

Commitments made at the hearing of

MARGRETHE VESTAGER

Executive Vice-President-designate

Europe Fit for Digital Age



The Executive Vice-President-designate, Margrethe Vestager, appeared before the European Parliament on 08 October 2019 to answer questions put by MEPs from the Committees on Industry, Research and Energy (ITRE), Internal Market and Consumer Protection (IMCO) and Economic and Monetary Affairs (ECON). During the hearing, she made a number of commitments which are highlighted in this document. These commitments refer to her portfolio, as described in the [mission letter](#) sent to her by Ursula von der Leyen, President-elect of the European Commission, including:

- A Europe fit for the digital age; and
- Competition.

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 Executive Vice-President-designate was also sent some written questions in advance of the hearing to which she provided [written answers](#).



A Europe fit for the digital age

Long-term strategy for Europe's industrial future

"We need a strategy for Europe's industrial future that is based on what makes Europe strong: our openness and our diversity. So, the industrial strategy must be for everyone: it must be green and it must be based on fair competition."

"We cannot have an industrial strategy that doesn't care about the greening of our economy and the transition into a carbon-neutral continent. It has to be two sides of the same coin."

"Digitisation has enormous potential to make our lives better, but to unlock that potential we need the right rules, in order to give people confidence in the digital transformation. It should serve citizens. It should respect our fundamental values."

"If we push innovation, including in how we organise ourselves, we could make much better use of the technology that we already have, and that will help us to accelerate how we fight climate change. Part of this can be done by digital means because you can follow resources to different degree[s] than you could before."

"We will bring together entire value chains – universities, suppliers, manufacturers – all the way to those who recycle the raw materials that are used in manufacturing."

"This strategy [...] needs to reach beyond the Single Market."

"A good industrial strategy also makes Europe fit for the digital age."

New SME strategy

"This work [on the industrial strategy] will include coming up with a new strategy to support the heart of Europe's economy – the small and medium-sized businesses."

"The first point, of course, is to make sure that such a strategy is not just for big business, because Europe is not just big business, it's also many small and medium-sized businesses, also when it comes to industry. A lot of businesses have subcontractors, they have more than one subcontractor, and that is the importance of the European fabric of industry, that you find it like that, so it should be for all of industry."

"We should also make sure that we have instruments that can provide for financing. The Juncker Investment Plan provided for financing for 900 000 small and medium-sized businesses, and I think that is a good act to follow, to make sure that you can actually provide financing and allow people to grow."

Artificial Intelligence (AI)

"[...] we need rules to make sure that Artificial Intelligence is used ethically, to support human decision-making and not to undermine it. I will put forward proposals developing the European approach to Artificial Intelligence within the first 100 days of my term in office."

"So we indeed have something to build on, not necessarily just to catch up, but also to develop, in Artificial Intelligence, in quantum computing. Where we have European programmes, obviously they will have to be financed. So again I call upon you to help us pass the budget in order not to lose time for these crucial investments."

"[...] the only way that we can be successful is to build the AI that we can trust. To build AI that is based on fundamental values."

"[...] this question about how to avoid biases is one of the core questions when we are to discuss how to put a framework in place that will allow us to trust the technology."

"And we will have the results [of the assessment of the Ethics Guidelines for Trustworthy AI] in by December. That, of course, will inform the work that we do [...]."

"Because, obviously, more investment is needed. Europe is behind on a factor of I think three or four when it comes to investing in AI [...]."

Digital Services Act

"[...] we need to engage with people's concerns about technology and, in that process, to build trust. I will work on a Digital Services Act that includes upgrading our liability and safety rules on digital platforms, services and products. We may also need to regulate the way that companies collect and use and share data – so that it benefits all of society."

"[...] it's important that we make the most of what we have, since we're in a hurry. It is important to take stock of what I would call digital citizens' rights – the GDPR – so that we can have national authorities enforcing that in full, and hopefully also have a market response, so that we have privacy by design [...]."

Digital taxation, CTB, Country-by-Country Reporting

"We were not successful in the first push for a digital services tax. Individual Member States have then taken it up to do that themselves. I admire that, because obviously they do something extraordinary. I hope that will give the much-needed pressure, first, and hopefully, to find a global solution, a global agreement as to how this is done. If that is not the case, I think that we should do it ourselves. Obviously, we commit to producing a

proposal if there is not a global agreement by the end of 2020.”

“[...] we have a couple of very important pieces of legislation that have not been passed. One is the Common Consolidated Corporate Tax Base, and that is important because, even if we start talking about a minimum corporate tax, if you can play around with the tax base, then the minimum level of tax may not mean anything, so you need both if you want to progress in this area. The second thing we are still missing is public country-by-country reporting. It works in the financial sector. The last time I looked, we still had a financial sector, so it doesn't seem to be too damaging. I think any CEO could be proud to tell the number of employees, activities, turnover, profits and taxes paid. And that will also allow us to have a completely different perspective on taxation, also as individuals.”

“Yes, I find that the possibilities of using Article 116 are indeed there. Now we have a process where every Member State, obviously, is invited to take part, but 116 will say: well, if a Member State or some Member States have provisions that are harmful to competition, you can take up negotiations with that Member State in order for them to change those provisions. If that is unsuccessful, you can table proposals, and those proposals can be decided in a normal or the ordinary legislative decision-making process, and I think definitely that we should start exploring what that would entail. I don't think that it's a given that it would be successful, but I think it's important that we take the different tools that the Treaty gives us and use these tools if need be.”

Competition

Strengthening competition enforcement

“Markets are moving fast, the law is moving the way the law is moving. Obviously, to some degree, there is an inherent asymmetry here. There's a limit as to how fast law enforcement can work, because we will never compromise on due process. On the other hand, we should be able to work as fast as possible. We actually have a case right now where we are trying to use what we call interim measures, where we're saying to a business: you've got to stop what you're doing because we think that you're harming competition, and when you stop, we will then do, of course, a full casework in order to prove the harm that's been done. That, of course, is the first for 20 years, but I think it's a good reflection of the fact that we find it a very high priority to speed up in what we do.”

“On the question of breaking up companies, well this is a tool that we have available: it can be done. The thing is, I have an obligation to use the least-intrusive tool in order to restore fair competition, and since it is quite a

thing to break up a company, obviously I have an obligation to try what else could be a good tool to solve the situation that we are in.”

Review Europe's competition rules

“These are challenging times and they are also challenging in terms of competition enforcement because markets are changing fast – and we have even bigger changes ahead of us. Human nature though – with basic motives like greed and fear – does not change. So the principles that guide our competition rules are as relevant today as they were when the Treaty of Rome was signed more than 60 years ago. But we need to make sure that the way we apply those principles is fit for a world that's changing fast. So, I will move forward with the review that we've started of our rules on antitrust, mergers and state aid. In this process, we'll be guided and helped by the insights we've gained from looking into how digitisation affects competition – including the independent report by three special advisers, which they delivered earlier this year.”

“[...] we have started a full first fitness check and then eventually a review of a huge number of our guidelines. One thing is running ahead of that programme, and that is the guidelines for the Emissions Trading System, the ETS. That is because we want to be ready when the new trading period starts. So that is a thing to be aware of, that we will start a public consultation on that within a relatively short timeframe.”

“[...] we will continue. We still have open cases and we have just asked every Member State to give us a status of how they use tax rulings in order to update all the material we have from when we did this the last time a couple of years ago.”

Industrial strategy

“[...] we have a dual challenge here: on the one hand to secure fair competition within our Single Market, so that customers and consumers are well served; and at the same time to stand up for our European businesses when they are met with unfair competition outside of Europe.”

“The public procurement market in Europe is 14-15% of European GDP. It is EUR 2 trillion. It's a 2 with 12 zeros in euros. It's a lot of money. We invite people to come and do business and we are not invited back. And where I come from, if you're not invited back, well then you stop inviting people.”

Foreign state ownership and subsidies

“Obviously, we welcome investors, but they should come here for business reasons. One of the open questions is, of course, to make sure that if a state-owned company from abroad buys a European business, that no foreign state aid is coming into Europe

undermining the level playing field here. And here, we work with colleagues working on trade and on the Single Market in order to get a functional tool, because that, unfortunately, we don't have yet but it's a matter of high priority."

Managing a dual portfolio

"[...] independence in law enforcement is non-negotiable; because it rests on the evidence of the case, the facts, the case law, not what country you are, not what size, nothing else."

"[...] we have the independent advice of our chief economist and we have the advice of the Legal Service."

"I'm still responsible to my colleagues. When we have an important decision, obviously it is by the College. So far we have had no in-depth discussion in College about competition decisions, but obviously we follow every procedure. We go through the different steps of the

weekly meeting of Heads of Cabinet before we get there, so that it is true collegial decisions, because that is how things are supposed to be."

"[...] I think it's a very impressive portfolio that I'm going to have. But the legislative proposals will be with my colleagues. They will be with my colleague of Single Markets, of Home Affairs. That will not be my pen that will draw them. I will work with them, yes, but when it comes to the individual proposal[s], it will be for my colleagues to write those."

"I also hope that you will bear with me, that I will come back and ask you, what do you think? Because some of these questions, we will not have the answer beforehand. We will consult with you, just as well as we will consult with NGOs, civil society, industry as well."

"[...] I will continue this open and cooperative way of working with [the European Parliament] at every step of the legislative process."

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Manuscript completed: as of October 2019; Date of publication: November 2019
Administrators responsible: Frédéric GOUARDÈRES, Mariusz MACIEJEWSKI, Drazen RAKIC; Editorial assistant: Janetta CUJKOVA
Contact(s): poldep-economy-science@ep.europa.eu

This document is available on the internet at: www.europarl.europa.eu/supporting-analyses
IP/A/ITRE/2019-06

Print ISBN 978-92-846-5633-2 | doi:10.2861/017245 | QA-04-19-613-EN-C
PDF ISBN 978-92-846-5634-9 | doi:10.2861/16099 | QA-04-19-613-EN-N