

COMMITTEE ON INDUSTRY, RESEARCH AND ENERGY
COMMITTEE ON THE INTERNAL MARKET AND
CONSUMER PROTECTION
COMMITTEE ON ECONOMIC AND MONETARY AFFAIRS

ASSOCIATED COMMITTEE:
COMMITTEE ON LEGAL AFFAIRS

INVITED COMMITTEES:
COMMITTEE ON EMPLOYMENT AND SOCIAL AFFAIRS
COMMITTEE ON CIVIL LIBERTIES, JUSTICE AND HOME AFFAIRS

HEARING OF MARGRETHE VESTAGER

EXECUTIVE VICE-PRESIDENT-DESIGNATE
OF THE EUROPEAN COMMISSION

(Europe fit for the Digital Age)

TUESDAY, 8 OCTOBER 2019

BRUSSELS

1-002-0000

IN THE CHAIR:**ADINA-IOANA VĂLEAN***Chair of the Committee on Industry, Research and Energy***PETRA DE SUTTER***Chair of the Committee on the Internal Market and Consumer Protection***IRENE TINAGLI***Chair of the Committee on Economic and Monetary Affairs**(The hearing opened at 14.38)*

1-003-0000

Adina-Ioana Vălean, *Chair ITRE*. – Hello everyone and welcome to all of you. First of all, I would like to welcome Ms Margrethe Vestager, who, subject to a positive outcome of this hearing, will be the Executive Vice-President for a Europe fit for the Digital Age. I would also like to welcome everyone present in the room today, as well as those who are watching us, as this hearing is web-streamed.

This hearing is organised jointly with the Committee on the Internal Market and Consumer Protection – and I welcome Ms De Sutter, Chair of IMCO – and also the Committee on Economic and Monetary Affairs, and I welcome Ms Tinagli, Chair of ECON. We will jointly chair the hearing.

Also, I would like to welcome the members of the Committee on Legal Affairs (JURI), which is associated with the hearing, and those from the Committee on Employment and Social Affairs (EMPL) and the Committee on Civil Liberties, Justice and Home Affairs (LIBE), who are invited.

From the perspective of the Committee on Industry, Research and Energy (ITRE), let me remind you that Ms Vestager has been entrusted by the President-elect with the task of ensuring that Europe fully grasps the potential of the Digital Age and strengthens its industry and innovation capacity. This will be a key part of reinforcing our technological leadership and strategic autonomy.

Ms Vestager will also co-lead the Commission's work on a new long-term strategy for Europe's industrial future and a new SME strategy. She will also coordinate the work on a European approach on artificial intelligence, to be presented in the first 100 days of the new Commission. Moreover, she will ensure coordination between the civil defence and space industries.

All these policy areas, which are key for the ITRE Committee, will be at the heart of Ms Vestager's mandate. So that's why, Commissioner-designate, we are here today, listening very carefully to what you intend to do to make a success of this portfolio from an industrial point of view.

Now, I will give the floor to Ms De Sutter for her introductory remarks.

1-004-0000

Petra de Sutter, *Chair IMCO*. – There are three of us, so you will have to listen to all three of us! First, on behalf of the Committee on the Internal Market and Consumer Protection (IMCO), I would like to welcome the Executive Vice-President-designate, Margrethe Vestager, for this joint hearing. The IMCO Committee is responsible for the coordination of internal market rules and the

functioning of the single market, including the digital single market. Digitisation is transforming every sector of the economy and it has implications for businesses, consumers and society as a whole. The single market is one of the EU's greatest achievements and it is essential that in this era of digital transformation it remains a great success. That is why we need to make sure that our internal market rules are fit for the digital age and we have to do it in a way that wins the trust of consumers and creates a level playing field for businesses. In short, I believe the digital transformation has to be inclusive. It has to benefit everyone.

We also understand very well that a strong single market means avoiding fragmentation and it means avoiding artificial distinctions between more traditional – let's call them offline – markets, and newer digital or online markets. There is only one single market, of course.

I will continue by making some procedural remarks. In line with the guidelines for the approval of the Commission, Parliament evaluates the Commissioners-designate on the basis of their general competence, European commitment and personal independence. It also assesses the knowledge of their respective portfolio and their communication skills. Before the hearing, Ms Vestager replied in writing to a preparatory questionnaire. The written answers have been distributed to Members in all languages.

The Committee on Legal Affairs raised no objection to the holding of the hearing. So I will now give the floor to the Chair of the Committee on Economic and Monetary Affairs (ECON), Ms Tinagli.

1-005-0000

Irene Tinagli, *Chair ECON*. – In the name of the ECON Committee, I too would like to welcome all of you here today and to welcome Ms Vestager, whom the ECON Committee already knows very well as Commissioner for Competition for the past five years.

Ms Vestager has been designated to continue her work on the competition portfolio, which is a crucial part of the work done at European level for the benefit of our firms and our citizens. In her capacity as Executive Vice-President for a Europe fit for the Digital Age, Ms Vestager should also coordinate, within the new Commission, the work on digital taxation in order to find a consensus at international level by the end of 2020, or, alternatively, with the aim of proposing a fair European digital tax. In accordance with Parliament's Rules of Procedure, both competition and taxation are main competences of the ECON Committee.

Before we start, allow me to remind you how the hearing will be conducted. Ms Vestager will be invited to make an opening statement of no longer than 15 minutes. She will also have five minutes at the end of the meeting for a closing statement.

After the introduction, there will be time for 25 questions from MEPs. The debate will be held in slots of five minutes each, with one minute for the question and two minutes for the answer. If there is a follow-up question, it should not be longer than one minute, with one minute for the reply.

The first round of seven questions will be asked by representatives of the political groups. The second round of 18 questions is based on the overall distribution of questions among the political groups, including also a representative from the non-attached Members.

Let me also remind you that all the Chairs will be very strict on the indicated speaking time, and we will not allow speakers to exceed their allocated time. Should the first question go over time, follow-up questions will not be allowed.

Interpretation will be provided in 23 languages, you can therefore use your own language, but please remember that what you say needs to be interpreted so please do not speak too quickly.

Ms Vestager, you have the floor.

1-006-0000

Margrethe Vestager, *Commissioner-designate*. – Thank you very much, Chairs and honourable Members.

Five years ago, the European Parliament confirmed me as Commissioner for Competition. That was one of the proudest moments of my life. I was given the opportunity to work for European citizens, with this Parliament, for the values that have guided my work in politics for 30 years.

I have always worked for a fair and just society, where people can make their own choices, and follow their own dreams, with due and proper respect for others. If I am confirmed in post, I will continue to do so in my role as Executive Vice-President for making Europe fit for the Digital Age.

I firmly believe that we best achieve our common goals when we work together. That was my belief when I first walked through the doors of this Parliament as a trainee. In the years since, I have seen what our European democracy has done to build a society that works for people and represents its people. And Europe will strive for more.

I am very happy that we now have the first gender-balanced Commission.

We face great challenges ahead of us. Just to name a few: climate change and the digital transformation – both will affect every part of our daily lives. And, as global competition gets tougher, we will need to work harder to preserve a level playing field.

We have what it takes to face those challenges – if we work together. We have values that we can be proud of: values of freedom and fairness and democracy. These have made Europe the best place to live in history. Europe is filled with highly skilled people. We have excellent infrastructure. We have fair and effective laws. Our single market gives European businesses room to grow and to innovate, and to be the best in the world at what they do.

So my pledge is not to make Europe more like China, or more like America. My pledge is to help make Europe more like herself: to build on our own strengths and values, so our society is both strong and fair – and that for all Europeans.

In the past five years, I've seen how enforcing competition rules can make markets work for people, and not the other way round. I'm proud of the work that we have done. But there's still a lot to do. So I'm deeply honoured that the President-elect has asked me to continue my work on competition. I will do that with the same energy and the same dedication as ever. And with the same commitment to independence and impartiality as I gave to this Parliament five years ago. Because independence in law enforcement is non-negotiable.

The competition rules don't make it a crime to be big. But dominant companies do have a special responsibility not to use their powers to harm consumers.

Companies are also free to merge – just as long as they still remain subject to challenge. Because companies cannot deny consumers the benefits of effective competition: affordable prices, a choice of products, and innovation in products to serve their needs better.

Obviously, we also have to make sure that state aid doesn't harm competition, because Europeans deserve an economy where companies compete to serve customers better – not just to get bigger subsidies from government.

These are challenging times and they are also challenging in terms of competition enforcement because markets are changing fast – and we have even bigger changes ahead of us. Human nature though – with basic motives like greed and fear – does not change. So the principles that guide our competition rules are as relevant today as they were when the Treaty of Rome was signed more than 60 years ago.

But we need to make sure that the way we apply those principles is fit for a world that's changing fast. So, I will move forward with the review that we've started of our rules on antitrust, mergers and state aid. In this process, we'll be guided and helped by the insights we've gained from looking into how digitisation affects competition – including the independent report by three special advisers, which they delivered earlier this year.

I believe that fair competition is important to prepare our economy for the challenges ahead. But competition is not enough. We need a strategy for Europe's industrial future that is based on what makes Europe strong: our openness and our diversity.

So, the industrial strategy must be for everyone: it must be green and it must be based on fair competition.

This work will include coming up with a new strategy to support the heart of Europe's economy – the small and medium-sized businesses. Together they account for more than half of Europe's business income, they employ nearly two-thirds of people working, and they offer much-needed training for our young people.

Fundamentally, what those businesses ask of us is to create a fair marketplace and to remove the barriers that stop them from growing.

Our public and private sectors also need to team up to get the best from each other. That means a more strategic use of public procurement, and more funding for research and innovation in business. And it means working together with Member States on important projects of common European interest. We will bring together entire value chains – universities, suppliers, manufacturers – all the way to those who recycle the raw materials that are used in manufacturing.

This strategy, our strategy, needs to reach beyond the single market. As we get more and more interconnected, we are more dependent and more affected by decisions made by others.

Europe is the biggest trading partner of some 80 countries, including China and the USA. So we're in a strong position to work for a global level playing field. This includes pursuing our proposal to reform the World Trade Organization. It includes giving ourselves the right tools to make sure that foreign state ownership and subsidies do not undermine fair competition in Europe.

A good industrial strategy also makes Europe fit for the Digital Age. Because basically, there are two types of business today: those that are already digital and those that soon will be.

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

Today I want to emphasise three values in particular – trust, humanity, and fairness. Let me give you some examples here of what I will do in the five years ahead, if I am confirmed in post.

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

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

And, on fairness, fair working conditions and fair taxation are part of the foundations of a decent society. So, we need to make sure that platform workers enjoy fair conditions. We also need to make sure that digital companies pay their fair share of taxes. We want these taxation rules to be based on a global agreement, but if that is not possible by the end of 2020 then we are prepared to act.

We face a challenging task – not only to set but also to apply the right rules, so that these fast-moving markets respect our fundamental values and unlock the digital potential that will make our lives better – be it in healthcare, in transport or in the fight against climate change.

For this task, I hope and trust that I can call upon the cooperation of this Parliament.

In the past five years, I have often discussed proposals and ideas with honourable Members. I think that our truly open dialogue has made it possible for new legislation to be adopted quickly. If I am confirmed in post, I will continue this open and cooperative way of working with you at every step of the legislative process.

I very much look forward to continuing working with your committees. After all, Europe is about teamwork, and today, when we face some of the biggest challenges of our lifetimes, we need, more than ever, to work together so we can make sure that Europe remains the best place to live in all of history – and, if I may add, especially if you are a woman.

(Applause)

1-007-0000

Andreas Schwab (PPE). – Commissioner-designate, a warm welcome from our side as well. You have been a hidden star in the Juncker Commission and today's *Financial Times* even calls you the 'chief supremo' – congratulations! However, the technical and political questions ahead of us are a real challenge – you mentioned this, especially with the new role that is given to you in the next five years. The digital single market is full of hidden stars that unfortunately often don't shine for long.

Und deswegen mache ich auf Deutsch weiter.

Die digitale Plattformwirtschaft, Frau Kommissarin, bietet Verbrauchern – aber auch der Wirtschaft – unglaubliche Vorteile. Allerdings sind regulatorische Barrieren innerhalb der Europäischen Union noch immer das größte Hindernis für diese Unternehmen, wirklich schnell zu wachsen. Nicht nur im Digitalbereich, sondern auch in klassischen Industriesektoren stellen wir einen zunehmenden, teilweise mit unfairen Mitteln geführten internationalen Wettbewerbsdruck fest, der erst jüngst zum Ruf nach *European Champions* geführt hat.

Das europäische Binnenmarkt- und Wettbewerbsrecht hat aber als oberstes Ziel, dass alle Verbraucher in der Europäischen Union von europäischen Fusionen durch bessere Leistungen und/oder günstigere Preise profitieren.

Halten Sie an dieser europäischen Maxime fest, und welche Maßnahmen plant die Kommission unter Ihrer Leitung als Vizepräsidentin konkret, um den Zusammenschluss europäischer Firmen zu erleichtern, anstatt Investitionen aus Fernost aufgrund wettbewerbsrechtlicher Vorgaben der EU mittelbar sogar privilegiert erscheinen zu lassen?

1-009-0000

Margrethe Vestager, *Commissioner-designate*. – You are indeed right to say that we have a dual challenge here: on the one hand to secure fair competition within our single market, so that customers and consumers are well served; and at the same time to stand up for our European businesses when they are met with unfair competition outside of Europe. I think we all have not only a feeling, but also facts to back up that this may be the case. That sometimes they are faced with competitors who do not obtain their financing in the same competitive way in which European companies would have to fight for their financing.

So a set of things will have to be done. I think important steps were taken when this Commission suggested a change, for instance, in our approach to China. To say, well, China is anything but a developing economy. In some areas, it's a strategic partner – in climate change – but it's also a strategic competitor and we have to react to that. And here, I hope to work with colleagues to secure the International Procurement Instrument, because we need reciprocity. When we invite people into our market, we should also be invited to theirs, and the market for procurement in Europe is, I think, about 15% of European GDP. It's a lot of money.

Second, we should make sure, when foreigners invest in Europe, that they do so for the right purposes. Obviously, we welcome investors, but they should come here for business reasons. One of the open questions is, of course, to make sure that if a state-owned company from abroad buys a European business, that no foreign state aid is coming into Europe undermining the level playing field here. And here, we work with colleagues working on trade and on the single market in order to get a functional tool, because that, unfortunately, we don't have yet but it's a matter of high priority.

1-010-0000

Andreas Schwab (PPE). – Sie haben jetzt viel auf die Zusammenarbeit mit Ihren Kolleginnen hingewiesen. Aber pünktlich zur heutigen Anhörung wollen Sie ja erstmals von einstweiligen Maßnahmen gegen ein US-Tech-Unternehmen Gebrauch machen, und da kann ich nur sagen, dass das Parlament vielleicht öfter solche Anhörungen durchführen sollte, um sich Gehör zu verschaffen, denn Sie wissen ja, dass das Parlament solche einstweiligen Maßnahmen schon häufiger gefordert hat. Deswegen ist es so, dass wir besorgt sind, dass die Kernprinzipien der sozialen Marktwirtschaft in diesem Umfeld unter die Räder geraten, und deswegen möchte ich nachfragen: Können Sie zusichern, dass die europäischen Wettbewerbsregeln gerade im Digitalbereich künftig schneller genutzt werden, um den Missbrauch marktbeherrschender Stellungen zu bekämpfen?

1-011-0000

Margrethe Vestager, *Commissioner-designate*. – This has, indeed, been one of my areas of – if not frustration, then intense work, because I completely agree. Markets are moving fast, the law is moving the way the law is moving. Obviously, to some degree, there is an inherent asymmetry here. There's a limit as to how fast law enforcement can work, because we will never compromise on due process. On the other hand, we should be able to work as fast as possible. We actually have a case right now where we are trying to use what we call interim measures, where we're saying to a business: you've got to stop what you're doing because we think that you're harming competition, and when you stop, we will then do, of course, a full casework in order to prove the harm that's been done. That, of course, is the first for 20 years, but I think it's a good reflection of the fact that we find it a very high priority to speed up in what we do.

1-012-0000

Paul Tang (S&D). – Welcome, Ms Vestager. Let's talk about the downside of the Digital Age – the concentration of money and power.

First, the current corporate tax system is outdated, so that many multinationals, and certainly the tech giants, hardly pay any taxes. This calls for action. Will you push for a European digital service tax if international negotiations fail to produce a result, and will you continue pursuing state aid cases, even though the European Court of Justice has annulled the fine against Starbucks?

Second, the American tech giants seem to regard your fines as an operating expense. We see no European competitors in sight, and our data is at the mercy of commercial interests. What do you intend to do to change this fundamentally: to promote European success and, at the same time, to protect the data of European users against the potential abuses of American tech giants?

1-013-0000

Margrethe Vestager, *Commissioner-designate*. – First and foremost, I also hope that Member States are listening right now, because the state aid cases, they will not give us a fair tax system. In that, we need to change legislation, because I completely agree, corporate taxation was invented way before the first computer ever saw the light of day. Also, corporate taxation will have to be digitalised. Otherwise, we will have fewer and fewer contributions from businesses to the societies where they do their business. But the state aid cases have shone the light on some businesses who get an advantage which is for them only and that is definitely not fair.

And, yes, we will continue. We still have open cases and we have just asked every Member State to give us a status of how they use tax rulings in order to update all the material we have from when we did this the last time a couple of years ago. But on taxes, yes, we will continue. I hope that we can find global agreement as we did in the project of avoiding base erosion and profits being shifted, which is now European law. But if we cannot find that global agreement, yes, we do intend to act ourselves. I think it's very important to keep up the pressure, just as individual Member States are doing right now, because they say, 'well, we have to be able to answer the calls from our businesses for fair taxation'. So, yes indeed, this will be a matter of high priority.

On the question of how to deal with businesses who break the law or do things that are illegal, the fine is just a part of it. On average, I think our fines are between 4% and 6% of global turnover, and that is part of what is the punishment for bad behaviour in the past. Looking forward we will do two things. We will say, first of all you have to stop what you're doing. You cannot do something that has the same effect as what you did. And, obviously, we have more tools in the toolbox to say, well, what will it take to reinstate competition in this market? And obviously, as we get wiser and wiser, we also get better and better at seeing what it will take, for instance, to have a free choice when it comes to operating systems.

1-014-0000

Paul Tang (S&D). – Yes please, because it's good that we get wiser and wiser, but I take it that defines our first attempt to make an inroad in a market power of tech giants, but can you tell us a bit more about what you have learned and what you expect will be effective in fighting the monopoly power of the tech giants, leading to the situation where European competitors have no room to develop?

The Parliament has said several times, for example, that you should consider the breakup of, let's say, Google or Facebook. Is that an option that's on the table?

1-015-0000

Margrethe Vestager, Commissioner-designate. – It wasn't the choice of operating system, it was the choice of search and browsers that are now being enabled by one of the remedies in the Google Android case, and this is an example of how a business also changes its behaviour in order to open a marketplace that was otherwise, because of illegal behaviour, completely occupied by themselves.

On the question of breaking up companies, well this is a tool that we have available: it can be done. The thing is, I have an obligation to use the least-intrusive tool in order to restore fair competition, and since it is quite a thing to break up a company, obviously I have an obligation to try what else could be a good tool to solve the situation that we are in.

The second thing, and I think that is sometimes under-appreciated (at least I don't see it myself too much) is the fact that we as consumers see the American giants, but a lot of European businesses see European businesses as their preferred partner when it comes to digital services. In hardware, in a number of software issues, in the business-to-business environment, Europe has a lot to offer as well.

1-016-0000

Nicola Beer (Renew). – Europa fit für das digitale Zeitalter zu machen ist eine spannende, aber auch eine herausfordernde Aufgabe. Und ein Punkt, der dabei eine Rolle spielen wird, ist sich sehr intensiv mit den Fragen der künstlichen Intelligenz auseinanderzusetzen. Künstliche Intelligenz ist ein vielversprechendes neues Werkzeug, das den Menschen in Europa in vielerlei Hinsicht zugutekommen kann, indem diese neue Technologie genutzt wird: im Gesundheitswesen, individuellere bessere Bildung, individuelle Mobilität, zum Beispiel auch für Behinderte oder Beeinträchtigte, die Fragen, wie wir unsere Umwelt besser schützen oder auch mehr Sicherheit und Schutz für unsere Bürgerinnen und Bürger gewährleisten. So bieten sich also für Bürgerinnen und Bürger, aber auch für unsere Wirtschaft, große Chancen.

Sind Sie mit uns einer Meinung, dass wir das disruptive und innovative Potenzial der künstlichen Intelligenz nutzen sollten, weil es so beträchtlich ist, auch wenn wir uns der Herausforderungen und Risiken bewusst sind? Und wie werden Sie sich strategisch darauf einstellen, dass wir nicht nur das Potenzial nutzen, sondern möglichst als Europäerinnen und Europäer wieder Vorreiter werden? Wie kann also die EU – Ihrer Meinung nach – in den nächsten fünf Jahren in diesem Bereich mit guten Beispiel vorangehen?

1-017-0000

Margrethe Vestager, Commissioner-designate. – I agree on the potential, but I also see the risks. And as we speak, Europeans are losing trust in technology, so to get the benefits we have to build trust at the same time to make sure that this is technology that actually serves us as humans and as citizens.

There's been a high-level expert group on AI which has developed seven guiding principles as to how to develop trustworthy AI. And this is not something just done by a desk, this is something

that is useful for businesses, because a very high number of businesses have signed up to use these principles and assessment lists when they develop AI for their businesses. And we will have the results in by December. That, of course, will inform the work that we do, so that on the one hand we can invest, but on the other hand we can also make people see that this is for us.

And some say that the Chinese have all the data and the Americans have all the money. But when I see what we have going for us in Europe, it's that we have purpose. Where you find great European AI is in health, it's in environment, it's in transportation organisation. It is where you want to see AI being used for a greater purpose, and that, I find, is a good inspiration to figure out how to make data available and how to find the funds so that we can invest more. Because, obviously, more investment is needed. Europe is behind on a factor of I think three or four when it comes to investing in AI, and we don't have the same data availability. But the most important driver is, of course, what it is that we want to achieve.

1-018-0000

Nicola Beer (Renew). – Sehr gern eine kurze Nachfrage. Sie haben im völlig zu Recht gesagt: Wir müssen investieren, um auch solche Techniken mit ihrem Potenzial zu nutzen und gleichzeitig aber unsere Werte damit zu verteidigen. Wie wollen Sie in den nächsten fünf Jahren erreichen, dass wir gemeinsam mit den Mitgliedstaaten unsere Möglichkeiten eher poolen und bündeln, um mit anderen, die bereits über keine Fragmentierung verfügen, auf Augenhöhe zu kommen?

1-019-0000

Margrethe Vestager, Commissioner-designate. – The first priority is of course that the budget for the next seven years can be passed, so that we can get to work. From this Commission we have proposed that we increase our investments quite a lot in order to be able to do all this kind of stuff.

And the second thing is also to use public procurement more strategically. I think public procurement in Europe is two with twelve zeros after in euros. It's a lot of money. If we also use that to ask for solutions, well then we can have also maybe smaller businesses to say 'well, I can actually do that. This is what I can deliver.' So we can make an AI strategy that will push in all different sectors of society, also because by now Europe has a number of innovative hubs. Now you don't go to Paris just for the Eiffel Tower: you can also go there to look at start-ups and innovative ecosystems. So if we build on what we have going for ourselves, I think we can achieve it.

1-020-0000

Alexandra Geese (Verts/ALE). – The upcoming Digital Services Act is a huge opportunity to get things right in the digital market. The General Data Protection Regulation (GDPR) was a milestone but there is still a striking power imbalance that European citizens and consumers are facing today.

Ad-tech driven micro-targeting enables disinformation campaigns, and political interference strongly influences consumers and leads to what some have even called surveillance capitalism. What I would like to hear from you today is a clear commitment to the high data-protection and fundamental rights standards already set. But furthermore, I would like to know how seriously you plan to fight the existing power imbalance. Are you ready to tackle ad-tech driven business models as a whole? Are you willing to take certain data exploitation practices, like micro-targeting, completely off the table?

1-021-0000

Margrethe Vestager, Commissioner-designate. – One of the things I have learned about surveillance capitalism and these ideas is basically that it's not you searching Google, it is Google searching

you. And that provides a very good idea not only about what you want to buy but also about what you think.

So, we have indeed a lot to do. I am in complete agreement with what has been done so far because we needed to do something fast. The code of conduct, the code of practice, is a very good start to make sure that we get things right because we couldn't, as it were, sacrifice either the European election nor the forthcoming national elections because we needed regulation to be put in place.

In that respect, we have a lot to build on. I don't know yet what should be the details of the Digital Services Act and I think it's important that we make the most of what we have, since we're in a hurry. It is important to take stock of what I would call digital citizens' rights – the GDPR – so that we can have national authorities enforcing that in full, and hopefully also have a market response, so that we have privacy by design, and are able to choose that. I think it's very important that we also get a market response: to be able to say 'Well, you can actually do things in a very different way', rather than just allowing yourself to be, or at least to feel, forced to sign up to whatever terms and conditions are put in front of you.

I find it very thought provoking if you have time, once in a while, to read terms and conditions. Now, the fact that they're obliged – thanks to this Parliament – to write in a way that you can actually understand makes it even more scary, and very often it just makes me think 'Thanks, but no thanks.'

That, of course, is the other side of that coin: yes to regulation, but also to enabling us, as citizens, to be much more aware of what kind of life we want to live and what kind of democracy we want to have. It cannot just be digital, for then, I think, we will lose it.

1-022-0000

Alexandra Geese (Verts/ALE). – Staying in the digital sphere and speaking about trust and fairness, we have already heard about the great potential of artificial intelligence and automated decision-making. But they also bear the risk of direct or indirect discrimination. Studies and evidence have shown that women, people of colour, LGBTQI and poor people are often disadvantaged by those systems. So, with regard to the legislative framework for artificial intelligence that you mentioned, announced for the first 100 days, how do you plan to make sure that algorithmic systems as a whole are not discriminatory, especially with regard to biased datasets?

1-023-0000

Margrethe Vestager, Commissioner-designate. – I share these concerns. Usually I'd say, well you can have your AI when I have a gender-balanced society. Because the problem of AI is that it's not any wiser than the data you feed it, and the patterns that it finds, it assumes are the right patterns. And these are, of course, man-made. So there is a risk that if we don't do something, we just cement the inequalities that we have already, instead of actually doing our best to change it.

One of the principles of creating trustworthy AI – I think it's number 5 – exactly addresses this: that if you will not in itself design your AI to get rid of the biases, then you need to have human oversight so that you can self-correct. And that I find to be very important. And these principles: now we will, of course, see on the feedback that we get from all the different businesses that have tried it out, how it will work. But I think this question about how to avoid biases is one of the core questions when we are to discuss how to put a framework in place that will allow us to trust the technology.

1-024-0000

Alessandra Basso (ID). – Signora Commissaria designata, Lei ha dichiarato più volte che è fondamentale garantire condizioni di parità a livello mondiale in termini di concorrenza e che, quindi, intende lavorare allo sviluppo di strumenti appropriati per garantire una concorrenza leale, sia nel mercato interno sia addirittura a livello globale.

Il Suo obiettivo, onestamente, mi sembra un po' troppo ambizioso, considerato che, facendo riferimento al mio paese di origine, Lei non è riuscita a gestire una situazione enormemente più semplice, come il caso Tercas, che ha provocato, come Lei ben saprà, il collasso di quattro banche e che ha messo in difficoltà tanti risparmiatori e consumatori.

Mi può dire allora quali saranno questi strumenti che intende sviluppare per garantire una concorrenza a livello globale e perché l'Europa possa giocare ad armi pari?

1-025-0000

Margrethe Vestager, Commissioner-designate. – The banking sector is precisely one of the sectors that has suffered longest from the financial crisis. And it may be so that now we have had growth in euro countries and non-euro countries and jobs are being created, but still for many businesses, it's difficult to pay back their loans and that of course is reflected in the banking sector, who then have non-performing loans – loans that are not being paid back. And this is why I want you to be very careful if you say: 'Well, everything is fine now, it's back to normal, we just move on'. One has to be careful and every case in the banking sector has been different.

What we have been doing is to make sure that taxpayers are being protected, that as much value as possible is being protected, but that doesn't change the fact that once in a while a bank will leave the market, very likely being bought by other banks, and it will be very painful – and sometimes extraordinarily painful – because there has been mis-selling taking place. Mis-selling when consumers do not really know what a product is – they think maybe it's a simple savings product and that they are completely safe, even if the banks get into trouble, and then it turns out that they're not. This is why we have been trying to help out by organising schemes that allow for compensation for mis-selling automatically if it's customers in a very vulnerable economic situation, and one by one if it is in a situation where more work is done in order to establish what kind of money has been lost due to mis-selling.

1-026-0000

Alessandra Basso (ID). – Avrei un'altra domanda da porle, sempre in tema di concorrenza, perché sappiamo quanto sia fondamentale – ne ha parlato già prima – garantire alle imprese di poter competere in condizioni di parità e quanto questo sia una condizione essenziale per un mercato interno che possa veramente funzionare.

Le chiedo quindi, per evitare ulteriori distorsioni nel mercato interno, se procederà, e in quale modo, ad esempio, a una revisione delle linee guida sugli aiuti di Stato nel settore marittimo; è un settore che non è stato compreso, come altri, nel *fitness check* dello scorso gennaio.

1-027-0000

Margrethe Vestager, Commissioner-designate. – No, you're right that the maritime guidelines are not covered by the fitness check, because they had their own process, they were running ahead. We had an extensive public consultation to see if they were fit for purpose, but they had their own goal. We got quite broad feedback, some saying we don't need it anymore, some saying, well actually they work quite well, and a few saying they have to be changed. So for the maritime guidelines, to a very large degree they will continue as they are. But we will still focus on the maritime sector: that will not change.

One of the things that enable a very strong European maritime sector is the fact that we have tonnage tax, and we've been working these five years to make sure that tonnage tax stays legitimate. I think that it is crucial for European shipping that we have the tonnage tax system, it's also important for European flagging. And this we will continue to do to enable the tonnage tax to be used as it should be for shipping activities. But we have had quite a number of cases where we saw tonnage tax actually being used for a number of purposes and we've had to limit that. So the maritime sector will obviously remain a priority.

1-028-0000

Derk Jan Eppink (ECR). – Madam Commissioner, you have been given two portfolios: Executive Vice-President for a Europe fit for the Digital Age and Competition Commissioner. I'm interested in hearing from you how you will avoid potential conflict of interest. The goal of competition enforcement is ensuring that competition leads to long-run consumer welfare. It requires neutrality towards the nationality of the firm in question. Industrial strategy, on the other hand, aims at promoting particular sectors and companies, as well as political priorities of strategic autonomy. It implies a more interventionist approach in the form of an industrial strategy.

Do you recognise the tension between objective competition enforcement and industrial policy interests in your portfolio? How are you going to reconcile them? Are you, for example, going to build Chinese walls – or any wall, for that matter – in your portfolio?

1-029-0000

Margrethe Vestager, Commissioner-designate. – That was, obviously, the first question I asked myself, because otherwise how can you ask or accept such a challenge? Because independence in law enforcement is non-negotiable; because it rests on the evidence of the case, the facts, the case law, not what country you are, not what size, nothing else. Two different perspectives to that. One is the way that we are set up here in the European Commission, that DG COMP and the Commissioner for Competition is part of the Commission as such and has been so since the very first days. It has always been so that the Commissioner for Competition has been part of the College, and every decision we take, also in competition, is a collegial decision.

What justifies that is, of course, that every decision is subject to not one but two times legal scrutiny if need be. The latest confirmation of this set-up was two judgments in 2011, where it was looked into whether this set up, where you have the College and the collegial decisions and the Court scrutinising both on substance and the legality of the cases afterwards, was in accordance with our human rights. And that has been found to be so. So the set up as such is as it should.

The second perspective is, of course, how do we work on a day-to-day basis? One of the things that distinguishes my work, and that I very much appreciate, is that in the working of my teams and myself in the decision-making, we have the independent advice of our chief economist and we have the advice of the Legal Service. And the Legal Service know that they will have to defend the cases in court, which means, of course, that they are very particular that there is no interference from anything other than what they can defend – and for the chief economist to give an independent perspective as to what we do, exactly to do as you say, to separate policy from law enforcement.

1-030-0000

Derk Jan Eppink (ECR). – Both the EU and the USA have well-developed competition policies. They have similar objectives but different methods. The EU has an administrative system for anti-trust enforcement, while the approach in the USA is based on criminal law. Merger control is more centralised in the EU than in the USA. EU competition policy has strict rules on state aid, whereas US legislation has no provisions in that area.

Do you consider that the EU can learn from the USA in some areas? And, if so, how?

1-031-0000

Margrethe Vestager, *Commissioner-designate*. – We learned quite a lot on a case-by-case working relationship. When we have the clearances from companies, for instance in a merger, then we can work with the case teams of the US authorities to help each other out – for instance to make sure that if there is a competition concern in a merger, and a divestiture is needed, that that remedy may work both for the US authority and for us as an authority, so that we limit the burden of merger control on the businesses that are going to merge.

So we have cooperation and we do learn from one another. They have a different system in the US. I can recognise your description completely, but I find that the basic ideas are the same, also because we initially learned a lot from the US, both when it comes to antitrust and merger control, these are things that we got from the US in the first place. State aid is a European specificity, but one of the things that I have noted is that a number of voices in the US start to question the fact that individual Member States will give huge tax breaks to companies in order to have their headquarters in one of those states. What I think is important is that the entire global competition community discusses and inspires one another to do what we find is suited to make sure that we have fair competition in each and every jurisdiction.

1-032-0000

Martin Schirdewan (GUE/NGL). – Frau Vorsitzende, Frau Kommissarin! Sie haben ja in Ihren eingehenden Bemerkungen erwähnt, dass Sie sich für eine faire und auch gerechte Gesellschaft einsetzen wollen. Das freut mich sehr zu hören. Das tue ich auch, das tut meine politische Gruppe auch, und in diesem Zusammenhang fordern wir auch immer eine gerechte Unternehmensbesteuerung. Das ist vorhin von Ihnen schon kurz angedeutet worden.

Sie sind ja auch die Verantwortliche für die Einführung einer Digitalsteuer oder einer gerechten Besteuerung von digitalen Unternehmen jetzt im Rahmen der G20. Das Parlament hat in der letzten Wahlperiode schon einen sehr progressiven Entwurf vorgelegt, wie eine solche Digitalsteuer aussehen könnte. Im Detail, dass zum Beispiel die Besteuerung da stattfindet, wo auch die wirtschaftliche Tätigkeit stattfindet, dass Mindestumsätze formuliert werden, um kleine und mittelständische und innovative Unternehmen zu schützen, aber auch in Bezug auf einen gerechten Steuersatz.

Werden Sie diese Position auch im Rahmen der G20 vertreten? Und wenn die Verhandlung dort scheitern, weil die Interessen ja durchaus sehr widersprüchlich und vielfältig sind, werden Sie diese inhaltlichen Positionen wieder in den europäischen Prozess einspeisen? Wie wollen Sie dann die Blockade im Rat überwinden?

1-033-0000

Margrethe Vestager, *Commissioner-designate*. – It is always difficult to be really optimistic when it comes to European tax legislation because it takes a long time, and when we get results it takes time to get it all implemented on the ground. But, that being said, I myself have been surprised about progress actually made. When I was a minister in Denmark, Denmark held the Presidency and I was head of the ECOFIN Council. We were pushing some of the tax proposals and one of my colleagues back then, he said: ‘never going to happen. Over my dead body’. And now four to six years later, the proposal has been adopted and he is alive and well!

(Laughter)

So surprising things can happen. Under the leadership of Pierre Moscovici 14 different pieces of tax legislation have been passed in Council by unanimity so far, so it's not undoable. The problem is that we have a couple of very important pieces of legislation that have not been passed.

One is the Common Consolidated Corporate Tax Base, and that is important because, even if we start talking about a minimum corporate tax, if you can play around with the tax base, then the minimum level of tax may not mean anything, so you need both if you want to progress in this area.

The second thing we are still missing is public country-by-country reporting. It works in the financial sector. The last time I looked, we still had a financial sector, so it doesn't seem to be too damaging. I think any CEO could be proud to tell the number of employees, activities, turnover, profits and taxes paid. And that will also allow us to have a completely different perspective on taxation, also as individuals. This is why I'm still hopeful in the working way that we can get a global agreement on digital taxation. If that is not the case, obviously we will table and push for a European solution. I admire the Member States who have said, well, we want a European or a global solution, and if that's not to be, we are willing to do it by ourselves in order to be able to answer to all the businesses who pay their taxes.

1-034-0000

Martin Schirdewan (GUE/NGL). – Ja, gerne ein *follow-up* dazu: Einige steuerbezogene legislative Akte sind im Rat hängen geblieben, aber es wäre doch vernünftig, dann darauf hinzuarbeiten, dass nach Artikel 116 nicht mehr Einstimmigkeit im Rat gilt, sondern zum Beispiel auch in Fragen der Digitalsteuer, der Unternehmensbesteuerung, des *country by country reporting* dort Mehrheitsentscheidungen durchgesetzt werden. Würden Sie sich dann in dieser Richtung engagieren? Ihr Kollege Gentiloni, der sich ähnlich geäußert hat – so habe ich ihn zumindest verstanden –, würde auch in diese Richtung arbeiten, und das wären ja dann eventuell schon zwei aus dem Kommissarskollegium, die in diese Richtung hinwirken würden.

1-035-0000

Margrethe Vestager, Commissioner-designate. – Yes, I find that the possibilities of using Article 116 are indeed there. Now we have a process where every Member State, obviously, is invited to take part, but 116 will say: well, if a Member State or some Member States have provisions that are harmful to competition, you can take up negotiations with that Member State in order for them to change those provisions.

If that is unsuccessful, you can table proposals, and those proposals can be decided in a normal or the ordinary legislative decision-making process, and I think definitely that we should start exploring what that would entail.

I don't think that it's a given that it would be successful, but I think it's important that we take the different tools that the Treaty gives us and use these tools if need be.

1-036-0000

Markus Ferber (PPE). – Frau Vestager! Ich darf nochmal auf die Frage zurückkommen, die der Kollege Eppink gestellt hat, weil mir die Antwort nicht ausreicht.

Hätten Sie als Kommissarin für Wettbewerb vor fünf Jahren so geantwortet, hätte ich gesagt: Alles sauber beantwortet! Sie treten aber jetzt als *Executive Vice-President* mit einem sehr breiten Portfolio an. Darum sind hier auch drei Ausschüsse, die Sie anhören – das letzte Mal war es nur einer. Die Frage des inhärenten Interessenskonflikts, die ist doch in dem neuen Portfolio ganz anders gegeben als in den Abläufen, wie Sie sie beschrieben haben. Wenn man Ihnen zuhört, muss man fast den Eindruck bekommen, wir brauchen gar keinen Wettbewerbskommissar, weil alles unabhängig in der Generaldirektion gemacht wird. Die Wahrheit ist doch auch, dass jetzt in der Juncker-Kommission, der Sie ja auch angehört haben, die klare Regel war – so hat uns Herr Juncker das zu Beginn seiner Amtszeit versprochen –, dass er die Dossiers, die aus Ihrer Generaldirektion kommen, nicht mehr anrührt. Also das Kollegium jetzt noch als Schutz zu

beschreiben, funktioniert ja dann auch nicht. Wie wollen Sie diesen inhärenten Interessenskonflikt in ihrem Portfolio auflösen?

1-037-0000

Margrethe Vestager, *Commissioner-designate*. – Of course you're right to say that it takes some care, because the working arrangement that we have had is that I can take a number of decisions by empowerment. I'm still responsible to my colleagues. When we have an important decision, obviously it is by the College. So far we have had no in-depth discussion in College about competition decisions, but obviously we follow every procedure. We go through the different steps of the weekly meeting of Heads of Cabinet before we get there, so that it is true collegial decisions, because that is how things are supposed to be.

The second thing is – and I think it's a very impressive title that I'm going to have, I think it's a very impressive portfolio that I'm going to have. But the legislative proposals will be with my colleagues. They will be with my colleague of Single Markets, of Home Affairs. That will not be my pen that will draw them. I will work with them, yes, but when it comes to the individual proposal, it will be for my colleagues to write those. I think it's important not to underestimate what the Treaty tells us about how this should work, because on the one hand we have the non-negotiable independence of law enforcement, and on the other hand we have the benefit of generalised market insights for colleagues working on legislative proposals. And if we don't have that, well then there is a risk that we will never get to what I find to be a very constructive familiarity between law enforcement and regulation. I think we will also discuss today some of the issues of big tech, of data, what it means when you de facto own a market, and here, I think, regulation is actually what we need. So we have to take what the Treaty has given us for granted, what the courts have told us to be a way to organise it that is in accordance with human rights and to have the checks and balances in the specific decision-making upheld.

1-038-0000

Markus Ferber (PPE). – Ich darf das direkt aufgreifen, worum Sie ja gebeten haben.

Digitale Märkte sind ja sehr schnell, wettbewerbsrechtliche Verfahren sind doch eher etwas langsam, und alleine bei der Analyse einer marktbeherrschenden Stellung – wir hatten darüber in den letzten Monaten einen Austausch – kann man zu sehr unterschiedlichen Auffassungen kommen, je nachdem wie man die Welt anschaut.

Meinen Sie nicht, dass wir jetzt endlich für die digitale Welt schnellere Wettbewerbsverfahren brauchen, schnellere Verfahren, die überhaupt zu einer Entscheidung führen? Denn sechs Jahre, wie bei Google, sorgt ja dafür, dass eine Marktberreinigung stattfindet lange bevor hier überhaupt ein Urteil der Generaldirektion Wettbewerb vorliegt.

1-039-0000

Margrethe Vestager, *Commissioner-designate*. – Two perspectives on that. First, as you know, we have for the first time in 20 years started the procedure of intermediate measures. We have not taken a decision, because here also we respect the fact that the companies will defend themselves. That is one.

The second thing is that we could consider what kind of tools we need. We look at what has been proposed in the Netherlands, what they have been able to have in the UK, why they have different ways of trying to reorganise a marketplace if the competition authority finds that the way it is working is not beneficial for fair competition, and those are tools that could be considered in order to reorganise before harm is done. Then you don't punish because no infringement is found, but you can give very direct, almost orders, which of course can be appealed to the court, as to how a market should be organised, because one of the things that are inherent in a digital

economy is that sometimes you don't just see competition within the market, you also see competition for the markets. Like here in Europe we have very much had a competition about the market for search, and this has been won by Google, and when you win a market, you become de facto the private regulator, and that we will have to discuss, because when you set the rules then they will have to be for fair competition, and that is not a given, as we know from the Google I, Google II, and Google III cases.

1-040-0000

Christel Schaldemose (S&D). – Tusind tak, fru Vestager – Margrethe – det er dejligt at se dig her. I fem år har du udskrevet bøder, når du har skullet håndtere konkurrencesituationen. Det er jo vældig dejligt konkret. Nu skal du så arbejde for at gøre Europa klar til den digitale tidsalder. Og du bruger begrebet retfærdighed, det er jo et dejligt ord for os socialdemokrater. Men kan du ikke folde det lidt mere ud: Hvad er det, du egentlig forestiller dig med det? Skal platformsarbejdstageren have flere rettigheder? Hvordan kan de 740 000 børn og unge i Europa, som i Facebook er kategoriseret som interesserede i gambling, beskyttes mod den slags? Tænker du mere lovgivning? Tænker du mere transparens? Tænker du mere håndhævelse? Prøv at folde det lidt mere ud, jeg kunne godt tænke mig at høre det, for det er hamrende vigtigt, at vi får gjort noget ved dette.

1-041-0000

Margrethe Vestager, udpeget medlem af Kommissionen. – Spørgsmålet er en meget god illustration af, hvor mange forskellige ting, vi skal arbejde med i de kommende år. Det er også en meget god illustration af, hvor hurtigt, vi skal arbejde med dem. Jeg tror, det har været en frustration og en bekymring hos virkelig mange mennesker, at nogle af de mennesker, som arbejder via en platform, har meget dårlige arbejdsvilkår. Vi er i gang med at se på en af de muligheder for undtagelse fra konkurrencelovgivningen, som findes allerede. Den bevirker, at hvis dem, som måske ligner nogle, som er en slags mikroselvstændige, er helt afhængige af den de faktorarbejdsgiver, de har, så må de også kunne organisere sig. Så må der være arbejdskamp, helt lige som der er alle mulige andre steder, sådan at der kan indgås overenskomster, og man kan få ordnede forhold på det arbejdsmarked. Det har meget høj prioritet, for vi har set, at det ikke er nok at henvise til de nationale konkurrencemyndigheder, da dette er et paneuropæisk spørgsmål. Nogle af platformene kan man arbejde på i mange forskellige lande, og derfor er det også vigtigt, at man kan få den ret til at organisere sig, så man faktisk kan kæmpe samlet for at få bedre vilkår. Så det er et oplagt første eksempel.

Når det kommer til indhold, så er der jo ulovligt indhold. Så er der indhold, som er stærkt skadeligt, fordi det har til formål at forvride den offentlige debat og give nogle bestemte resultater, f.eks. i valghandlinger. Jeg tror, vi bliver nødt til at have en lidt forskellig tilgang til de forskellige ting. For at opnå hastighed – det kan godt være, det lyder blødt – lavede mine kolleger denne ”code of conduct” og ”code of practice”, som gjorde, at vi i hvert fald kunne komme i gang med nogle af de værste ting. De store platforme, og også nogle af de store softwareudbydere, har skrevet under på, at det vil de faktisk gøre. Men det, der bliver det store spørgsmål, det er, om vi har brug for mere lovgivning. Og noget af det, som vil være en meget interessant diskussion, det er jo selvfølgelig, hvad vi gør med det, der hedder ”e-commerce”-lovgivningen, som stammer helt tilbage fra år 2000. Det bliver en meget vigtig diskussion her i Parlamentet.

1-042-0000

Christel Schaldemose (S&D). – Det bliver en rigtig vigtig diskussion her. Men lad mig prøve at vende det om: Når der er gået fem år – jeg går ud fra, at du bliver godkendt, og så går der fem år – hvordan vil forbrugerne, hvordan vil arbejdstagerne og hvordan vil borgerne så kunne mærke, at du har gjort en forskel for dem? Hvordan vil de konkret kunne mærke, at du har siddet og haft ansvaret for at gøre ikke bare Europa, men måske også europæerne, klar til den digitale tidsalder?

1-043-0000

Margrethe Vestager, *udpeget medlem af Kommissionen*. – Først og fremmest håber jeg jo, at de vil takke deres folkevalgte for det arbejde, de har gjort. Det virker mere åbenlyst, for der selvfølgelig er en helt anden fornemmelse i forhold til det, når man er folkevalgt, som medlemmerne af Parlamentet er. Men hvis vi tilsammen skal have en konkret effekt, som kan mærkes, så skal vi gøre ret meget. Så skal vi både ændre noget af diskussionen om dette, og så skal vi have gennemført den lovgivning, som allerede er vedtaget. Hvis vi kun diskuterer ny lovgivning, så er det jo sådan, at ordentlig lovgivning skal igennem en offentlig høring, så en effektiv vurdering, så endnu en offentlig høring, før Kommissionen kan fremlægge et forslag, før det kan blive diskuteret her og så diskuteret med Rådet. Hvis vi skal have konkret effekt, så håber jeg sandelig også, at Parlamentet vil arbejde med os for at sikre, at ting, der er vedtaget, ikke bare bliver implementeret, men bliver fuldt implementeret, og at de bliver det i alle lande, og at der bliver fuldt op på det. For lovgivere har jo vedtaget vigtige stykker lovgivning i den daværende samling. Fru Schaldemose har selv været en del af det. Det synes jeg – i respekt for lovgiveren – er noget af det, der må stå meget, meget højt på arbejdsedlen.

1-044-0000

Morten Løkkegaard (Renew). – Og sandelig om ikke også den næste taler er dansk, så vi bliver derfor i dette pragtfulde sprog. Fru Vestager! I dine skriftlige svar til Europa-Parlamentet skriver du, at små og mellemstore virksomheder er rygraden i den europæiske økonomi. Det er også rigtigt, da over 95 % af virksomhederne befinder sig i den kategori. Det interesserer os derfor en hel del i den liberale gruppe.

Jeg vil gerne dreje emnet lidt ind på lovgivningsområdet og spørge om, hvordan man for alvor kan støtte de små og mellemstore virksomheder, eventuelt i form af lidt mindre byrder af lovgivningsmæssig karakter. Hvad vil du helt konkret gøre for at støtte disse virksomheder, ikke mindst når det drejer sig om at få udfoldet deres fulde potentiale i en digital økonomi? Er der nogen minimumsgrænser? Er der noget, man kan gøre i den forbindelse, for at små og mellemstore virksomheder får et lettere liv på jord?

1-045-0000

Margrethe Vestager, *indstillet medlem af Kommissionen*. – Først og fremmest tror jeg, at disse virksomheder, de sidder ikke og ser på Bruxelles og på vores arbejdsdag og tænker: ”Det er der, vores gode forretning kommer fra”. De har mere end nok at gøre med at drive deres forretning, fordi de har brug for markedsadgang, de har brug for kunder. Det er det, der gør, at en virksomhed vokser og gror.

Jeg tror, at du har ret i, at vi kan blive meget bedre til at sige, hvad der skal gælde for de meget store virksomheder, og hvad der skal gælde for de mindre. Jeg synes også, at Europa-Parlamentet har forfulgt den tanke i al mulig forskellig lovgivning lige præcis af den grund, at de små og mellemstore virksomheder er de fleste virksomheder.

Noget af det, vi faktisk kan gøre for dem, der har overskud til at finde ud af, hvad der skabes af muligheder rundt omkring, er f.eks. at skabe adgang til offentlige udbud ved at sikre, at reglerne bruges fuldt ud. Netop det ved jeg har været noget, som min kollega Elżbieta Bieńkowska har fokuseret meget på, nemlig at de nye regler for offentlige udbud faktisk bliver brugt fuldt og helt, sådan at små virksomheder kan sige: ”Hov, der er faktisk et marked, som kunne være åbent for os”.

Hvis man er i den sektor, er der også de udbud, der bliver lavet i forhold til Den Europæiske Forsvarsfond. Her er der også en speciel facilitet for mindre virksomheder. Den skal bruges fuldt ud, og det samme gælder den finansiering, som kan stilles til rådighed. Der er også Junckers investeringsplan, som jeg mener har givet adgang til finansiering for 900 000 små og mellemstore

virksomheder. Så både når det drejer sig om finansiering, og når det drejer sig om markedsadgang, kan vi gøre meget.

Det, jeg tror vi undervurderer, er adgangen til kvalificerede medarbejdere. Rigtig mange virksomheder har svært ved at skaffe de medarbejdere, der skal til for at begynde at vokse. Derfor må uddannelse fylde mere. Jeg har stor respekt for, at vi i vores europæiske demokratier har meget begrænsede kompetencer, når det drejer sig om uddannelse, men det synes jeg ikke skal ændre på, at vi bliver nødt til at løfte uddannelse op som et strategisk indsatsområde. Især digitale færdigheder er et helt åbenlyst område at tage fat på, for man finder ikke en virksomhed, som ikke har brug for at være digital, og hvis den ikke kan få medarbejdere med digitale færdigheder, så bliver den det ikke.

1-046-0000

Morten Løkkegaard (Renew). – Tak for svaret, som jeg synes indeholdt nogle lovende perspektiver. Jeg synes stadig, der er et stykke vej, når det handler om at lette lidt på byrderne for disse virksomheder. Jeg skal henlede opmærksomheden på et enkelt eksempel, som jeg selv var involveret i, da jeg var ordfører på tilgængelighedsdirektivet. Det var en af de få lejligheder, hvor vi rent faktisk lykkedes med at få friholdt mikrovirksomheder og små enmandsvirksomheder fra at blive omfattet af den lovgivningsramme, vi lavede. Det fik enormt stor betydning for det i øvrigt store lovkompleks, at det ikke kom til at belaste små enmandsvirksomheder. Er dette en tilgang, man kunne forestille sig, at du ville arbejde for, også på andre digitale områder?

1-047-0000

Margrethe Vestager, indstillet medlem af Kommissionen. – Det vil jeg meget gerne. Det er en hel utrolig indsats, der kræves. Jeg har arbejdet med dette før, også da jeg havde politisk ansvar i Danmark, og det viser sig at være meget, meget vanskeligt at lette administrative byrder.

Det bedste er at forhindre, at de kommer, og derfor synes jeg, at ideen med at sige, at vi bliver nødt til at have en screening for administrative byrder i alt det, vi gør, er god. Det er den vej, man bliver nødt til at gå.

Derudover skal vi selvfølgelig se, om der er digitale løsninger, der kan gøre, at administration, som før føltes byrdefuld, kan udføres på en lettere måde. Måske kan man få data til at flyde på en anden måde, sådan at det, en virksomhed før var nødt til at have måske en halvtidsansat til eller var nødt til at købe service ude i byen for at få gjort, at det kan ske digitalt i stedet for. Det er der noget perspektiv i.

I forhold til små og mellemstore virksomheder tror jeg, at man skal love lidt, og så gøre mere. Jeg tror nemlig, at de er trætte af at høre om, at livet bliver let nu, for de har altså meget papirarbejde, der skal laves, og noget af det er ikke digitalt. Hjælpen hertil ser jeg meget gerne og håber jeg at se komme fra den SMV-repræsentant, som netop er tænkt til at hjælpe med disse ting, og som vil have blikket stift rettet lige præcist på disse spørgsmål.

1-048-0000

Pilar del Castillo Vera (PPE). – I cannot agree more with your mission letter and the need to ensure that Europe's competition policy rules are fit for the Digital Age. We are seeing see astonishing developments in artificial intelligence and the internet of things. We are fighting for very high-capacity networks and 5G deployment and I must say that the EU, through competition law, has done a lot regarding access to physical infrastructure. However, we have digital infrastructure, such as app stores, digital wallets for payments and search engines, and in some cases all this infrastructure has become unintended digital gateways that are creating a number of barriers to compete, innovate or reach customers. My question is, in those cases, what will you do to eliminate the new bottlenecks, such as inflexible terms for access, limited access to operating system functionalities, or access to user transaction data?

1-049-0000

Margrethe Vestager, *Commissioner-designate*. – Europe looks very well connected when you look at the general numbers, but I think sometimes if you live in the countryside, you feel no, it is not working. So there's also a digital divide that we will have to close, to keep investing also outside of areas where there is a thorough business idea. So it's just to say that we have also sometimes in our physical infrastructure a gatekeeping that I think is felt very keenly by a number of people.

When it comes to the gatekeeping as such, the platform-to-business legislation is going to be coming into effect quite shortly, I think by summer next year, and that will allow you as a business depending on a platform, to have transparency as to how am I ranked, and if I'm not to be found anymore, why is that? They also need to have access to a dispute-solving mechanism – somewhere you can go and say, 'it doesn't work anymore. What do I do to make it work?' That was made in a very prudent way, not to overshoot the regulation. At the same time an observatory was created, so that if need be we can increase these obligations, because the gatekeepers, when you own the market, if they don't apply privately set rules of fair competition, then obviously we have an issue. And as has been said, in a number of the competition cases we have seen that when you de facto own a market the rule you set is not, 'I will ensure fair competition', it is 'my own products first'. And this is why we have to keep focusing on what happens if you have a dominant company in these very fast-moving markets.

1-050-0000

Pilar del Castillo Vera (PPE). – I was emphasising digital infrastructure, which is another dimension to be tackled, compared to physical infrastructure.

Anyway, in a context where Europe's competitiveness is subject to intense international competition, we urgently need a European industrial agenda. An ambitious agenda, with visible targets, concrete figures, dates and specific actions, as we have done for digital and climate policy.

On the other hand, taking into account that what is perceived as big in Europe might be of a modest size from an international perspective, on the international marketplace, my question is: if you are to implement a strong industrial policy, do you foresee a need to adapt Europe's competition policy or rules, and how?

1-051-0000

Margrethe Vestager, *Commissioner-designate*. – One specific example as to how we are using rules now is the work we do with Member States to create these important projects of common European interest. We have one already on microelectronics, with I think 5 Member States and 40 different businesses that come together in a structure to develop next-generation microelectronics. This will serve us very well, actually also in climate change, because these new chips they will use less energy than the ones we have already. This structure will then allow for knowledge to be distributed, and it will unlock private investments – for every euro invested by a Member State, about two to three euros will be invested by a private company. So far we have learned a lot that we don't have to change these rules, but can apply them in practice in a more flexible way. The battery alliance is another example of that, and here we focus not on specific sectors, not on that industry or this industry, but on areas where we find that there has been a market error and where the full value chain can come into effect. That, I think, is a very good example of a competitive-based industrial strategy.

1-052-0000

Eva Kaili (S&D). – Thank you for your answers, Commissioner-designate. You're raising our expectation to make Europe globally competitive in the digital age. So, I would ask you this: given that the Commission President-elect used the term 'technological sovereignty', how can we remain open to innovation and avoid the trap of over-protectionism?

My second question would be on what you said about reciprocity and the fact that there are, besides tax rulings, other types of state aid, as in China. What tools did you have in mind to design, if you could be more specific?

Furthermore, on the basis of your experience, isn't it crucial now to redefine what constitutes 'abuse of dominant market position' in the digital era by expanding it so that possession of data is included as an element in the current law?

1-053-0000

Margrethe Vestager, *Commissioner-designate*. – That's a very good point, to say that we have to figure out what constitutes market power: sometimes, if you take an old-school example of market power, you would say that it's market shares; it is the way that works; but when you are capable of collecting a lot of data. You may not have a huge turnover, as such – not with that side of your business from direct users. You may have the one you sell advertising to, but just the same.

So, of course, we will expand our insights as to how this works, and we have learned a lot from some of the merger cases that we have been doing, to see how data can work as an asset for innovation and also as a barrier to entry. If you don't have the right data, it's very difficult to produce the services that people are actually asking for, and that becomes increasingly critical when it comes to artificial intelligence: once you have it, then you can do even more.

I think we have to discuss what we do with all the amazing publicly funded data that we make available. Not to be overly biblical, but we shouldn't end up in a situation where 'those who have shall more be given'. If you have a lot already, then you also have the capabilities and the technical insights to make very good use of it. We have amazing data in Europe: just think about what can be assessed in our supercomputing investment now – I think we have seven or eight. They are world class; you don't find it anywhere on the same scale.

And second, when it comes to both Galileo and Copernicus: data is also available here, which is an excellent thing for the farmer doing precision farming and saving in pesticides and seeds and all of that, but are we really happy that we also make it available for those who could actually pay for it themselves? I think that is a discussion that we will have to have, to make sure that it is not just the big ones taking for themselves, but that the smaller ones have a fair chance.

1-054-0000

Eva Kaili (S&D). – In the field of artificial intelligence that you mentioned, do you think that Europe could become a global player on development and deployment while enforcing high ethical standards across the industry by law or by design? I will give an example: protecting citizens who are being excluded by insurance companies based on an AI ranking. In your assessment, how can we avoid a simplistic one-size-fits-all framework for the use of data across completely different industrial sectors, like defence or the creative and health sectors? As you said, scientists are struggling to get good quality data. At the same time we have weaponised AI, so should we have a one-size-fits-all or not?

Because you mentioned trials, I would like to ask – because we are unaware of data that are being collected from our microphones or cameras while we are not using applications – whether citizens shouldn't have more options there?

Could you also elaborate a bit on avoiding over-protectionism.

1-055-0000

Margrethe Vestager, *Commissioner-designate*. – Well, I don't think that we can be world leaders without ethical guidelines. I think we will lose out if we just say, 'No, let's do as they do in the rest

of the world. Let's just pool all the data from everyone no matter where it comes from, and let's just invest all our money'.

I think we will lose out, because the artificial intelligence you create because you want to serve humans, that is a different sort of artificial intelligence. That is artificial intelligence with a purpose. If you look at where Europe is good then you see health care, environment, mobility. You see all the things that we need in order to create a still better society. We have a lot to build on, but we tend to see these as invisible assets and we have to appreciate them in order to build on them.

That I think we can do, and obviously we should do. In order to do that, yes we can become world leaders, but the trust we build will also make sure that people say, 'well, this is for me, this is not against me'. That is what a society is about.

1-056-0000

Molly Scott Cato (Verts/ALE). – I'm delighted that President-elect Ursula von der Leyen committed to proposing a European Green Deal in her first 100 days. We need to make sure that our competition rules support, rather than inhibit, this vital investment for the climate. I'm aware, Ms Vestager, that your team is currently revising the state aid guidelines governing the energy sector, and I'm interested in exploring how you plan to support what you call in your mission letter the adaptation to a climate transition.

Will you establish an internal audit for checking the consistency of state aid decisions with the EU's decarbonisation targets?

Will you ensure that the objective of greenhouse gas reductions is reflected in the upcoming revision of the state aid guidelines for energy, and that they restrict disguised aid granted to fossil fuels, such as closure aid for coal mines and compensation for stranded assets?

And do you intend to broaden the scope of environmental aid under the General Block Exemption Regulation, excluding from its scope aid granted to airports?

1-057-0000

Margrethe Vestager, Commissioner-designate. – Yes, you are right to say that we have started a full first fitness check and then eventually a review of a huge number of our guidelines. One thing is running ahead of that programme, and that is the guidelines for the emissions trading system, the ETS. That is because we want to be ready when the new trading period starts. So that is a thing to be aware of, that we will start a public consultation on that within a relatively short timeframe. And here, obviously, our goal is to make sure that as few sectors as possible can be compensated for direct or indirect costs of emissions – what are they called? You know, the thing they have to buy in order to be able to emit.

And then we'll get to discuss this because, obviously, we would try to limit the list as much as possible. That will have to be seen in consideration with the carbon border tax, because that's another element. Because the reason why we have the ETS guidelines is, of course, that there is a risk of carbon leakage, so the two things will have to be seen in parallel, but we just have to move relatively fast.

On the rest of the pack, obviously the Green Deal will be part of our consideration. One thing, though, has to be taken into consideration, and that is that we don't give state aid, states give state aid. What we check is that when they give state aid, it doesn't harm competition, it doesn't affect

trade. So, the state aid guidelines are part of the entire Green Deal framework as to what Member States sign up to.

On the question of airports, because as you said, we just actually enlarged the General Block Exemption Regulation for small regional airports to be part of that, and as long as Member States find that it is needed, and it can indeed be needed for connectivity reasons, I think they will stay in there.

1-058-0000

Molly Scott Cato (Verts/ALE). – The transition to a green economy necessitates plenty of public money to support sustainable activities. However, since the beginning of the financial crisis, the banking sector has been benefiting from EUR 650 billion of state support in the form of capital injections for some fairly questionable cases of resolution.

Do you intend to complete a long-overdue revision of the 2013 Banking Communication in order to align it with the resolution framework, so that we can be sure money that is urgently needed for the Green Deal is not diverted towards bankrupt institutions?

1-059-0000

Margrethe Vestager, Commissioner-designate. – There is a new – I don't know if you'd call it a tendency, but at least what we see is that fewer and fewer banks are getting into trouble, and that obviously is a good thing. But we also see that there is a growing appetite for Member States to do schemes that are no-aid: it's not state aid, they have market conformity, Member States invest as a market investor would do. That has been quite helpful in order to get rid of some of the non-performing loan portfolios that have been a drag on the financial systems in a number of Member States.

So we see that banking communication is indeed, in a number of areas, still fit for purpose, and there will still be an element of state control, also eventually when the full banking union is in place. So we are quite careful not to over-rush it, because we still see that the financial crisis has a long end in some of these loans that people actually cannot pay. So in that respect we are cautious.

That being said, what we see in our state aid work is that Member States really invest in renewable energies. I agree, yes, sometimes they make a capacity mechanism and one could question that, but it is with the purpose of investing big time in renewables.

1-060-0000

Hervé Juvin (ID). – Madame Vestager, tous mes compliments pour votre action passée.

Ma question fait référence à vos réponses écrites. Vous affirmez avec beaucoup de conviction votre foi dans le marché unique. J'observe néanmoins que l'Europe n'est pas en avance sur le sujet du numérique et de l'intelligence artificielle. J'observe également que dans l'histoire de l'économie, jamais un pays n'a rattrapé son retard dans un secteur déterminé, autrement qu'en le protégeant par des barrières tarifaires et non tarifaires exigeantes. Ma question est donc: comment pensez-vous aider l'Europe à rattraper son retard dans le domaine du numérique et de l'intelligence artificielle, sans quitter le dogme du libre-échange, sans remettre en cause un certain nombre de traités existants et sans édifier une frontière extérieure au marché unique efficace comme nos rivaux chinois et russes ont bien su le faire?

1-061-0000

Margrethe Vestager, Commissioner-designate. – One of the reasons that businesses grow is precisely because they can trade. I guess, on your question, as background, you would appreciate that most of trade is intra-EU trade – I think two-thirds of all trade is actually between Member States.

In order to catch up – and you're right of course that there are a number of differences – there is an index of how digital you are as a Member State. If you look at the four most digital Member States they are at the same level as South Korea. The four least digital Member States are at the same level as Russia. So there is indeed catching up to do, and this is why the network among Member States, and among different agencies as Member States, is very important, but also and obviously in investment.

Sometimes I think we under-appreciate the European strength, because in the business-to-business digital sector, you see a completely different pattern than what you would evaluate as a private consumer. Using social media or media for connectivity, when you look at the business-to-business environment you see different patterns.

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

1-062-0000

Herve Juvin (ID). – Je me permettrai d'élargir un peu le champ de nos travaux cet après-midi.

Je crains qu'à certains égards, la bataille pour le numérique ne soit quelque part une bataille du passé et, que la bataille à venir soit celle des biotechnologies, que ce soit celle de la propriété du vivant, de la maîtrise industrielle, ou de la reproduction, animale, végétale et désormais en partie humaine.

À cet égard, les chercheurs américains ou chinois considèrent que la fusion de l'intelligence artificielle et des biotechnologies constitue la bataille du futur. Ceci suppose des approches interdisciplinaires et transectorielles, et ma question est: avez-vous réfléchi à développer de telles approches dans votre future Commission? Et si tel est le cas, comment pensez-vous faire?

1-063-0000

Margrethe Vestager, Commissioner-designate. – In that I will very much rely on my hopefully future colleague, Mariya Gabriel, because she will be the one in charge of – hopefully – a gigantic research programme.

Horizon Europe is a research programme that will indeed be one of the answers to your question, because this is a massive European investment in research and development. And I think exactly what you're asking for – the interdisciplinary projects – is one of the things that could be helped, because in Horizon Europe there is a test of a new approach, so instead of having a lot of small cigar boxes, to have a more programmatic effort, to make sure that we don't just put some money in some things, to someone's pet project, then to someone else's pet project, and then to a third one, but are much more able to answer the calls for what happens in the scientific community.

1-064-0000

Evžen Tošenovský (ECR). – Vážená paní Vestagerová, v blízké budoucnosti proběhne v rámci programu Horizon 2020 výběr center excellence pro umělou inteligenci. Myslím, že je velmi důležitá pro budoucnost určitá geografická vyváženost, aby byly v této síti zastoupeny státy napříč Evropou, střední a východní Evropu v to počítaje. Konkrétně vím i o kvalitní nabídce našich českých výzkumných institucí.

Zeptám se ale obecněji. Jak chcete zajistit, aby se potenciál umělé inteligence a příslušných investičních příležitostí Evropské unie plně rozvinul v celé Evropské unii a abychom tak napříč

získali co největší zisk z tohoto nového fenoménu, a to je nejen v několika zemích, centrech či regionech, samozřejmě při stejně vysoké úrovni excelence a požadavků na vědeckou úroveň?

1-065-0000

Margrethe Vestager, *Commissioner-designate*. – This is also one of my worries, that everyone can be part of this development. Because just as well as it's important for artificial intelligence not to be biased when it comes to gender, it's very important that it's not biased because of geography. And since we have different languages, different cultures, different approaches, it is important that we come together in this development.

I think my fellow Commissioners in this Commission have had a number of good ideas, and one of them – well, probably all – one of them that I will mention here is to have this network of innovation hubs, because that allows people coming from different parts of our Union to be part of the common project. So it's not just this university or that university, it's also people who, by themselves, can be a part of a scientific project, but coming from different parts of the Union.

Here, of course, I talk under the responsibility of Mariya Gabriel, because she will know the details much better than I do, but it must be part of the effort. I very much appreciate that you mentioned at the same time that excellence must be the driver, but I think that we can actually square this circle and make both things happen.

1-066-0000

Evžen Tošenovský (ECR). – Děkuji za první zodpovězení, velmi si Vaší odpovědi cením. Druhý dotaz: Není oznámení termínu sto dnů příliš ambiciózní na vytvoření programu? Ve své odpovědi odkazujete na širokou konzultaci, která je určitě velmi důležitá a časově náročná, a hlavně jde o komplexní a zásadní téma pro budoucnost naší ekonomiky a celé společnosti. Pokud má Evropa být lídrem v oblasti umělé inteligence, nemůžeme si dovolit zbytečnou regulaci či další administrativní zátěže tak, abychom neodradili investice v rámci Evropské unie. Naše politická skupina by proto raději preferovala, aby se příprava návrhu zbytečně neuspěchala. Proto můj dotaz, zda těch sto dnů není příliš velká bariéra.

1-067-0000

Margrethe Vestager, *Commissioner-designate*. – It is very ambitious, and one of the things that I think about a lot is of course if we want to build trust, then you have to listen. You cannot just say we have a brilliant idea, we make it happen all over.

You have to listen to people to figure out what would be the right approach here, also because there is a balance, because if you're developing something new, then exactly as you say, you should be very careful not to over-regulate. This was also the approach of the Regulation on platform-to-business relations which was the absolute necessary minimum, and then the observatory was created next to that in order to have the agility to be able to step in later.

For me to fulfil these ambitions, obviously, we need feedback from the many, many businesses who have taken it upon them to use the assessment lists and the principles of how to create AI that you can trust. But I also think that well to some degree we have to listen fast, because we have to talk with a lot of different people in order to get it right. But it is a reflection of the fact that we are in a hurry. We really need to get our AI strategy off the ground, and these proposals will be part of that.

1-068-0000

Arba Kokalari (PPE). – We really need to remove the barriers to a well-functioning single market in the Digital Age. Uniform rules would make it easier for European start-ups, platforms and digital services to grow and scale up and meet global competition, especially from the USA and

China. You are tasked, Ms Vestager, with drafting the Digital Services Act and you say that it will include liability and safety rules for digital platforms.

Will you propose new rules concerning the principle of responsibility and a duty of care? If so, how will you make sure that these new rules will be proportionate and justified and that they ensure the freedom to provide services? Will you modify the 'notice and take down' procedures, and, if so, what will your solution be to make sure that the new rules to protect consumers from being deceived are effective but also business friendly?

1-069-0000

Margrethe Vestager, Commissioner-designate. – The first thing is to take stock. What do we have already? Because when it comes to a number of products that have embedded AI, a number of rules that we have already will also be applicable to those. For example, safety rules, things that will make sure that it doesn't burst into flames, that it doesn't have exhaust fumes that are dangerous for your health, etcetera. We have a lot of legislation already that will help us.

The important part is to make sure that we don't just re-do the whole thing, so it works as a layered cake, and we basically drown initiative and innovation in that process. That is the first thing.

The second thing – one I would very much like to discuss – is what the approach will be in the three committees here? How to deal with the e-commerce Directive. It's an old directive, yes, but some of the debates that will be unleashed if it is taken up for revision will be very principled debates, because they are indeed about freedom of services and what kind of responsibility you have if you provide a service for customers.

There has just been a very important debate about the Copyright Directive. It was also a divisive debate and we still have to come to full implementation of that.

So I think it's important to take stock – to ask how we most effectively reach the goal of having products that we can trust, and feeling protected in our privacy – before we launch a number of legislative acts, so that we know exactly what it is that we want to achieve.

I think you are completely right in pointing to the balance between efficiency in protecting the consumer and, at the same time, space for innovation for products that we don't know of yet. That will be the tricky balance to be struck.

1-070-0000

Arba Kokalari (PPE). – I would like to ask if the Digital Services Act will also include services enabled by artificial intelligence. Can you be more concrete about that? Or will this be part of the European approach to AI?

Secondly, would you be ready to present this upcoming proposal as a regulation and not as a directive, in order to have a greater level of harmonisation in the interests of the single market?

1-071-0000

Margrethe Vestager, Commissioner-designate. – On a number of your questions, I simply don't know yet whether a regulation or a directive would be the best form to choose. But the thing is that what we find more and more is that artificial intelligence is embedded in products, products that we seem to know that will have an artificial intelligence side. And this is why a number of these questions come up. The product in itself, an electrical product doing things that we are used to – a fridge, for instance. Well on that we have regulation already, and different kinds of product requirements for that to be safe. Then what happens if you embed artificial intelligence in that

fridge to make sure that someone will always fill it for you with your preferred choice of products and how to make sure that that preferred choice of products is actually your preferred choice and not someone else's preferred choice. I don't know yet how we deal with this, and this is why, when you enter into regulation, you should make sure that regulation is needed and not just because it kind of scares you! You have to know what it is that we want to achieve. And what I want to achieve is for consumers to feel safe. I trust this product. I trust that I'm in control of this product and that should be part of our endeavour.

1-072-0000

Stéphanie Yon-Courtin (Renew). – Madame la Commissaire et Commissaire désignée, aujourd'hui, nous préparons l'acte 2 *Vestager*, à l'image des séries télévisées ou *block busters* bien connus mondialement comme *Borgen*; j'espère sincèrement qu'on dira: «Vous avez aimé la saison 1 de *Vestager*, vous allez adorer la saison 2, car cette nouvelle saison sera celle du changement, marquée notamment par la numérisation».

Et, mes questions sont les suivantes: elles porteront notamment sur le numérique face aux pratiques anti-concurrentielles des géants du numérique, contre lesquels les lourdes amendes sont finalement peu dissuasives parce que, *in fine*, souvent répercutées sur les consommateurs.

Quels nouveaux remèdes plus efficaces envisagez-vous?

Préconiseriez-vous éventuellement en dernier ressort le démantèlement?

Comment comptez-vous stimuler la montée en puissance des entreprises européennes pour qu'elles intègrent le top 10 de l'économie numérique, d'où les Européens sont vraiment absents, notamment sur les marchés financiers et les données financières?

Et êtes-vous favorable à l'obligation d'accès et de partage des données pour assurer le retour à une concurrence plus saine, au bénéfice des consommateurs et des PME?

1-073-0000

Margrethe Vestager, Commissioner-designate. – Well, I'm happy that you refer to series, because when it comes to films and books there's the question of this difficult number two. So you very often jump directly to number two and a half or three in order not to have the difficult number two. Well, I will do my best in the second season.

I think you're right to say that fines are not doing the trick. And fines are not enough because fines are a punishment for illegal behaviour in the past. What is also in our decision is that you have to change for the future. You have to stop what you're doing. You cannot do something with the same effect as the illegal behaviour you had before and some of the things that we will of course look into is: do we need even stronger remedies for competition to pick up in these markets?

If you look, for instance, at the Google AdSense case. When we said in the statement of objection to Google about their illegal behaviour in that market for third-party placement of ads, well they stopped their behaviour. That's now two years ago. The market hasn't picked up. So what do we do in that kind of cases?

We have to consider remedies that are much more far-reaching. Before we reach the very far-reaching remedy to break up a company – we have that tool in our toolbox, but obviously it is very far-reaching ... It is very, very intrusive to say to a company: 'you have to divest part of this company'.

My obligation is to make sure that we do the least intrusive thing in order to restore competition, and, in that respect I am willing to explore what we need more of in competition cases for competition to come back. And in doing so we have to consider the new phenomenon that we have competition for a market – not just in a market, but for a market – and if you win that competition you are the de facto rule-setter in that market.

How to make sure that these rules are set for fair competition? Well, that is what the platform-to-business proposal is aiming at, but it will also be a question for us as competition law-enforcers.

1-074-0000

Stéphanie Yon-Courtin (Renew). – Face aux enjeux de la mondialisation, climatiques, numériques et sociétaux, il faut travailler de manière moins cloisonnée et faire évoluer la politique européenne de concurrence, et notamment mieux l'articuler avec les autres politiques de l'Union (industrielles, commerciales, numériques, comme vous l'avez dit) pour permettre l'émergence de leaders européens.

Vous avez parlé tout à l'heure des projets de batteries. Comment pensez-vous amender ou améliorer la réglementation en matière d'aides d'État pour mieux encourager le développement industriel, en Europe, de projets innovants, notamment à travers ces Projets importants d'intérêt européen commun (PIIEC), pour que nous ayons beaucoup plus de projets-batteries?

1-075-0000

Margrethe Vestager, Commissioner-designate. – I think the best thing when it comes to enabling projects of common European interest is to use the rules that we have. From the micro-electronics project to the batteries project, we have learned a lot and Member States have learned a lot and are getting still more agile in what is needed in order to get these projects in order. It is quite complex, value streams, because when you look at the work we do in the batteries, it is from the raw material to the different cells, to the blocks, and to the recycling.

So it is kind of innovating the entire value chain within that sector, and that is quite complex. By using the tool, we get better and better at it, and I prefer to use that tool than to take a step back to the workshop and revise the entire tool, because I think we have a number of important projects of common European interest waiting for us to get settled in order to get that afloat.

Just one more thing about this: the question about the top 10. The interesting thing is that if you look at the top 10 ten years ago, the only European company on that list was the Dutch Shell, a fossil fuel company. The rest were also fossil fuels and banking companies. So the interesting thing, of course, is what kind of list you want to be on: if you look at the list of the most important global companies in greening our economy, you find that most of them are European, because there is a demand. There's been an investment. We want to green our economy, hence the businesses work because there is a demand. I think we should use also that when it comes to digital, in particular in the business-to-business relationship.

1-076-0000

John David Edward Tennant (NI). – Each proposed Commissioner receives a mission letter and I noticed in yours, Ms Vestager, the following text. You will coordinate the work on digital taxation to find a consensus at international level by the end of 2020 or propose a fair European tax.

Now in my view any attempt to impose a tax will harm competitiveness almost by definition and many jobs will go to countries that aren't looking to impose a tax on the digital economy.

Can I ask what form this new tax will take? How does this square with Brexit?

Will there be any attempts to push the UK in line with these plans post-Brexit?

If not, will you be worried about losing jobs to the UK?

Are you proposing that this will be applied to all companies or just the large multinationals?

1-077-0000

Margrethe Vestager, *Commissioner-designate*. – Now we have a working process within the OECD, and that is in order to enable a global agreement. Some of the proposals by the OECD, or their drafts in the working process, look like what was suggested here in Europe when the digital service tax was suggested. Some of their draft proposals go in a slightly different direction. I don't know what the outcome will be yet, but I hope that they will work fast, because in order to have a global consensus you need proposals on the table to be able to discuss them.

Part of the thing is, as you say, if you can just move out of the tax zone, then you have achieved nothing, because part of the idea is to make sure that where you do your business, where you generate your profits, you also pay your taxes, because you contribute to the society that enables you to have your business running. That is one of the principles that we will have to look for, because otherwise we just have even more companies being headquartered in places where there's not much space for a headquarters but only for a letterbox. How that will influence the Brexit situation, obviously I don't know, but since I hope that it will be a global consensus, I would hope that the UK would be part of that global consensus.

1-078-0000

John David Edward Tennant (NI). – First of all, I thank God that we're leaving this political project, because all these ideas on taxation represent everything that is wrong with this Union. Secondly, we joined to seek a common market and free trade, and now what we see is European-level taxation imposed without fair representation. That, to me, is unacceptable and is dangerously leaning towards censorship.

The difference between the British people and your project, Ms Vestager, is that you are pro-harmonisation, we are pro-sovereignty. Brexit, to me, is an opportunity to seek a better way to represent people and bring decision-making towards a more accountable democracy. So, by all means, carry on, but Britain won't be taking part.

1-079-0000

Margrethe Vestager, *Commissioner-designate*. – Well I don't share your views, but I appreciate your good wishes.

(Laughter and applause)

1-080-0000

Evelyn Regner (S&D). – I come back to competition policy: you just said in your introductory remarks that you plan changes to the application, but not to the regulation. How do you then intend to tackle the abuse of dominant market positions – in particular, by tech giants and digital platforms? And what about unhealthy competition between Member States? Companies that post workers to other Member States pay less social security contributions than companies that employ workers domestically. The result is a sort of 'posting discount'. Will you tackle this new problematic type of competition between Member States the same way that you have been doing concerning tax-dumping practices? Will you make use of state-aid law as an instrument against this harmful competition?

1-081-0000

Margrethe Vestager, *Commissioner-designate*. – Unfortunately, I think that the question is a very good illustration of the limits of competition law enforcement and the need for well-functioning

labour markets and for them to develop well- functioning labour markets. Because I think in the example that you state – that you don't pay the same social contribution, and thereby the other taxpayers de facto give a subsidy to the business who hires people or who provides a service in the country – I don't think competition law can solve it. I think this is for different ways of labour market legislation, either nationally or across Europe.

One of the things that I have very much appreciated in this Commission was the ambition to say, well if you work in the same place, you have the same kind of work, well then you should also have the same salary. I guess that part of what you say is a way to try to work around that principle – to say that the non-wage elements that make you competitive or not are actually then in focus.

I don't have an answer from the competition side of things, but I am obviously more than happy to continue the discussion, also with colleagues for whom this is a direct responsibility.

1-082-0000

Evelyn Regner (S&D). – You mentioned before public CBCR and also that European tax legislation is slow, but it's not hopeless.

So, bluntly spoken, what will you personally actively do if the public CBCR is adopted? Are you committed to working on a European minimum corporate tax rate in order to end this terrible race to the bottom?

Or, to refer to the example you gave just before, will you say 'not over my dead corpse' in relation to the Danish colleagues you mentioned in your remarks?

1-083-0000

Margrethe Vestager, Commissioner-designate. – Well in the story actually it wasn't a Danish colleague, but it's part of the Danish language – and it doesn't work there either!

(Laughter)

But the thing is that from what I have seen in the work with taxation, yes, it is slow, but we have progress. I hope very much that from the state aid decision on tax that Member States and companies take guidance. We have also given guidance in the notice of how to understand aids, and we have tried to push for understanding in tax administrations as to how to understand this, so that guidance is disseminated even though we don't have, of course, the final say of the courts. So in that respect there is help.

As I said however, I don't think that state aid cases will bring us tax justice – only legislation will do that. We need a combination of the three: the public country-by-country reporting – and I do hope that more Member States will do what they can to achieve that; and a combination of a minimum corporate taxation and a common tax base, because you need the common tax base in order not to play around with the tax base because that would make the minimum corporate taxation irrelevant. So we need all three things, and hopefully we can push for that together.

1-084-0000

Angelika Niebler (PPE). – Frau Vorsitzende, verehrte Frau Vestager! Sie hatten in der Anhörung schon kurz das Thema Urheberrechtsreform angesprochen, und Sie wissen ja, dass wir im Europäischen Parlament mehrere Jahre an der Urheberrechtsreform gearbeitet haben, diese im Frühjahr verabschiedet haben und dass in der Öffentlichkeit das Thema Copyright sehr sehr kontrovers diskutiert worden ist.

Meine erste Frage an Sie: Wie stehen Sie persönlich zur Copyright-Reform? Was ist Ihre eigene Ansicht zu dem, was wir im Parlament verabschiedet haben? Zweitens, werden Sie dafür sorgen, dass die Richtlinie auch in der Umsetzung durch die Mitgliedstaaten nicht aufgeweicht wird? Und drittens, welche Auswirkungen wird die Urheberrechtsreform auf den neuen *Digital Services Act* haben, also konkret, wie verzahnen Sie den *Digital Services Act* mit dem, was wir jetzt in der Urheberrechtsreform verabschiedet haben? Sie sind ja für den Bereich auch in der Koordinierung zuständig, und auch in diesem *Digital Services Act* soll ja unter anderem die Haftung für digitale Plattformen und für digitale Produkte und Dienstleistungen geregelt werden.

1-085-0000

Margrethe Vestager, *Commissioner-designate*. – As you will know, it was not something that I had a direct responsibility for, but I followed the debates. I think it was a very divisive debate, but it was also a very strong debate. It showed some of the very difficult balancing acts that will have to be done in any kind of regulation, especially when it comes so close to who we are, what we can say, and what we can do. I, myself, am very happy with the outcome. I think it is important that we now get a possibility for those who hold copyright to be remunerated: we have so many artists who live as self-employed and who have huge difficulty in making ends meet because they get very little for all the work they do. I don't think any of us would want to live without the contribution from authors, journalists, singers, songwriters, actors, and so on.

So, I'm very happy with the fact that we landed a compromise, and now, of course, for the next Commission to give guidance to make the national implementation coherent so that we don't get fragmentation, even though we now have common legislation. That will be a task for the next Commission, and that will be difficult as well, because it is highly likely that some of the debates that were settled with a compromise will come back in a different disguise.

I think that the copyright issue has been settled now, and it should not be reopened in the area of the Digital Services Act. I think it's important to be very careful not to do that, because then we would lose speed again when it comes to actually making sure that there is remuneration for those who hold copyright.

1-086-0000

Angelika Niebler (PPE). – Dann hätte ich noch eine Frage zur Sportberichterstattung im Internet. Im Internet werden häufig Sportereignisse illegal live gestreamt. Die Kommission hat hierzu auch bereits eine Erklärung vorgelegt zu illegalen Online-Übertragungen von Sportsendungen.

Meine Frage an Sie: Werden Sie dieser Erklärung folgen und auch das Problem in Angriff nehmen, oder ganz konkret gefragt, was stellen Sie sich da vor, was machen Sie, um eben diesem illegalen Live-Streaming Herr zu werden?

1-087-0000

Margrethe Vestager, *Commissioner-designate*. – You know, I thought I had prepared so well, but for that question I have not prepared at all.

It will likely be difficult and I recognise that it's an important question because so much money goes into being able to stream it legally, and once you have paid to stream it legally you don't want to see illegal streaming in parallel, or in other ways, that harms the business case for you investing in having the rights. But I have not thought about how to deal with the illegal side of things, so I will have to come back to you on that.

1-088-0000

Cornelia Ernst (GUE/NGL). – Ja, Frau Vestager! Schön Sie wieder hier zu sehen.

Sie haben in Ihren Antworten sehr viel davon gesprochen, dass der Wettbewerb ein absolut wichtiges Instrument ist, um Jobs zu erhalten oder zu schaffen und den Klimawandel zu bekämpfen. Das sehen wir übrigens auch so. Und doch gibt es Regionen, die überhaupt nicht wettbewerbsfähig sind, auch bei uns in Deutschland. Ich komme aus einer solchen Region. Da haben wir absolut strukturschwache Regionen, und wir haben auch welche im Strukturwandel, zum Beispiel die Kohleregionen – aus der Kohle wollen wir ja jetzt aussteigen.

Und da ist die Frage, was ist das mit dem Wettbewerb? Reicht der denn aus, so wie Sie das sagen? Welche Rolle – das ist meine Frage – hat denn der freie und faire Wettbewerb, von dem Sie sprechen, tatsächlich, um diese Regionen gerecht entwickeln zu können, dass nicht nur – gewissermaßen – Wölfe und andere Tiere zurückkehren, sondern auch Menschen dort wohnen bleiben, und welche Rolle spielen Ihrer Meinung nach dann Beihilfen? Also vielleicht können Sie das noch einmal ausloten – die Geschichte Beihilfen auf der einen Seite und freier und fairer Wettbewerb auf der anderen.

1-089-0000

Margrethe Vestager, Commissioner-designate. – As you say, I think competition is part of the answer. But I also recognise its limitations. And if an entire region is in transition, then you need to invest. You need to invest first and foremost in people, to give people the opportunity to re-skill, to upskill, to get the skills that are needed for a renewed economy of that region.

I think very highly of the Globalisation Adjustment Funds. I think highly of the work that has been done by Member States to give closing aid in coalmining regions. For a very long time, one could not give restructuring aid to coal mines, but closing aid was given in order to make sure that people were actually able to create new businesses, new jobs.

But for the aid that we give, for instance if there is a risk that a company will locate outside the European Union, then you can give a subsidy to actually make them stay within the European Union, maybe in such a region. And here I think that what you want is for competition maybe to come back, but first you want to create the necessary preconditions for people to have a life. Because if there are no businesses, if there are no public services, if there's no transport, well then you don't ignite a new development and that can only be done in tandem with the Member State in question – the regional authorities of course, and civil society, using the help that the rest of Europe can give, in the best possible way.

1-090-0000

Cornelia Ernst (GUE/NGL). – Ich bleibe noch einmal bei den strukturschwachen Regionen. Sie haben davon gesprochen, dass wir eine europäische Industriestrategie brauchen. Das finde ich schön. Was muss man da Ihrer Meinung nach anders machen? Sie haben schon einiges genannt, aber das ist ja noch keine Strategie, sondern das sind einfach einzelne Bausteine. Was müsste eigentlich in einer solchen europäischen Industriestrategie mehr Berücksichtigung finden? Denn diese Regionen können wir auch mit den Mitteln, die wir bisher haben, nur begrenzt fördern, und wir sind an einem Punkt, an dem wir uns entscheiden müssen, wie wir hier weitermachen. Von einer neuen Strategie zu sprechen, finde ich gut. Wo wären hier Ihre Punkte, die Sie unbedingt einbringen wollten?

1-091-0000

Margrethe Vestager, Commissioner-designate. – You will have to excuse me for not being sufficiently specific, and I recognise why you think that, because I'm not.

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

The second thing is that it should be part of the Green Deal. We cannot have an industrial strategy that doesn't care about the greening of our economy and the transition into a carbon-neutral continent. It has to be two sides of the same coin.

And last but not least, it has to be on a foundation of fair competition. This is also to say that this is not about handing money out to some business or to some sector; it is to invest in the value-change that enables a number of different sectors to prosper. A good example of that would be the important project of common European interest in microelectronics, where a number of Member States and a huge number of businesses come together to innovate and to produce microelectronics that will be useful for so many different sectors, and by doing that, enabling industry for a new take-off.

1-092-0000

Tiemo Wölken (S&D). – You will be in charge of a Europe fit for the Digital Age and you will be responsible for artificial intelligence. There are, however, a number of challenges related to this. Businesses argue in favour of less regulation in order to allow for, and boost, the development of AI technology. As the main EU instruments governing AI today are GDPR and the ePrivacy Directive, it should be underlined that any initiative from the Commission have to fully guarantee the respect of fundamental rights, such as the protection of privacy and personal data or non-discrimination. Due consideration should also be taken of the need to respect ethical and human aspects and create trust in these new technologies. How will you ensure that a Europe fit for the Digital Age does not undermine existing regulation or protection of fundamental rights but uses these protections as a competitive advantage?

1-093-0000

Margrethe Vestager, Commissioner-designate. – I completely share both where you start your question and where you end: that the only way that we can be successful is to build the AI that we can trust. To build AI that is based on fundamental values.

We talk about 'privacy by design', but we should also talk about 'trust by design', because otherwise I think our society will reject it: they'll say 'we don't want this, we don't need it'. That would be a pity, because the potential in health, in minimising pollution, and in fighting climate change when it comes to using digital technologies, including artificial intelligence, is enormous.

This is why I really appreciate that we have started out with guidelines on how to create artificial intelligence that we can trust, that these guidelines have been put into assessment schemes – it is quite extensive, I'd say, looking at it – and that businesses are signing up. So it's not just a desk exercise, it's not desk research: it is something real.

Businesses will say, 'I will use that in the development of our AI and I will report back to you', because a lump of businesses see that there will be a need for regulation, but that it should be a regulation that enables us and not disables us. They see the same perspective: that what we have in Europe may not be all the data (we actually do respect people); we may not have all the money (we have a lot of things to spend on); but we do have purpose. There are things that we want to achieve, and that is the most important driver that you can have, precisely because it is based on our fundamental values.

1-094-0000

Tiemo Wölken (S&D). – I think we agree that it is vital in the digital age that we give power back to the individual to decide what is to be done with their privacy instead of making it a pure commodity. We need the e-Privacy directive in order to let the individuals keep their right to self-determination and decision-making, free from influences they have not agreed to. With the e-Privacy directive we would be able to regulate the advertisement-driven business models we know and we wouldn't have to wait for the market response you mentioned earlier. We need to set clear privacy-friendly rules and that's why I'd like to ask how you will ensure that an agreement can finally be reached on the much-needed regulation on e-Privacy. In addition, as Ms Niebler mentioned, in the Copyright Directive we agreed to upload filters, how will you ensure that these technologies will not endanger the freedom of speech during their implementation by Member States?

1-095-0000

Margrethe Vestager, Commissioner-designate. – The last issue will take a lot of discussions and back and forth between Member States, the Commission, probably, and also this Parliament will follow this very closely to make sure that we get implementation in Member States that is similar, instead of having one variant of the Copyright Directive in one Member State and a quite different variant of it in another Member State.

We have to be very careful, because as I said, some of the discussions that we had during the adoption of the Copyright Directive will come back, because these are crucial debates, because it's a debate between the freedom of speech and actually protecting people who have rights, which is completely justified. And this is a debate that you can settle, and then it will come back because just like we have fundamental values, we also have fundamental discussions, because it's always a balancing act when it comes to how do you get this right.

I share with you the need to pass the ePrivacy Directive. Right now I don't know what is blocking it, but it will be a high priority to make sure that we are able to pass it, because I agree with you that it will be an important building block.

One of the things is that I hope we don't just always decentralise to the individual citizens – now you have rights, now you go and enforce them. Because I know I have rights, but one of my frustrations is how to enforce them, because I have to read page after page after page, and if I'm not tired and just forget about it, then I sign up anyway and that doesn't really make sense. We still have to do more for people to feel empowered to protect themselves.

1-096-0000

Damian Boeselager (Verts/ALE). – You have already touched upon the intersection of industrial strategy and competition policy, and I want to come back to that. In your last mandate you consistently stood up against demands from Member States to water down European rules on merger control, who wanted somehow to create European champions. We supported your position because strong competition rules allow SMEs and start-ups to compete fairly with incumbent firms and thereby protect the decentralised dynamism of all businesses, big and small.

However, reading your written responses to our questions last week it was unclear to me what exactly you meant by, and here I quote: '(a) developing tools to guarantee fair competition both in the single market and at the global level; and (b) reexamining the practical aspects of our enforcement, including aspects such as market definition'.

So my question is: have you changed your point of view, or more concretely would you, after such a re-examination of the market definition, rule differently on a case like the Siemens-Alstom merger?

1-097-0000

Margrethe Vestager, *Commissioner-designate*. – The short answer is no. Because the thing in the Siemens-Alstom merger was not so much the merger itself – we are talking about two European champions who wanted to merge, but couldn't or wouldn't solve the competition problems that we had. Not in old-school locomotives, not in trams, not in metros, not in metro signalling systems, but in two specific markets: very-high-speed trains and mainline signalling. And that would be exactly the same. The point is, when we do a market assessment, then what we're looking for is, would there be someone that customers can turn to if the merging businesses have higher prices or lower quality? And as long as you can turn to someone else, well, then there is still a market for you.

And sometimes I think that may not be exactly how you read the notice that we have on how we do this work. And if you just read the notice that is 20 years old, you may not get the full value and quality of what it is we are actually doing.

I had two academics look at 15 cases in how we do this market assessment and they found that we were in line with how this is done globally. And that's the important thing, I really would like people to be able to read our rules and understand what it is that we are doing.

Second, I think it's very important that we also work with others here, because the integrity of the single market comes from a number of different sources. We will have to be fully implemented and will I think also have to have some kind of reciprocity – I mentioned it before. But we invite a lot of people to come here and do business.

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

1-098-0000

Damian Boeselager (Verts/ALE). – Thank you for the short answer and for the long one. My follow-up question is a bit more on what you touched on in your introductory remarks on climate change and digital transformation, as being the key trends, and I think they are interlinked to an extent.

My question concerns the fact that digital technologies, such as AI, present substantial opportunities to help our economy to become more climate neutral – and there are many examples of this. Decentralised renewable energy production, or optimising energy usage, for instance, can help us get away from fossil-based infrastructure. So what concrete policy measures will you prioritise to support the development of digital technologies that contribute to fighting climate change? And will you limit the rebound effect of additional energy and raw-material consumption from digitisation?

1-099-0000

Margrethe Vestager, *Commissioner-designate*. – One of the things is obviously to make sure that we also have more digital technologies, because a lot of digital technologies are extremely energy consuming. I read about a quantum experiment in which, once they turned on the button, basically they used the entire energy of the city I grew up in. It was not a big city, but nonetheless

...

There's a lot to be done, just within digitisation itself. One of the things we are working on is a very important project, of common European interest, on batteries, and one of the things I

personally find very interesting is to include the entire recycling practice in that area. So, precious raw materials, and the entire logistics of how you use batteries, are part of the innovative process.

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

Here, of course, I will work with my colleague Mariya Gabriel because she will be head of the Horizon Europe project, and part of these processes will be funded by that.

1-100-0000

Billy Kelleher (Renew). – In the mission letter that was sent to you by the President of the Commission, she states to you, you will co-lead the work of a new SME strategy; this should focus on supporting small businesses, entrepreneurs, start-ups – notably by reducing the regulatory burden and enabling them to make the most of digitisation. I suppose the question really is – in the context of small and medium sized businesses being asked to embrace the green economy, the digital economy, to invest in research and development, to invest in their employees and training and to scale-up – one of the biggest challenges facing them is access to credit, access to seed capital and access to finance. In the context of you being previously the Commissioner for Competition, and now in your new role in transforming and making Europe more economically efficient, how will you remove barriers to access to finance for small and medium sized businesses, to allow them scale, to allow them to invest and to allow them to grow?

1-101-0000

Margrethe Vestager, Commissioner-designate. – This Commission has passed legislation to allow us to develop a European capital market. But passing legislation is one thing, it is another thing to actually make it happen. That will be part of the work of my colleague Valdis Dombrovskis, who is also responsible for an economy that works for people and for sustainable financing.

But the good news is that we now have a legislative basis that will allow us to develop this, and I think it's very important that the usual bank financing, where you go to the bank and you create the debts, that that is supplemented with going to the capital market. Because sometimes, when you want your business to grow, you need capital, but you also need more or different kinds of knowledge that comes with that kind of capital; people who may buy 5% or 10% of your business, and they take an interest. They come with knowledge that allows you to grow, and that is part of the solution.

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

I think another aspect – and I know that European democracy has little competence here – but that is to allow for upskilling and re-skilling of people. To be able to hire skilled people is a very important factor for your business to grow, and even though you digitalise and you can do things more easily with digital solutions, you still need skilled people on board and this is why education policy and lifelong learning is not a soft tool anymore. It's a hard tool if you want the European economy to work.

1-102-0000

Billy Kelleher (Renew). – Just in terms of the challenges with small and medium-sized businesses, you just mentioned upskilling investment in retaining staff and employees. I mean one

of the biggest challenges is to compete with multinationals for a pool of talent. So in that context, again, where do you see your strategy in terms of incentivising small and medium-sized businesses to invest in upskilling their employees, as has been questioned by many people here today?

1-103-0000

Margrethe Vestager, *Commissioner-designate*. – Well, part of that is working with national authorities, but also to create programmes that allow you to gain new skills while still employed, and in that, distance learning is part of that answer, because nowadays it's something completely as to what it was, not just watching a lecture on line, it's also tests, games, videos, instructions, in a completely different way that allows you to integrate new learning more in your everyday work life. And in that, I think also, Member States can inspire one another, and hopefully we can recruit more people also to acquire digital skills. I know it's one of the priorities of Mariya Gabriel, but I think it's one of the things that we all have to help her with, to make sure that digital literacy, and also for women to come into the digital sector, that is a question of priority, because otherwise we won't get all the potential and all the talent that we need.

1-104-0000

Lídia Pereira (PPE). – Senhora Presidente, Senhora Vice-Presidente indigitada, a economia está, como sabemos, a sofrer profundas alterações provocadas pela digitalização de processos e de serviços.

Desde a produção à forma como pagamos o que consumimos ou o que contratamos, o digital transforma as nossas vidas.

Empresas e consumidores recorrem cada vez mais a respostas online, desmaterializadas e que não olham a fronteiras. Isto deve ter reflexo nos impostos a serem cobrados nos diferentes países. Uma Europa preparada para a era digital é uma Europa que rejeita que as empresas paguem impostos apenas num determinado Estado-Membro quando a operação digital ocorre em todos os outros.

Os dados do European University Institute, resultado de um estudo coordenado por Miguel Poiares Maduro, mostram que os cidadãos apoiariam um imposto europeu sobre serviços digitais e, portanto, precisamos de respostas concretas.

Queria perceber qual é que é a sua visão para a reforma da fiscalidade dos serviços digitais na União Europeia.

1-105-0000

Margrethe Vestager, *Commissioner-designate*. – We do indeed need one because many, many businesses pay their taxes. Many of them will be small and medium-sized businesses. They create the jobs. They take young people on board to teach them their trade. They pay their taxes. In order to answer all those businesses that this is a level playing field, that there is a sense of fairness, obviously also if their digital competitors – with whom they compete for capital, for skilled employees, for customers – don't contribute to the society where they do the business, I think a sense of unfairness is very much felt.

We were not successful in the first push for a digital services tax. Individual Member States have then taken it up to do that themselves. I admire that, because obviously they do something extraordinary. I hope that will give the much-needed pressure, first, and hopefully, to find a global solution, a global agreement as to how this is done. If that is not the case, I think that we should do it ourselves. Obviously, we commit to producing a proposal if there is not a global agreement by the end of 2020.

1-106-0000

Lídia Pereira (PPE). – Só para perceber melhor, como é que vamos conseguir taxar quem opera num Estado-Membro, sem pagar impostos, enquanto transfere os lucros para outro país? Como é que

funcionará esta taxa? Será sobre a receita e a ser pago mesmo quando a empresa apresenta prejuízos ou atenderá às margens de lucro?

E deixe-me dizer que é com bons olhos que vejo que partilhamos mais ou menos da mesma opinião, uma vez que uma Europa que está verdadeiramente preparada para a era digital é que reconhece que um acordo internacional nesta matéria deve ser feito e devemos tomar a dianteira, sem comprometermos, e gostava de sublinhar isto, a capacidade de inovação, continuando a premiar o risco e o investimento.

Mas queria perceber um pouco melhor como é que funcionaria este imposto ou taxa.

1-107-0000

Margrethe Vestager, *Commissioner-designate*. – As I said, in the OECD they're working on it as we speak. What the idea was in the proposal that my colleague Pierre Moscovici tabled was exactly to say 'You make a profit where you interact with users. You may own the algorithm, and you may get part of the data, but the value is only created when people use your services. This is where value is created, and since people use your services where they live, where they work, where they transport themselves, then value is created on the ground. You may be headquartered in a completely different jurisdiction, but you still make value where people use your services.'

That was the idea – to say: 'When you make value because you interact with your users in these many different countries, you should also contribute, with the profits that you make, to the country where your profits are enabled.'

That was a very fundamental idea, and the reasoning was that, since corporate taxation was invented before anything became digital, we have to make corporate taxation understand the world we live in. Because if corporate taxation doesn't understand the world we live in, then more and more corporations will stop paying taxes because things are becoming more and more digital. Also, the goods we were used to thinking about – real, tangible goods, things that are very difficult to move – get a digital side. The value creation in the after-market may be the important thing in that market as well.

This is why there is a sense of urgency, and this is also why it would be best to have a global agreement. If that is not the case, then we should act on our own.

1-108-0000

Petra De Sutter, *Chair IMCO*. – This concludes the second round of questions. I want to thank all the members of the four committees present here who have asked questions, and, of course, Ms Vestager for the answers. As you know, Ms Vestager, we invite you now to make a closing statement of no more than five minutes' duration before we close this meeting. Commissioner-designate, please, the floor is yours.

1-109-0000

Margrethe Vestager, *Commissioner-designate*. – Well, first of all, thank you very much. It's a very broad area that we have covered today. I think it is very important that for me, hopefully if you confirm me, this is the beginning of a working relationship, because nothing can be achieved if we don't work together.

And the second thing is that you're all elected. You have a public mandate. I'm just selected. Picked out by a government who says 'you go be the Commissioner'. And this is why this is very important for me, because it's only with your acceptance that I have democratic legitimacy in doing the job that I'm supposed to do.

So this is why it means a lot to me if confirmed, to be able to work with you, to strive to find solutions also on very difficult issues.

I said I think that some of the debates that we had on the Copyright Directive will come back when Member States will implement. Some of the difficult discussions will come back when we will discuss the Digital Services Act, because we will figure out how to deal with the e-commerce Directive. We're almost now celebrating its 20th anniversary. That's a long time for something addressing something digital still to be relevant. So that would be a thorny discussion as well.

But first things first. I'm sorry to say this, we need the money. We need funding. We need the programmes. We need to be able to do something so that people can see that businesses can use funds to invest in innovation, that researchers can make their networks work all over Europe, that they get the funding actually to get there. And in that respect, I hope that you will help push for the multiannual financial framework to be in place.

I don't think that Europeans have any patience for us when it comes to these different things that we would like to be real. So that is now. That is here. And that, I think, is very important.

I also hope that you will bear with me, that I will come back and ask you, what do you think? Because some of these questions, we will not have the answer beforehand. We will consult with you, just as well as we will consult with NGOs, civil society, industry as well. As we have touched upon a lot of times on the guidelines for how to create artificial intelligence that we can trust. How to translate that into something that will enable us to do what we want to do?

That will take a lot of discussion before we have the right solution to do that.

The most important thing for me and the most important takeaway from today is the interest and the commitment and the in-depth engagement in the very different issues, and if one didn't think it before, I think if one heard the questions of this hearing, you would see that Europeans have representatives who think of our fundamental values and our democracy as our strength in a still more challenging world.

And also as a citizen, I find that to be comforting. That there's no cynicism. There's no, let's do as the Chinese. There is, let's do this the European way, because this is where we find our strength, to make Europe the best that she can be in order to serve us all as citizens and in that, and for all your questions I'm deeply thankful. So thank you very much.

(Applause)

1-110-0000

Adina-Ioana Vălean, *Chair ITRE*. – Let me also thank you, Ms Vestager, for your answers, and you, colleagues, for your questions. I think they were very interesting. I don't want to pre-empt the result of the hearing, but I just want to thank you at this stage and remind you that we have a coordinators' evaluation meeting in a few minutes.

1-111-0000

Irene Tinagli, *Chair ECON*. – I do not have much to add. Thank you, colleagues, thank you Ms Vestager, and thank you Ms Vălean and Ms De Sutter.

So, we will soon go into the evaluation meeting. The hearing is closed.

(The hearing closed at 17.22)