

Commitments made at the hearing of

VALDIS DOMBROVSKIS

Commissioner for Trade



The Commission Executive Vice-President/Commissioner-designate, Valdis Dombrovskis, appeared before the European Parliament on 02 October 2020 to answer questions put by MEPs from the Committee on International Trade, in association with the Committees on Foreign Affairs, on Economic and Monetary Affairs, on Development and on Budgets. During the hearing, he made a number of commitments which are highlighted in this document. These commitments refer to his portfolio as Trade Commissioner, 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;

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 European Parliament pages on the [Changes in the European Commission 2020](#). The Commissioner-designate was also sent some written questions in advance of the hearing to which he provided [written answers](#).



A new roadmap for the EU trade policy

"[...] I will bring forward a new roadmap for trade policy. This roadmap must fit into our wider plan for sustainable and digital recovery. It must be modern and up to date, in support of our values and wider geopolitical goals" [...] "Europe needs to become more assertive by protecting our companies, securing our strategic interests, strengthening reciprocity and levelling the playing field."

"The public consultation on the trade policy review ends on 15 November. When we have reviewed the findings I will come back to this committee to discuss them with you and your views will be incorporated in the Commission's communication, which we intend to publish in early 2021. The communication will set out trade policy directions that truly respond to the challenges and opportunities of the coming decade – Europe's green and digital decade."

"[...] we will be coming with the communication on the EU's economic sovereignty or autonomy, where strengthening the international role of the euro will be also featuring," [...] "we are discussing open strategic autonomy, when we are discussing the resilience of the EU economy, one of the lessons learned from this crisis is the question of the resilience of supply chains and what we need to do to avoid a situation where we are depending on a single supplier or single supplier country of critical goods, like medical supplies during the COVID-19 crisis, which clearly exposed this weakness." [...] "we are looking at different options. Onshoring, nearshoring, stockpiling, diversifying, shortening supply chains, this is a whole toolkit which we can explore."

"[...] later this month I will launch the Access2Markets portal. This will be a one-stop shop in all EU languages to help SMEs navigate the world of international trade."

Unfair trade practices

"We must strengthen our defence and enforcement; this is how Europe's trade policy will help to build a Europe that protects." [...] "We must also sharpen our trade defence tools. I will support the efforts to launch a new legal instrument dealing with distortions from foreign subsidies in our internal market. I will work with Member States to ensure that screening mechanisms for foreign direct investment are working well on the ground. I will also look for your help to conclude the work on dual-use exports and the International Procurement Instrument. And, to strengthen our hand in defending the EU against unfair practices of others,"

"[...] "the Commission will propose a dedicated anti-coercion tool as a legislative proposal next year to allow that the EU is able to react effectively to that kind of action [...]."

"steel safeguards: [...] I think we should stick with the WTO framework, and that's why we are currently looking at how we can achieve the same result for the European steel industry through anti-dumping and anti-subsidy measures within the WTO rules, instead of stepping out of the WTO rules and risking retaliation. "

Enforcement

"The Chief Trade Enforcement Officer (CTEO) will work to implement our agreements. [...] With your support, I hope we can swiftly agree on an updated enforcement regulation." [...] "we should broaden the scope of the enforcement regulation to cover areas of services and intellectual property, and it also concerns our investment, the international procurement instrument, and we will be coming with a new anti-coercion tool in case third countries, [...] step out of the WTO rules and act in breach of international rules, that we are able to respond in the effective way" [...] "while the role of a CTEO in pre-ratification is something to be explored," [...] "implementation and enforcement of trade and sustainable development (TSD) chapters should be stepped up." [...] "And we will establish a more systemic approach that also involves civil society in enforcement and environmental and labour commitments, [...]."

EU resilience against extra-territorial sanctions

"[...] extra-territorial effects of the third country sanctions. This is definitely a concern, [...] we have a blocking statute as a main instrument to protect our economic operators" [...] "We continue to strengthen the EU's stance, the EU's resilience, vis-à-vis extra-territorial sanctions. This is going to be part of our communication, well according to the current planning we are going to publish in December, which concerns the strengthening of the EU's economic sovereignty or autonomy [...]."

Transparency

"I pledge to maintain a high degree of transparency in my dealings with the European Parliament. I will ensure that you have all the information you need in good time. I want to reassure the group coordinators that I have taken good note of the expectations you expressed in the context of my predecessor's hearing last year."

Strengthening Europe's global leadership

"Only a Europe that is open to the world can shape the trade policy of the 21st century. So I propose to drive forward our trade policy in order to reform the rules-based multilateral order; rethink trade policy to deliver for our sustainability goals; reinforce free and fair trade, by engaging with our partners while at the same time strengthening our trade defence and enforcement; and finally, redouble our leadership in trade by managing our key relationships."

Multilateralism and the WTO

"[...] one of my first priorities will be to reform the rules-based system of global economic governance. [...] make it fit for today's world. This means a WTO that settles disputes quickly and efficiently, with strong rules to ensure a level playing field. A WTO with Sustainable Development Goals and climate change at the core of its work." [...] "on the WTO dispute settlement mechanism: [...] We are ready to engage with the US to discuss how exactly this appellate body should look and address the shortcomings which we agree exist in the way this settlement system was functioning before [...]."

"I am happy to announce today that I will launch a WTO trade and climate initiative, focusing on green goods and services." [...] "building on the initiative of environmental goods, [...] we want to expand it not only for goods but also from services, and [...] to have something on the table already for the next Ministerial Council. So we will be working with like-minded countries, with the so-called FAST Group, with the Ottawa Group, and seeking to revitalise this workstream and have concrete proposals."

E-commerce

"[...] I will prioritise negotiations on e-commerce. Of course, it will be very important that we uphold our GDPR rules on personal data protection." [...] "we are discussing in the WTO that the free flow of data should be insured; [...] restrictions have to be in line with international obligations, and the Commission will continue in its role of monitoring and addressing such restrictions in third countries [...]."

"Then bilaterally, yes we have digital trade chapters and digital trade points in our negotiations. I can mention, for example, New Zealand and Australia, where these feature very prominently. [...]"

US

"I will spare no effort in revitalising our strategic partnership with the United States. I will bring a fresh impetus to transatlantic work on trade, technology, taxation, the reform of the multilateral trading system, including disciplines on industrial subsidies. The recent deal on tariff reduction represents a first step of this renewed cooperation. However, if the US continues to disengage from multilateralism and pursue unilateral actions, the EU will not hesitate to defend its interests and respond in a proportionate way."

"[...] the Airbus-Boeing case. Our approach has been very clear. We prefer a negotiated settlement in this regard." [...] "in the absence of a negotiated settlement, of course we will have no chance but also to impose our tariffs in line with the WTO ruling in the Boeing case. [...]"

"[...] we are working in the OECD context on digital taxation. But in the absence of an international agreement we are ready to put forward our EU proposal [...] and we are engaging with the US also on this [...] to make sure that they are meaningfully engaging in the OECD context to have an international agreement on a digital tax."

China Bilateral Investment Agreement

"[...] we emphasise substance over deadlines. This means that we need to see a significant rebalancing of our economic relations and so significant movement from China on market access to be able to conclude this agreement." [...] "our partnership must be restructured to be reciprocal, balanced and fair. European companies in China need fair treatment and real market access." [...] "we will continue to insist and ensure that we are also making progress on the investment and sustainable development chapter in our agreement with China." [...] "In terms of negotiations, the immediate priority is to finalise the investment agreement with China. [...] from there, we can see how we proceed with investment agreements in the region."

MERCOSUR

"[...] it's important that we have a meaningful commitment from Mercosur countries on deforestation and on the Paris Agreement in order to be able to successfully move forward this ratification" [...] "we will need something real, something which is being implemented, in order to move forward with ratification. So as it stands now, we will not put forward this ratification" [...] "on re-opening of Mercosur. Well that would not be the most straightforward course of action."

Other countries and issues

"[...] agreements with Australia and New Zealand are well underway" [...] "we are pursuing, I would say, strong engagement with relations with Latin America and will continue to do so" [...] "I am committed to reinforcing our economic partnership agreements with Africa, building resilient value chains and boosting sustainable public and private investment in sectors of mutual interest. Our long-term objective is to achieve a continent-to-continent agreement." [...] "we need enhance our cooperation with our neighbourhood region. [...] Likewise, we must continue to support EU candidates and potential candidates, including through the extension of our autonomous trade measures. I count on the co-legislators to have the new regulation in place in time, and I very much welcome the recent vote in the Committee on International Trade (INTA) in this regard." [...] "our negotiations with the United Kingdom. It is in the strong interest of both sides to construct the closest-possible trade relationship, but I should underline that progress will depend on both sides respecting their commitments under the Withdrawal Agreement."

"[...] we want a reform of the Energy Charter Treaty, to allow members to phase out the protection of investment in fossil fuels, that's the main aim of the reform." [...] "On GSP, we will certainly strengthen the link with sustainability, including the Paris Agreement, in the review of the GSP next year."

Trade and sustainable development

"[...] I am open to explore whether we can already have more [...] enforceable or gradually enforceable TSD chapters, for example in our negotiations with New Zealand." [...] "Then, of course, we must see how we move forward. We have a 15-point trade and sustainable development action plan, established in 2018 with a review in 2023. [...] I will bring forward its review to 2021, and also factor in COVID-19 effects and current priorities. Then, looking at future agreements and also what you asked about possibilities for a more granular enforcement – so, something between a simple dialogue and suspending the agreement, which is the nuclear option – I took a close look at a Franco-Dutch paper on conditioning tariffs on certain sustainability outcomes, and this is an idea I am willing to explore" [...] "what it actually contains, especially, is ideas on how to design and implement explicit conditionalities and how to express them in terms of tariff reductions or non-reductions, in case of lack of implementation of certain ILO conventions or environmental agreements. So that's exactly the approach we can follow."

[CTEO] will provide for a single access point both to affected companies but also civil society concerning TSD chapters, where it will be possible to file complaints, to engage on specific problems which had been identified.

"[...] I would propose launching a comparative study to see what countries around the world are doing on enforcement of TSD chapters."

Carbon border adjustment mechanism

"We aim to put forward a legislative proposal in the first half of 2021 – well it's DG TAXUD and Commissioner Gentiloni who are leading this, but of course trade is closely associated exactly because of this WTO compatibility issue [...]."

Due diligence

"[...] a comprehensive agreement on investment, this investment will have to respect ILO conventions on forced labour." [...] "including strong action to eliminate child labour. [...] I will work closely with Commissioner Reynders to advance the Commission's proposal on mandatory due diligence already next year."

"[...] DG Trade is doing a study on women's participation on trade, well focussed on trade in goods [...]. We will have a follow-up then also on women's participation in trade also with a focus on services." [...] "This is an area which we will strengthen and [...], we will prepare an EU gender action plan for 2021-2025 for external relations, and trade will be an important component also there."

"[...] from the Commission's side, we are ready to continue to work on the UN binding treaty on business and human rights:" [...] "the sustainable cocoa initiative, [...] is a good model of multi-stakeholder initiatives and something we may seek to replicate also in other areas – as you mentioned, textiles, and potentially other areas."

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