

CONFIDENTIAL

Antonio Tajani  
Chair of the Conference of Committee Chairs  
European Parliament

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Dear Mr TAJANI,

The Committee on Economic and Monetary Affairs, in accordance with Rule 125 of the Rules of Procedure of the European Parliament, held a public hearing on Thursday 3 October 2019 with Mr. Paolo GENTILONI, Commissioner-designate, who, subject to the positive outcome of the nomination procedure, will be responsible for the Economy.

On 27 September 2019 the Committee on Economic and Monetary Affairs, pursuant to Rule 125 of the Rules of Procedure and Article 2 of Annex VII thereto, received the letter by the JURI Committee regarding the scrutiny of the declaration of financial interests of Mr. GENTILONI.

Prior to the hearing, Parliament had sent the Commissioner-designate a list of written questions. My committee noted that Mr. GENTILONI answered those questions and dealt with the priorities outlined satisfactorily.

### *The course of the hearing*

Mr. GENTILONI opened the hearing by making a statement in which he referred to the following:

- his commitment to the European idea, and his professional experience as Member of the Italian Parliament, Minister and Prime Minister
- the need to continue to promote the social market economy, inclusive growth and environmental sustainability; safeguarding the sustainability of public finances and being able to deliver economic support in difficult times
- his commitment to transparency, openness, trust, ambition and constant dialogue with the European Parliament

The introductory statement of Mr. GENTILONI was followed by a first round of 7 questions from representatives of each political group and a second round of 18 questions by Members, including also a representative from the non-attached Members.

During the course of the hearing, Members asked questions on the following subjects in particular:

- his intention with regard to the establishment of a European Unemployment Benefit Reinsurance Scheme;
- his views on the Stability and Growth Pact;
- his intentions with regard to the upcoming review of the EU's fiscal framework;
- his plans with regard to the European Semester;
- his priorities for an EU tax agenda;
- his intention to make use of the procedure laid down in Article 116 TFEU which makes it possible to change the unanimity requirement in the tax area;
- his intentions with regard to the Budgetary Instrument for Convergence and Competitiveness (BICC) and InvestEU;
- his plans regarding Eurostat and statistics.

In his replies, Mr. GENTILONI made specific commitments regarding his future action as Commissioner.

*On economic and financial affairs:*

- to propose a European Unemployment Benefit Reinsurance Scheme;
- to promote investment including via InvestEU and the Sustainable Europe investment plan;
- to ensure that BICC will be equipped with a stabilisation function and with a climate efficiency dimension;
- to apply fiscal rules making appropriate use of the existing flexibility and to be impartial in implementing the rules;
- to support the upcoming review of the six pack and two pack, taking into account the European Fiscal Board analysis, in view of simplification, enforceability and anti-cyclicality of the fiscal rules;
- to develop further the close partnership between the Commission and the European Parliament in the area of economic governance, and to come to the European Parliament before each key stage in the Semester process;
- to ensure independence of Eurostat.

*On taxation:*

- to present an action plan for fair taxation;
- to make use of passerelle clause in the Treaty or Article 116 TFEU that allow proposals on taxation to be adopted by qualified majority voting;
- in the context of the European Green Deal, to make proposals regarding the energy taxation and carbon border tax;
- to fight against tax fraud, evasion and avoidance;
- to find an agreed approach on digital and corporate taxation at the level of the G20 and OECD or to propose EU action in case of no agreement at global level by the end of 2020.

Before the end of the hearing, the Commissioner-designate made a brief closing statement in which he reaffirmed that he will promote cooperation and build trust in common EU interest, including with the European Parliament.

On the basis of the responses of the Members present at the hearing, as well as the comments made by my committee's coordinators, who met in camera after the hearing under my chairmanship, we hereby give the following assessment:

- ECON coordinators were satisfied that the candidate has the required integrity, independence, professional aptitude and experience, European commitment, ability to communicate and initiative. ECON coordinators take note of the commitments made, but also note that with regard to Eurostat, the candidate should also commit to take responsibility for the legal framework.
- ECON coordinators regret that some answers were vague and expect that given his commitment to cooperate closely with the ECON Committee, the candidate will in future go deeper into details on certain aspects.

In annex to this letter, please find the opinions of the Committee on Budgets and of the Committee on Employment and Social Affairs, as associated committees.

The general outcome of this hearing is that the Commissioner-designate gave a convincing impression of his aptitude to be a member of the College of Commissioners and to carry out the specific tasks assigned to him.

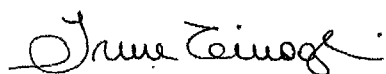
The ECON coordinators representing a majority of two-thirds of the committee membership approved that the Commissioner-designate Mr. GENTILONI, is qualified both to be a member of the College of Commissioners and to carry out the specific tasks assigned.

*Minority views*

During the evaluation meeting, the coordinators of ID and GUE Groups requested to include the following aspects which constitute minority views:

- The ID Group was not satisfied with the candidate's answers. Where he was vague, he also seemed to be evasive.
- The GUE Group would like to see the additional commitments in the following areas: to improve the European Semester, including to apply the macroeconomic imbalance procedure symmetrically, to commit to fight tax competition inside the European Union, to include the golden rule in the upcoming review of the six and two-pack.

Yours sincerely,



Irene Tinagli  
Chair of the Committee on Economic and Monetary Affairs

Annexes

Opinion of the Committee on Budgets, as associated committee  
Opinion of the Committee on Employment and Social Affairs, as associated committee

Annex:

OPINION OF THE COMMITTEE ON BUDGETS

Overall, the Committee on Budgets finds unanimously the Commissioner-designate Gentiloni qualified to carry out the specific tasks he has been assigned within the remit of the BUDG Committee.

The Committee on Budgets takes note of the commitments expressed and emphasizes - for future scrutiny - the following stances put by Commissioner-designate Gentiloni during the hearing, in particular as regards issues that are within the Committee's mandate:

- to present quickly a proposal for the Carbon Border Tax, which has a potential to become a future own resource of the EU budget, together with the Common Corporate Tax Base; the Commissioner-designate also pledged to engage with the Committee on Budgets on the possible ways to include new Own Resources in the next MFF, but said that it was "not evident" that the contributions could be there within months;
- to start without delay preparatory work on the proposal for a European Unemployment Reinsurance Scheme, which should not weaken ongoing national structural reforms, have a dual - social and stabilisation - goal, and be concentrated on external shocks and have an automatic disbursement mechanism. The Commissioner-designate indicated that while it would be easier that the scheme be based on liquidity, it could also combine loans and direct budget support.  
He also sees the unemployment scheme and the BICC as part of stabilisation tools at the EMU level, and the future of the EMU is in its deepening.  
He also committed to propose criteria of climate efficiency within the future BICC programme.
- to come up with a "clear methodology" on climate spending within the context of the proposal for a Sustainable Europe Investment Plan and to ensure an equal geographical distribution of the investment under InvestEU across the whole Union.  
Mr Gentiloni also indicated that InvestEU Hub will be useful to promote the investments under the Sustainable Europe Investment Plan.

The Committee on Budgets expects, however, concrete actions on the initiatives mentioned, namely on own resources, and a close cooperation of the Commissioner-designate, if confirmed, on the BICC with the BUDG committee.

**Opinion of the Committee on Employment and Social Affairs**

Overall, the Committee on Employment and Social Affairs finds the Commissioner-designate qualified to carry out the particular duties he has been assigned within the remit of the EMPL Committee.

The Committee on Employment and Social Affairs takes note of the commitments expressed by the Commissioner-designate Gentiloni during the hearing. EMPL underlines the importance of having a coherent and integrated approach between economic and social objectives in the Union and requests Commissioner-designate Gentiloni to fully cooperate with the Committee in this regard and, in particular, on the social and economic dimension of the European semester cycle.

The ID group disagrees with the above EMPL position and considers Mr Gentiloni unsuitable to take up the office of Commissioner for Economy.