

Commitments made at the hearing of

PHIL HOGAN

Commissioner-designate Trade



The Commissioner-designate, Phil Hogan, appeared before the European Parliament on 30 September 2019 to answer questions put by MEPs from the Committee on International Trade (INTA). During the hearing, he made a number of commitments which are highlighted in this document. These commitments refer to his portfolio, as described in the [mission letter](#) sent to him by Ursula von der Leyen, President-elect of the European Commission, including:

- A level playing field for all;
- Strengthening Europe's global leadership;
- Trade for sustainable development and climate action; and
- Making trade more transparent.

Please note that the quotes included in this document only make reference to oral commitments made during the [hearing](#). The [verbatim report](#) of the public hearing is available on the [Commissioners-designate hearings website](#). The Commissioner-designate was also sent some written questions in advance of the hearing to which he provided [written answers](#).



A level playing field for all

Multilateralism and the WTO

"Firstly, we must support a stable, predictable and rules-based trading environment by strengthening the World Trade Organization (WTO)." [...] "If confirmed, I will therefore do my utmost to prevent the collapse of the WTO's dispute settlement mechanism, and find a systemic solution to reform the Appellate Body. At the same time, I will work hard with other WTO Members to reinvigorate the negotiating function of this organisation. We should focus first on concluding negotiations on fisheries subsidies, as mandated by Sustainable Development Goal 14.6. Domestic regulation in services and investment facilitation will require an extra push [...]."

Airbus/Boeing: "I would ask the United States to negotiate with us, rather than actually having a 'tit for tat' trade war."

Multilateral Investment Court: "[...] we are actually in favour of establishing the multilateral courts, and the necessary work is under way [...]."

E-commerce

"I am also keen to work with others to advance the e-commerce negotiations; and to prepare an initiative in the second half of 2020 to build a new way forward for the WTO."

"I will be working with Vice President Vestager in order to develop a tool that will address the distortive effects of foreign subsidies in the digital area, especially in our own internal market, and how state-owned enterprises in China, for example, have been used for this purpose in the internal market of the European Union."

Unfair trade practices

"I also share your concern that we should do more for Small and Medium-sized Enterprises."

"We must promote reciprocal trading conditions and fair competition by levelling the playing field both internally and externally. For example, using instruments such as the International Procurement Initiative (IPI), [...]. We must also tackle unfair competition by addressing more forcefully foreign subsidies which affect EU companies [...]."

Foreign Direct Investment screening

"We also need to strengthen the security of our critical infrastructure and our technological base, as outlined in the March 2019 Communication on China. We have enhanced our internal toolbox with measures such as the EU mechanism on investment screening, and we are working on how to address the distortive effects of

foreign state ownership and foreign subsidies in the internal market."

"I'd like to see a coordinated and harmonised approach for all Member States of the European Union. [...]. We have to work together to see whether we can get an EU position on this, as beefing up this particular screening mechanism is essential if we want to protect our critical technologies and our critical infrastructure."

Enforcement

"I believe therefore it is essential that we step up our efforts to implement and enforce existing agreements. The appointment of a Chief Trade Enforcement Officer will create a focal point for this work and I will ask him or her to work closely with you in taking our enforcement agenda forward."

"I would like to proceed with this work as soon as possible in 2020. I think we would need to engage the committee with myself and all relevant stakeholders to see what the criteria is in terms of reference that we can put together for the purposes of this particular new position. It should be politically accountable, [...]."

"I see this, at a deputy Director-General status in the Department of Trade, and that it would have terms of reference that will actually give it some teeth in relation to the position."

"[...] it's not going to have the same resources that will duplicate a European Union Ombudsman or a particular complaints procedure. But I am willing to discuss what you have in mind in relation to maybe a more focused approach towards those complaints [...]."

"we will have a monitoring system for our GSP to ensure that there is responsible investment in these countries, and not dumping as we often accuse others. [...] We are very much keen to do the reform based on the evaluation that was carried out in 2018 by your committee and by the European Commission and the Parliament together [...]."

Strengthening Europe's global leadership

"How we trade testifies to who we are and to our values and beliefs. [...] The European Union will need to be a stronger global actor and we need to strengthen Europe's global leadership in trade. Every aspect of EU trade policy should demonstrate, locally and globally, the scale of our commitment to peace, to prosperity and to ending environmental despoliation."

US

"I am committed to work on a positive transatlantic agenda and I will be open to the rapid resolution of trade disputes with my US counterpart."

"I'm ready to engage politically with the USA to resolve our trade differences. [...] while standing up for the interests of the European Union. The key, I believe, is to focus relentlessly on the mutually beneficial dimension, and the recent conclusion of a deal [...] on beef last July is a clear example of the European Union's willingness to resolve an issue [...], but to do so through dialogue and cooperation."

China

"I will pursue active dialogue and engagement, including in areas of common interest, such as climate change, environmental protection, the reform of the WTO, including discipline on industrial subsidies. I will also prioritise our ongoing investment negotiations, with the objective of re-balancing our investment relationship with China. We have to stand firm in defending our interests and values, and I am well aware of the concerns of this Parliament in this regard. Our approach to China should entail rebalancing our trade relationship and addressing unfair trading practices. I will not shy away from using our trade defence instruments to this end, and our relations should be based on effective reciprocity in access to markets and opportunities for businesses and investors."

"So it is a priority for me and a priority for the Commission that in the context of concluding an investment agreement by the end of 2020 we include the issues very much that you have mentioned."

"the definition of development status of a country is now under discussion again. [...] So long as we have countries that are looking for special and differentiated treatment, it should be on the basis of needs and evidence rather than actually on some of the more powerful economies that we see under that category at the moment."

Africa

"Africa must become an even greater priority for us as well. The recently agreed Africa-Europe Alliance, based on a policy and investment partnership of equals, points the way forward."

"[...]I think tomorrow is going to be a new day in relation to our engagement with eastern Africa in terms of developing a new EPA, and perhaps we can upgrade this to an FTA, which would include all of the issues that you have mentioned, including gender equality."

Other countries and issues

"On ASEAN, all in all, I don't see progress on a region-to-region basis, but I see a lot of progress on a country basis."

"We must also ensure that agreements reached with our Eastern neighbours are delivering their full promise, while continuing to develop our ambition for deep and

comprehensive free trade areas with our Southern Mediterranean partners."

Brexit: "[...] the Commission has prepared exhaustively for a no-deal Brexit. [...] the European Parliament and the European Council I'm sure will have a lot to say about the mandate that will be given to the Commissioner for Trade in order to negotiate [...]."

Trade for sustainable development and climate action

"[...] Trade must not only be fair and open, but also sustainable. Trade policy must contribute to addressing global challenges such as climate change, protecting the environment and strengthening labour standards. This is why the Sustainable Development chapters in each of our agreements with their binding commitments on labour and the environment are so important. To pursue these goals, I will be ready to make full use of the different instruments at our disposal, through trade preferences, through bilateral trade agreements, through action at multilateral level, for example on opening markets for environmental goods and services to help meet our international climate and environment commitments. If confirmed, I also intend to work with you to renew our Generalised System of Preferences, which offers preferential access to exports from developing and least developed countries. "

"It will be certainly an objective of mine, through the WTO process, to integrate the sustainable development goals as part of our work programme for the WTO [...] the 15-point [...] plan on [...] the TSD Chapter, is very important to me. It requires greater involvement of civil society [...] to ensure that we implement, also through supporting financially, complaints."

"The Mercosur agreement is certainly one where we are going to do a sustainability impact assessment, an economic analysis, and these will all be available, and we're going to do a cumulative impact assessment in 2020 as well, to see what are all the trade deals, including Mercosur, meaning for farmers in terms of their business and their vulnerabilities in particular commodity areas."

"All of us are appalled at what we see in the Amazon, but we don't have the tools at the moment, outside of the European Union, to deal with them effectively, without actually some leverage through trade policy, and I think that the final ratification stage is where you can actually have a lot of leverage."

Precautionary principle: "We eventually persuaded them to do so because it was becoming a red-line issue for the European side and there would have been no agreement in my view, without including this provision [...]."

Carbon border tax: “The objective is to avoid carbon leakage and ensure carbon companies can operate on a level playing field, combining this tax with free allocations in the EU Emissions Trading Scheme, because with free allocations there’s no cost to be adjusted. [...] The trade policy in terms of how it becomes involved is certainly something that I will have to tease out and work closely on with Mr Timmermans and Mr Gentiloni. [...] I think that we will have to see what the options are very closely because we don’t want to have a situation where we are doing everything that we should be doing and our competitors around the world are doing nothing.”

“Of course, trade policy can do more to exert leverage on human rights, on torture or on other issues, such as gender equality. These are all important issues, on which trade can play its part. If you decide to put forward from this committee a right of initiative in this area, I will be very glad to support it.” [...] So I look forward to working with this committee – if this becomes a priority for the committee – in relation to whatever technical support or reports, or hearings are required to develop the proposal from this committee in relation to due diligence. My services will, I hope, be helpful in this regard and I would encourage it.”

“[...] and if this Committee decides to prioritise this initiative on due diligence as part of your work programme for the future, as part of an initiative taken by the European Parliament, under the political guidelines of Ms von der Leyen, President-elect – I’d be very happy to engage with you in relation to what the scope of that particular proposal should be.”

“Yes, I will build on Ms Malmström’s great success in relation to the gender equality agenda. [...] I intend in terms of policy development to instruct my services to consider gender impact when policy initiatives are initiated in the future”

“I would like to see our international conventions and our international agreements being enshrined in our free trade agreements and to be capable of being enforced on a multilateral or bilateral basis – through

the disciplines [...] for the sustainable development chapters.”

“[...] you have my undertaking that we would consult all stakeholders, including this Parliament and including this Committee as well as the Council.”

“For the first time in a free trade agreement we had this particular provision in the 2009 agreement. It’s now been invoked by the European Union [...] to have an action plan to ensure that South Korea honoured its commitments in each chapter. So we are taking the next step, which is a dispute settlement mechanism, which is in line with what was agreed in the agreement.”

Making trade more transparent

“I will continue to build on the transparent way in which trade policy has been made during the period of the last Parliament. I will be a regular visitor to this committee and in the plenary to respond to your issues of interest. I will also ensure that you have timely access to all the information you need. [...] I will be supportive in encouraging the Council to listen to your views, in making progress on legislative files, and in avoiding provisional application of trade agreements before you have had the chance to give your consent. And I will work with you to project, explain and promote our trade policy to people across Europe and beyond. Accurate and professional communication of our trade relationships is important. So we are open to whatever discussions that are necessary to communicate the benefits of trade.”

“I would be very happy to support that initiative of fair and ethical trade [...] and I’m very happy to support the awards again in 2020 and beyond. [...]. Trade [...] leverages a lot of other important actions that we want to integrate into those agreements as part of our other public goods policies [...]. So you have my undertaking that we would consult all stakeholders, including this Parliament and including this Committee as well as the Council.”

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