



EUROPEAN COMMISSION

*Brussels, 17.03.2021  
C(2021) 1904 final*

*Dear Chair,*

*The Commission would like to thank the Assembleia da República for its Opinion on the proposal for a White Paper on levelling the playing field as regards foreign subsidies {COM(2020) 253 final}.*

*The Commission shares the Assembleia da República's opinion that the White Paper on foreign subsidies delivers an important contribution to addressing the consequences of the Covid-19 pandemic, in particular the perceived increase of third-country subsidisation. Maintaining a level playing field in the internal market will be of essential importance to guarantee a more effective economic recovery.*

*The Commission also supports the finding stated in the Opinion that foreign subsidies might give companies from third countries undue advantages in the internal market, thereby, in some cases, allowing them to attain dominant positions in key sectors. The impact assessment of the proposed instrument on foreign subsidies sheds further light on the effects of foreign-subsidised investment on the internal market.*

*The Commission also recognises the Opinion's remark that the foreign subsidies initiative might have an effect on the EU's economic and diplomatic relations with third countries. In this context, however, the Commission would like to highlight that the foreign subsidy initiative does not target any particular regions or countries but applies to all of the EU's trading partners to the same extent. It is also our ambition to strike the right balance between protecting the level playing field and keeping the internal market open to investments, which continue to be welcome.*

*The Commission also takes note of the Opinion's remark that third countries, especially China, have increasingly invested in strategic sectors of the Portuguese economy, such as ports, energy, banking, and other relevant sectors. In that regard, it is worth emphasising that a potential future instrument on foreign subsidies is not aimed at replacing effective foreign direct investments screening that can address investments threatening to affect public order and security.*

*Mr Luis CAPOULAS SANTOS  
Chair of the European Affairs Committee  
of the Assembleia da República  
Palácio de S. Bento  
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*cc. Mr Eduardo FERRO RODRIGUES  
President  
of the Assembleia da República  
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*Lastly, the Commission would also like to assure the Assembleia da República that it will continue discussions with key trading partners to improve the WTO's framework on distortive subsidies – in parallel to developing an EU instrument on foreign subsidies.*

*The Commission believes that the political dialogue with national Parliaments is essential for linking the institutions and the citizens of the European Union, and looks forward to continuing it with the Assembleia da República in the future.*

*Margrethe Vestager  
Executive Vice-President*

*Maroš Šefčovič  
Vice-President*