

COMMITTEE ON INTERNATIONAL TRADE
COMMITTEE ON CONSTITUTIONAL AFFAIRS

INVITED COMMITTEES:
COMMITTEE ON FOREIGN AFFAIRS
COMMITTEE ON THE INTERNAL MARKET AND CONSUMER PROTECTION
COMMITTEE ON PETITIONS
COMMITTEE ON DEVELOPMENT
COMMITTEE ON LEGAL AFFAIRS

HEARING OF MAROŠ ŠEFČOVIČ

COMMISSIONER-DESIGNATE

(Trade and Economic Security; Interinstitutional Relations and Transparency)

MONDAY, 4 NOVEMBER 2024

BRUSSELS

1-0002-0000

IN THE CHAIR:**SVEN SIMON***Chair of the Committee on Constitutional Affairs***BERND LANGE***Chair of the Committee on International Trade*

1-0003-0000

(The hearing opened at 14:30)

1-0004-0000

Sven Simon, *Chair of the AFCO Committee*. – So, ladies and gentlemen, please take your seats and calm down so that we can start this meeting.

Ladies and gentlemen, on 29 October, Spain was hit by dramatic floods that left more than 200 people dead and more than 2 000 missing. We mourn this tragic loss of life and we stand in sympathy with the people of Spain. I invite you all to stand up and observe a moment of silence in memory of the victims.

(The House rose and observed a moment's silence)

I thank you.

Ladies and gentlemen, it is difficult to continue, but now we would like to welcome Maroš Šefčovič, the Commissioner-designate for trade and economic security and for interinstitutional relations and transparency. Today's hearing is a joint exercise by the Committee on International Trade and the Committee on Constitutional Affairs. This is why I, as the Chair of the Committee on Constitutional Affairs, have the pleasure of sharing this exercise with my dear colleague Bernd Lange, the Chair of the International Trade Committee.

I would like to also welcome the chairs of the invited committees, all the members, as well as external guests, journalists, staff and, above all, citizens following this hearing either here in the room or via web-streaming.

Ladies and gentlemen, today marks the first of 26 confirmation hearings in the European Parliament's scrutiny process for Commissioners-designate. According to Article 17 of the Treaty on the European Union, members of the Commission shall be subject as a body to a vote of consent by the European Parliament. This procedure leads to a particularly high level of democratic legitimacy of Commissioners compared to other executives worldwide. The objective of the confirmation hearing is to assess whether the Commissioner-designate is qualified both to be a member of the college and to carry out the particular duties he or she has been assigned. Parliament will evaluate Commissioners-designate based on their general competence, European commitment and personal independence. It shall assess knowledge of their prospective portfolio and their communication skills. Our goal is to ensure that those selected to serve Europe uphold the highest standards.

Political group coordinators from both our committees will be the ones in charge of this evaluation after the hearing later today. On Tuesday 22 October, we received Mr Šefčovič's replies to our

written questions which have been distributed to the members in all languages and published on Parliament's website in advance of this hearing.

I would also like to inform you that the Committee on Legal Affairs has assessed, on the basis of the documents presented, the question of potential or actual conflict of interest and has raised no objection to the holding of the confirmation hearing.

Ladies and gentlemen, I would now like to give the floor to Bernd Lange, who will explain the structure of the confirmation hearing and will chair the first part of our meeting today.

1-0005-0000

Bernd Lange, *Chair of the INTA Committee*. – Thanks a lot, Sven. From my side, welcome to our hearing, Commissioner-designate Maroš, and of course, welcome to all participants and guests here in the room.

Regarding the structure, it's totally clear. At the beginning, you, Maroš, have the chance to give an overview about your perspective for the portfolio, but for no longer than 15 minutes. You will also have five minutes at the end to close the whole exercise. After the introduction by Maroš Šefčovič, we will turn to the MEPs' questions and we will have four rounds. The first round of questions are five-minute slots to the political groups, so a one-minute question and a two-minute answer. Then there will be the possibility to have an additional question lasting one minute and one minute for the reply.

The second round will be three-minute slots each. So a one-minute question and a two-minute answer, and similar for the third and the fourth rounds. All slots for the three minutes will be divided as follows in this procedure: one minute for the question and two minutes for the answer. We only have three hours, so this means that we really must be strict regarding speaking time. Sven and I will really be strict when looking at the minutes, and as a last resort I have a button that I can use to cut the microphone. I don't want to use this possibility, but I have the possibility to do it. So also be strict yourselves.

This is an important hearing, as has already been mentioned. It is the first of 26 hearings and is of course being webstreamed, so welcome from Lüneburg to Lisbon, from Cork to Constanța, all over Europe and perhaps even outside Europe as well. We also have 23 languages for interpretation. Be clear, and you really can speak in your native language. It will be interpreted. Be clear and not too fast so that it will be sufficient for the interpretation.

Maroš, we are really keen to acknowledge the responses in the horizontal written question, the readiness to cooperate with the European Parliament specifically regarding the revision of the Framework Agreement between the European Parliament and the Commission, the presence of commissioners inside the committees and in plenary, follow-up on the legislative initiatives of the Parliament and sharing information in a timely manner with Parliament as co-legislator, and the clear commitment not to request a provisional application of an agreement before the consent of the European Parliament and going for EU-only trade agreements.

We appreciate this very much and we count, of course, on the full implementation of these commitments. We really emphasise the Commission as an honest broker in all legislative procedures. We therefore also count on your full cooperation in the matter of informing us in advance of all upcoming proposals. We really stick to the clear request to have the equal footing like the Council has. This will ensure transparency and also strengthen the democratic process.

Having said this, I will now give you the floor for 15 minutes please.

1-0006-0000

Maroš Šefčovič, *Commissioner-designate*. – It's an honour to appear before you today, opening these days of democracy in action. Soon we will mark 15 years since the Treaty of Lisbon entered into force – a step change in the governance of our Union, which enhanced the European Parliament's role as a fully recognised co-legislator. Therefore, I appreciate that President von der Leyen wants to entrust me with trade and economic security, as well as interinstitutional relations and transparency.

These elements are mutually reinforcing. As an exclusive EU competence, trade has been a true success story, turning our Union into an economic powerhouse, with the largest network of trade agreements globally. So, if confirmed as Commissioner, my overarching priority across all my duties will be fostering EU unity, including by continuously strengthening our partnership with the European Parliament, a partnership essential for the effective functioning of our Union. Because unity not only brings us better trade deals, but makes us better off – stronger at home and globally.

A set of principles – agreed by President of Parliament Roberta Metsola and Commission President Ursula von der Leyen – to underpin the revision of the Interinstitutional Framework Agreement lays down a sturdy stepping stone on this path. From day one, I will roll up my sleeves and engage with Parliament negotiators to turn these principles into reality – strengthened cooperation at its best.

Honourable Members, the story of trade is the story of civilisation. Trade has always had a lasting impact on the world, and today trade has become a geostrategic tool. Our European Union is built on free trade between its members. Our commitment to opening up world trade is therefore part of our DNA. The EU accounts for 16 % of world imports and exports – more than anyone else. Alongside 76 free trade agreements, the EU is the number one trading partner for 54 countries, accounting for 48 % of global GDP. Over 30 million European jobs are supported by exports. Put simply, trade helps the EU to prosper, including by enabling our clean and digital transitions – essential for strengthening the EU's social model.

But while just a decade ago, the EU and our main partners were largely aligned, today's international trade environment is marked by stark competition over disruptive new technologies and the weaponisation of economic dependencies. Given the seismic shift, my priorities for trade would centre around three Ds.

The first D goes for driving the EU competitiveness. Trade – as the external arm of our powerful single market – remains vital. But a series of recent crises has led to a major rethink of supplier relationships. In the balance between economic efficiency and security of supply, the pendulum is swinging toward the latter. So, if confirmed by this House, I will focus on opening new markets, notably by bringing key FTA negotiations across the finish line so that EU businesses can grow. I will focus on supporting EU investments in third countries, for instance through stronger direct support measures, and I will focus on promoting the EU's approach to rules and standards, especially under our twin transitions, so that EU standards become global.

Turning to the second 'D': defending EU businesses against unfair practices. Trade today is driven less by market forces alone. Unfair practices and state interventions are increasingly widespread, especially in the absence of a modernised global rulebook and dispute settlement mechanism. So it is time to double down on our efforts to safeguard a level playing field. And the EU industry must get a rapid and effective relief when faced with dumped or unfairly subsidised imports, non-market overcapacities or negative spillovers from foreign industrial policies.

So, if confirmed, I will make assertive use of our robust system of trade defence instruments, while ensuring that our response is legally sound and everyone is on board. And I will examine the extent to which we need to review these defence instruments. My overarching message will be clear: yes, the EU will continue to champion free and fair trade, but we will also be firm and forceful when our businesses get the short end of the stick.

Now, the third D: deepening our alliances. The EU continues to have a strategic interest in supporting rules-based trade, despite current fragmentation. I see my prospective mission here as twofold: first, leading efforts to reform the World Trade Organization, including by investing in the plurilateral track; second, complementing our traditional FTA-based approach with more compact and agile trade agreements. This includes new clean trade and investment partnerships to help us ensure that raw materials, clean energy and clean tech flow freely, while supporting the industrial development our partners seek, through enhanced EU investment.

Honourable Members, the transatlantic bond is the most natural for us. The EU and the United States account for 29 % of global trade. We enjoy mutual investment of EUR 5 trillion. Undoubtedly, it remains advantageous for the EU and US to work together, rather than against each other. So, regardless of the outcome of the US elections, I will put forward an offer of cooperation, including a revamped EU-US Trade and Technology Council. At the same time, I will be ready to stand up for our interests if faced with disruptive scenarios.

Turning to China, our third biggest and most challenging trading partner: we need to rebalance this relationship around transparency, predictability and reciprocity. This means being more assertive in challenging China's structural imbalances and unfair practices, such as non-market policies driving overcapacity. We need a level playing field.

I will also advance our de-risking strategy. We cannot afford costly dependencies – old or new – nor will we tolerate coercive practices from anyone. Moreover, I will contribute to developing a strategic EU-India agenda and strengthen our economic links in the Indo-Pacific region, with Latin America and the Caribbean. I will also work with African partners to facilitate trade and promote sustainable investment.

Here I want to make an unwavering commitment: I will always engage with this House on agreements in the making, in a forthcoming, thorough and factual manner. And I will never sign off on a deal that is not in the EU's collective interest.

As many of you know, this is not an empty promise. During this mandate, I have always kept you abreast of major developments in our relations with the United Kingdom and Switzerland, and I will strive to further consolidate EU relations with our Western partners, including the European Economic Area, given our shared values, not least after the return of war to European soil.

Mesdames et Messieurs, le commerce est un composant déterminant de la puissance économique de l'Union européenne. Sans puissance économique, il n'y a pas de sécurité économique possible. C'est pourquoi je partage la vision de la présidente von der Leyen, selon laquelle nous devons mettre ces deux piliers sous un seul et même toit.

L'Union européenne se voit exposée à l'instrumentalisation de nos liens économiques: notre stratégie de sécurité économique est conçue de façon à mieux comprendre ces risques et à trouver un juste équilibre dans les réponses politiques.

If confirmed, my priorities will include enhancing our understanding of risk, especially in relation to critical infrastructure, technologies, supply chains and dependencies, and deploying risk mitigation measures, by developing, revising or making use of our tools, such as foreign direct investment screening, export controls or outbound investment.

This includes the work on the new economic security doctrine, outlining the strategic use of our autonomous tools. I will also focus on improving the exchange of information and potential responses, as well as on designing joint economic security standards for key supply chains, in particular with the G7. Economic security will require deepened engagement with the European Parliament, Member States and all stakeholders, and I will work towards strengthened governance in this area.

This brings me to the EU's customs policy, which holds significant weight in both trade and economic security. If confirmed, my priority will be to see the comprehensive customs reform done and dusted – ideally under the Polish Presidency of the Council. Establishing a new customs authority followed by an EU customs data hub – a state-of-the-art engine working 24/7 – will be a game changer. It will fully integrate customs data, providing us with a complete picture of goods entering the European Union, and it will save up to EUR 2 billion annually in operational costs.

Given these benefits, I will throw my weight behind advancing the start date for this new customs authority from 2028 to 2026. This would help us to address e-commerce challenges, in particular in line with the European Parliament's opinion. But we want to aim even higher, towards the most profound modernisation of our customs policy, because as a key enabler of cooperation as well as a first line of defence against risk, it can be a key driver of our strategic autonomy.

Honourable Members, we can make a real difference provided we all work together. And this is particularly true in interinstitutional terms. If confirmed, I wish to build on what I consider outstanding cooperation with this House. I began today by highlighting the revision of our Interinstitutional Framework Agreement – a compass guiding our action. And in this context, I will continue strengthening Parliament's right of initiative under Article 225 of the Treaty by enhancing the Commission's follow-up to corresponding resolutions.

During this mandate, I have made sure that the Commission keeps President von der Leyen's promise, by responding positively and promptly to all 24 parliamentary resolutions that required a response. This was thanks to our joint efforts to foster understanding on substance and a sense of collaboration. Going forward, I will continue to uphold the principle of equal treatment of Parliament and the Council, especially through the timely flow of comprehensive information.

I've also engaged with fellow Commissioners to ensure their presence in Parliament to strengthen our joint political responsibility. This includes providing comprehensive justification on the exceptional cases where Commission proposals are based on Article 122 of the Treaty. In the spirit of our special partnership, the Commission will also facilitate progress on the right of inquiry by seeking the best way to break the deadlock with the Council.

Turning to transparency, an essential ingredient for fostering citizens' trust and the principle to which I fully subscribe: it is our institutions' duty under the Treaties to conduct our work and take decisions as openly as possible, while maintaining regular dialogue with civil society. Therefore, if confirmed, I will use the opportunity of next year's review of the Interinstitutional Agreement on the Transparency Register to perform a fitness check, and I will engage with you closely during that process.

In the Commission, we will strengthen the system by extending the requirements of the Transparency Register to all managers. As the Commission's prospective representative in the new EU Ethics Body, I will contribute to defining minimum ethical standards. This body is a milestone in our institutional landscape, and I am ready to work jointly to make it a success.

Honourable Members, today holds an emotional element for me. Next week we will celebrate 35 years of freedom in Slovakia, following the Velvet Revolution. I often say that it is this experience of growing up behind the Iron Curtain that has made my work for a united Europe a passion, an honour and a commitment. Ukraine's heroic fight for the very same freedom adds a sense of urgency to that commitment. I assure you that in me, you will always have someone who is committed to build bridges, to seek solutions, and to defend our Union's values and interests. Thank you very much.

1-0009-0000

Bernd Lange, *Chair of the INTA Committee*. – Thanks a lot, Maroš Šefčovič. Now we have the first round of questions and answers: 40 minutes.

1-0010-0000

Jörgen Warborn (PPE). – Thank you, Chair. Thank you, Commissioner-designate. Thank you, Maroš Šefčovič. I liked a lot of what I heard. I have some follow-up questions.

First of all, on the free trade agreements, because in the last mandate, of course, we saw a lot of defensive trade instruments adopted and only a few new free trade agreements, and I think it is really important that we show that the European Union is open for business. So therefore, I'd like to ask you about the free trade agreements. Will you speed up the conclusion of the currently negotiated free trade agreements, not least with Mercosur, with Mexico, with India and Australia?

My second question is regarding the regulatory burden, because here the EPP has called for the principle of 'one in, two out' and would you commit to ensure a significant reduction of regulatory burden, either by applying this method or by any other methods? And finally, could you commit to always come with a proposal that has a full impact assessment? Thank you.

1-0011-0000

Maroš Šefčovič, *Commissioner-designate*. – Thank you very much, Mr Warborn, for all three questions, and because I have two minutes, I have to be very, very quick in answering all of them.

First and foremost, I would like to confirm that we are open for fair business. We are open for fair trade, and clearly we would like to accelerate and complete our work on all the agreements which are currently under the negotiations.

To just give you quick feedback, if it comes to the Mercosur, now we are at the level of the negotiations of the technical team. Of course, there could be a moment when the political level will have to be involved, and I hope that this agreement, which I'm sure we will discuss at greater length today, could be concluded on very, very fair grounds.

We are also working very hard to complete our negotiations with Mexico. There was one particular chapter linked with energy which was still needed to be finalised, and here we also been hit a little bit by the political calendar.

If it comes to Australia, there I will do my utmost to get in quick contact with my prospective Australian colleagues to see how can we revive the negotiations which have been disrupted by our Australian colleagues, and to get back to the negotiations.

On top of that, we also would like to be more present in South-east Asia and to check what we can do to advance the negotiations with Thailand, with Philippines, and also to see where are we in our relationship with India. We want to put it to the higher, to the strategic level, but the gaps between us in the negotiations of the free trade agreement are quite significant.

If it comes to two questions – regulatory burden and impact assessment – if you'd be so kind, I think I will have to reply you in my additional minute.

1-0012-0000

Jörgen Warborn (PPE). – Yes, so, will you apply the 'one in, two out' principle? I think it is really important now that businesses see a reduction in the regulatory burden. This affects European competitiveness. So I'd like to know if you can apply this principle.

Second of all, a lot of our small businesses, they do not export outside the European Union. What kind of measures could you take as a Commissioner in order to make sure that we open up the potential for all the small and medium-sized enterprises so that they actually trade outside the European Union.

And finally, on the economic security strategy, how will you work to ensure that we get the right balance between the security part and the open-for-business part? How will you work with 'partnering', 'promote' and 'protect', and what is the right balance between those three factors? That would be my question. Thank you very much.

1-0013-0000

Maroš Šefčovič, Commissioner-designate. – Thank you very much. If it comes to regulatory burden, indeed, we want to strengthen the policies which we've been deploying in this current mandate, and therefore I can fully commit to strengthen 'one in, one out'.

But also I would like to highlight the fact that we introduce new elements in how we do the impact assessments, how we measure the administrative burden, and thanks to that, in 2022, we managed to reduce administrative burden by EUR 7.3 billion. I know that the businesses are not feeling it yet. The citizens expect more and therefore this would be a top priority for all the commissioners. We all have it in mission letters and will be working very hard in that regard.

We'll be also delivering on impact assessments, and I know how important it is for our legislation, but I know how important it is also to measure the impacts of our trade agreements for the business environment and the business strength in the European Union. Here my suggestions would be: let's work more on this together. Let's also use the Parliament's ability to do the impact assessment on significant amendment once the negotiations are starting, because only in that case we can get to the higher quality.

If it comes to the SMEs, we are introducing a very clear commitment that if it comes to the SMEs, we want to reduce the reporting burden by not 25 % but 35 %, and that we will be always deploying so-called SME Window, which would make it easier for our businesses to thrive, because we know that more than 95 % of businesses across Europe are actually SMEs.

On your last point, you are correct. We need to find the right balance between our offensive and defensive instruments. Therefore, I think that in this geopolitically very tense world, we need friends. We should work with them, but we also should be ready to use our trade defence mechanisms if necessary.

1-0014-0000

Brando Benifei (S&D). – Thank you, Chair. Thanks, Commissioner. Trade policies have evolved from focusing only on trade to being more horizontal, covering also investments, partnerships and diplomacy. Trade has become in fact a geopolitical tool with a world in turmoil, with wars, with stronger tensions between China and the US, and with new countries joining the BRICS. In fact, we do need to act with a single voice in the delivery of our common goals in this new context.

So with this in mind, what is your view on the global role of the EU? Do you agree that trade can only be successful in our perspective when it goes hand in hand with sustainability and social inclusion? And if so, how do you plan to strengthen this link? I ask you for precise and concrete proposals, taking into account the measures already put in place during the last mandate.

1-0015-0000

Maroš Šefčovič, Commissioner-designate. – Thank you very much for this question. I think that you are absolutely correct in highlighting that trade is an economic enabler. We see how important it is for our competitiveness. We see how important it is for the preservation of unique European social model, where almost half of our GDP depends on our trade relationship, and when more than 30 million jobs also depend on our export qualities and export agreements.

So it's very clear that we have to be very active in this area, because we are the biggest traders and biggest investor in the world. And Europe has it in its DNA not only to be a free and fair trader, but we also are one of the major actors in the world to promote sustainability, to fight for tackling climate change. We are including the respect of the Paris Agreement in all our free trade agreements, and as a principle, we are also coming with the trade sustainable development chapters in all our negotiations.

But here I also would like to say one thing. Feeling the reaction from the partners, especially from the developing world, I think that we should do more in outreach and engagement. Because very often they see that our policy is even well meant to tackle climate change, to be environmentally sustainable, to be as strong as possible in protecting human rights, labour rights. Sometimes they have a feeling that this is our universal unilateral pressure. I even heard once in the conversation the people accusing us of 'regulatory imperialism'. And we know that this is not the case, that we want to be close partner with them, but I think we need to invest much more time and efforts in outreach, in explaining our position and in underlining how important this is for the future of our planet.

1-0016-0000

Brando Benifei (S&D). – Thank you, Commissioner. In my previous question, I mentioned the United States of America. You also talked about it in your introduction. The elections are looming and the US and EU will remain crucial economic and political partners in any case. However, it's fair to assume that Washington's disengagement from the WTO, and protectionist policies, are likely to continue in a moderate or more extreme fashion, depending also on the results.

What is your plan to relaunch our trade relationship with the US? How can we find lasting solutions to the issues you mentioned today and in your written answers, such as the larger civil aircraft dispute and the US tariffs on steel and aluminium?

What are your views on the US measures that affect our trade relationship, such as the Inflation Reduction Act and 'Buy American'?

Also, today you mentioned the need to revamp the Trade and Technology Council by adapting its structure. How do you intend to achieve this objective concretely?

1-0017-0000

Maroš Šefčovič, *Commissioner-designate*. – Thank you very much for these questions. Indeed, as I said in my introductory remarks, the United States are our biggest and most natural partner and ally. So whatever the election results, which we will see tomorrow, we have to come – and I will come – with the offer of partnership and with the offer of cooperation.

At the same time, you are absolutely right: we also cannot overlook and have to be very firm on defending our own interests. Therefore, we have to focus on solving so-called 'par disputes'. You're absolutely correct in highlighting the large civil aircraft issues, but also section 232, which is linked with security and concerns steel, but also the protectionist elements of the Inflation Reduction Act, where European companies are excluded from some of the very generous subsidy schemes offered by the American partners. How to do that? I think that, first and foremost, we have to talk to each other as allies and to clearly put it on the table that this is very important for us.

Secondly, we need to revamp the Trade and Technology Council and to see on the structure and also maybe on some other streams and working groups which we would need. So we would also look at the future and, let's say, we would inform each other better about the different incentive schemes which the US is offering so we can present our point.

The last issue I would mention is to redouble our efforts on agreement on critical minerals, because it would also put us into a different league.

1-0018-0000

Marieke Ehlers (PFE). – Thank you very much Chair, Mr Šefčovič, thank you very much for being here today. As Commissioner-designate for transparency, I am sure you would agree that transparency and accountability are key elements of democracy and of the rule of law. And in this regard, I would like to refer you to the scathing report by the European Ombudsman on the lack of transparency on the part of the Commission, particularly regarding the negotiations of the Pfizer deal by Ms von der Leyen, that we, as Members of Parliament, have not, to date, been able to see.

In stark contrast to this, I recently wanted to look into confidential documents by the Commission relating to the Visa Code and while I had to sit in a room with a supervisor and my phone put away in a safe, these documents were already leaked on Statewatch.

In addition to this, the Commission President has made no secret of the fact that she supports the *cordon sanitaire* against my political group in this Parliament, which in and of itself undermines millions of voters and surely does not promote transparency and accountability. And therefore, my question, which is twofold: what steps do you intend to take to improve transparency within the Commission and to prevent leaks of confidential information? And then, secondly, what is your position on the *cordon sanitaire* against groups on the right of the political spectrum?

1-0019-0000

Maroš Šefčovič, *Commissioner-designate*. – Thank you very much, madam, also for your question. If it comes to the confidential information, I can assure you that if I want to read the highly classified

materials, I have to sit in the same room as you do and of course to be in the presence of the ladies who are working there, who are responsible for making sure that we would not have a leak of classified documents. Can we see how we can upgrade it? How can we make, let's say, our computer connections and email system more secure? We can we can look at it, but first and foremost, we have to respect the level of the classification of the the document.

If it comes to the transparency, also, in my introductory remarks, I was very clear that we are going to have another look, I believe jointly. How can we improve our transparency register? I already committed to that all the managers in the European Commission will strictly follow the policy: no registration, no meeting – and that if it comes to negotiations of the trade deals, that I will simply do the same approach as I was following in the negotiations with the United Kingdom and Switzerland, that we found a way with the Parliament to share even sensitive information, confidential information. So clearly, this accountability of the Commission to the European Parliament was strictly followed and the Members of the European Parliament were properly informed.

And if it comes to the cooperation, I will work with every Member of the European Parliament who is very clear that they support pro-European policies, that are ready to work for the European unity, that they want to make Europe stronger, and they support the fight of Ukraine for its freedom and for its territorial sovereignty and territorial integrity.

1-0020-0000

Marieke Ehlers (PFE). – Thank you again. I will stay on the topic of transparency. In a 2018 report, the European Court of Auditors pointed out that there is no legal framework to monitor the functioning of NGOs who receive funding from the Commission. Various organisations and agencies have warned that NGOs are prone to launder criminal money and finance terrorism, and the Qatargate scandal has demonstrated how NGOs were used to organise passive and active corruption in this very Parliament.

And to date, the Commission has done nothing to improve the transparency of funding to NGOs, and they remain involved in the embezzlement of European development funds and the diversion of European subsidies to terrorist organisations. And so my question is: what will you do to increase the transparency of the work of NGOs that are subsidised by European funds?

1-0021-0000

Maroš Šefčovič, Commissioner-designate. – First and foremost, these are very serious accusations, so if anyone knows that the European funds have been used for funding terrorist organisations, we should probably investigate it. And it shouldn't be only us or the Court of Auditors, but of course OLAF and all the judicial authorities, and I would really recommend this.

If it comes to the funding of the NGOs from the European budget, here I want to be very clear: we always consider the civic society to be very important interlocutor and very important partner for our discussions. And I know that also based on that report coming from the Court of Auditors, we are looking again how can we improve this mechanism and what we can do better, that everything which is being done with the European money is not only properly controlled, supervised, but it also serves the proper purpose.

1-0022-0000

Daniele Polato (ECR). – Come gruppo ECR siamo tradizionalmente a favore di un commercio libero ed equo e vogliamo realizzare un'autonomia strategica aperta.

Vogliamo più accordi commerciali e di investimento a vantaggio di aziende, lavoratori e consumatori dell'UE.

Vogliamo garantire a cittadini e imprese l'accesso alle fonti di energia e di materie prime di cui l'Europa è sprovvista; riteniamo sia necessario diversificare le nostre catene di approvvigionamento e riportare nell'UE le produzioni considerate strategiche.

Allo stesso tempo dobbiamo rispondere con fermezza alla concorrenza sleale e proteggere le produzioni europee di qualità, a partire dalle indicazioni geografiche.

Soprattutto intendiamo mettere al centro la competitività e fare in modo che la politica industriale e la politica commerciale siano allineate.

Commissario Šefčovič, ritiene che la DG Trade possa semplificare ulteriormente l'accesso delle aziende dell'UE, e in particolar modo delle piccole e medie imprese, ai mercati dei paesi terzi? Come intende eliminare gli oneri amministrativi e le complessità doganali per le aziende?

1-0023-0000

Maroš Šefčovič, *Commissioner-designate*. – Thank you very much for your question.

First and foremost, concerning the diversification, because you rightly pointed out to the question of critical raw materials, and there, as you would probably recall, I was working with my colleagues on making sure that we would have the alliance for the critical raw materials, and that we would also use the European bargaining power to get better access to the critical raw materials. Because we clearly have to diversify. We cannot be dependent in some critical raw materials more than by 95 %, 98 % on one particular supplier.

So therefore, I would be very much pushing for making sure that critical raw materials chapter is in every agreement we have, and that we would also work on the aggregate demand and common purchase of critical raw materials for the European Union, as we did with the gas, and to be a little bit more inspired by what Japan is doing in this regard.

I know that for you it's very important, as for most, I would say for everyone in this House, and I'm talking about competitiveness of the European Union. Here I think what we need is even better alignment between our industrial and trade policies. They have to be mutually reinforcing. And this is how we want to organise also ourselves in the next European Commission.

Concerning the SMEs, and using my last 24 seconds to give you the answer, I'm fully aware that we have like 95 %, 96 % of our companies are micro-enterprises or SMEs. Thirty per cent of them are contributing to our export potential, but only 5 % are directly exporting, and we need to improve that. We need to improve the access to the third markets. We do it through the access to market portals. We trained more than 12 000 SMEs over the last years, and I would work very hard to make sure that SMEs would have access to the export credits to make them more competitive on the third market.

1-0024-0000

Daniele Polato (ECR). – Ringrazio il commissario per la Sua risposta. Mentre altri attori, quali la Cina e la Russia, stanno conquistando sempre più spazio, l'UE ha bisogno di un nuovo approccio.

Fino a oggi siamo stati troppo lenti e l'efficienza della nostra azione comune non è stata all'altezza delle sfide. L'UE dovrebbe offrire ai paesi terzi accordi commerciali pragmatici, che trattino

soprattutto di energia, di materie prime e di infrastrutture, il tutto senza l'approccio predatorio che vediamo in altri *competitor*.

Offriamo ai paesi in via di sviluppo delle generose tariffe commerciali che spesso impattano su molte produzioni europee. Un esempio ne è il caso del riso. Sappiamo che è un tema controverso, ma le chiederei: possiamo ipotizzare anche una maggiore cooperazione e collaborazione per il contenimento dei flussi migratori e la riammissione dei migranti illegali, per esempio con dei riferimenti specifici nei futuri accordi commerciali e di investimento, a partire dall'SPG?

1-0025-0000

Maroš Šefčovič, *Commissioner-designate*. – Thanks very much, Mr Polato, also for your subsequent questions. First and foremost, I agree with you that we need to offer new products on the shelf. Until now, we've been working mostly through the free trade agreements, which are sometimes extremely comprehensive, they're not easy to negotiate, and we also know that also the ratification process is very demanding.

Therefore, we are also introducing these new type of agreements which are more fit for purpose, like the sustainable investment agreement (SIFA), which we concluded with Angola, or I would say the new generation of the EPAs, which we have there in place with Kenya and is open to other countries.

But your point of the question was on the GSP. Here, because of the shortness of the time, my suggestion and request would be let's work together to unblock the file, because we need to do it. And let's see on what are the remaining open issues and I can promise you that I will play the role of the honest broker to get this done as quickly as possible.

1-0026-0000

Marie-Pierre Vedrenne (Renew). – Monsieur le Commissaire désigné, attaché au commerce, aux règles, à la concurrence loyale, le groupe Renew Europe défendra une politique commerciale qui protège et renforce notre marché intérieur, une politique cohérente avec toutes nos ambitions et qui défende nos intérêts.

Véhicules électriques, acier, aluminium, ciment: la liste des secteurs chinois en surcapacité est très longue, menaçant des pans entiers de nos secteurs industriels européens. Comment la Commission compte-t-elle traiter ce sujet, cet enjeu? Avec plus d'enquêtes ex officio? Avec la création d'un instrument dédié aux surcapacités afin de pouvoir réagir systématiquement? Ou estimez-vous que notre boîte à outils est suffisante?

Dans vos questions écrites, vous avez affirmé, à raison, votre engagement à soutenir le développement durable et vous venez d'évoquer des accords plus souples. Comment l'accord Mercosur s'intègre-t-il dans cette vision? Est-ce que l'instrument industriel additionnel y contribuera pleinement, avec l'inclusion de normes de durabilité solides, comme le respect de l'accord de Paris ou les enjeux relatifs à la déforestation?

1-0027-0000

Maroš Šefčovič, *Commissioner-designate*. – Thank you very much, madam, also for your question. Indeed, if it comes to our relationship with China, it's very clear that it's the second largest world economy and it's our third trading partner. And it's also very clear that we need to rebalance our relationship. And I think that also in my introductory remarks I highlighted – and I would like to underscore it here – that we have to tackle all these issues, which are making China a very

complicated and very often difficult partner. Two thirds of our trade defence instruments are aimed at China, because we see the overcapacity problem, we see the lack of a level playing field. We know what kind of problems we have with public procurement in China and simply there is a lot of other issues which we need to deal with us.

So I think that – to put it in the words of our President – we clearly need to invest more in not only using our instrument, but also de-risking our relationship with China through diplomacy. We clearly need rebalancing, we need the reset of our trade relationship in China to ensure that there will be more fairness, that there will be a level playing field and that we will really see the the way how this relationship is mutually advantageous. And that would be clearly the direction I will be taking in that regard.

If it comes to sustainability, I was very clear highlighting that we will be working very thoroughly on making sure that the trade development and sustainability chapters will be in our agreements. And of course, if you allow me to continue in your subsequent question on this issue, I will very gladly do so.

1-0028-0000

Marie-Pierre Vedrenne (Renew). – Avoir plus de précisions sur l'enjeu relatif au Mercosur, c'est essentiel.

Je reviens maintenant sur la Chine: alors qu'elle suspend ses investissements en Italie ou en Espagne, la Chine se redirige massivement vers la Hongrie. On voit bien que cette volonté de semer la discorde entre États membres de l'Union européenne, en allant jusqu'à utiliser la coercition économique et des enjeux économiques, a des fins politiques.

Sur ce point également, comment envisagez-vous la volonté de la Commission européenne d'être plus assertive dans cette logique? Comment éviter en outre une course aux subventions, tout en respectant les règles de concurrence de l'Union européenne?

Nous avons cette enquête emblématique, à l'heure actuelle, sur les voitures électriques. La volonté de la Commission de continuer à assurer des prix minimaux aura-t-elle réellement un effet équivalent sur les tarifs? Comment voyez-vous, là aussi, l'avenir de cet équilibre pour défendre au mieux nos intérêts?

1-0029-0000

Maroš Šefčovič, Commissioner-designate. – Thank you very much. I will start with the battery electric vehicles. I would like to reassure everyone in this room that our investigation in this matter was absolutely thorough. We did it totally by the book, and the duties which we introduced are based on facts and solid evidence. They are balanced and they are proportionate.

At the same time, we also would like to complement this first part of my answer by the fact that the EU market will remain open to imports of these vehicles from China. The trade will continue to flow, but with these imposed duties. As you know, these duties are enforced only for a couple of days. We offer to our Chinese counterparts that there is a possibility to negotiate so-called price undertakings, which are the price commitments by the car producers. Currently, the team of DG Trade is in China. We understand that China was interested in these negotiations, but what is very important for us is that even if we go in that level of negotiation of undertakings, they have to be equally effective and enforceable as the import duties we introduce. So that's absolutely key for us. This is something upon which we would insist.

1-0030-0000

Majdouline Sbai (Verts/ALE). – Merci pour ces échanges.

Mon premier point concerne le Mercosur. Il y a plusieurs mois, des agriculteurs se sont mobilisés de manière historique contre la concurrence déloyale et les accords de libre-échange, en particulier le Mercosur. Certains groupes ici et la Commission semblent vouloir accélérer désormais la signature du Mercosur en séparant en deux cet accord. Allez-vous stopper cette procédure pour laisser les parlements nationaux s'exprimer?

Une deuxième question: allez-vous mettre en place des sanctions en cas de non-respect des normes environnementales dans le cadre des accords commerciaux? Allez-vous aussi vous engager à interdire l'exportation des pesticides interdits en Europe?

Enfin, la réponse que vous apportez sur le dossier SPG m'inquiète beaucoup. Il y a un lien fait dans ce dossier, dans cet instrument de développement, avec le retour des migrants et nous pensons aujourd'hui que cela n'est pas compatible avec l'avis légal que nous avons reçu et qui dit que c'est incompatible avec les règles de l'OMC. Quel camp allez-vous choisir sur ce sujet?

1-0031-0000

Maroš Šefcovič, Commissioner-designate. – Thank you very much, madam, also for your question. The negotiations on Mercosurs are, of course, extremely lengthy, as you know, and they are now taking place also as we speak. So we are now at the technical phase, but we are clearly not there yet. And of course, I'm sure, as with all such important negotiations, in the end, the political level will have to be involved.

At the same time, I fully understand your concern concerning European farmers. As you probably know, I had occasion to meet all the associations representing farmers in the course of the current mandate, and I felt the feeling that they are not treated properly, they paid a heavy price during the last years of crises, and that the whole structure of the value chain is not fair to them, that simply those who produce the primary products do not have the same part of the whole cake, like the traders, like the food processors, like the retailers.

Of course, I'm sure that this would be also the discussion we will have maybe this evening with my colleague, Commissioner-designate for agriculture, because this is something that clearly needs to be corrected, and that was one of the recommendations of the strategic dialogue with the farmers over the last year.

Coming back to Mercosur, I can clearly assure you that in these negotiations we are super vigilant if it comes to the overall advantages or positivity of this Mercosur for European Union. I told you and I would like to underline I would never bring you back the deal which is not in a European interest.

I also know – and we had this very direct exchange with Manon Aubry – that you would like to see as much transparency as possible. So I can also pledge to you that once we know what are the parameters of this trade, I will come here with a PowerPoint, with a calculator, with all the figures, and we can have thorough discussions on Mercosur from all the aspects.

1-0032-0000

Majdouline Sbai (Verts/ALE). – (*début de l'intervention hors micro*) la question de la transparence, de la délibération au sein de notre Parlement est une question clé pour nous, mais aussi pour préserver notre démocratie. C'est pour cela que je souhaitais savoir comment vous allez inclure le Parlement

lors de la négociation et de la conclusion des plans d'action sur les matières premières critiques; ces accords ont des conséquences sur les droits humains et les populations locales, vous l'avez mentionné.

Sur le même sujet, la Commission a décidé d'interdire l'importation des biens issus des territoires ukrainiens illégalement occupés par la Russie. Vous engagez-vous à mettre en place une interdiction d'importation équivalente concernant les produits issus des colonies israéliennes, qui sont illégaux du point de vue du droit international, dans la lignée de la décision de la Cour de justice internationale du 19 juillet 2024?

1-0033-0000

Maroš Šefčovič, *Commissioner-designate*. – Thank you very much. On the question of the critical raw materials, it's a very pertinent one. As you know, we are now currently evaluating our evaluation on the sustainability of the critical raw materials for the European Union. And we are still also waiting for, I would say, the full 'kick-in' of our battery regulation and for our other instruments where we would see how that all assessment, especially by these authorities of the Member States, is focused on the whole value chain of the origin of the critical raw materials, so we can improve it.

All these instruments were necessary just to make sure that the critical raw materials will be sustainably mined and they will be they will be produced in an environment which corresponds to what we expect from our partners who want to supply the European Union with their supplies.

And on the last part, clearly the products which are exported by Israel from the occupied territories do not enjoy any of the advantages of the associated agreement between the EU and Israel.

1-0034-0000

Lynn Boylan (The Left). – Thank you, Chair and Commissioner. My question today relates, I suppose, to the credibility of the European institutions and how you can assure us the trade agreements are actually worth the paper that they're written on. And why I'm asking you this is because the EU remains Israel's largest trading partner, despite the fact that the International Court of Justice has ruled that there is a credible risk that Israel is committing genocide on Gaza.

And I'm sure, Commissioner-designate, that you're familiar with Article 2 of the EU-Israel Association Agreement, and that trade is conditional on respect for human rights and democratic principles. There are 40 000 Palestinians now dead. Gaza has been completely levelled. None of the hospitals are functioning. A polio vaccination centre was targeted over the weekend. So it's never been clearer that Article 2 has been breached, and breached consistently by Israel.

So, Commissioner, the question for you is: will you commit to upholding international law? Will you commit to upholding EU trade law? And will you suspend the EU-Israel Association Agreement?

1-0035-0000

Maroš Šefčovič, *Commissioner-designate*. – Thank you very much, Madam, and I totally agree with you that the situation in Gaza is appalling and we are faced with unprecedented humanitarian crisis. And I can also tell you that we are deploying all the efforts and instruments which we have at our disposal to make sure that we will push for the ceasefire in the Middle East, for opening the channels of large quantities of humanitarian aid coming to Gaza.

And we been very clear also with the representatives of the Israeli Government that our priorities are not only ceasefire, but we want to have a two-state solution. And these are very clear political commitments.

And if it comes to the respect of international law, of course, we are the European Union, which is based on the rule of law, which is based on respecting international law norms. If it comes to the Association Agreement, this agreement can be changed only by unanimity in the Council.

1-0036-0000

Lynn Boylan (The Left). – It's not good enough, to be honest, in terms of the response, because you're saying all the tools are being used; clearly they're not. There's a double standard here and, rightly, sanctions were taken against Russia. That's a correct measure, but we're not seeing the same measures being taken against Israel.

And you have to ask the question: why would any trading partner comply with the rules of trade with the EU when they can simply point to Israel and say, this country can just trash European international law, trade law and have no consequences whatsoever? So you do have more tools available for you. We need to see sanctions.

But I'd also like to know, in terms of the other International Court of Justice, the advisory opinion on the Occupied Territories, what is the European Commission's view on that? My understanding is you've commissioned legal advice. Will you be sharing that legal advice with the members of this committee, and making public how the EU is not complicit, one, in genocide, but also in facilitating the continuation of illegal occupied territories?

1-0037-0000

Maroš Šefčovič, Commissioner-designate. – Thank you very much. In the second round of this question, what I can also tell you is that we see our association agreement and trade agreements as instruments, or better to say as a platform, which allows us to have very open, frank and tough conversations with our partners if needed. And I can tell you that we are using this platform for communicating to Israelis very clearly our position on the appalling situation in Gaza, on the need of humanitarian aid, on cessation of violence, on the ceasefire which is needed, and also on the need to have the two-state solution to resolve permanently this tragic situation in Gaza and in the Middle East.

If it comes to the second part of your question, I know that trade is, as I said, an enabling instrument and it has a huge coverage. But these issues are very closely linked to the mandate of Kaja Kallas, High Representative / Vice-President of the European Commission, and I'm sure that she will be able to address them better than me.

1-0038-0000

Hans Neuhoff (ESN). – Herr Šefčovič, die Sanktionen gegen Russland haben zu einem Verlust an günstigen Rohstoffquellen geführt und die Kosten für die Industrie in der EU weiter in die Höhe getrieben. Schätzungen von Ökonomen zufolge wird die EU-Klimapolitik bis 2050 etwa 15 Bio. EUR kosten, während ihr Einfluss auf das globale Klima objektiv marginal bleibt. Diese Politik führt zu einer sinkenden Wettbewerbsfähigkeit, Abwanderung von Produktionskapazitäten und Marktverlusten, was durch die zunehmende Regeldichte und Steuerbelastungen weiter verschärft wird.

Meine Frage: Wie rechtfertigen Sie Ihre Unterstützung für eine Politik, die nicht nur die wirtschaftliche Stabilität und den Handel in der EU gefährdet, sondern auch durch die Sanktionen und den Verlust von Rohstoffquellen die Kosten weiter erhöht?

Welche konkreten Maßnahmen wollen Sie ergreifen, um den drohenden Verlust von Wettbewerbsfähigkeit abzuwenden, und wie planen Sie, den potenziellen Handelskonflikten entgegenzuwirken, die durch klimapolitische Maßnahmen entstehen können?

1-0039-0000

Maroš Šefčovič, *Commissioner-designate*. – Thank you very much. What I think it's needed to underline is the fact that we adopted 14 packages of sanctions. And I would like to underscore all of them by unanimity. So they had the total support of all our Member States, and we saw them as the instrument which was of absolute necessity to at first make sure that aggressor pays for the aggression, that we are pushing the aggressor where there is a highest pain threshold, and that we are doing our utmost to make sure that we will help Ukraine to defend itself.

You would very well remember that tragic morning when 200 000 Russian soldiers just crossed the line and started this huge fight against Ukraine. And I think that it's very clear that we as a European Union has to stand up. And we did, and we said that we will do it as long as it takes, until there will be a just peace between Ukraine and Russia and when the Ukrainians will tell us, 'That that's the peace we accept.' That's the just lasting peace with territorial integrity and sovereignty we can support.

So I think that from this perspective, that was very clear that the European Union was using the sanctions to also make our position clear and at the same time, we also redoubled our effort in different sorts of assistance to Ukraine.

If it comes to the competitiveness of the European Union and also to the risking of our relationship, I think we did extremely well in diversifying supply of gas and all, but also critical raw materials. But there, of course, there is a lot to do. And therefore, as I told you, we will be working very hard to use the European common purchase and European economic weight to make sure that our economy will meet the critical raw materials and energy it needs.

1-0040-0000

Hans Neuhoff (ESN). – Herr Šefčovič, noch einmal zu China: Die EU steht vor einem geopolitischen Dilemma. Einerseits ist China eine politische Herausforderung, andererseits aber eine unverzichtbare Chance für unsere Wirtschaft. Die Eintrübung oder gar der Verlust des chinesischen Marktes würde unsere Exporte erheblich beeinträchtigen und den technologischen Austausch lähmen. Eine langfristige wirtschaftliche Konfrontation mit China ist für die EU kaum durchzuhalten und scheint vor allem im Interesse der USA zu liegen. Das System der internationalen Beziehungen befindet sich, wie Sie wissen, im Übergang zu einer multipolaren Weltordnung. Sie haben dazu in Ihrer Vorstellung den Handel als *a geostrategic tool* angesprochen, als ein geostrategisches Werkzeug.

Meine Frage an Sie: Sehen Sie die Zukunft der EU in einer Konfrontationsstrategie gegenüber China oder setzen Sie auf eine kooperative Herangehensweise, um wirtschaftliche Stabilität und technologischen Fortschritt zu sichern?

1-0041-0000

Maroš Šefčovič, *Commissioner-designate*. – Thank you very much also for this question. I can tell you that the European Union is not interested in trade wars. If this was the question you've been asking. What I was highlighting and what I would repeat, what we are looking for is a rebalancing of our relationship with China in a way that we would tackle all the areas where we simply feel that our relationship is not fair. We are fighting for the level playing field, we are fighting for the fair access to the public procurement, we are going to tackle, with all our force, over-capacities which are being created by China and are threatening our industry in the European Union.

And when I had the opportunity to talk to my Chinese counterparts in this mandate, I was making very clear that we cannot tolerate where the subsidies are aimed to preserve Chinese jobs at the expense of the jobs for the Europeans. We just simply need to address these issues, and we will. And we want to do it through diplomacy, through negotiations and through making clear our position to our Chinese partners.

1-0042-0000

Loránt Vincze (PPE). – Dear Commissioner-designate Šefčovič, you were not very generous in your introductory statements in addressing interinstitutional topics, so please elaborate a bit more on those. On indirect legislative initiative under Article 225, the Parliament attempts to advance legislation through special legislative procedures that have seldom reached successful conclusions. So how can you commit to that we have a better rate of success in this area?

In light of the Treaty amendments proposed by Parliament, would you advocate for granting Parliament a general right to initiate and to revoke legislation?

On the revision of the Framework Agreement, what commitments are you willing to make to enhance follow-ups on Parliament's initiatives beyond merely meeting formal response deadlines?

Lastly, on European citizens' initiatives, especially when the Parliament has shown support for such initiatives, when can we have improved response from the Commission on those? Thank you.

1-0043-0000

Maroš Šefčovič, *Commissioner-designate*. – Thank you very much, Mr Vincze, for this question, but also for the excellent work you've done as a rapporteur on the European Citizens' Initiative. Because in my previous mandate, I was one who was introducing it, and I know that especially for those pioneers who have been using this instrument, that especially your changes, the suggestions you made, made the ECI much more user-friendly for our citizens. I think that also the number of the ECIs since that moment, which raised to 48, is just proving that it was the clearly right sets of amendments, right set of changes just to make for our citizens this instrument much more useful and user-friendly.

Clearly, we also changed the way how we approach the ECIs in the Commission. Now, once the ECI is registered, there is full information to the full college session of commissioners. It's always with a description of what this ECI is about, what are the procedural steps and how much is it falling within the remit of the Treaties, and clearly we would continue with that practice in the future.

If it comes to the new framework agreement, here I think that for us, clearly the guiding principles would be the political principles agreed between the President of the Parliament, Ms Metsola, and the President of the Commission, Ms Ursula von der Leyen. Of course, I will be very happy to work with the European Parliament negotiators to advance this as quickly as possible.

I think that the new College of Commissioners would welcome the fact that we have now this upgraded framework for the relationship of true communitarian institutions, and we also keep very clearly the promise that we will continue this excellent track record we had on fully following up to 225 Article's resolutions from the European Parliament.

1-0044-0000

Kathleen Van Brempt (S&D). – Thank you very much, Maroš. In your introduction, you gave three Ds for the priorities on trade, and I would like to suggest a fourth D: deepening our sustainability agenda.

And that brings me to the TSD chapters within the free trade agreements. As you know, we've strengthened these TSD chapters over the last few years on the demand of the S&D Group in particular. But the proof of the pudding, of course, is in the eating. And up until now we only have that TSD chapter within the FTA of New Zealand.

So, my question is twofold. On the one hand, will you continue to work on a stronger enforcement and implementation, especially on the dispute settlement, and allowing trade sanctions as a last resort? And secondly, will you use these principles not just for the future trade agreements, but also retroactively to existing agreements through a procedure of revision.

1-0045-0000

Maroš Šefčovič, Commissioner-designate. – Thank you very much also for this question.

Clearly, the sustainability part was, is and will remain the key part of our trade policy and in our bilateral agreements. As you rightly pointed out, we already have very strong sustainability chapters and I can also tell you that in all negotiations, we always go for the most ambitious set of goals. But these are the negotiations, we have to have partners on the other side who would also have to agree to these provisions. And of course, we can achieve much more understanding and much better cooperation from the partners like New Zealand, who are a very developed economy, who are a democratic country, like with the developing country, where I think, as I was saying earlier, we need to help them to get to our level of sustainability. So that's I think, where we have to find, the needed equilibrium.

But I also would like to tell you that if it comes to sustainability provisions in our agreements, they are legally binding. And how we are addressing them from the point of view of enforcement, we always prefer to use the dispute settlement mechanism. And we tried it in several cases to use the panels to use the civil society to be public about our concerns, and we had a good experience. You probably would recall that, in this way, we managed to resolve the labour issues in South Korea, but also the recent examples, how we used these mechanisms to deal with the labour law questions, which have been concerning for us with Peru and Colombia.

So I think that from this perspective, we see that this work and we are also making clear to all of us, to all of our partners that the Paris Agreement is an essential element in all our agreements. And this will clearly stay like that.

1-0046-0000

Iuliu Winkler (PPE). – Commissioner-designate, two of our bilateral trade relations I would like to enquire. First of all, I am happy that you mentioned the global agreement with Mexico between your priorities. And it is okay that that's a very important negotiation. But do you have a strategy? What

will be the strategy of swift negotiations? Because there is the possibility of delays. And could you achieve a signature before the USMCA negotiations are starting?

My second direction would be towards Taiwan. We have this EU-Taiwan Trade and Investment Dialogue, which is very important for us, including trade irritants, such as offshore wind and market access for the agri products, which we can discuss under the trade dialogue. Could you confirm that you will try to expand this trade and investment dialogue for new areas of mutual interest, deepening our presence and dialogue with Taiwan?

1-0047-0000

Maroš Šefčovič, *Commissioner-designate*. – Thank you very much, Mr Winkler, for both questions. On the first, I think that our negotiations with Mexico have been very much hampered by the political calendar, to be honest, on both sides. There was one open issue linked with the energy chapter. So of course my intention here would be to approach the potential counterpart, if confirmed by this House, and to see what we can do and how can we swiftly advance our negotiations? If I recall correctly, the USMCA should get into force in 2026, so we still have more or less a year and a half to go. And that would be the window within which I think we can we can accomplish the task.

If it comes to Taiwan, I think here I have to say that Taiwan is an important and like-minded partner. And as you rightly pointed out, we have a very strong trade relationship. We expanded already the scope of the trade and investment dialogue. We expanded it also into the area of research and innovation. And about the new plans in that area, we are also discussing now the possibility of working more in the area of digital trade facilitation. So I think that if it comes to the dialogue, we are looking in a way at how can we introduce the new chapters in this relationship.

In the meantime, I think what is also very important to highlight in this geopolitical tension is that there have been two very important investments by Taiwanese companies: the chip-making factory in Dresden, EUR 3.5 billion and EUR 5 billion investment in Dunkirk for batteries. This just shows the potential of our trade and investment relationship, and therefore we would continue in that direction.

1-0048-0000

Christophe Bay (PFE). – Monsieur le Commissaire désigné, nonobstant les propos rassurants que vous avez tenus récemment, nous sommes particulièrement préoccupés face à l'empressement à finaliser l'accord sur le Mercosur, et ce malgré la très vive opposition du monde agricole dans la majorité des pays européens. À ce stade, force est de constater que ces négociations manquent de transparence. Il en est de même de l'absence de prise en considération des intérêts stratégiques de nombreux secteurs.

Il n'est pas raisonnable que la Commission pousse à un accord quelques mois après les très nombreuses manifestations qu'ont connues les pays européens. En France, le gouvernement en est réduit à imaginer des compensations financières. Pouvez-vous, monsieur le Commissaire désigné, infirmer ou confirmer que l'Union européenne prévoit ces mesures de compensation?

Enfin, il semble que la Commission soit prête à forcer la main de plusieurs États membres, dont la France, pour faire passer cet accord. Ce serait un dangereux précédent. Comment justifiez-vous le fait de contourner la volonté des États souverains au profit d'un accord commercial politiquement concerné?

1-0049-0000

Maroš Šefčovič, *commissaire désigné*. – Monsieur Bay, vous avez parlé du Mercosur, n'est-ce pas? (*quelques mots inaudibles*)

Thank you very much for this question. I think that this was indeed a longer session because one concern, which I feel it's very clearly present, I would say, in this room and in the conversations we had with many of you in preparation of the hearing, is the transparency. I know that on 11 November your committee will be debriefed by the negotiators of DG Trade in great detail where we are with the technical discussions. But as I said, once we know that the negotiations are in a final phase or completed, then as I promised you, I will come to see you with a PowerPoint, with a calculator, with all the necessary data, and I would plea for having the discussion on the facts and figures, because Europe is an absolute agri-food superpower if it comes to exporting – we are exporting more than 230 billion euros of agri-food products.

The recent agreements which we signed – all of them – led to expansion of the exports. We benefit a lot when we have these agreements in place, and they protect our geographical indications because we have many of them, and we can enforce the respect for them, which brings them higher value, better protection, and of course brings better results for our exporters.

But one thing which I clearly see there is this fairness of how the benefits or profits for traders are distributed along the whole value chain. And a second very important issue, which I think you also referred to, was the cumulative effect of all agreements of this sort on our farmers and agriculture community. There are different studies made... now I have the time up, but I will be very happy to discuss it on the merits, on the facts and figures.

1-0051-0000

Rihards Kols (ECR). – Thank you, Commissioner-designate Šefčovič, supporting Ukraine's resilience and reconstruction must be a priority for Europe. On your opening statement, Ukraine was actually the very last item. And to say the least, you said nothing about it.

Given importance of the EU-Ukraine Deep and Comprehensive Free Trade Area agreement and the autonomous trade measures that are set to expire in June next year, what concrete steps will you take, especially in your first 100 days, to enhance Ukraine's integration into EU's market and support its economic recovery?

In light of Russia's ongoing aggression, it is also critical to prevent sanction circumvention that undermines our strategic goals. How do you plan to fortify our trade instruments to ensure they deter third countries from facilitating such activities, playing a double game and continue to engage on both sides?

And finally, how will you balance this robust sanction enforcement with safeguarding the EU's economic interests and strategic autonomy? Thank you.

1-0052-0000

Maroš Šefčovič, *Commissioner-designate*. – Thank you very much, Mr Kols, also for your question.

If it comes, at first, start with Ukraine. I think that it was very clear from the beginning and in all my statements and also in my personal track record, which dates well before the war started in Ukraine, that I see the support for Ukraine as something absolutely essential, not only for Europe, not for the Commission, but also for me personally. So if you ask me what we are going to do in the next or in

the first 100 days, I would say the topic which is already on the table is how to transform the so-called autonomous measures in the field of agriculture into the Article 29 process.

And I see it from one very important angle and that angle is how we would use these discussions to make sure that we will be preparing Ukraine for eventual membership into the EU. So it means not only respect for phytosanitary products, which is to a great extent already there, but also in the way of the production and how we would use, I would say, these negotiations which are already on the way in that positive sense.

We will be all of us working on so-called policy reviews, meaning looking at our horizontal policies, but looking at all candidate countries, what needs to be done that they, but also us in the EU are well prepared for that next scope of enlargement and I think that this would be one of the top priorities for not only the first 100 days, but for the next mandate of the of the European Commission.

If it comes to the circumvention of sanctions, this is, of course, something which is totally unacceptable and which we are tackling with all our force. We are tackling it through our bilateral contacts with all Central Asian countries, with Türkiye, with the United Arab Emirates. And it's a part of every single dialogue and discussion we have with China on these elements. We are working very closely with David O'Sullivan, who is also advising our Member States and G7 partners how to tackle this issue together.

1-0053-0000

Karin Karlsbro (Renew). – Commissioner-designate. I will also continue and talk about Ukraine. Since the Russian full-scale invasion of Ukraine, the EU has removed virtually all tariffs on Ukrainian goods. This has been an important measure to ensure the resilience of the Ukrainian economy. How can we ensure that support for Ukraine through trade and also investment – because that's often forgotten – remains strong when the current trade agreement expires in June 2025?

And another question is: how should the EU work to counter disinformation related to trade and sanctions, as we saw during the negotiations of the trade agreement with Ukraine this spring? Despite extensive sanctions, we still see billions flowing into Putin's war chest, due to the use of Russia's shadow fleet in the Baltic Sea, and I wonder how you will act to stop that. Thank you very much.

1-0054-0000

Maroš Šefčovič, Commissioner-designate. – Thank you very much, Madam. On the point you started with, I would say that it's very important to use the full potential DCFTA and this is clearly what we are doing. And I think in the area of goods, we are almost there. In the area of agriculture, as I said, we are now in the process of having these Article 29 negotiations. We will look for the best possible way forward to make sure that we would prepare Ukraine for membership. And at the same time, we will also work with the countries with agricultural sensitivities, to make sure that we will work with the facts and figures, and look for the solutions which are good for everyone.

A very important point to mention – and thank you very much, because this is the first time we are discussing it this afternoon – these are investments in Ukraine. So, I'm sure you are aware, that if it comes to Ukraine, we for the first time tried what I would describe as a pilot project: for the first time, we offered EU-level export credits.

Because Ukraine is extremely prospective and rich country, but to invest there under this condition, you want to have certain insurance, you want to be sure that your investment is well covered. And

it was very difficult to achieve it with the traditional private insurances and traditional export houses. Therefore, we introduced this new product under InvestEU.

And learning from that experience that something that we want to expand and use, if possible, for all SMEs in the EU to go to other difficult territories, which would make it easier for them. So I hope that through this we can achieve a lot.

And of course I will be tackling with full force all circumvention of sanctions, shadow fleet and will continue to phase out fossil fuels coming from Russia.

1-0055-0000

Raphaël Glucksmann (S&D). – Monsieur le Commissaire, nous avons laissé l'industrie européenne du photovoltaïque se faire ratiboiser par la surproduction chinoise. Allons-nous en faire de même avec notre industrie de l'acier?

Les mesures de sauvegarde prendront fin en 2026 et ne pourront pas être reconduites. Or, la surcapacité mondiale, en particulier chinoise, représente quatre fois la production européenne. Il me semble que vous n'avez pas totalement répondu à la question de ma collègue, M^{me} Vedrenne, sur les mesures que vous comptez prendre pour faire face à cette surcapacité chinoise.

La boîte à outils dont nous disposons aujourd'hui est-elle suffisante ou faut-il une approche plus systémique? Doit-on envisager des tarifs, des droits de douane ou d'autres outils? Que comptez-vous faire pour que l'Europe puisse continuer à produire de l'acier?

1-0056-0000

Maroš Šefčovič, Commissioner-designate. – *Merci beaucoup, monsieur Glucksmann.* I'll say for your question, I think first, what is very important to underline is that the photovoltaic story should be the big warning banner for all of us. That was our technology. We invented it. We started to produce it, and then we simply were not energetic and agile enough to protect it from being almost completely eliminated from the European sector. Therefore, we are now approaching this issue with a lot of vigour and a lot of, let's say, political weight to make sure that we will not have the same stories for steel, for windmills or for our electric vehicles. Therefore, we are going to adopt this new doctrine on economic security.

I would just like to look through all the instruments we have at our disposal. Are they sufficient? Do we use them well? Do we need more? I think that what would be very important here is also our role here, yours and mine, which will be very crucial. How can we build unity around using these instruments? Because we have them, but I think we have to be united and unified enough to actually trigger them. Being even more concrete to your question, because you've also been asking what our success rate has been in using some of our instruments and when we use them well, as we did in the case of steel wind towers, hot-rolled stainless steel or fatty acids.

With our approach and with our Trade Defence Instrument, we actually managed to reduce the subsidised product by 80-90%. This is, I would say, the approach I would go for if I see that the competition is not fair, that the competition is overly subsidised, and that the level playing field is not respected.

1-0057-0000

Juan Ignacio Zoido Álvarez (PPE). – Señor comisario propuesto, China tiene un grave problema de sobrecapacidad y estamos hablando de ello: genera una competencia desleal para los productores

Europeos. En el caso del acero es particularmente flagrante, pero afecta también a otros sectores como el aluminio, el cemento, los paneles solares, la industria naval, la farmacéutica, etcétera. ¿Cómo va a evitar la elusión de aranceles utilizando vías de terceros países, que es el medio que utilizan para subvertir nuestra defensa comercial?

En segundo lugar, quiero hablarle del drama que está sufriendo, en España, Valencia: los productores valencianos de arroz y de cítricos, ya de por sí muy vulnerables, han sufrido con la DANA un nuevo varapalo. Los arroceros llevan años reclamando una salvaguarda automática que proteja su competitividad frente a la llegada masiva de arroz del sudeste asiático. ¿Va usted a apoyar esta salvaguarda? Los agricultores de cítricos sufren la competencia desleal de productores de países como Sudáfrica o Egipto, que no cumplen con los mismos requisitos fitosanitarios. ¿Va a garantizar un trato justo para ellos?

Y termino: le pido una respuesta concreta, dada la gravedad de la situación que estamos padeciendo, con pérdidas de miles de millones de euros.

1-0058-0000

Maroš Šefčovič, Commissioner-designate. – Thank you. Thank you very much. I think that all the articles at the beginning of your question, like steel, aluminium and cement clearly fall under the remit of CBAM. I think this is what we introduced. This is what you supported us with, what you promoted and this is how to prevent the carbon leakage and making sure that the products which are imported into the EU with the worst carbon footprint that we have here would be properly levelled out through our CBAM mechanisms.

Of course, that's something which needs a lot of explanation, a lot of engagement with our third partner. And this is what we are doing. And we are really started and continuing very extensive diplomatic effort to explain what is the rationale behind the CBAM.

The issue of, let's say, circumvention and some kind of, you know, attempt to get the products upon which we imposed the import duties through other countries – we are very vigilant on this. We are working very closely in the industry. If something is happening, we are acting and we are going to act immediately.

On the very sensitive issue you mentioned, I also would like to express my full solidarity with the people of Valencia in Spain. I saw the pictures, it is absolutely devastating. It just shows that the climate change is having this new destructive potential, which we couldn't imagine just a few years ago. Two or three months ago, we had the same situation in Central Europe. Now we have it in Valencia.

And what I can tell you in that regard, if it comes to citrus, we are very clear to our South African partners that for us, sanitary and phytosanitary products are non-negotiable. We simply would not import the products which might be infected by any plant diseases which could be destructive to our products in Europe, and on rice, I can continue bilaterally.

1-0059-0000

Reinier Van Lanschot (Verts/ALE). – Mr Šefčovič, you recently said that EU reforms are inevitable to make us ready for a larger Union, and I agree. There are three things that I want to ask you to make sure that adding new Member States forges the EU into the world's best democracy.

Firstly, we need to be able to act quickly in times of war. So what is your concrete plan, together with Ms Kallas and Ms Kos, to move from unanimity to qualified majority in foreign policy and enlargement?

Secondly, European democracy is not yet fit for substantial enlargement. Will you ensure the pre-enlargement policy reviews include the right of this Parliament to propose laws and make our elections truly European with transnational lists?

Thirdly, the Parliament demanded Treaty change more than a year ago. This is the only way to make a Union of 500 million people work. Will you fight with us to ensure the Polish Council Presidency organises a vote to open the treaties?

1-0060-0000

Maroš Šefčovič, *Commissioner-designate*. – Thank you very much, Mr Van Lanschot. So let's take them one by one.

If it comes to the preparedness of the EU and the candidate countries for the enlargement, as I said, there will be a huge political effort and detailed work done in the form of the policy reviews, and this would be as a matter of priority, done very quickly. And I know that the bulk of work will be done within the first 100 days of the Commission.

If it comes to use of QMV, there you would probably recall that the European Commission already, if I recall correctly, in 2019, proposed that especially in the area of energy, in the area of enlargement, and in the area of taxation, that we can use the passerelle clauses and go from the unanimity to the QMV. This was not adopted and accepted by the Council, but we stand by that proposal.

If it comes to the Treaty change as a whole, now we will have in a couple of days the new President of the European Council, António Costa, becoming the President of the European Council. Let's see how he will approach this question, because, as you know, we've always been saying that we are ready to support the Treaty changes if it would make our European Union work more efficiently, more swiftly and in a speedier manner. And we clearly stand behind it as a College, and Ursula von der Leyen, our President, also included into the Political Guidelines.

If it comes to the electoral law, this would be with Commissioner McGrath. But my advice here is to start as quickly as possible, because the five years with a file like this will pass very, very quickly.

1-0061-0000

Salvatore De Meo (PPE). – Signor Commissario, Lei nelle risposte a domanda scritta ha evidenziato che la governance dell'Unione europea può essere rapidamente migliorata sfruttando meglio gli attuali trattati, in particolare attivando le clausole passerella che consentirebbero il passaggio dal voto all'unanimità a quello a maggioranza qualificata in alcuni ambiti. Purtroppo, come Lei ben sa, le quattro raccomandazioni della Commissione su questo punto sono rimaste inascoltate.

Allora Le chiedo: come intende favorire un riscontro da parte del Consiglio? Come potrebbe, a suo parere, il Parlamento aiutare concretamente la Commissione a rispondere alle preoccupazioni degli Stati membri per questo passaggio, che in realtà serve per migliorare la capacità di azione della nostra Unione europea?

Infine, non pensa che sia opportuno almeno dare un riscontro e avviare una discussione sulla proposta di modifica dei trattati che, come Lei ben sa, è il frutto di quello che è stato un giudizio dei cittadini nella Conferenza sul futuro dell'Europa?

1-0062-0000

Maroš Šefčovič, *Commissioner-designate*. – Thank you very much, Mr De Meo. First and foremost, thank you very much for referring to the Conference on the Future of Europe, because in this particular regard, I think our both institutions work together in exemplary, positive manner. And many of us spent a lot of valuable time with the citizens working in ten working groups. My honour and privilege was to lead the working group on health. And I know that this was innovative, that brought a lot of new elements into our discussion. And based on that experience, first and foremost, we introduced the citizens panels, which are bringing new approach and new attitudes to how we can better legislate in the future.

And secondly, 95 % of the recommendations, we put into the Commission work programme, and we clearly flagged that this comes from the citizens, which I think was very important, also the response mechanism, to them.

Coming back to the question of the QMV and the the Treaty change, we, of course, would react immediately if and when consulted by the European Council. So that's the procedure. That's how the Treaties provide us with the framework which have to respect and let's see how the new leadership of the European Council would approach this issue. And of course, we Commission as an honest broker, will be always very happy to facilitate the discussion between the members of the AFCO and the General Affairs Council or the Presidencies, as I tried to do it on different separate files, to have, I would say, the discussion which could cover this topic again, so I would say also that both sides, both arms of the co-legislators would understand each other even better.

1-0063-0000

Nikolas Farantouris (The Left). – Good afternoon, Mr Commissioner-designate. I would insist on the future of Europe and the treaty reform, and it seems that both the Commission and the Council have forgotten the conclusions of the Conference on the Future of Europe, which asked for more democratic participation, more transparency, more accountability, and more social cohesion – concrete steps towards social cohesion policies.

We also know that the European Council is dragging its feet as regards treaty change, and at the same time the Commission President Ursula von der Leyen's stance is highly vague and problematic in this respect. She hasn't clarified the next steps. So now, Mr Commissioner-designate, how do you intend to keep the debate on the future of Europe alive within and between the European institutions? Secondly, how do you intend to bring EU law-making and decision-making closer to national parliaments and the civil society in the Member States? Thank you.

1-0064-0000

Maroš Šefčovič, *Commissioner-designate*. – Thank you very much, Mr Farantouris, also for your questions.

I think if it comes to to the goals to make sure that our European Union is more democratic, more transparent, with a stronger social cohesion, I think that's the ambition which we clearly share and for which we are really working very hard. And I think over the last period, we clearly demonstrated it by very important measures. Let me just for the brevity of time, mention one and this is SURE, and we managed to do it within the framework of the current Treaty.

So what I want to say for the social cohesion, for very important measures in the area of sustainability, human rights, but also in the area of enlargement, I think that we should, of course, seek a better framework for our work, but at the same time, not to be limited by perceived constraints of the current Treaties, because we have demonstrated that a lot can be done. So I would see these two tracks as parallel. Let's do the best for Europe. Let's be well prepared for enlargement. Let's use all the instruments we have with creativity we demonstrated over this period and at the same time, let's see how we can continue this discussion about the Treaty change, where we of course need the support of the Member States, we need clear position of the of the European Council. And if in any way we can be forthcoming in facilitating such a discussion, I will be very happy to do that.

Coming back to the position of the President of the European Commission, I think she was crystal clear. She said, we are ready to support any Treaty change which would make our union function better, more efficiently. And I think it's a very strong statement.

1-0065-0000

Javier Moreno Sánchez (S&D). – Señor presidente, le voy a pedir diez segundos de generosidad porque quiero agradecer la solidaridad expresada hoy aquí, en esta audiencia, con las víctimas de la tragedia que ha ocurrido en la Comunidad Valenciana.

Querido comisario, nuestro Grupo siempre ha defendido el multilateralismo y el comercio justo y sostenible, y pensamos que la OMC sigue siendo la estructura adecuada para lograrlo. Estamos en plena reforma; ¿qué propone usted para que tengamos una OMC que refleje las asimetrías del orden mundial, que ayude a conseguir los Objetivos de Desarrollo Sostenible y en la que todos los Estados miembros respeten las reglas del juego? ¿Y cómo se podría mejorar la dimensión parlamentaria de la organización?

Respecto de los acuerdos comerciales: creo que tenemos que cambiar nuestra estrategia. Ahí tenemos el CETA, que lleva siete años de aplicación provisional, y funciona, pero podría funcionar mejor. ¿Puede usted incitar a los Estados miembros que no lo han ratificado a ratificarlo? ¿Y está usted, de cara al futuro, dispuesto a partir los acuerdos en la parte comercial y la parte política?

Y tenía una pregunta sobre Mercosur, pero será para otro día.

1-0066-0000

Maroš Šefčovič, Commissioner-designate. – Thank you very much also for this question. So first, very important one, the the reform of WTO. I think here we clearly are the strongest champion of this reform, because we are the Union, which is based on the rule of law. We are based on respecting the rules and almost half of our trade is also based on WTO rules. So for us to have the World Trade Organisation, which is not properly functioning, is something to the detriment of the global trade developments. Therefore, we are investing enormous efforts to reform it.

First and foremost, I would say the pressing priority number one is to have a well-functioning dispute-settlement mechanism. As you know, the United States of America didn't nominate the appellate judges. And therefore, now we are in the situation when some of the members are clearly abusing it and so-called 'appealing the cases into the void', we are tackling it by creating the alternative. We are creating this multi-party interim arbitration and arrangement, where we so far have a little bit more than than 50 countries which are agreeing among themselves that despite the lack of this appellate body, they would respect the rulings of the panels under the WTO. It's very important and we'll continue to enlarge that number of the country.

Second, I would say, a very important element is that last Ministerial Council has been kind of disappointing because even when we had some progress in the sustainability discussion, in the discussion on, let's say, sustainable fisheries in many other areas, very often on the last minute, like for example, moratorium on e-commerce and things like that, we had a surprise coming from India. And I think that what we need to do here is to work very hard with these two countries to help us to reform the WTO mechanisms.

1-0067-0000

Ernő Schaller-Baross (PFE). – Dear Commissioner-designate, thank you so much for the opportunity. The principle of institutional balance is a fundamental aspect of our European Union, ensuring that powers are properly distributed between the EU institutions and the Member States. However, in recent years we have seen the European Commission intervene in areas traditionally under sovereignty of the Member States. For example, during the migration crisis, the Commission repeatedly imposed policies on Member States that were against national interest and security concerns.

Additionally, in the area of border control, where Member States have primary responsibility, rather than providing substantial support, the European Commission frequently relied on penalties and legal measures to enforce compliance.

My question to you, Mr Commissioner-designate: how do you plan to ensure that Member States' sovereignty is better respected in the future and that EU institutions do not overstep their powers, especially in key areas like migration and border control?

1-0068-0000

Maroš Šefčovič, Commissioner-designate. – Thank you very much for your question here. I would like to reassure you that also thanks to very intense political dialogue we have with the national parliaments and also our subsidiarity mechanism, which we have again with the national parliaments, we, I believe, improved quite significantly how we prepare our impact assessments.

So what is a novelty here – and that novelty was thoroughly discussed with the national parliaments, with the European Parliament, but also with the Committee of Regions – is that we develop the mechanism where we are attaching to every impact assessment a subsidiarity assessment grid. So it means that there is a methodology, there is a clear process where we are assessing how much does it fall under the EU or how much does it fall under the national competences, and we are very transparent about it, and we of course are publishing it together with our impact assessment.

There is one more element which I also would like to highlight, because it was brought to the attention of the Commission that despite this approach to the impact assessment, there is not always the same impact on cities, villages or rural areas. So we are also addressing this issue by the fact that we are now doing specific impact assessment on this asymmetric effect. Our legislative proposals must have, for example, for rural areas, for islands, or for specific parts of the European Union, so we would know what we are putting on the table. And I think that we are going to continue in that direction. And if we can have more cooperation, as Mr Warborn was indicating, on developing the impact assessment capacity in the European Parliament, I think that we will have even better results.

1-0069-0000

Francesco Torselli (ECR). – Signor Commissario designato, le indicazioni geografiche dei prodotti agricoli, così come quelle dei prodotti artigianali e di taluni prodotti industriali,

rappresentano un patrimonio culturale ed economico fondamentale per l'Unione europea. La loro protezione è essenziale per garantire un reddito equo agli agricoltori, agli artigiani e agli imprenditori che investono tempo e risorse per mantenere qualità e standard elevati.

Tuttavia ci troviamo di fronte a sfide significative, come la contraffazione dei prodotti da parte di paesi extra UE, e a pratiche sleali, come ad esempio quella dell'*Italian sounding*. Questa situazione non solo danneggia i produttori, ma mina anche la fiducia dei consumatori europei.

La lotta ai prodotti contraffatti e alla concorrenza sleale non è solo una questione di giustizia commerciale, ma è salvaguardia della nostra identità culturale.

In questo contesto Le chiedo, Commissario, quali iniziative intende promuovere per combattere la concorrenza sleale dei paesi extra UE e garantire una tutela più efficace per le imprese europee?

1-0070-0000

Maroš Šefčovič, *Commissioner-designate*. – Thank you very much, Mr Torselli, for underscoring this very important aspect of trade relations, because indeed we have 3 600 registered GIs. Of course, they are very important because they're a kind of intellectual property when it comes to goods, but also intellectual property when it comes to specific agricultural products. So it's a wealth in protecting them because they are specific, they are good and they are very much welcomed on the global market as something special. Therefore, clearly we need to protect it.

You've been asking me about the specifics. We've been, of course, very strong supporters of the WTO agreement on intellectual property. There is a specific section on geographical indications. On top of that, on the bilateral track, we are introducing a very strong paragraph and commitments on making sure that the GIs are protected. If we do not have the agreements, we are very often even going for standalone specific agreements. But if you allow me to use the minute I have, I would like also to look a little bit into the future. I think that to be much stronger in this regard, we need this comprehensive customs reform.

I believe that once we have the European Customs Authority, we will have the European Data Hub, which would allow us to gather the information and use proper analytics to make sure that we know where to target our controls and have the (*inaudible*) solution. Then we will also be much more efficient in tackling the phenomenon of e-commerce, because there we see that there is a tsunami of parcels coming to Europe this year. We expect that it could be 4 billion parcels. Of course, to protect our GIs, to protect our market, we need to have these modern digital tools. Therefore, I hope that you will support me in advancing this important reform of customs in Europe.

1-0071-0000

Sandro Gozi (Renew). – Thank you Commissioner-designate, Ursula von der Leyen before being elected by this Parliament committed in writing and in her speech on Treaty reform. Then this issue got lost in translation because in none of the mission letters, the Treaty revision issue is mentioned. My first question is are you, the Commission, in charge of Treaty revision?

My second question is, in the light of your answer, you mentioned the President to the European Council. You say that the Commission is not an honest broker. Sorry, Commissioner-designate, the Commission has the right of initiative under Article 48 to change the Treaty. So, in your view, what are the indispensable reforms that we must absolutely do to adopt before enlarging? And I would like you to be precise on this.

Last question is that you are in charge of trade and institutional relations with the UK. I would like you to take the commitment to appear before the UK delegation, before each meeting of the Partnership and Parliamentary Committee.

1-0072-0000

Maroš Šefčovič, *Commissioner-designate*. – Thank you Sandro. Quite a long to-do list, but I appreciate that.

Now if it comes, if it comes to Treaty reform, I think that, of course, this is such an important element that this is a horizontal priority for all of us. But I think once this issue is very much dependent on the European Council. So this issue will be dealt with directly by the President of the European Commission and her closest team, and of course, me as a prospective representative of the Commission in the General Affairs Council. I will be the one who will be discussing these issues with the Europe minister. You've been in that club. So you know how it works there.

If it comes to the reforms, which I consider to be absolutely indispensable, I think that if I have to say or mention one, I think that our enlargement process, which is based on 35 negotiating chapters, is extremely heavy. I fully understand that the Member States want to have a unanimous right to decide on opening the negotiations, but also at closing them, because we are admitting new members in our family. But do we need to have a unanimity decision before opening and before closing of every chapter? So if I just calculate from top of my head, 35 times two is 70 plus two additional vetoes, so we have 72 vetoes until you kind of admit somebody to the European Union, I think that is something which I think should be treated as a political decision at the beginning and at the end. But I would say as a technical assessment on the chapters where I think that we can easily rely on the QMV. But as I said, this is very much in the hands of the of the EU Member States. I know that some are thinking like that, but the discussion would still need to be made and I believe that our policy review will contribute to that.

And of course, before partnership or joint committee meetings, I will be very happy to come to see your parliamentary assembly.

1-0073-0000

Céline Imart (PPE). – Monsieur le Commissaire désigné, l'agriculture est un secteur fragile que nous devons protéger des conséquences de la mondialisation, et il n'est pas souhaitable que les politiques commerciales et agricoles de l'Union européenne avancent face à face: elles doivent avancer côte à côte. Le conflit commercial avec la Chine en est un exemple criant. Quel secteur vit les répercussions de la rétorsion chinoise? L'agriculture, car nos partenaires, qui sont aussi parfois nos adversaires économiques, savent taper là où ça fait mal. J'ai donc trois questions.

Tout d'abord, comment comptez-vous répondre à l'impact social des politiques commerciales qui pèsent aujourd'hui sur les agriculteurs, en particulier en ce qui concerne le Mercosur?

Ensuite, au regard de l'étude sur les effets cumulatifs des accords commerciaux, comment allez-vous garantir que nos politiques commerciales ne nuisent pas à la compétitivité et à la résilience de nos filières agricoles?

Enfin, la Chine a pris l'excuse des enquêtes européennes sur les véhicules électriques pour augmenter les droits de douane sur le cognac, sur les produits laitiers, sur la viande de porc. Ceci est un premier aperçu d'une guerre commerciale qui va nuire au secteur agroalimentaire européen. Au-delà de la saisine de l'OMC, allez-vous déployer des mesures de sauvegarde pour protéger ces secteurs à court terme?

1-0074-0000

Maroš Šefčovič, *Commissioner-designate*. – Let me start from the back, because you are absolutely right that once we introduce our measures on the battery electric vehicles and, as I said, we did it very thoroughly, according to the book, respecting every single rule in that regard, and we are absolutely convinced that this procedure can withstand any legal check, panel assessment, anything which is there, because we are right and we did a good job in preparing this.

Therefore, we reacted very forcefully to the flawed attempts from China to start an investigation at dairy and brandy. And you are right that they are also threatening starting the same with pork. So in this case, I can tell you that we clearly reject any abuse of trade defence mechanism in this regard. We already challenged this in the WTO and, of course, will be discussing this very, very thoroughly with our Chinese counterparts.

I know that you also would like to have a concrete response on what would happen if this would fail. And here I think that what is very important is to have a contingency plan – what to happen in this type of situation. And I can also reassure you that I will be working very closely with Commissioner-designate Hansen, but we will be working also within the time left for this term of the Commission to make sure that if necessary, we can apply also our measures, our tools, which we have at our disposal to address the injurious impacts on European producers from the situations of market disturbance.

So we have certain possibilities. It also requires the finances, but for that we need to measure the situation properly, to design our response. But I want to make sure that we will negotiate, that we will find the good solution, but be ready for any eventuality.

1-0075-0000

Gabriele Bischoff (S&D). – Mr Commissioner-designate Šefčovič, you have heard from many political sides that the reform of the Treaties is of utmost importance for this House and we were the motor on this Conference on the Future of Europe. But also you have seen our comprehensive report here.

We expect also to get some more concrete information from you. What can be done to get out of the deadlock? You described it a lot, but what role can the Commission play and what is discussed in the Commission? Because as you indeed said, Ursula von der Leyen emphasised it in her State of the Union and also in the Political Guidelines.

But let me be also a bit more specific, or ask you for some specific answers regarding the passerelle. We have the Draghi report and also there it highlights the existential challenge to European competitiveness and calls for an extension of qualified majority voting in more policy areas, including also through the passerelle. What could be done concretely to overcome the problems of the passerelle, why it is not used yet?

1-0076-0000

Maroš Šefčovič, *Commissioner-designate*. – Thank you very much, Ms Bischoff, for this question. The first, what I would underscore once again, we also should position ourselves and we must also see the enlargement as a catalyst for progress on our capacity to act. I think that is not disputed by anyone. This very much reflects also the atmosphere in the General Affairs Council. And, at the same time, you would also hear back from these Member States, and you will hear it from me once again, that we shouldn't take the enlargement process to be a hostage to the lack of the progress on the Treaty change discussion.

I believe that it will kind of push us into the direction that we have to have progress on both sides and to get to that level. I know that I am repeating myself, but I think for us, it's impossible to act without having the European Council position very clear. When and if we are consulted, of course we would immediately react. We said that we are supportive of the Treaty change, we made a proposal, in official Commission communication for the passerelle in concrete areas. I was just telling you how we see the negotiations on the chapters if it comes to the enlargement, and we are very much inspired by the report of Mr Draghi, because we know that competitiveness also is very much linked on our ability to act swiftly and to act quickly.

So this would be, of course, the issue, and we can bring it, after discussing with the Presidency, back to the General Affairs Council to see how the Draghi report, how the enlargement discussions would impact also discussion on eventual Treaty change or better use of passerelle. But I also have a high hope in incoming President of the European Council, António Costa.

1-0077-0000

Bartłomiej Sienkiewicz (PPE). – Szanowny Panie Komisarzu! W tej kadencji do Pana kompetencji będzie należeć znacznie szerszy zakres spraw instytucjonalnych niż w poprzedniej. Dlatego chciałbym zapytać o konkretne plany reform instytucjonalnych w perspektywie przyszłych rozszerzeń. Bo nie chce mi się wierzyć, że takich planów już nie ma.

Po drugie, Ursula von der Leyen w swoich instrukcjach dla kandydatów na komisarzy nalegała, aby prace nowego kolegium oparły się na raporcie Draghiego dotyczącym europejskiej konkurencyjności. Z niepokojem zauważam jednak brak w tym raporcie perspektywy Europy Środkowo-Wschodniej, która została zupełnie pominięta. Oznacza to ryzyko wykluczenia całego regionu ze zdolności konkurencyjnych w przyszłości. Zwracam się do Pana jako przedstawiciela tej części Europy. W jaki sposób zamierza Pan zaradzić temu ryzyku?

1-0078-0000

Maroš Šefčovič, Commissioner-designate. – Thank you very much, Mr Šefčovič, To add maybe one element, which I haven't mentioned so far, and it concerns the enlargement and policy reviews and I think your question was leading into the thrust of several previous speakers. But I have been mentioning before, because if you are looking at the policy reviews, there is always one question if also the governance would be an element, which would be reviewed, which would be tested, which should be looked from all the angles. And the answer is yes.

We also are aware that we also need to look at the governance issue from this perspective. And then if it comes to the competitiveness, to the report of Mario Draghi, I think that the report is of the high-quality, I think it's clearly stirred a very intense debate among not only the leaders of the European Union, but also within the European Parliament and in the Commission.

And, you know, being from Central Europe also I understand your point that we are members since 2004 and we know that if it comes to fair representations on all levels, we are still not there yet. I think it's our joint task: how to make sure that we will be properly represented by preparing high-quality people, but also to make sure that from the side of the institutions, this is equally supported. And as a former Commissioner responsible for human resources, I can tell you that it's not easy job. It's not easy work. But I think that you're absolutely right that all regions, all countries should be fairly represented in European institutions.

And thirdly, and our regions and our countries should be also fairly covered in any policy pieces and policy strategies for the future.

1-0079-0000

Branislav Ondruš (NI). – Thank you, Chair. Commissioner, you've played an instrumental role in strengthening the competitiveness of EU industry in the strategic economic ecosystems such as energy, mobility, batteries and critical raw materials. As some of my colleagues, I also want to touch on this issue because I hope you will agree with me that we must double down on our efforts to secure supply of sustainably – I underline 'sustainably' – manufactured raw materials.

However, Europe is faced with high dependency for almost all critical minerals sourced from a highly concentrated group of supplying countries. That creates an important risk for our economic security and resilience, as well as growth and quality jobs creation, given that the raw materials were already subject to export restrictions.

Therefore, what are your plans on the contribution of the EU trade policy to respecting our social, labour and environmental standards, to strengthening the security of supply of sustainably manufactured materials, and ensuring that these minerals aren't used as instruments of economic coercion?

1-0080-0000

Maroš Šefčovič, Commissioner-designate. – Thank you very much for this question as well, because I think it's one of the clear priorities for enhancing our competitiveness and you would probably recall that in 2017, I founded the European Battery Alliance, and one of the first issues which I realised where we have a huge problem was the lack of critical raw materials. So we set up the Critical Raw Materials Alliance. We adopted the Critical Raw Materials Act. And more importantly, we also introduced the digital passport in our battery regulation, where it's very clear that each battery which would be placed on the European market would have very clear reference: what is the carbon footprint of the battery? Where are the critical raw materials coming from? What is the recycling obligation? What are the social conditions of the worker and and what is the whole value chain representing in placing these batteries on our market.

So to be also very clear, we are still facing a lot of dependencies, very often on one supplier, on one country. The big change would be if you managed to get to the trade agreement with Australia, which would immediately kind of rebalance the question in many areas. And then somebody who was tasked to organise the common purchase of gas for Europe and we managed to do it without one Russian molecule, I would underline. I'm a strong believer that we can achieve the same results in a common purchasing of the Critical Raw Materials Act. The Japanese are doing it already for years. They have their agency, the so-called JOGMEC, which is doing it for Japanese businesses. I believe we can do the same for European businesses.

Last point I even mentioned because it was not highlighted here, and we can make a little bit advertisement to this, under the implementation of the Critical Raw Materials Act, we issued the first call for proposals. What are the projects where the business or project promoters believe can bring us new critical raw materials to our market? I was extremely pleased – and I would have to say, positively surprised – that we received 170 applications only in this first call and therefore it just showed that we have big potential here as well.

1-0081-0000

Anna Bryłka (NI). – In June of next year, the regulation on the temporary liberalisation of trade between the European Union and Ukraine will expire.

Please provide the following information:

What is your opinion on the further extension of the trade liberalisation with Ukraine?

Free regulation liberalising trade with Ukraine in connection with mass and uncontrolled imports of agricultural products have led to the complete collapse of agricultural markets in selected sectors, especially in frontline countries such as Poland. In the case of further trade liberalisation, how do you want to protect European agricultural products and, of course, farmers from unfair competition from Ukraine?

And do you think that trade rules should return to those of the EU-Ukraine Association Agreement's DCFTA?

1-0082-0000

Maroš Šefčovič, *Commissioner-designate*. – As I was highlighting earlier, we agreed that we should replace so-called autonomous measures by Article 29 under the DCFTA solution by the June of the next year, and we are working very hard to achieve that. These are the negotiations which, in the end, would have to be approved by both EU and Ukraine under the Association Council.

What we are negotiating, it's also very clear we want to have a balanced, good solution, and we are negotiating with Ukraine to make sure that once we have this final arrangement, that it will also include clear safeguards to ensure that we can address disruption on the market for sensitive agricultural products, but it will also provide for the progressive adoption by Ukraine of the EU production standards to ensure that the balanced, level playing field is there for Ukrainians, but also for our farmers.

As I said, if it comes to phytosanitary and sanitary standards, there we are very much aligned. What we have to work right now is to prepare Ukraine for the enlargement also from the perspective of sustainability, from the perspective of the way of the production and from the perspective of what are the other conditions and ramifications which the farmers in the European Union have to respect.

1-0083-0000

Vasile Dîncu (S&D). – Domnule comisar, o să revin la o temă la care v-am văzut zâmbind, semn că v-a plăcut. M-a bucurat și că ați spus că 95 % din recomandările Conferinței privind viitorul Europei au fost integrate, implementate în Regulamentul Comisiei.

Plecând de la formatul conferinței, Parlamentul a susținut cu precădere transformarea acestui dialog într-un mecanism permanent prin care cetățenii să se implice în dezbateri și decizii relevante la nivelul unional.

Având în vedere angajamentul Ursulei von der Leyen pentru o nouă eră a dialogului cu cetățenii, precum și vasta dumneavoastră experiență de comisar - 15 ani înseamnă o experiență extraordinară, mai ales în aspectele interinstituționale - veți avea în vedere inițiative, altele decât *Youth Policy Dialog*, de exemplu, pentru a stabili mecanisme permanente de implicare civică?

1-0084-0000

Maroš Šefčovič, *Commissioner-designate*. – First and foremost, I agree with you that the Conference on the Future of Europe was a big success. At first, I would say the attendance was very impressive. The citizens from all around Europe being ready to discuss for days and days, and many weekends, with us the future of Europe. The fact that we managed to have in each working group more than 30 % of young people, who have been extremely open. and I have to say that in my particular case, the debate we had with them just put the issue of mental health on the Commission work

programme. That was highlighted so strongly that it made a real difference and since then, mental health is one of the priorities for the Health Commissioner, for the College of Commissioners. And this was very concrete demonstration why this direct interaction with the citizens was so valuable.

Based on that experience, I already referred that 90 % of the measures recommended by the conference being almost immediately in the next Commission work programme translated into the concrete actions and follow up. We also went further in deliberating how can we use, I would say, these new modern tools of participatory democracy in our work. So we had the first five Citizens' Panels, all of them very useful for the Commission and I believe for you, for the legislature, and we want to continue with that, because Citizens' Panels complement impact assessments, they also complement the fitness check.

And one novelty, which we also want to introduce is that we would have this regular exchanges with youth, with the young generation, and President Von der Leyen asked all the prospective Commissioners to organise first youth policy dialogue within 100 days of our entering into the office.

1-0085-0000

Miriám Lexmann (PPE). – Vážený pán komisár, milý Maroš. Viacerí kolegovia už spomenuli geopolitické výzvy, ktorým čelíme, vrátane pokusov Číny a iných totalitných režimov podkopať našu ekonomickú bezpečnosť. Ako ste aj vy sám uznali, ekonomická bezpečnosť a znižovanie závislosti sú kľúčom pre ochranu ekonomických záujmov našich občanov. Treba však povedať jednu vec: že priority vášho portfólia sa dostávajú do rozporu s konaním vlády, ktorá vás nominovala. Premiér Fico dal tento víkend počas svojej návštevy do Pekingu jasne najavo, že nechce znižovať našu závislosť, ale chce budovať strategické partnerstvo s totalitnou Čínou. Jeho vystúpenie v ruskej propagandistickej televízii tento rozpor ešte znásobilo. Vzhľadom na tieto fakty sa chcem spýtať, ako budete postupovať, ak sa priority vášho mandátu dostanú do priameho rozporu s krokmi slovenskej vlády a ako chcete spolupracovať s členskými štátmi na posilňovaní našej ekonomickej bezpečnosti? Ďakujem.

1-0086-0000

Maroš Šefčovič, Dezignovaný komisár. – Veľmi pekne ďakujem aj za túto otázku, lebo mi to dá aspoň možnosť použiť aj môj materinský jazyk. A tak by som chcel takisto odpovedať, milá Miriám, že my sa poznáme veľmi dlho. Začínali sme spolu pracovať hneď po vstupe Slovenska do Európskej únie už v roku 2004. Miriám pracovala v Európskom parlamente, ja som pracoval na stálom zastúpení pri Európskej únii. A boli to veľmi dôležité časy, lebo sme pracovali nielen na tom, ako začať pôsobiť ako nová členská krajina v Únii, ale aj ako dostať Slovensko do eurozóny, ako dostať Slovensko do Schengenu. A myslím si, že sa urobilo veľmi veľa pre európsku integráciu. Dnes sme sa skutočne rozprávali veľmi veľa o Číne a o tom, ako je potrebné byť jednak obozretný, ale aj dostatočne asertívny voči Číne, aby nepodkopávala našu bezpečnosť a zároveň aby sme mali vyrovnané vzťahy, aby tam nedochádzalo k zneužívaniu postavenia Číny voči Európskej únii. A myslím si, že máme veľmi solídny tool box. Máme inštrumenty, ktoré nám umožňujú jednak kontrolovať investície, ktoré prichádzajú. Máme možnosti kontrolovať subvencie, ktoré sú poskytované zo strany Číny za účelom vytvoriť nejakú entitu v Európe, ktorá by mohla potom investovať, investovať ďalej v Európskej únii. A máme, samozrejme, ďalšie možnosti, ako sa s touto výzvou vysporiadať. Z druhej strany si zase uvedomujeme, že Čína je druhá najväčšia ekonomika. Je to náš tretí najväčší obchodný partner, a preto musíme tieto problémy riešiť vždy takisto aj v súlade s medzinárodnými normami. No a môžem vás ubezpečiť, že pokiaľ ide o moju osobu, myslím si, že moja osobná história vždy jednoznačne potvrdzovala, že som vždy pracoval pre európsky záujem. Preto, čo je najlepšie pre Európsku úniu, a tak budem pokračovať aj v budúcnosti.

1-0087-0000

Catarina Vieira (Verts/ALE). – Dear Commissioner-designate, I would like to raise a question on investment protection, and specifically on investor-state dispute settlement. This is an issue that is quite important for the Green Group and for many other of my colleagues here.

Despite the EU exit of the Energy Charter Treaty, many outdated investment treaties by the EU and its Member States are still currently protecting fossil-fuel investments. The Member States and the EU itself still risk being ordered to pay billions in compensation by opaque arbitration tribunals outside of our courts.

So my question would be: how do you intend to remedy this problem and mitigate the associated risks? So, for instance, would you agree to negotiate an agreement with the UK to end legacy cases under the Energy Charter Treaty? Or would you be able to ensure that unsustainable investments are denied protection in future EU agreements or treaties? And likewise, would you be open to increase efforts at the OECD towards international instruments to carve out climate measures from the scope of investment agreements?

1-0088-0000

Maroš Šefčovič, Commissioner-designate. – Thank you very much. Indeed, you're right, and if it comes to bilateral investment treaties, these represent quite a bulk of the treaties. The number is around 1 100. And of course, this is accumulation of the investment treaties which have been signed and concluded over many, many years.

So what are we doing in that regard? First and foremost, we are tackling this issue on several tracks. The first one is that in the new agreements which we have signed, like for example, with Canada, but also with five other countries, we are clearly introducing in these agreements the chapters which are calling for the state-of-the-art investment protection dispute settlement mechanisms.

What I'm talking about is that we want to take it from the hands of private arbitrators and to put it into the hands of well-established state-to-state system – if possible, professional judges – just to make sure that this is done promptly, properly, and with the proper qualified personnel to exclude any conflicts of interest in that regard.

Second, of course, a very important track is multilateral. We are one of the major supporters of creating this multilateral investment court under UNCITRAL, which we hope can really replace all these agreements we are referring to, because that would be one institution which would be responsible for ruling in the eventual disputes if it comes to this type of the legal issues.

On your last question, discussion with the UK, of course we are ready to consider it. We are ready to look into it, but at the same time, because this was new topic for me, when I look at it, I see that this is legally extremely challenging, because even if you cancel this agreement, there are still some kind of safeguard clauses which are going for years even after these agreements are considered to be annulled.

So, let me look at it. I'll come back to you. It's a big issue, but we have good intentions to find a good solution to this.

1-0089-0000

Charlie Weimers (ECR). – Commissioner-designate Šefčovič, this Parliament wants Treaty change to increase EU power, just as we've heard today. And you have supported this. But the question is,

do the people? Would you agree with me that the democratic legitimacy of a Treaty change would be enhanced by letting Europeans approve it in free and fair national referenda?

On tax policy, you have discussed the possibility of abolishing the national veto by using the passerelle clause. That would be a major transfer of power, would lead to more taxes, more regulatory burden. Given the increased understanding of the connection between EU red tape and sluggish growth / deindustrialisation, would you consider repatriating any powers from Brussels to the Member States in order to ease the regulatory burden?

1-0090-0000

Maroš Šefčovič, *Commissioner-designate*. – Thank you very much for this question. The the first part of your set of questions was linked with if eventual Treaty change is agreed, how it should be ratified in our Member States. And here, I think it's quite clear that it's up to every single Member State to agree and decide upon their own ratification procedures. We have different traditions in our Member States, and we have to respect all of them. So it's up to the Member States to decide how to ratify eventual Treaty change.

If it comes to the passerelle and the taxation issue, I think that in a different setting in this House we've been discussing for years and years the issue of energy taxation, where we are actually very close and very wide at the same time. We agree on the goal, we agree on the principles, but we are differing on the details. Because even when you have the Europe ministers trying to do the good thing, very often, then you have a finance ministers who are very careful about how these things are done and proposed.

So therefore, that was the idea that would help us to kind of arrive at the speedier solution and the better solution. And it's within the Treaties which have been approved by the Member States, the passerelle clauses are implicitly and explicitly mentioned in the Lisbon Treaty, that this is the instrument which could be used because, at that time, that was also clear, that your Union will grow bigger, your Union will have new competences, and therefore you also need the more agile decision-making process.

And if it comes to red tape, I already highlighted several times, I'm very happy to do it again, this is an absolute top priority for our President. We believe that we can do a lot through simplification. What I want to underscore for the Commission: simplification does not mean deregulation. We are absolutely clear about attaining the goals we set for ourselves, but we believe we can do it with much less red tape.

1-0091-0000

Charles Goerens (Renew). – Monsieur le Commissaire, le Parlement européen demande depuis longtemps à jouer un rôle plus important dans l'initiation et l'orientation des négociations commerciales. Selon vous, comment pourrions-nous adapter le cadre institutionnel actuel, y compris par d'éventuelles modifications des traités, pour donner au Parlement un rôle plus substantiel dans la détermination des mandats et des orientations des négociations commerciales dès le début du processus?

1-0092-0000

Maroš Šefčovič, *Commissioner-designate*. – Thank you very much, Mr Goerens, for your question. I think, if it comes to all the trade policy and to the trade agreements, I hope that we will not have to wait for the new trade agreements to be concluded and signed until the next Treaty change. I think that we can achieve actually quite a lot under the under the current Treaties, and I think, what I

already declared in my introductory remarks, what I want to do if I get your approval and your support is to be much more present in the discussion with you. It will be much more transparent and also to have the discussions with you on the facts and figures, on the plans for the future, and of course, to work with your input and with your contribution for the negotiations and for closing the eventual trade deals.

This is realistic. This can be done. It depends on both of us – how we organise our work. I had only excellent experience how we've been working on the sensitive files of the United Kingdom and Switzerland, where we managed, thanks to the great cooperation with Parliament and the co-chairs to be able to discuss even the most sensitive parts of these negotiations, because we found a way how this can be done. And I think it was mutually very enriching. It was always good to have the insights. It was always very good to have a feeling from the European Parliament side how this would be perceived, viewed and what would be supported or not. And that's, I would say, the type of the cooperation I'm also offering to you, because this is within our power, this is in my hands and this is what I can really deliver and what I can do.

1-0093-0000

Manon Aubry (The Left). – Monsieur Šefčovič, je vais commencer avec une question assez simple: pensez-vous qu'en Europe nous n'ayons pas d'agriculteurs, d'apiculteurs et d'éleveurs capables de produire de la viande, des œufs, du fromage, des céréales ou du miel?

Je vous pose cette question, car cela fait près de deux heures que nous assistons à une ode au libre-échange et vous vous apprêtez à signer le pire et le plus dévastateur des accords de libre-échange, celui avec le Mercosur – et vous dites que vous ne signerez pas d'accord de libre-échange s'il n'y a pas d'intérêt pour l'Union européenne.

Monsieur Šefčovič, nous sommes dans une audition, c'est le moment de dire la vérité: de qui vous moquez-vous donc? Quand on connaît l'incidence de cet accord, en quoi importer des centaines de milliers de tonnes supplémentaires de produits agricoles provenant de gigantesques fermes-usines du Brésil ou d'Argentine sera-t-il bon pour l'Union européenne? Cela importe-t-il si peu pour vous de porter le coup de grâce aux agriculteurs, d'importer en quantité industrielle des pesticides, des OGM ou des hormones de croissance, ou encore d'avoir des conséquences pour le climat et l'environnement? En bref, êtes-vous prêt à sacrifier notre agriculture, notre santé et notre planète pour un peu plus de commerce, Monsieur Šefčovič?

1-0094-0000

Maroš Šefčovič, Commissioner-designate. – To the last part of your question, I can say clearly, no, no, I am absolutely not ready, I don't want to do it, and we will never sacrifice the European agriculture, European farmers for any trade deal. Therefore, I can give you the solemn promise that if I come back to you with a deal on the table, it will be the deal which I would see as a best possible solution, as the best possible result of these negotiations. And then it's up to you. It's a political decision. Will you trust me? Will you see it in the same way? I will make my best in the negotiations, and I will come back to you, to the parliamentarians, to the Member States, if you agree the deal. If I fulfilled the mandate which was given to us by the co-legislator.

And I absolutely took your point on the transparency. And I can promise you again that once we are at that stage, I will come back with all the figures and we can have a referral discussion on all of them.

Just to address a couple of the questions you mentioned linked with Mercosur. The first thing, what is I think very important to say is that with Mr Glucksmann and with Ms Aubry, we've been

discussing not only the possible effects of Mercosur, but also the cumulative effect on these agriculture chapters in our FTAs. I'll be very happy to come to explain to you in great detail, but what we are talking about is around 5 % of, let's say, beef production. If it comes to all FTA and all the imports we are getting from outside of the European consumptions – 5 %. So I understand that for some farming communities it might be still a lot, but I think that our task is also to have a little bit larger picture, because for decades and decades we've been number one trading partner in Latin America. We are not anymore. We are not anymore. It's China.

And I think that we just simply need to do better, to be more present, to be more politically attractive and to be a better partner for these very, very important countries. But I will do it in a balanced manner. I will come back to you and you will tell me if it's a good result or not.

1-0095-0000

David McAllister, *Chair of the AFET Committee*. – Thank you for having invited the Committee on Foreign Affairs to this hearing. In my capacity as AFET Chair, let me ask you, dear Maroš, the following.

In your written replies, you stated your intention to conclude the package agreement shaping our future relations with Switzerland and to work towards its signature, its conclusion and its entry into force. How do you intend to engage with our Swiss partners in the coming months to ensure a successful conclusion of the negotiations and towards shaping our future relationship? Bearing in mind, also, that a referendum will be held in Switzerland.

And how will you ensure that the European Parliament's positions and views for shaping our future relations with Switzerland will be taken into consideration?

1-0096-0000

Maroš Šefčovič, *Commissioner-designate*. – Thank you very much, Chair. This is a very pertinent question, because I believe that if it comes to the negotiations with Switzerland, I really believe that if you do it right, we can be in a final stretch. But we are unfortunately not there yet. We have still two open issues. One concerns the free movement of persons, where particular issue of unilateral safeguards presents big, big difficulties for us. The second very important issue is the contribution of Switzerland to cohesion. So these are two outstanding issues where we are still having very, very intense negotiations.

But just to present for you the picture how the negotiations are ongoing. We are negotiating altogether ten agreements, because in the end, we decided to go for the sectoral approach, replacing this one horizontal approach. And, and we had – when I checked last time the figure, something like two or three weeks ago – more than 120 negotiating sessions around this ten round tables. So it's very intense process.

But I also have to tell you that I saw the sea change in the negotiating atmosphere, in attitudes in the willingness to get the deal from both sides. As you know, we invested a lot in common understanding. We've been negotiating it for 18 months. Where are the endings so that we can finally, after many, many years, lots of breakdowns and and lots of political tensions resolve all these issues. And I believe that we could be quite close.

I believe that there will be very important stocktaking sessions by the Federal Council of Switzerland in the coming days, and then we, of course, will proceed with the negotiations with the remaining open issues. Once we would have the positive traction, as I did so far, I will come back to you. I will inform you about all details, and indeed I can confirm that our goal is to complete these negotiations

this year. And I believe that deal would be good for Europe, good for Switzerland, and it would be approved by the Swiss citizens in referendum if need be.

1-0097-0000

Anna Cavazzini, *Chair of the IMCO Committee*. – Dear Commissioner-designate, I am indeed asking a question on behalf of the IMCO Committee and, of course, it concerns the customs union. We all know this is essential for the functioning of our single market. It is also contributing to ensuring that unsafe and illegal products don't end up with our consumers.

Yet we see the current situation – you also mentioned it at the beginning: the rise e-commerce from third countries, with a lot of unsafe and illegal products, is flooding our market.

So the existing legislative toolbox of the Market Surveillance Regulation, the General Product Safety Regulation, and the Digital Services Act must be swiftly enforced, we think, in the IMCO Committee. But we wanted to know if you consider other measures necessary in order to tackle this huge problem.

Of course, we have the customs reform envisaged. It is in the Council. You mentioned that you want to advance parts of it, and I think we in the IMCO Committee agree with that. Nevertheless, do you also foresee additional measures when it comes to customs and e-commerce?

Also, what will you do until it is in place in 2028?

1-0098-0000

Maroš Šefčovič, *Commissioner-designate*. – Thank you very much, Ms Cavazzini. I also would like to thank you for the outstanding work of your committee and for your personal contributions into making sure that if we are talking about this very comprehensive reform of our customs, that I will be of course very happy to push it over the finishing line, but I also have to recognise there was enormous work done by my predecessor, by all in the committee, by our services in TAXUD, by Mr Gentiloni and others.

But I think that what is very important right now is what you highlighted in the end, how we can accelerate the whole process. And I will, if confirmed by you, start immediate consultation with the incoming Polish Presidency to make sure that the remaining hesitant Member States – let's put it this way – will be taken on board and we can have the general approach on creating the customs authority under the Polish Presidency, and that we also would have a strong progress on the EU data hub, because they have to go together. We have to have the tools, we have to have the data, we have to have the proper analysts who can really make sure that we will do this risk-based assessment of the goods arriving to the EU.

A big issue which I think will be discussing a lot together would be how to deal with e-commerce. I mean, we expect that this year we might have 14 billion parcels landing in the European Union and we all know that this is almost impossible to control without proper tools. Therefore, I'm a strong advocate of making this digitalisation of our system as soon as possible.

We also need to use all the available means we have – also financial support – to train our market surveillance authorities in our Member States in a better way, and to of course make sure that we also start to use, I would say, the new tools like the Digital Services Act. And you know that we are already using it for tackling the inconsistencies as regards providers.

1-0099-0000

Bogdan Rzońca, *Chair of the PETI Committee*. – Thank you so much. On behalf of the Committee on Petitions, I would like to request that more senior manager level and high-ranking Commission staff attend PETI meetings with this authority to address the petitions concerned and answer Members' questions in a more adequate manner. The response should be clear, simple and empathic in order to convey better understanding.

This is my question: how do you plan to involve the relevant Commissioners responsible for topics related to petitions, and ensure the Commission's participants at the appropriate level in PETI meetings, to address and help resolve the concerns expressed by petitioners? Thank you.

1-0100-0000

Maroš Šefčovič, *Commissioner-designate*. – Thank you very much, Mr Chair. We already had a chance to discuss it together, but also with your predecessor. And I know how important the petitions are – not only for the members of your committee, but especially for the petitioners in their thousands who are sending them to you. And of course, you are rightly and correctly asking the Commissioners who are relevant to provide you with the proper answers. And we are doing this to the best of our abilities.

There have been always two elements highlighted. First one, as you just did in your intervention: how to make sure that you will have Commissioners or senior managers present at your deliberations. Here, again, if I may make practical suggestions, we will be very happy to work with your team in the committee to make sure that we would cluster the relevant petitions. And if they, let's say, concern the questions linked with the single market, we would send the Commissioner who is responsible for that area. If it would be petitions linked with trade or constitutional affairs, I would be very happy to come. But I think if we organised our work in this way, there would be absolutely no problem for the Commissioners or directors-general to come to your committee.

The second very important element was how to be more transparent in our cooperation. And here again, I would like to thank you for the good cooperation we had with the European Parliament's services, because we introduced and we are trying now to link the Commission's public register of infringement decisions portal with Parliament's petitions portal.

So what we want to achieve is that it would be much easier for the petitioners to check what's happening with my petition. Is there an infringement? At what stage of infringement are we? And I think that we can really make a good use of it. And we can also present it to your committee and to your petitioners – that this is the way you can really have us even more close on the radar and see how we are dealing with their petitions.

1-0101-0000

Barry Andrews, *Chair of the DEVE Committee*. – Thank you, Chair. Commissioner, on behalf of the Development Committee, you mentioned earlier on in your comments the EU-Kenya Economic Partnership, and you mentioned it favourably, but as you know, it was originally an EU-East Africa Community EPA, however, many countries refused to sign. So what steps will you take to make EPAs more attractive to developing countries?

Secondly, clean trade and investment partnerships were described in the political guidelines as merely a tool to secure supply of raw materials, clean energy and clean tech. So how do you reconcile that statement with the primary objective of development cooperation in our Treaties, namely the eradication of poverty?

And finally, and this question was already asked but not answered, in your written answers, you say that GSP+ can be a tool for readmission agreements. So what steps will you take to ensure that such readmission conditionality is WTO-compliant in the context of development-focused trade agreements?

1-0102-0000

Maroš Šefčovič, *Commissioner-designate*. – Mr Chair, I'll try to respond to your question. When it comes to EPAs, indeed the Kenya example was the one where we clearly saw that our partners from Kenya were very pleased with the outcome, but no other countries from this region joined yet, I would underline. So we keep this agreement open for the countries from that region and, in this particular case, for East African communities. We will continue, of course, to discuss it with them and to present this as a very good solution for the future. We are also ready to offer negotiations and discussions in this regard with other countries in the region.

Another element, which I think I mentioned already today, was the new type of the agreement. This is a sustainable investment agreement with Angola, which is also open to the regional partners, in this case from the South African region. When it comes to the clean investment and trade partnership, what is I think very important to highlight here is that we want to offer something different from what they are getting, let's say, from China. We just have to see that we are in the world of a battle of offers. What we want to propose is that we are going to work with you; we are going to create value-added in your country; we will be using the highest environmental sustainable human rights standards; we are going to increase the GDP economic performance of your country, and we just want to share with you the final product. That's how we are going to do it; we will not bring the ship full of workers, concrete, cement, with no value created on the spot. This is, I would say, the new element which we want to bring to you.

Now the Chair is already telling me that I'm 20 seconds over, so I'm very sorry that I didn't manage to cover the last two points of your question.

1-0103-0000

Ilhan Kyuchyuk, *Chair of the JURI Committee*. – Thank you so much indeed on behalf of the JURI Committee.

Mr Šefčovič, we know your engagement with the Parliament, and indeed the Parliament plays an important role in the decision-making process and, in our understanding, has a central role in keeping the democratic balance between the institutions.

Here is the question: how do you intend to ensure that the Commission – in this case of the accession of the third countries to international agreements with non-objection clause – respects the rights of the Parliament and the procedure set out in the Treaty to ensure that the Parliament can express its consent? I mean, in terms of both possible non-objection or actual objection to such accession.

Secondly, will you present a specific commitment to that and in the context of revision of the Framework Agreement on relations between the Parliament and the Commission? Thank you.

1-0104-0000

Maroš Šefčovič, *Commissioner-designate*. – Thank you very much, Mr Chair. This is indeed a very specialised question. And I understand what is the concern of your committee. The concern of your committee is that if we had a third party to accede into the multilateral convention, if we are

objecting to this admission, so there is a full process where we are also debating this with the Council and, of course, with the European Parliament. And your question is that if we are ready to do the same procedure in a case when we have a no objection. So there is a third party entering the multilateral convention, and we see no problems with that. We believe that this should go well. But you are highlighting the fact that also in this case, the European Parliament should be properly consulted. So I think that this is a very clear suggestion from your side. I can promise you that we will look into it. I see merit in this process, even. I believe that until now there have been no open issues with that. But I understand for the, let's say, legal architecture and legal clarity of the process, this is something what JURI Committee is very much asking for. And I would suggest that we should address it in our framework agreements discussion. I now understand your point, your problem, and I will look into it how this could be resolved.

1-0105-0000

Rudi Kennes (The Left). – De bestverkopende elektrische auto's worden momenteel in de VS en China gemaakt. De Europese fabrikanten sluiten hier fabrieken omdat ze luxe auto's produceren die de doorsnee Europeaan zich niet kan permitteren. De EU vraagt aan de burgers terecht om hun vervuilende auto's te vervangen en de meest voor de hand liggende vervangende auto's zijn op dit moment de Chinese.

De EU legt echter tarieven op aan deze voertuigen omdat ze gesubsidieerd worden door hun overheid, maar doet niet hetzelfde met de Amerikaanse elektrische voertuigen, ondanks dat zij eveneens overheidssubsidies ontvangen. Deze tarieven zullen ongetwijfeld leiden tot tegenmaatregelen en dit zou schade kunnen toebrengen aan onze economie.

Twee vragen. Eén: Welke maatregelen zal u nemen om ervoor te zorgen dat de Europese gebruiker het meest geschikte elektrische voertuig kan kopen, los van waar het vandaan komt? Twee: Wat gaat u doen om een consequent handelsbeleid te ontwikkelen dat gecoördineerd wordt met een allesomvattend industriebeleid van de EU dat de productie en de verkoop van betaalbare Europese elektrische voertuigen zal stimuleren?

1-0106-0000

Maroš Šefčovič, Commissioner-designate. – Thank you very much for your question. And I think you describe it very well, even though I got the translation, I think, in the middle of your question. But I believe that your point was very clear on the fact of how we are going to prevent that through these illegal subsidies we are jeopardising, and if not acted properly, we can even lead to serious problems in our car industry. And what we will do to make sure that we would be, let's say, fair, not only to importers of the vehicles from China, but also from our provenances, and you mentioned the United States of America.

I can assure you that we would act with the same vigour and the same energy – if I could use that expression – to anyone who is illegally subsidising the electric vehicles imported to the European Union, because we are fighting to have a global level playing field. And it would be very clear for anyone, despite the provenance, where the vehicles are coming from. And I think that the same applies to all the marks on the Chinese market, including those you just mentioned.

I also would like to highlight what you mentioned in the last part of the question: that through trade agreements we cannot solve all the problems, and sometimes the feeling is that we are overloading our trade agreements with a different content. And what we need is clearly to make sure that we would have a better coordination between the industrial policies and the trade agreements. And I think that's our common task. And that would be also a new approach on how to deal with the issue

of the cars, and the Commissioner-designate, Mr Séjourné, will be working on the new action plan for the car industry in the European Union.

1-0107-0000

Daniel Freund (Verts/ALE). – Dear Commissioner-designate, three questions on lobby transparency. The first one: do you think that Commission officials working on legislation should meet with unregistered lobbyists? And shouldn't there be a rule that they are simply not welcome in the Commission?

Second question: should there be consequences for Commissioners that break the Code of Conduct? There are allegations in the press that your colleague Šuica might have done that, both on meeting unregistered lobbyists and not declaring many of her lobby meetings here in the Parliament. If you break the Code of Conduct, there can be financial sanctions. Is that something that the Commission should introduce as well?

And the third question: on the lobby register, there is a number of entries that are meaningless or have no useful information. For example, the entry of the MCC think tank, which is funded by the Orbán Government, has been inaugurated already two years ago. To this day, there is no information on how much money they spend on lobbying the EU institutions. What will you do about improving the EU lobby register? Thank you.

1-0108-0000

Maroš Šefčovič, Commissioner-designate. – Thank you very much Mr Freund. On the first point in my introductory remarks and also in subsequent answers, I highlighted that no registration, no meeting for all Commission's managers. And I understand that your point is, can we expand it and cover all the EU officials? As you know, they are covered by the staff regulations. But I take the point. I'm ready to look into it, because I think that once we have these very strict rules for all the managers, it would be natural that they apply to the whole Commission. So let me look at it. I mean, I understand your point.

If it comes to the Code of Conduct of Commissioners, you know it probably very well, it's very strict. But also what is very important is to be fair, to be just and to look at it from all angles. And I believe that this is exactly what is being done, also in this case, I'm not familiar with the details, but I'm sure that the Code of Conduct of Commissioners would be always followed absolutely properly.

And on the last question, I think that the transparency register is an extremely important tool. I think that together with the US, these are the most developed registers in the world. I mean, you would probably correct me if I'm wrong, I think we have like 12 000 registrations. And I remember when we've been starting with that in my previous capacities, the number was much smaller, but I was very proud that we managed to cover all the categories. And now we also increased the number of checks.

My suggestions and invitation here would be: we are now having the possibility to review how it works. What are the pluses? What are the minuses? How we can improve the controls, the checks. And clearly we in the Commission and me personally, I have all interest in making sure the transparency register will work perfectly and all the data are updated. And if you are not fulfilling this criteria, you're out and you have no meetings.

1-0109-0000

Lubica Karvašová (Renew). – Thank you, Chair. I could speak in Slovak, but I chose English as I represent Renew here.

European citizens demand the EU to act more decisively. The majority of the EU wants the EU to address better the global challenges. With the future enlargement in front of us – and some colleagues have mentioned that already – this makes the reform of the EU inevitable.

You acknowledged a shift from unanimity to qualified majority voting as a way to improve the EU's governance. If confirmed as Commissioner, you will become the longest-serving member of the European Commission. Your role in the College will therefore carry weight, and you can also show true leadership to lead in difficult but important issues for the EU's capacity to act.

So let's try once again a question about the leadership. Would you show personal leadership and contribute in concrete ways to the reform of the EU, including the widening of the QMV voting on other areas? Thank you.

1-0110-0000

Maroš Šefčovič, Commissioner-designate. – Thank you very much, Madam. I totally agree with you that what citizens expect from us – especially in these very turbulent geopolitical times and very strong economic difficulties – would be the action, would be concrete results and would be also the transparent manner how we adopt the decision.

And I very much appreciate also your call for the leadership in this regard. But you highlighted that I'm already a very long-serving Commissioner, so I will not go through all the meetings in the General Affairs Council where I was actually presenting this proposal. This proposal to introduce the passerelle came – if I recall correctly – from 2019, and we have been very precise and clear in what areas we, as a Commission, think we can move from unanimity to the QMV. And we want very a thorough discussion on that and also on many other aspects of these elements. But at the same time, I have to say that the situation is such that for this you need the unanimity among Member States, and I think that we would need more time.

I am coming back to the point which you mentioned – which is very important and I totally agree with you – and this is enlargement. I think that also once we come to you – and again it would be me, most probably also with the Commissioner responsible for enlargement – who will be coming and presenting these policy reviews, including the sectoral implications, governance issues, also to the General Affairs Council, and I believe that this would be a catalyst for change. This would be also a potential catalyst for treaty change.

And in this particular case, I will be presenting it, and I can assure you that I will be as convincing as I can be. But I think that here we need also the cooperation of this House to also convince your colleagues in national parliaments to go in the same direction, because we can do it only if we work together and if we have the same support as we have here also in our national parliaments in our Member States.

1-0111-0000

Patryk Jaki (ECR). – Commissioner-designate, you are satisfied with the work of the Conference on the future of Europe. Let me remind you that the view was not shared by almost half of previous Parliament and millions of people in Europe. That's why I would like to back the Treaty proposal, particularly regarding to remove all unanimity in Council voting. I would appreciate your straightforward answer – your point of view, yes or no?

And you are also happy with the focus on the green transition. Do you know exactly how much the economic gap between us and US has grown since EU introduced the green transition?

And the last thing is about the Mercosur Agreement – if we can have your assurance that if the agreement goes through, agricultural products that enter the EU will be subject to strictly – and I would like to emphasise the word 'strictly' – the same restriction that those applied to farmers in the EU.

1-0112-0000

Maroš Šefčovič, *Commissioner-designate*. – Thank you very much, Mr Patryk, for your questions, and having only two minutes I'll have to be telegraphic.

First and foremost, I was already, I think, quite clear that in 2019 the European Commission came up with the proposals in what areas we believe we can move from the unanimity voting to the QMV. That's a proposal which was done by this still-sitting Commission. I was presenting it, of course, I was supporting that proposal, and I believe that it would make our decision-making much, much faster. So I think I cannot be clearer than that.

I understand that you have an opposing view on this, and this is what I was referring to a minute ago, that very often we have different perceptions here and in national parliaments and, therefore, I think that this interaction between the European Parliament and national parliaments on this very issue, I think it's very, very, very important.

Then if it comes to the green transition and to the situation with the US, I'm sure we would agree there are many reasons for that. I would just highlight a very simple one. We have two wars very close to our borders, and we, as the European Union, are paying the highest price for the consequences.

And none of the major economies has to go through such a steep, dramatic energy crisis as we had to go a couple of years ago. So the price differential in energy is huge. It's between 3 to 8 times if it comes to gas or electricity.

Therefore, we need to diversify. Therefore, we need to decarbonise. Therefore, we need to use more of our indigenous sources to have much more competitive energy prices, because this is one of the key ingredients for having a competitive European economy, plus all the things we would do on the trade field to make sure that you would have a global level playing field and nobody would take advantage of the European market.

And, of course, the phytosanitary and sanitary conditions for the products placed on the European market are the same for every single farmer.

1-0113-0000

Enikő Győri (PSE). – I was very pleased, Commissioner-designate, that you consider trade a main driver for competitiveness, that the EU is not interested in trade wars, and that you will fight red tape.

Can I deduct from this that the new Commission will strive for more connectivity with the rest of the world, that you will apply more a pragmatic than an ideology-driven approach vis-à-vis third countries? That the administrative burden reduction this time will not remain just on paper or as a slogan, but our European trading companies will feel it already next year, and that third countries' interests can never rank earlier than Member States' interests?

As you mentioned the level playing field so often, can we be sure that you will apply the level playing field principle towards this House and each and every MEP?

As a last remark to Mr Freund, I wish one day the same transparency rules apply to everyone, including the NGOs Mr Freund so often works with.

1-0114-0000

Maroš Šefčovič, Commissioner-designate. – Thank you very much, Ms Győri. First and foremost, of course, as I highlighted, European Union is number one trader. Our GDP depends almost by half – almost by 50 %, I think the recent number is 45 % – on our exports, and 30 million people are working in the areas, in the jobs which are totally linked with our export potential. So I think that there is a very direct link between sustaining our unique social model and the competitiveness of our economy, and of course, the success of our companies exporting and trading on the global scale. And we've been excellent on that. Therefore we have 76 free-trade agreements; therefore we have such a huge surplus; therefore we are the biggest trader and biggest investor in the world.

What we have seen over the five years, unfortunately, is that the situation has changed, that especially the major economies are not following the rules; that the major economies are not interested in organised WTO dispute settlement; that we have seen more power and less rules in chartering the trade. Therefore, I think we also in the European Union have to adjust. We will be always for a rules-based system, always for open and – I would underline – fair trade, but we also would be much more ready to defend our interests and be much more agile and much more prompt in making sure that that we would defend the European interest and interest of our companies and of our citizens.

If it comes to administrative burden, clearly this is the huge task for all of us and I believe that you will see that concrete results will be coming to you in our annual reports, in structured dialogue to every single committee, what we, as each individual Commissioner, have accomplished in that regard. And, for sure, we would never favour anyone else at the expense of European economy and of European companies.

1-0115-0000

Juan Fernando López Aguilar (S&D). – Commissioner-designate, my question relates to your portfolio for institutional relations, particularly in view of enhancing the powers of this European Parliament regarding the right of initiative, rereading or rewriting Article 225 and the right of inquiry, Article 226 as a legal basis, yet unfulfilled 15 years after the entry into force of the Lisbon Treaty.

So the European Parliament has done its part of the job. We have adopted the regulation which is pending of the Commission and the Council, because it takes both. It takes the consent of both in order to update the still effective decision dating all the way back to 1995. So we have done a part of the job, and you have shown in your written answers your availability and your will to cooperate with the European Parliament to unblock the situation. But we are asking you not only to unblock as an honest broker or mediator, because you, as Commissioner, could be the subject of an inquiry of this European Parliament too. We are asking from you to fulfil your job as guardian of the Treaties and EU law, because that right of inquiry is yet to be fulfilled, still pending of your impetus, of your commitment. Thank you.

1-0116-0000

Maroš Šefčovič, *Commissioner-designate*. – Thank you. Thank you very much for highlighting the importance of the right of inquiry. And I believe that you know that I was really doing my best to make sure that also the right of inquiry of the European Parliament is properly Lisbonised. And I am as unhappy as you are that this is still not happening. And we've been tackling this issue in several ways. I was talking to the rapporteurs, I was organising the meeting between the presidencies and the rapporteurs. And I, even when I didn't know what to do, was suggesting that we can withdraw that proposal two years ago. But the European Parliament was not keen to do that.

To be honest, my honest opinion at this stage, I don't know if you would be like, I think that the best thing would be to have a fresh start, to have a fresh start because if I can tell you my personal assessment of the situation right now, the European Parliament position and the Council position are so far that even with my best brokering ability, it's very difficult to build that bridge. But if you tell me that you still prefer to work on that initial text, I'm ready to try again. I'm ready to get the parliamentarians and the Council Presidency and the Council to talk about it again. But I still think maybe we can discuss it separately. What can we do to have a fresh start on it? I think to have a proper right of inquiry, fully Lisbonised, with all the parameters which are required, I think would serve extremely well the European Parliament, it would serve extremely well the European Union and I'm ready to work on it, to work on it with you and, of course, with the European Parliament and the presidencies whom we need.

1-0117-0000

Borja Giménez Larraz (PPE). – Señor Šefčovič, quisiera preguntarle sobre el uso ampliado del artículo 122 del Tratado de Funcionamiento de la Unión Europea, que ha sido aplicado catorce veces entre 2020 y 2023, en comparación con solo cinco ocasiones en la década anterior. Este artículo ha sido fundamental en las respuestas a la crisis de la COVID-19 y la crisis energética, pero ha generado inquietudes sobre la falta de claridad en la motivación de la Comisión. ¿Cómo planea asegurar que el Parlamento esté debidamente informado con antelación sobre las decisiones basadas en este artículo?

En segundo lugar, la reciente DANA en Valencia ha evidenciado el aumento de los fenómenos climáticos extremos, eventos que causan devastadores efectos humanos, sociales y económicos. La cláusula de solidaridad del artículo 222 permite movilizar instrumentos para hacer frente a este tipo de situaciones, pero hacen falta respuestas inmediatas, y eso nos obliga a ser más rápidos y ágiles. ¿Valora la simplificación de los procesos del artículo 222 para mejorar su eficacia, ya sea en el contexto de la reforma de los Tratados o de otro modo?

1-0118-0000

Maroš Šefčovič, *Commissioner-designate*. – Thank you very much also for your question. I fully understand, and I can tell you that I'm not the only one in the Commission: the President of the Commission shared the same feeling that we know that over the last five years, the use of 122 was, from your perspective, used too often. What I think I can say in this comparison, which was from you, Mr Chair, totally correct, five times until the last mandate and fourteen times during this mandate.

You also, I think, provided very good elements of the answer. We've been in unprecedented crises. We had to deal with the COVID-19. We had to deal with the energy crisis. We wanted to help our businesses and our citizens through a sure mechanism which we know would never be approved on time if it would go through the ordinary legislative procedure.

So I do not want to use any excuses. I'm just explaining that we've been working under such extraordinary stress and circumstances where no available means of how to look for legal remedies were available.

But here comes also, I would say, the commitment. Let's hope we don't have to use it in the future. That we'll not be struck by such a dramatic crisis as we have been. But in any case, if something like this happens and we have to use the 122, there is a clear commitment and promise from my side that I will be there, together with the responsible Commissioner, giving you the justification, explanations why we used Article 122.

If it comes to the dramatic situation in Valencia, I just would like to reassure you that from the side of the European Commission, we will be looking at every single possibility how to alleviate the immediate crisis, how to help with the civil crisis mechanism, but also what we can do under the Solidarity Fund, what we can do with the reprioritisation of the funds available. Because we saw the devastation, we saw the human tragedy, and we want to help such an important country like Spain, such an important region like Valencia.

1-0119-0000

Bernd Lange, *Chair of the INTA Committee*. – So thanks a lot to all the Members asking questions and of course, thanks a lot, Commissioner-designate for the answers. Now you have the unique chance to have a closing statement for maximum five minutes to make the point.

1-0120-0000

Maroš Šefčovič, *Commissioner-designate*. – I promise you it will be 'maximum'! I know that this was very long, but first and foremost I think it's just totally appropriate to thank you for all the questions, also for the energy and directness through which you expressed your opinions. I can only tell you that this rich debate first and foremost showed what your priorities are, what kind of future plans and highlights we should draw from this very inspiring discussion, and I think that we would all agree that there is quite a lot to work on together in the upcoming mandate.

I would also give you the solemn commitment that I will work with the European Parliament and negotiators at full speed if it comes to the framework agreement. I believe that once we have this political understanding between both Presidents – Metsola and von der Leyen – we can really work very speedily so that the new Commission will be able already, with the ownership of College members, to live up to this new framework of our cooperation. We'll be working together a lot on transparency, on transparency register, on ethics bodies, and I'm of course absolutely ready to do that.

Maybe if you allow me just a couple more points. I was making in my previous interventions a strong point about EU's unity and I think – and I saw it in many negotiations – European unity is our greatest asset. It is our most precious currency, and I know that in all the difficult discussions we will have, with all negotiations of very demanding and tough foreign trade partners, my overarching priority across all my duties would be to work to forge this unity with you in this House, with the Council and with our Member States, because we will clearly need it.

I think that all the points you have mentioned would be also very important for our deliberations on how to formulate this new foreign economic policy, what should be the priorities of this new doctrine on economic security, and I'm convinced that together we'll be able to create these new conditions where our companies would see – responding to one of the last questions – that our trade is agile, that we have intelligence, smart economic security, that we have modernised,

digitalised the Customs Union, and we did it all through a very close and strong partnership with this House.

So I think that together we can achieve the aim that if political scientists are discussing 'will this century be Chinese, will this century be American?', I think we can make sure that this century will be also European, because we can make a very clear impact on that. We can be very ambitious in what we accomplish together. We are best when it comes to tackling climate change, we have the most developed European social model, and if you work together, there is nothing we cannot accomplish.

So therefore I really would like to thank you very much for this debate, for this discussion, and if you give me the honour to confirm me for the next period, I will be your close partner and I will be very much looking forward to work with you in all committees represented here today.

Thank you very much, honourable Members, and thank you very much Chairs.

1-0121-0000

Sven Simon, *Chair of the AFCO Committee*. – Thank you, Commissioner-designate. This concludes our confirmation hearing. Thank you for the interpretation. Thank you that you stayed a little bit longer. I would now like to remind coordinators and committee chairs that we have the in camera meeting later tonight. Chairman Lange and myself will now give a short press statement. Thank you very much. Good evening.

1-0122-0000

(The hearing closed at 17:57)