



EUROPEAN COMMISSION

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Dear President,

The Commission would like to thank the Riksdag for its Opinion on the Reflection Paper on Harnessing Globalisation {COM (2017) 240 final}.

This Reflection Paper follows the White Paper on the Future of Europe, presented on 1 March 2017, which sets out the main challenges and opportunities for Europe, and marks the beginning of a process of reflection on the future of the European Union.

The Commission takes note of the Riksdag's support for free and fair trade and for the important place of European Structural and Investment Funds in addressing the negative effects of globalisation.

The Commission would like to reassure the Riksdag that, as Guardian of the Treaties, it makes sure that every action of the European Union respects the principle of subsidiarity. Any ongoing actions or future initiatives originating from the Harnessing Globalisation reflection paper are no exception to this rule. At the same time, it is useful to remind that the principle of subsidiarity does not apply to exclusive competences and that Article 3 of the Treaty on the Functioning of the European Union lists the common commercial policy as being of such nature.

The Commission would like to recall that trade agreements do not preclude the European Union or Member States to regulate in the public interest. In order to address any doubts that might exist in that regard, in the most recent trade agreement – the EU-Canada Comprehensive Economic and Trade Agreement (CETA) – the importance of the right to regulate is reflected in the agreement. The principle was also reaffirmed in the Commission Communication of 13 September 2017 on "A Balanced and Progressive Trade Policy to Harness Globalisation" {COM (2017) 492 final}. Furthermore, the Commission would like to stress that sustainable development is part of the modernised European Union's trade agreements. At the same time, the Commission is mindful of the different views on that matter. Therefore, following the publication of a non-paper on trade and sustainable development in July 2017, the Commission, together with interested stakeholders, is looking at the enforcement and implementation of trade and sustainable development provisions in trade agreements and will come to a conclusion on the most appropriate course of action.

*Mr Urban AHLIN
Speaker of the Riksdag
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While the Commission fully supports and works for a more efficient use of the European Structural and Investment funds, the future EU-27 budget, including the size and format of European Union's funds, will be part of the upcoming discussions on the post 2020 multiannual financial framework.

The Commission hopes that these clarifications address the issues raised by the Riksdag and looks forward to continuing our political dialogue in the future.

Yours faithfully,

*Frans Timmermans
First Vice-President*

*Jyrki Katainen
Vice-President*