

**Priority question for written answer P-002609/2023
to the Commission**

Rule 138

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Subject: STC – 64 % owned by the Saudi Arabia sovereign wealth fund – acquiring a 9.9 % stake in strategic Spanish company Telefónica

Foreign investment in strategic businesses and infrastructure in the EU is of increasing concern. The most recent case in Spain is the acquisition of a 9.9 % stake in Telefónica by STC, which is 64 %-owned by the Saudi Arabia sovereign wealth fund. Telefónica is a strategic company for Spain's national security, particularly because of the services it provides to the Spanish armed forces¹.

In a 20 June 2023 press release², the European Commission announced its intention to review Regulation (EU) 2019/452 on the screening of foreign direct investments into the Union. The current framework for the screening of foreign investments in the EU has proven to be insufficient, particularly after the German Government ignored the Commission's recommendation to halt the acquisition of a 24.99 % stake in Hamburg port³ by Chinese company COSCO⁴.

In light of the above:

1. In line with Regulation 2019/452, what recommendation would the Commission give the Spanish Government with regard to authorising the acquisition of Telefónica?
2. Given their impact on the entire single market, does the Commission envisage strengthening its role in authorising foreign investments in businesses and infrastructure that are of strategic importance to the EU?

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¹ <https://www.europapress.es/economia/noticia-telefonica-adjudica-contrato-41-millones-armada-desplegar-infraestructuras-5g-20230825122332.html>

² https://ec.europa.eu/commission/presscorner/detail/en/IP_23_3358

³ <https://www.dw.com/en/germany-inks-deal-with-chinas-cosco-on-hamburg-port/a-65586131>

⁴ <https://www.handelsblatt.com/politik/international/kritische-infrastruktur-eu-warnte-schon-im-fruehjahr-vor-einstieg-der-chinesen-in-den-hamburger-hafen/28760864.html>