will assess the Commission's proposal.

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