Von der Leyen’s College of Commissioners – In depth

Profile of new Ibec President Pat McCann, CEO of Dalata Hotels Group

Interview

Ireland’s new MEPs speak to us about the Future of Europe
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Welcome to Issue 12 of Ibec Europe & Global Focus covering the period in Brussels when the Juncker Commission prepares to hand over to the von der Leyen Commission. The new European Parliament has been flexing its muscles at Commissioner hearings, rejecting three candidates and delaying the start date for the new Commission by a month. Meanwhile Council President Donald Tusk also prepares to hand over to his successor Charles Michel, a former Prime Minister of Belgium, on 1 December.

Despite the best efforts of Tusk, and the EU negotiating team led by Michel Barnier, the Brexit withdrawal agreement will not be completed during his term as President. On the 29 October, just two days before the UK was scheduled to leave the EU, the European Council accepted the reluctant request of Boris Johnson for an extension of the Article 50 process, setting the new date of 31 January 2020. The EU previously made clear that a further extension would require justification, which is provided by UK general election to be held on Thursday 12 December. This date coincides with the last European Council of 2019, when EU heads of state will gather in Brussels on 12 and 13 December. There will be intense interest in the outcome of the UK election and what it will mean for Brexit and the future relationship with the EU. Michel Barnier has been confirmed to lead negotiations on the future relations with UK reporting directly to von der Leyen.

In this issue, we provide an in-depth profile of the new European Commission the executive body of the Union that will manage policies and propose new legislation over the next five years. President von der Leyen wants a geopolitical and gender balanced Commission that can respond to societal changes in the areas of climate, technology and demography. She wants her team to lead the way in shaping a Europe that takes ‘bold action on climate change, build our partnership with the USA, define our relations with a more self-assertive China and be a reliable neighbour.’ To achieve her goals von der Leyen is introducing a new structure with three Executive Vice-Presidents, who will serve as both Commissioners and coordinators – Frans Timmermans, Margrethe Vestager and Valdis Dombrovskis. It will be interesting to see how this new structure will work in practice. Of course, much of the responsibility for driving the Commission's work forward will continue to rest with the various members of the College of Commissioners.

One key responsibility of the Commission is representing the EU on the global stage, including negotiating trade and investment agreements with non-EU countries. Von der Leyen chose Phil Hogan as her Commissioner for Trade. Hogan performed strongly at his mandatory hearing and received the required support of the European Parliament. He will face tough challenges on trade relations with the USA, will seek an early agreement with China on investment protection and will play a key role in negotiating the new trade relations with the UK after Brexit, working closely with Michel Barnier. A whole range of other trade issues, including reform of the WTO, results in a very full and challenging portfolio to manage. Securing a second Commissioner role is huge achievement and trade is a major role from a business perspective. We provide an overview of the commitments made by Phil Hogan in his hearing at the European Parliament’s Committee on International Trade (INTA).

Ibec member focus in this issue is Pat McCann, CEO of the Dalata Hotels group and recently elected Ibec President. Dalata, founded by McCann in 2007, is the largest hotel operator in Ireland with a strong development pipeline principally in the UK. It currently employs around 5,000 people across 43 hotels under two major brands Maldron and Clayton. We also profile the new Irish MEPs, who give us their views on the future of Europe, their priorities for the next five years, on navigating the EU institutions and
the one thing they would change about the Parliament. An issue raised by several MEPS, from across political parties, is the cost in resources and time in regularly moving the Parliament to Strasbourg for plenary sessions. In this issue we also cover national parliament elections and new governments in Poland, Austria, Portugal, Italy and Spain.

On the global front, Ibec participated in the WTO public forum in Geneva in October where the theme was ‘Trading Forward; Adapting to a Changing World’. Ibec chaired a panel organised by BusinessEurope on services and manufacturing at the Forum. We also participated in business meetings with WTO Director General Roberto Azevêdo, EU Ambassador Machado, US Ambassador Shea and Australian Ambassador Lisson. Important topics covered included WTO reform, the joint initiative on e-commerce and the moratorium on electronic transmission due to expire in December. Ibec also raised business concerns about the imposition of tariffs, including the most recent action by the US following the WTO report on Airbus. We strongly urged governments to get around the table to negotiate solutions rather than the lose-lose policy of imposing tariffs on each other's trade.

Ibec also represented business at the OECD Global Forum on Trade in October. Together with our partners we launched the Business at the OECD priorities paper ‘Getting Trade back on Track’. Ibec also co-chaired a business meeting with the leadership of the OECD Trade and Agriculture Directorate where we agreed priorities to work on over the next two years.

On the USA side, in September Ibec participated in a high-level BusinessEurope visit to Washington DC to meet with US Commerce Secretary Wilbur Ross, Deputy US Trade Representative Jeffrey Gerrish, several members of Congress and US business partners. In mid–October Dan Mullaney, Assistant USTR, visited Dublin at the invitation of Ibec and met with our board and members for detailed exchanges of views on trade relations and tension, including those related to Airbus-Boeing disputes.

Our sector highlights this issue includes the launch of ‘Ireland - the Global BioPharmaChem Location of Choice – A Strategy for the BioPharmaChem Manufacturing Sector in Ireland 2019-2023’. The Ibec BioPharmaChem strategy was launched in Dublin, Brussels and Boston reflecting the truly global nature of the sector. We also include articles on Ibec’s Drinks Ireland securing legal protection for ‘Irish Whiskey’ in Australia, India and South Africa. This means that only Irish whiskey distilled and matured on the island of Ireland can be labelled and sold in these markets as Irish Whiskey. A Memorandum of Understanding was signed between the Brewers of Europe and the European Commission on the brewing industry’s commitment on consumer information.

As a new institutional cycle begins, Ibec Europe has been welcoming and introducing its activities to the newly elected Irish MEPs in Brussels and engaging with newly posted officials in the Irish Permanent Representation to the EU.

We hope you enjoy this issue of the Ibec Europe & Global Focus and look forward to engaging with you further on any issues highlighted. We hope to see you at the Ibec annual festive event in Brussels on Tuesday 10 December. In the meantime, don’t hesitate to contact any member of the team.

If you want to pick up on any of these items, don’t hesitate to contact any member of the team.
Ratification of revised Withdrawal Agreement awaits result of UK election

On 29 October, the European Council accepted the request of the UK government for an extension of Article 50 to 31 January 2020. The extension is to give more time for the ratification of the Withdrawal Agreement. Throughout the extension, the UK will remain a full member of the EU with associated rights and obligations. As widely reported in the media, the UK will hold a general election on 12 December.

The Withdrawal Agreement, if ratified, will provide the basis for an orderly UK exit and avoid a disruptive no-deal cliff edge. The revised Withdrawal Agreement retains some of the features of the previous version including the transition period, the maintenance of the Common Travel Area and an agreement by the UK to honour certain financial commitments. The deal includes an institutional structure for overseeing implementation and a revised Protocol on Ireland/Northern Ireland.
The Protocol states that after the transition period, Northern Ireland will remain in the UK customs territory. Goods moving from the UK to Northern Ireland will have no duty charged unless there is a risk of the product entering the EU or undergoing processing in Northern Ireland. The details of this will be defined by the Joint Committee before the end of the transition period. There will be no quantitative restrictions between Ireland and Northern Ireland. Certain pieces of EU legislation will continue to apply to Northern Ireland, this legislation is listed as an Annex to the Withdrawal Agreement. The UK and the EU commit to avoiding controls at Northern Ireland ports and airports to the extent possible. The UK authorities will be responsible for implementation of rules on VAT and excise in Northern Ireland. A list of goods at Annex will be subject to EU rules on VAT and excise.

The Agreement sets out rules for goods on the market during the transition and in movement as the transition period comes to an end. Any product on the market, in the EU or the UK, before the end of the transition period can continue to circulate when the transition period has finished. The economic operator must be able to prove to authorities that the good was legitimately put on the market before the end of the transition period. When the transition period ends (currently scheduled on 31 December 2020), any customs movements started before this time but not completed, will be considered an intra Union movement. Proof that the movement started before the transition period ended will be required e.g. relevant transport documentation. Likewise, certain documents that are lodged before the end of the transition period (entry summary declarations or pre-departure declarations) will continue to have legal effect where that movement will end after the transition period expires. The Withdrawal Agreement also sets out further definitions and rules on particular kinds of movements (by air, by sea etc.).

The Withdrawal Agreement deals with the withdrawal issues while the accompanying Political Declaration sets out the ambition for the future relationship between the EU and the UK. The future trading relationship for goods will be on the basis of a free trade agreement. Both sides aim to eliminate all tariffs and charges on trade between the EU and the UK in the future FTA. For services, both sides commit to liberalising trade in services beyond WTO commitments. The Commission commits to opening discussions on an Adequacy Decision with the UK as soon as the UK exits with the aim to complete this process by December 2020 – the end of the transition period. This will facilitate the transfer of personal data to the UK, which is critical to many business processes across sectors. There is still the possibility that the UK will be able to participate in EU programmes including on R&D, however the general principles and details remain to be negotiated under the future relationship. The European Commission has announced that Michel Barnier will lead a ‘Taskforce for Relations with the UK’ which will coordinate all aspects of the future relationship with the UK.
Support for business preparing for Brexit

Ibec continues to support members with Brexit contingency planning. On 11 October, Ibec held a seminar for members on preparing for a ‘no deal’ Brexit, focussing on trade and customs. The participants included; Revenue Commissioner Gerry Harrahill, Anne Coleman Dunne, Department of Business, Enterprise and Innovation, and Celine O’Neill Assistant Principal Officer, Revenue Commissioners. The operational aspects of customs in the no deal scenario were discussed covering transit, customs simplifications and infrastructure preparations. Government supports for business were also highlighted. The event was well attended with key concerns on customs expertly answered by the panel. More information on government supports for business can be found here.

Over the summer, the UK government launched its public information campaign, ‘Get Ready for Brexit’. The campaign aims to provide citizens and businesses with information on the steps they need to take to be ready for when the UK leaves the EU. Though primarily aimed at UK based businesses, the website is a useful resource to Irish businesses and can be accessed here. The UKs temporary tariff regime in the event of a no deal exit can also be found here.

As part of its preparations, the UK government stepped up efforts to rollover FTAs and other agreements with third countries as post Brexit they will no longer be party to EU agreements. 16 of the EU’s 40 FTAs have now been rolled over in full or in part. According to Borderlex, this represents 72% of the trade value within those agreements. Switzerland, South Korea and Central America are examples of agreements that have a rollover in place while Canada and Mexico have not been agreed yet. Japan has expressly stated that it will not discuss future trading with the UK until it has left the EU.
European Council:
17 and 18 October

While the focus of most of the attention at the European Council was firmly on the Brexit process and the outcome of the re-opening of the Withdrawal Agreement, there were other decisions made that had a significant impact on the institutions over the two-day summit of EU leaders. Council conclusions for October can be accessed [here](#).

Chief among these was an assessment of the status of the Multiannual Financial Framework (MFF). The Finnish Presidency led a discussion on the overall level. They outlined volumes of the main policy areas including, financing, revenues and corrections, conditionalities and incentives of the next MFF. They were also called on to submit a Negotiating Box with figures in advance of December Council.

As the subject of climate change continues to be hotly discussed, the European Council welcomed the outcome of the UN Climate Action Summit 2019 on the subjects of ambition, action and solidarity. The Council determined that the EU would continue to lead the way in a socially fair and just green transition in the implementation of the Paris Agreement. The European Council will finalise its guidance on the long-term strategy of the EU to climate change at the December Council before submitting it to the United Nations Framework Convention on Climate Change (UNFCCC) early in 2020.

A long-awaited opening of accession negotiations with the Western Balkan countries of North Macedonia and Albania was voted down. North Macedonia’s dialogue was opposed by France, though France praised North Macedonia’s progress on the accession criteria. France, Denmark and the Netherlands opposed the opening of discussions with Albania on the basis of insufficient progress. The decision was criticised by Council President Tusk as well as the governments of Albania and North Macedonia who banked their political future on the opening of accession talks.

December Council will be Finland’s last of this cycle as President of the Council of the European Union. Croatia will assume their first Presidency since accession on 1 January.
General EU Affairs

Juncker looks back on highs and lows of his term as fresh cycle begins

Outgoing President of the European Commission 2014-2019 Jean-Claude Juncker has spoken at length throughout October on his reflections and legacy in policy-making.

Juncker, who already had an impressive record on assuming the role of President as both a former Prime Minister and Minister of Luxembourg, looked back on his time in Brussels and noted that it began when Europe was still at a low-point, having been rocked by social and economic crisis. He said that back then trust in the institutions was low and voter turnout in the European elections was collapsing.

Juncker made the case that the Commission ‘seized on’ the opportunity presented by being a ‘Commission of the last chance’ to get the European economy back on track and noted that the economy of Europe today is ‘stronger and more resilient’. He also remarked that citizen engagement has increased with 1815 Citizens Dialogues in 650 cities over his term and Commissioners visiting more than 900 national and regional Parliaments following the publication of the March 2017 ‘White Paper on the Future of Europe’.

In his reflections to both the Strasbourg plenary of the European Parliament and Brussels think tank the European Policy Centre, Juncker spoke of the EU’s track record on the economy noting that the EU’s economy has ‘grown for seven consecutive years, 25 quarters. 14 million jobs have been created in Europe during the mandate of this Commission…employment is at its highest level ever’.

Juncker noted that under the European Fund for Strategic Investments almost 440 billion euro has been mobilised across the EU, GDP in the EU has increased 0.9%, 1.1 million jobs have materialised, and 1 million small companies now benefit from financing they previously did not have.

Juncker offered insights into the crises he has faced over his term as Commission President. He highlighted the Commission’s approach to the euro crisis in Greece as its biggest achievement. He also noted his struggle to successfully encourage the solidarity of the EU27 in the face of Brexit which he characterised as its most difficult problem, saying ‘I have to admit that it has pained me to spend so much of this mandate having to deconstruct – when all I have ever wanted to do is move the European Union forward, not backwards. But to the surprise of many, we have not fallen apart – quite the opposite’ noting that regarding Brexit, ‘we will all pay the price’.

Juncker noted that the EU is the world’s trade superpower with agreements with 72 countries worldwide, covering 40% of global GDP. He noted that though criticised, the significance of the Canada and Japan agreements is that they ‘reflect our values – from the transparent way in which they were negotiated, to the in-built protection of environmental and labour standards’. Juncker said that he has tried to develop a new alliance with Africa on the basis of investments and stronger commercial and economic ties given the continent will increase in population in the future.

Juncker also noted the Commission’s progress on achieving better, more efficient regulation including cutting the amount of legislation from 100 major initiatives in 2014 to 23 in 2015 and 15 in 2019. This amounted to 83% fewer legislative initiatives over the last five years.

On the Future of Europe debate, Juncker believes in reinforcing European security and defence and said there is a need for the EU to become more effective internationally. Juncker said that in the subject of foreign policy it is necessary to make some decisions by QMV (qualified majority voting) or risk becoming obsolete.
European Commission 2019-2024: A profile

The Ibec EU & International team presents an outline of the assembled member state nominations for European Commissioner.

A comprehensive analysis of structural changes to the individual portfolios can be found here.

‘A Union that Strives for More’

European Commission President-elect Ursula von der Leyen unveiled her Commission on 10 September.

Von der Leyen characterised the names she had assembled from member state nominations as a ‘geopolitical Commission’. The Commission President elect structured her assembled Commission in response to societal changes in the areas of climate, technology and demography. Von der Leyen said she wants her team to lead the way in shaping ‘the European Way’ taking ‘bold action against climate change, build our partnership with the United States, define our relations with a more self-assertive China and be a reliable neighbour, for example to Africa’ and for the European Union to be ‘the guardian of multilateralism’.
Composition of the Commission 2019-2024: An analysis

‘Member state, geopolitical and gender-balance’

To respond to the challenges and opportunities of 2019 the European Commission has been designed to reflect modern expectations as well as the numerous political preferences, criteria and unique characteristics of member states.

In the appointments made by the European Council in July, larger member states took some of the most prominent positions. As of 2019, there is a German Commission President, a French Head of the European Central Bank, a Spanish High Representative for Foreign Affairs and Security Policy and an Italian President of the European Parliament. A smaller member state Belgium secured President of the European Council.

The composition of the College of Commissioners 2019-2024 addresses geopolitical balance also with small member states well represented in Danish, Dutch and Latvian Executive Vice Presidents of the European Commission. Irishman Phil Hogan secured his second major EU role as Commissioner for Trade. In terms of newer member states, important portfolios were given to the Commissioners of Poland, Czechia, Hungary and Bulgaria. Broad portfolios such as President, Commissioner for Internal Market and Commissioner for Economy are the reward of larger member states.

Hence the next Commission has been carefully curated to reflect the geopolitical balance of the EU. The College will visit every member state in the first half of their mandate – both capitals and regions.

European Political Groups

The next Commission also reflects the complexities of the European political groupings. The centre-right European People’s Party (EPP) and the centre-left Socialists & Democrats (S&D) have both secured ten Commissioners each, with President von der Leyen herself included also. The centrist Renew Europe (RE) has six members of the European Commission and the European Conservatives and Reformists (ECR) has one while the Lithuanian Commissioner is aligned with the Greens/EFA. Juncker’s Commission had 14 EPP, 8 S&D, 5 Renew Europe and 1 ECR.

Effectiveness, streamlining, structure

The von der Leyen Commission also represents a departure from the Juncker Commission which had a cluster system of seven Vice-Presidents and 20 Commissioners. Juncker’s Vice-Presidents were not given control of specific Directorate Generals and often coordinated the work of other Commissioners instead of developing their own policy areas.

The College of Commissioners is modernising their work and von der Leyen has pledged that their meetings will be paperless and digital. The Commission will apply ‘one in, one out’ principle to create new law and regulation. The focus of the Commission will be ‘on tasks, not hierarchies’ according to von der Leyen.
Gender, experience, age

The Commission as announced on 10 September was gender balanced. Von der Leyen’s Commission had, until the rejection of candidates by the European Parliament, 14 male Commissioners and 13 female Commissioners compared with outgoing Commission President Juncker’s 19 male and 9 female Commissioners.

The assembled Commission included 19 new Commissioners and 8 returning Commissioners compared to Juncker’s 22 new and 6 previous Commissioners. Von der Leyen’s Commission, as nominated in early September, held 11 former MEPs and 16 never elected MEPs compared to Juncker’s 8 former MEPs as well as 2 former Prime Ministers and 20 former national Ministers compared to Juncker’s 4 former Prime Ministers and 20 former national Ministers.

The average age of the von der Leyen Commission as announced on 10 September was 55.9, older than the profile of the Juncker Commission where the average age was 53.4.

Originally, her new Commission was expected to take office on 1 November.

Hearings:

The European Parliament commenced hearings of Commissioners by their respective committees on 30 September. Of the 26 candidates appointed, 23 were confirmed by the European Parliament.

It had been expected that the European Parliament would issue a rejection of a Commissioner. The nominated Commissioners of Hungary and Romania were not advanced to hearings by their Parliamentary committees and were excluded by JURI. Following her second hearing, the nomination of France, Sylvie Goulard, was rejected as a candidate for Commissioner for Internal Market, an unusual scenario considering she was nominated by a large member state. Hungary and France have re-nominated candidates for Commissioner who will now undergo fresh hearings.

Given the rejections, the European Parliament agreed to push back the start date of the new Commission to 1 December.

Composition:

President

Heading up the College, of course, is von der Leyen herself. Von der Leyen, a former German Defence Minister and long-time political ally of German Chancellor Angela Merkel, was nominated by the European Council in July and won a slim majority in the European Parliament on 16 July with 383 MEPs in favour, 327 against and 22 abstaining. A more detailed profile of Commission President-elect Ursula von der Leyen and her priorities for 2019-2024 is available in Issue 11 of Ibec Europe & Global Focus, July 2019.

Executive Vice Presidents

At the highest levels of von der Leyen’s College hierarchy are three elevated roles given to returning Commissioners who will now be known as Executive Vice-Presidents and serve both as regular Commissioners and coordinators:

‘European Green New Deal’

Frans Timmermans

The Netherlands

Returning First Vice-President and former Minister of Foreign Affairs for the Netherlands Frans Timmermans will serve as First Executive Vice-President of the European Commission, tasked with coordinating the EU’s approach to climate policy. Timmermans will coordinate work on the European Green New Deal. Timmermans has been charged with increasing emission reduction...
targets for the EU for 2030 progressively from 40% to 55%. Timmermans will also be Commissioner for Climate Action supported by DG CLIMA. As a First Vice President, Timmermans pushed through the Single Use Plastics Directive, which may be a signal for how he will handle legislation during his term as First EVP.

President of the European Commission 2019-2024 Ursula von der Leyen’s mission letter to Timmermans can be accessed here.

‘Europe fit for the Digital Age’

Margrethe Vestager
Denmark

Danish Commissioner Margrethe Vestager, who previously served in the Competition portfolio and in her home country as Minister of Economic Affairs and the Interior, will now assume the role of Executive Vice-President of the European Commission.

Vestager will add a Digital Commissioner role to Commissioner for Competition role supported by DG COMP

She will have to coordinate the EU’s work on big data, AI, Digital Services Act, new protections for platform workers, digital taxation.

President of the European Commission 2019-2024 Ursula von der Leyen’s mission letter to Vestager can be accessed here.

‘An Economy that Works for the People’

Valdis Dombrovskis
Latvia

Returning Latvian Commissioner Valdis Dombrovskis, previously Vice-President for the Euro, will now have the Financial Services portfolio. Dombrovskis will maintain his role as Commissioner for Financial Services supported by DG FISMA and will work closely with the Commissioner for Economy Paolo Gentiloni. In her mission letter to the incumbent Commissioner, von der Leyen asked Dombrovskis to co-lead work on a new FinTech Strategy as well as on the EU’s industrial future, an SME strategy with Vestager and to lead on a new FinTech Strategy as well as on the EU’s response to cryptocurrencies.

President of the European Commission 2019-2024 Ursula von der Leyen’s mission letter to Dombrovskis can be accessed here.
The new Commission will also have 5 ‘non-executive’ Vice-Presidents:

‘A Stronger Europe in the World’

Josep Borrell
Vice President and High Representative of the European Union for Foreign Affairs and Security Policy
Spain

Veteran Spanish politician Borrell will take the role of Vice-President as High Representative of the European Union for Foreign Affairs and Security Policy. The nomination of Borrell to European External Action Service (EEAS) boss represents Spain taking on a larger role in European Affairs. Borrell, a member of PSOE (Spanish Socialist Workers’ Party) and Minister of Foreign Affairs, European Union and Cooperation, under incumbent Spanish Prime Minister Pedro Sanchez, has a strong résumé including stints as a MEP, Spanish Minister for Public Works and Environment (1991-1996) and President of the European Parliament, succeeding Ireland’s Pat Cox in 2004. Borrell will succeed Federica Mogherini of Italy as High Representative. Borrell will work on the development of a European Defence Union alongside the Internal Market Commissioner.

Other non-Executive Vice President portfolios will include:

‘Values and Transparency’
Věra Jourová, Czech Republic, President of the European Commission 2019-2024
Ursula von der Leyen’s mission letter to Jourová can be accessed here.

‘Protecting Our European Way of Life’
Margaritis Schinas, Greece, President of the European Commission 2019-2024
Ursula von der Leyen’s mission letter to Schinas can be accessed here.

‘Interinstitutional Relations and Foresight’
Maroš Šefčovič, Slovakia, President of the European Commission 2019-2024
Ursula von der Leyen’s mission letter to Šefčovič can be accessed here.

‘Democracy and Demography’
Dubravka Šuica, Croatia, President of the European Commission 2019-2024
Ursula von der Leyen’s mission letter to Šuica can be accessed here.
General EU Affairs

Von der Leyen appointed 18 Commissioners to key portfolios:

In this section, provides an overview of a selection of the remaining Commissioners-elect, with a focus on returning Irishman Phil Hogan, appointed as Commissioner for Trade. President of the European Commission 2019-2024 Ursula von der Leyen’s mission letter to Phil Hogan can be accessed here.

Phil Hogan
Commissioner for Trade
Ireland

Commission President Ursula von der Leyen appointed Phil Hogan as Commissioner for Trade. Hogan, who has just completed a five-year mandate as the European Commissioner for Agriculture, previously served in Ireland as a Councillor, Senator, TD and Minister. Hogan performed strongly in his mandatory hearing before the European Parliament Committee on International Trade (INTA).

The hearing was well-received by his allies in the European People’s Party of which his nominating party, Fine Gael, is a member. Hogan was also asked to develop his comments on climate and the sustainable development chapters of trade agreements.

Hogan’s comments ranged from defence for multilateral, rules-based trade and World Trade Organisation (WTO) reform to a commitment to a level-playing field on the subject of China and the rebalancing of global trading partnerships. To the European Parliament, he promised greater transparency of the Commission’s work and a deeper relationship between the two institutions.

As Commissioner for Trade, Hogan will have tough negotiations with the USA, an early agreement with China on investment protection and will have to negotiate a new relationship with the UK after Brexit. President von der Leyen asked Hogan to step up WTO negotiations on e-commerce and implement the EU’s new FDI investment screening mechanism.

Hogan’s tenure as Commissioner for Trade will commence on 1 December should the late November plenary vote for the von der Leyen Commission find approval.
Below is an overview of commitments made by the incoming Commissioner for Trade in his developed comments to the European Parliament’s Committee on International Trade (INTA).....

- **Trade Strategy:** Hogan is committed to open and fair trade strategy and his priorities include a level playing field, strengthening Europe’s global leadership, transparent trade respective of climate action and sustainable development.

- **Reform the WTO:** Hogan is committed to reforming and updating the WTO & committed to rules-based institutions, and the defence and promotion of multilateralism as a top priority. He noted that over his mandate the EU will address the negotiating function, dispute settlement function, as well as the monitoring and deliberative functions. Hogan plans to address matters such as e-commerce issues, distortions caused by subsidies and to encourage greater use of plurilateral approaches. Hogan plans to launch a broad initiative of reform by the end of 2020 to reach an agreement by 2022.

- **On WTO Appellate Body:** Hogan will work on interim arrangements aiming at safeguarding the EU. He supports the participation of the European Parliament in Ministerial Conferences of the WTO. He wants to make a push for a Multilateral Investment Court. He will make full use of bilateral and multilateral dispute settlement systems where there are unresolved disputes with partners and ensure modernised trade defence instruments are applied.

- **On Trade Partnerships:** Hogan wants to create new opportunities for the EU – keep existing markets open and a full implementation of existing agreements. He remarked on the significance of the EU-USA trade relationship. He wants to fix the tensions with President of the United States of America, Donald Trump and encourage a positive, balanced, mutually beneficial partnership with the USA. He wants to set the EU out as a defender of multilateralism and as such is committed to creating further international alliances and partnerships. He wants to build a mutually beneficial trade partnership with Africa.

- **On climate policy:** Hogan emphasised that trade policy must work in tandem with the Commission’s other policy areas including environmental. He committed to a multi-pronged approach to minimise risk to climate of trade growth. He wants a trade policy which contributes to combatting climate change and protecting the environment through the spread of environment friendly goods, services and technologies. Hogan committed to using existing and future trade agreements to advance the EU’s climate and sustainable development goals. He committed to the introduction of a Carbon Border Tax and the implementation of climate, environmental and labour protections.

- **Institutional relations and transparency:** Hogan committed to further strengthening of relationship, regular dialogue and greater transparency with the European Parliament. Hogan remarked on the Commission/Parliament relationship as ‘special’, encouraged increased scrutiny of trade policy and committed to synchronised updates for the Council and Parliament. He noted that the Chief Trade Enforcement Officer will be Deputy Director General in DG TRADE, the public face of an increasing focus on implementation and enforcement.

- **UK/Brexit:** Hogan mentioned that any future EU/UK trade deal would need to prioritise ‘a level playing field’ so British business cannot undercut European competitors on standards.

- **China:** Hogan said China and India’s and statuses as developing countries needs to be addressed. Hogan mentioned his desire to progress international procurement instruments to address the relationships.

- **Gender:** Hogan committed to ongoing gender-balance in civil society dialogues and panels in DG Trade and the further consideration of gender-impact in the preparation of policy initiatives.
General EU Affairs

Johannes Hahn, Commissioner for Budget and Administration: Austria
President of the European Commission 2019-2024
Ursula von der Leyen's mission letter to Hahn can be accessed here.

Mariya Gabriel, Commissioner for Innovation and Youth: Bulgaria
President of the European Commission 2019-2024
Ursula von der Leyen's mission letter to Gabriel can be accessed here.

Kadri Simson, Commissioner for Energy: Estonia
She is a former MEP and Minister for Economic Affairs and Infrastructure. Von der Leyen has not given Simson's portfolio Vice-Presidential priority but called on Simson to better enable the use of liquefied natural gas and look at ways to increase the use of the euro in energy markets.
President of the European Commission 2019-2024
Ursula von der Leyen's mission letter to Simson can be accessed here.

Thierry Breton, Commissioner for Internal Market: France
Following the rejection of Sylvie Goulard, Macron has nominated Atos CEO and former French Finance Minister Thierry Breton. Breton is a former French Finance Minister (2005-2007), former Professor at Harvard and former CEO of France Télécom (better known as Orange S.A.). Breton has been Atos CEO since 2009 (a technology services company). He backed Macron in 2017 in the Presidential election in France and is viewed as a pro-European conservative, which is expected to win favour with the EPP following their rejection of Goulard.
Breton will be heard in advance of the Commission's delayed 1 December start date.
The portfolio of the Commissioner for Internal Market will expand to include space and defence competences.
President of the European Commission 2019-2024
Ursula von der Leyen's mission letter to the Commissioner for Internal Market can be accessed here.

Paolo Gentiloni, Commissioner for Economy: Italy
Gentiloni is a former Prime Minister and Minister of Foreign Affairs in Italy, and his portfolio will operate in coordination with the other economic portfolios of the newly appointed Commission.
President of the European Commission 2019-2024
Ursula von der Leyen's mission letter to Gentiloni can be accessed here.

Virginijus Sinkevicius, Commissioner for Environment and Oceans: Lithuania
Lithuanian Minister for Economy and Innovation.
President of the European Commission 2019-2024
Ursula von der Leyen's mission letter to Sinkevicius can be accessed here.

Nicolas Schmit, Commissioner for Jobs: Luxembourg
He is a former MEP and Luxembourg Minister for Employment and Labour.
President of the European Commission 2019-2024
Ursula von der Leyen's mission letter to Schmit can be accessed here.

Janusz Wojciechowski, Commissioner for Agriculture: Poland
He is a former MEP in AGRI, Member of the European Court of Auditors.
President of the European Commission 2019-2024
Ursula von der Leyen's mission letter to Wojcichowski can be accessed here.

To be confirmed, Commissioner for Transport: Romania
The new nomination will be heard in advance of the Commission's formally delayed start date of 1 December.
President of the European Commission 2019-2024
Ursula von der Leyen's original mission letter to the Commissioner for Transport can be accessed here.
New Ibec President and hotelier Pat McCann leads development of Dalata across Britain and Ireland despite Brexit concerns

With 50 years of experience in the hotel industry, CEO of Dalata Hotel Group plc Pat McCann brings a tale of success to his new appointment as President of Ibec. Founded on the brink of recession in 2007, Dalata Hotel Group plc, now boasts Ireland’s largest such group by room count at over 9,000 and a further 2,500 in the works. Such is the scale of Dalata’s success story it can now claim to be ‘the fastest growing hotel operator across the UK and Ireland’.

McCann’s seasoned résumé began in 1969 with the Ryan Hotel Group plc where he would stay for 20 years before heading up Jury’s flagship hotel as general manager in 1989. After a rise from operations director, to board member and eventually CEO with Jury’s, a time in which he oversaw the integration of the Doyle Group, McCann joined forces with Rory Quirke and Gavin Burke and steered co-creation Dalata through a speedy turnaround of fortune after the group purchased the 37 hotels in receivership it had provided management solution services to at the peak of Ireland’s economic downturn. Dalata became the established brand it is after McCann acquired a group of companies from Choice Hotels Ireland in 2008. Today, Dalata employs around 5000 employees with two major brands in the Maldron and the Clayton and 43 hotels with 9 more in development.

Among Dalata’s landmark moments was the purchase of the Burlington Hotel, now a Clayton, a 500-bed hotel operated under a 25-year lease agreement with German investor DekaBank.

Pat McCann, CEO of Dalata Hotel Group and new Ibec President.
The annual handover of the Ibec Presidency on 27 September saw Paraic Curtis of TE Medical pass on the baton to McCann. The President’s dinner, a 20-year strong tradition and the highlight of Ibec’s social calendar was a glamorous and well-attended occasion as ever this year. Outgoing President Curtis and President McCann, Ibec CEO Danny McCoy, members of the Ibec board and 800 of the country’s most senior industry leaders and politicians mingled at a black-tie gala which saw the presence of numerous high-profile figures including Minister for Public Expenditure and Reform Paschal Donohue and former Tánaiste Frances Fitzgerald.

In a speech to the guests of the Ibec President’s dinner in the RDS in September, Sligo-native McCann reminded his audience that the hospitality sector is often one of the most unsung, characterising it as an ‘afterthought’ in the approach of various Governments despite the ‘wonderful economic benefits’ it can bring to areas and regions where other industries may never go.

McCann, who joined the Ibec board in 2007, the same year he co-founded success story Dalata, has soldiered on in a demanding industry through many tough times and shared with the audience his concerns about the effect of a potential no-deal Brexit on the Irish food and drink sector and the prospect of a timely UK-EU trade deal, given the country voted to leave three years ago and has yet to ratify a Withdrawal Agreement.

In his speech McCann said ‘there is also no doubt that many of our newer industries will be less impacted as they are services businesses and do not have physical product to move’ and claimed that for him the ‘underlying wish is that this all gets solved sooner rather than later in a positive way’.

He reiterated Ibec’s support for the Irish Government’s dedication to protecting the peace process and maintaining the Good Friday Agreement throughout the Brexit process and remarked on the importance of ‘stability’ and ‘certainty’ to business in an All-Island economy.

For McCann’s part, Dalata’s exposure to the fallout of Brexit is lessened by their portfolio of primarily urban hotels, more dependent on the corporate market (40-45% of its business) than leisure stays.

Rounding out McCann’s enormously impressive career, he has also served as a non-executive director of the EBS Building Society, Greencore Group plc and Whitfield Private Hospital Waterford. He has served as National President of the Irish Hotels Federation, as a member of the National Tourism Council and a member of the Irish Tourism Review Group.
Interview: Our new Irish MEPs offer their thoughts on the Future of Europe

The Ibex Europe team met with Ireland’s newly-elected MEPs to provide an introduction to Irish business and our campaigns and to listen to their priorities.

The team met with Frances Fitzgerald, Maria Walsh, Clare Daly, Mick Wallace and the team of Grace O’Sullivan to introduce our Brussels-based operations and activities.

We look forward to a continuing constructive relationship with MEPs over the next five years of policy-making. We posed the following questions to our new MEPS and their responses are below.

1) The debate on the future direction of the EU is already well advanced. What concerns you most? What do you think Irish business can expect?

2) What are your priorities for the next five years? Imagine it is 2024 and you are finishing your term in the European Parliament, what is one priority above all others you would like to have accomplished?

3) What is the best piece of advice you can give to Irish business to help navigate EU policy and how important do you think business representation is in that process?

4) Finally, if you could already change one thing about the European Parliament, what would it be?
Interview

Frances Fitzgerald
National Party:
Fine Gael
European Parliament Group:
European People’s Party (EPP)

1) On the Future of Europe....

The European Union is at a pivotal moment in history. Brexit has tested the systems of the European Union and has brought many difficult questions to the surface; a recent wave of far-right Euroscepticism threatens the rule of law in many EU Member States; and global uncertainty along with trade tensions continue to weigh on the European economy.

However, our future is not bleak. There are opportunities, such as the green economy and taxonomy for sustainable finance, in these difficult times and it gives us the chance to envisage and create a very positive new future for Europe. As we look to a competitive and sustainable future, we can develop synergies between green and sustainable finance, and SMEs and industry, diversifying and enhancing the systems that we currently have in place. Nevertheless, the voice of Irish business must be heard throughout this diversification and change. Particularly at EU level, dialogue and bridge building between companies and the European Parliament and us as MEPs will be crucial.

Irish businesses can be confident in the fact that Ireland will remain a truly committed member of the EU, allowing them to continue to benefit from free-flowing trade with European partners and getting the best out of the EU’s trade relations with the rest of the world. However, Europe must also do more, by building a Europe that is a hub for technology and innovation, championing the best of education and attracting talent from across the world. Europe must get better at leading in this area, and this is something I will strive for during the coming years.

We must also acknowledge that taxation will become a growing issue of importance over the coming years. However, I can assure you that this will not be done without an Irish input and the voice of Irish business and the Irish government being taken into account.

2) On her priorities for the next five years....

For the next five years, I particularly want to work to preserve and fight for our European values of human rights, democracy and the rule of law. It is these values that are at the core of our European system, and that allow businesses to operate in a safe and certain climate. These values are what make Europe such an attractive place to do business and it will be up to society as a whole, from governments and institutions to multinationals and SMEs to work to preserve these values together.

Secondly, I want to work towards the transition to a sustainable economy. I would like to say that by 2024, I have helped to ensure that both Ireland and the EU have put our economy on a more sustainable footing. However, at the same time, I want to make sure that we have a just transition where workers and businesses are not left behind. Achieving long-term and sustainable infrastructure will contribute to making Dublin the city we all know it can be. We need to move forward on this agenda quickly and positively and take advantage of the opportunities it offers.

I also want to work towards achieving gender pay parity during this mandate. I am expecting a proposal from the European Commission in this regard in early 2020 and I want to work to make sure that this becomes a reality. Such pay parity is good for our economies, good for investment and good for
the Europe I strive to build. We need to unlock the potential of women in all sectors of society across our Union to chart a path to genuine gender equality.

3) On navigating the EU institutions....
As regards working with Irish businesses to navigate EU systems and policy, there are actually many excellent supports available. Enterprise Ireland for example has a multitude of information and experience in doing this work and are very happy to help any business. In addition, Ibec has also a great wealth of experience in this area. I would suggest that these be a first port of call for any business.

However, I do also recognise that for businesses, particularly SMEs, devoting the amount of time and resources necessary to such exploration and tracking can be difficult.

Finally, I certainly also always keep an open door and am happy to help any business that is looking for information to find it. Please do contact my office in such cases.

4) On what she would change about the European Parliament....
Initially, I would have to say that I am very impressed with how the European Parliament functions and the level of expertise that is here. In addition, the overall architecture and the committee system in particular is really very impactful and allows for a cooperative and collaborative way of working.

In general, in terms of change, I would say that more transparency and connection between the changes that people see at home and the work that we do on various initiatives in the European Parliament would be positive.

Maria Walsh
National Party: Fine Gael
European Parliament Group: European People’s Party (EPP)

1) On the Future of Europe....
Today we face challenges, both positive and negative, from the development of globalisation, the impact of new technologies in our society and how we are building towards future proofing job security, and of course the rise of populism is a concern. The EU has always stood for a strong and effective ‘multilateral’ global rulebook. I believe tools to protect and empower citizens through robust social policies and providing the necessary education and training support are key.

I also believe it is vital that we are constantly striving for a sustainable Europe. While our collective goal is 2030, our citizens are pushing us to deliver that goal sooner. This is exciting. Modern society has connected us in ways I don't believe we could ever have imagined when we joined the EU in 1973. We have an opportunity to develop, expand, and connect.

This mandate will bring debate and insight into how we work with the USA, with China, and with our neighbours the United Kingdom. How we negotiate and further develop our EU27 collectiveness will ultimate lead to stronger ties for our businesses.
2) On her priorities for the next five years....
It was an honour to be elected to represent the people of the Midlands North-West as their MEP, the youngest Irish MEP, in May of this year. During my campaign, one of my key areas that I talked strongly about was positive mental health. Mental health of our citizens crosses all borders, all town and village lines, all genders, all orientations and all creeds. It is integral we find solutions that support our communities at local, regional and State level. It’s imperative we encourage visibility for our communities as mental health affects more than one in six of our citizens across the EU. If we look at the costs of mental ill-health they equate to more than 4% of GDP, while employment rates are significantly lower among those with mental ill-health.

I share often sitting in the Mental Health Alliance Group and as a member of the Employment & Social Affairs Committee (EMPL) that we can have the best trade deals or the strongest currency, but at the very core of everything we do is our citizens in their communities, and without a strong policy and funding that is effective to our local and regional support units, we cannot strive for a strong EU. It is my goal to work with stakeholders, businesses who are reading this, across the Union on positive mental health. I want to work with our new European Commissioners and secure a European Year of Good Mental Health. Building policies that support positive mental health across all sectors is therefore essential for the wellbeing of millions of Europeans. No one should be left behind, citizens and businesses alike, when it comes to support our citizens.

3) On navigating the EU institutions....
EU policy can indeed be difficult and hard to manoeuvre. Often I hear of the continuous streams of ‘red tape’ which deters businesses from seeing the many positive impacts made here in the Parliament. There are lots of dedicated services to help Irish businesses. The Irish Permanent Representation in Brussels for example, works closely with the Parliament and the Council on legislation to ensure that Irish business interests are at the forefront of debate and policy change.

A strong example of this is Ibec, they are a great resource for Irish businesses, and they communicate our Irish business voice to key stakeholders at home and abroad covering a range of sectors. Utilize their skillset and guidance. Of course, it goes without saying, if any business in Ireland is having issues with any EU matter or legislation, I would ask them to contact their respective MEP, and work together on the matter at hand and find the best solution. We are here to support our communities whether it is a start-up, SME or large business.

4) On what she would change about the European Parliament....
The EU’s national governments unanimously decided in 1992 to lay down in the EU treaty where the EU institutions are officially seated. As a result the Parliament’s official seat and the venue for most of the plenary sessions officially became Strasbourg and in 1997 this arrangement was incorporated into the EU treaty. I would be in favour of the idea of a ‘Single Seat’ and cutting out the travel to Strasbourg once, sometimes even twice a month. A 2013 study by the European Parliament shows that €103 million could be saved per year should all European Parliament operations be transferred from Strasbourg to Brussels. I think the European Parliament should concentrate its work in one site. I know what problems this may cause with France and Luxembourg (the other country that hosts EU institutions). I don’t foresee this change happening in the near future, but I believe at some point, we should debate and discuss. I also would like to see more connection between the Parliament and the constituency. So much credible work takes place in Brussels.
1) On the Future of Europe....
I am particularly concerned by the ongoing discussions on the harmonisation of corporate taxation policies and the commitment by the incoming European Commission to introduce a digital services tax. Corporation tax is, and should remain, a matter of national sovereignty as is laid down in the EU Treaties. The EU should also not prematurely introduce such policies when there are similar discussions ongoing at the global level within the OECD. Pre-empting the outcome of the global negotiations would simply put the EU and EU businesses at a competitive disadvantage.

Unfortunately, for Irish businesses, I do not expect this matter to be resolved easily or quickly. The negotiations in the last term were arduous and contentious and are likely to be similar in the coming years. So, I would advise Irish businesses to follow these developments closely and remain engaged.

2) On his priorities for the next five years....
During this term in the Parliament, I want to bring the European Union closer to Irish citizens and businesses and show the relevance of what the EU does. To do so, I will be prioritising issues such as SME financing, by working to improve access to capital and also looking to reduce the burdens on SMEs and the obstacles they face when trying to scale up. I also hope to work on improving the retail financial services framework, for example, payment services, to enhance the consumer experience. Finally, a key priority of mine will be push for the establishment of an EU mortgage market.

At the end of this term in the European Parliament I want to have shown that I played my part in fighting for our values of decency and fairness in Europe and demonstrating the value of the EU to Irish citizens.

3) On navigating the EU institutions....
EU policy is quite different from my experience in Irish policymaking. There are many opportunities for stakeholder contribution and engagement. However, the EU policy framework is also very complex so the best piece of advice I can give to Irish businesses would be to invest in someone who knows how to navigate EU policy and can guide you through it. Additionally, I would urge businesses to use the opportunities for engagement effectively; do not just identify the problems, also bring pragmatic solutions and evidence to justify your reasoning.

4) On what he would change about the European Parliament....
If I could change one thing about the European Parliament, it would be to stop the upheaval of the whole Parliament moving to Strasbourg for the plenary sittings every month which is a disgraceful waste of money.
Grace O’ Sullivan

National Party: Green Party
European Parliament Group: Greens-European Free Alliance (Greens-EFA)

1) On the Future of Europe....
What concerns me most is always the people at the heart of every piece of legislation passed or every debate and every decision made at a European level. Of course, as a peace and environment activist and ecologist, I consider those people in the context of being part of a wider living environment. So, for me it is crucial, for all the obvious reasons we are all aware of now, that all decision-making must take climate change, the environment and biodiversity into account. In the context of what I’ve said, I think Irish business can expect that there will be more obligations and indeed entrepreneurial and innovative imperative to future-proof business, and transition towards more long-term sustainable business practices. Of course, this all has to happen against the backdrop of the uncertainty posed by Brexit, which makes it all the more challenging.

2) On her priorities for the next five years....
It’s difficult to single out one priority because realistically there are many. I’m a member of both the ENVI (Environment, Public Health and Food Safety) and PECH (Fisheries) committees. I’m also a member of delegations on Palestine and Mercosur as well as on a number of working groups. I see lots of opportunities for cross-over between the different areas of work I’m engaged in. Fundamentally my work has always been about trying to create change. So, within the many areas and specific projects I’m working on in the European Parliament, the overarching ambition is that the workings and supports of the European Parliament would have more meaning in the lives of the Irish electorate. I think the parliament can seem quite abstract. For example, there are funding opportunities we may not be fully accessing. I would like to address this so that people and business, particularly at a community level, can see benefits.

3) On navigating the EU institutions....
Navigating the EU structures can be daunting. I’m still trying to do it myself and get to grips with what can be an overwhelming amount of complex bureaucracy. I think it’s important to be advised by people representing your best interests in this regard. Of course, information is available online around employment rules, financial requirements, corporate social responsibility, how you might comply with EU customs obligations if you trade with the UK after the dreaded Brexit etc. Representation is a must of course and as the largest lobby group in the country, Ibec are there to act as a conduit and resource for Irish business in this regard.

4) On what she would change about the European Parliament....
If I could already change one thing in the European Parliament? Well it’s early days, but if I had the magic wand with which to do that, I might be cheeky and ask for two things. I might first ask that the parliament would be more accessible to citizens in general, but in the context of this piece, particularly to Irish business. I would like to see a streamlining of the bureaucracy and for more digestible information around what the EU can do for Irish business. Because I’m a very practical person I would also wave that wand and look for a healthier working environment in Parliament. Working in an enclosed, air-conditioned building doesn’t sit so well with me as a person who usually spends lots of time in the Irish air. I’m not being completely self-absorbed in saying that, because the wider thinking around that reference is that I think everyone benefits from healthier work environments. Looking after our physical and mental health are vital, and the work space that people operate in can play a huge part in this. Better work environment = healthier happier workers. Healthy happy people perform better, are more productive. Win, win.
Ciarán Cuffe
National Party: Green Party
European Parliament Group: Greens-EFA

1) On the Future of Europe....
Although we are all waiting to see the final makeup of the new Commission team, it’s clear that there are a couple of key issues that will top the political agenda in the coming years. The EU will have to deal with the ongoing fallout from Brexit and try to build as close as possible a relationship with the UK. The EU will also need to lead on the urgent need to address climate change. The Greens/EFA group in the European Parliament are keenly awaiting President-elect Ursula von der Leyen’s promised ‘Green New Deal’ to see whether words translate into action. It must set out a positive vision for the EU to deliver on climate neutrality, bringing citizens and businesses on board for the pressing economy-wide transition that we need to make. Such a transition is not only necessary, but will provide exciting opportunities for businesses. A Just Transition Fund for example, if implemented properly, would help us finance the transition away from fossil fuels while investing in retraining programmes for the EU workforce.

2) On his priorities for the next five years....
I hope that in five years’ time the EU will have responded seriously to the climate crisis we face. As a member of the Transport and Tourism Committee (TRAN), the Industry, Research and Energy Committee (ITRE), and a substitute on the Regional Development Committee, my focus will thus be on promoting sustainability in all three. I would love to see the European Commission deliver on a modal shift across the EU, investing in railways, cycling and other forms of sustainable transport and there is a desperate need for such investment in Ireland. Equally, it’s important that we improve road safety and workers’ rights in the transport sector and I am already working on legislative files to this end. In the ITRE committee, it is crucial that the next Multiannual Financial Framework is climate-proof - we cannot continue to invest in fossil fuels.

3) On navigating the EU institutions....
Business representation is very valuable for policymakers because it keeps us informed of the issues that affect their industries. Without input from businesses, there would be a lack of legitimacy in decisions made by EU policymakers. However, it is equally important to avoid a capture of the policymaking process by businesses alone – the public interest must always be served. The best advice I would offer to Irish businesses is to engage with your respective European interest group organisation to ensure there is a link between your sector and the EU level.

4) On what he would change about the European Parliament....
Given the history of war on this continent, I recognise that having the European Parliament’s second seat in Strasbourg on the Franco-German border served as an important symbol for peace and reconciliation. Today however, moving so many people back and forth between Strasbourg and Brussels is problematic because of the associated costs and carbon emissions - I believe we could make better use of European taxpayers’ money.
Clare Daly
National Party: Independents4Change
European Parliament Group: European United Left-Nordic Green Left (GUE-NGL)

1) On the Future of Europe....
The debate on the ‘Future of Europe’ is not whether we should be in or out, but rather what type of Europe are we building. In my opinion unless the European Union abandons its adherence to neo-liberalism then we will have more Brexits, a further rise of the far-right and more alienation from many of the millions of European citizens who are currently alienated from its institutions.

2) On her priorities for the next five years....
It is too early to identify priorities at this stage and too presumptuous to know what things will be like at the end of five years. However, I am a member of LIBE (equivalent of the Irish Justice Committee) and the Transport and Tourism Committee (TRAN). On TRAN I tend to specialize on aviation and shipping, which are obviously critical to Ireland as an island economy, and in the areas of justice data protection is one which Irish businesses are going to have to continue to address and deal with.

3) On navigating the EU institutions....
If Irish business had advice to help me navigate the EU, I could use that... but in all seriousness it is a hard set of institutions to navigate, but I would say that there is a very strong Irish presence through the various government departments and organizations here in Brussels, along with the MEPs offices, and the European Parliament office in Dublin, and I would encourage anybody who has any questions about the EU business or not to access those facilities.

4) On what she would change about the European Parliament....
There will be loads of things I want to change, but at the moment get rid of Strasbourg. 6,000 people traveling once a month at a cost of over 10 million, not to mention the carbon footprint is an absolute scandal. We could save money and the planet by paying the citizens of Strasbourg an annual amount of money, or by relocating some of the other European institutions in that location. It is a luxury that cannot be afforded and must change.
Poland

Poland’s Law and Justice maintain their hold on power

The 2019 Polish parliamentary elections were held on 13 October, electing 460 members of the Sejm (the lower house) and 100 senators. The ruling right-wing populist party, Law and Justice or Prawo i Sprawiedliwość (PiS) increased their vote share by 6%, from 37.6 to 43.6 and regained its majority in the Sejm. Turnout is estimated at 61.74%, the highest since Poland reformed following 1989.

PiS is a socially conservative party with many left-wing economic policies, often perceived as Eurosceptic, which has been in power since 2015 when they won an outright majority. They have been criticised by the EU over their term for interfering with the rule of law, particularly on the subject of judicial independence. Questions have also been raised since they came to power about the impartiality of state television, radio and the top jobs of state-controlled companies. PiS is led by Senator Jarosław Kaczyński (whose late brother Lech was President) and Prime Minister Mateusz Morawiecki, who previously served as Deputy Prime Minister and Finance Minister under Beata Szydło.

Civic Coalition, the party of outgoing European Council President, Donald Tusk and in government until 2015 (now led by Grzegorz Schetyna), took 27.4% of the vote after politically aligning themselves with smaller political groups in opposition to PiS. Following this strategic collaboration by the main opposition parties, PiS lost its majority in the upper house, Senate.

In the build up to the election, PiS embraced a number of left-wing economic ideas such as state intervention and increased welfare payments. The party introduced measures such as a one-off bonus payment to pensioners, the abolition of income tax for workers aged 26 or under, and a significant pledged increase in the monthly minimum wage by the end of 2023. It is estimated that these policies will cost between 30-40 Billion zloty (€6.9-€9.3 Billion) per year. GDP in the country rose by 5.1% last year which is faster than any EU country except for Ireland and Malta.

As for the future, the approach of PiS to EU affairs of late has been more progressive including backing the nomination of Ursula von der Leyen to the position of Commission President and nominating Janusz Wojciechowski as the new Agriculture Commissioner, replacing Ireland’s Phil Hogan.
Member States roundup

Austria

Austria's OVP pondering partners after election victory

On Sunday 29 September, Austrian citizens took to the polls to elect 183 members of the country’s twenty-seventh National Council by open list proportional representation at the level of one federal constituency consisting all of Austria making up 9 state constituencies and 39 regional constituencies.

The current Austrian Government was formed in June 2016 as a response to the termination of the Austrian People’s Party (OVP)- Freedom Party (FPO) right-wing coalition government, headed up by then Chancellor Sebastian Kurz (OVP). The coalition collapsed following the resignation of Vice Chancellor Heinz-Christian Strache due to allegations of corruption and a subsequent vote of no-confidence followed suit. The vote of no-confidence in the coalition government was the first sustained vote of no-confidence in an Austrian Government. As a result, a snap September election was called.

The election resulted in the OVP (a part of the European People’s Party (EPP) grouping in the European Parliament) earning 37.5% of the vote (71 seats), an increase of around 5% compared with the previous 2017 election. Austria’s Socialist Party (SPO) won 21.2% (40 seats), FPO gained 16.2% (31 seats), the Greens won 13.9% (26) and NEOS (The New Austria Liberal Forum) garnering 8.1% (5 seats) of the voting share.

Under the previous government, in December 2017, the OVP-FPO announced several policy proposals on issues such as, immigration, foreign policy and taxation. The former coalition government made declarations to commit to the European project by ruling out a referendum on EU membership, to halt illegal immigration and reduce monthly asylum protection payments from €365 to €155. They also promised to significantly cut state expenditure, loosen labour laws, reduce income tax from 43% to 40% and give families a tax bonus of €1,500 per child.

On October 7, the President of Austria, Alexander Van der Bellen nominated former Chancellor Kurz to form a new government at a ceremony at the Hofburg Palace in Vienna. Kurz has recently been meeting with potential coalition partners such as leaders of Austria’s Socialist Party (SPO), the Greens and even with the FPO. Time will tell whether the OVP will once again form a government with the FPO or seek new partners.
Italy

Reformed Italian Government motors on

A new government of Italy under Prime Minister Giuseppe Conte took office in September following the departure of Matteo Salvini’s Northern League (Lega Nord) from its coalition with the Five Star Movement (M5S) which had been in power from March 2018 until August 2019.

Italy's new coalition between the centre-left Democratic Party (PD) and the Five Star Movement were sworn into office at the beginning of September. After two weeks of negotiations, on 4 September, Giuseppe Conte announced his team of ministers. The list includes Roberto Gualtieri, MEP for PD, as economy minister. M5S leader, Luigi Di Maio, was announced as foreign minister. Luciana Lamorgese, a veteran of the interior ministry, in charge of planning refugee and migrant reception centres in northern Italy, has succeeded Salvini as interior minister.

In early September, the newly formed government published a 26-point programme setting out their plan of action. The programme called for a new minimum wage, an increase in spending on education,
research and welfare and decided to avoid a planned VAT sales increase. The programme also called for a web tax on multinationals and the creation of a public bank to help improve development in the country's southern region. The coalition also called on the EU to reform its budget rules to focus more on economic growth.

On 27 October, the election for the region of Umbria took place. Umbria includes the areas of Perugia, Assisi and Bologna. The vote took place to elect all 20 members of the Legislative Assembly, as well as for the President of the Region. Donatella Tesei, backed by the centre-right coalition composed of Salvini’s Northern League, far-right Brothers of Italy and Berlusconi’s Forza Italia, was elected President of Umbria winning 57.6% of the vote. Lega Nord and the PD won the most seats accounting for 8 and 5 seats respectively. Matteo Salvini has claimed the election result as a win and stated to reporters: “We are writing history here tonight”.

Spain

Spain steps closer to coalition

On 10 November, Spain went to the polls in what was the country’s fourth general election in four years and its second in 2019. All 350 seats in the Congress of Deputies were up for election, as well as 208 of 265 seats in the Senate.

Pedro Sanchez, leader of the Spanish Socialist Workers Party (PSOE) became the country’s Prime Minister in 2018 after a no-confidence vote against Mariano Rajoy, from the People’s Party (PP), who ruled since 2011. In September, PSOE endorsed policies to clamp down on excessive rent rises, introduce low-emission zones in towns and cities, and expand free public nursery education in order to win over the anti-austerity Unidas Podemos party (UP) but to no avail.

The election took place amid demonstrations in Catalonia over the Supreme Court’s sentencing of the leaders of a failed 2017 independence bid.

PSOE captured 120 of the 350 seats available (down 3 seats from the April general election) in the election but have again fallen short of an absolute majority. The conservative Popular Party (PP) came in second with 88 seats (up 22 seats) and far-right Vox more than doubled its seats to 52 seats (up 28 seats) to become the country’s third most-powerful party. UP also won 35 seats (down 7 seats). In a big surprise, Spain’s liberal Ciudadanos Party was reduced from 57 to 10 seats, losing 2.5 million votes nationwide.

On 12 November, PSOE and UP announced that they had reached a coalition agreement in a bid to form the country’s next government, although the alliance is still 21 seats short from the required majority of 176 seats. PSOE and UP must now negotiate with other political parties to break the current impasse.
WTO update

WTO Public Forum

Ibec attended the WTO Public Forum which took place in Geneva from 8–11 October. The theme of the Forum was ‘Trading Forward: Adapting to a Changing World’ with a particular focus on trading services and strengthening the WTO system. Ibec participated in various business coalition meetings including with WTO Director-General Roberto Azevêdo and a number of Ambassadors to the WTO including EU Ambassador, João Aguiar Machado, US Ambassador, Dennis Shea and Australian Ambassador, Frances Lisson. At these meetings business expressed support for the global multilateral trading system which is currently facing a number of challenges including the outstanding US block on nominations to the Appellate Body. Business also asked for continued momentum behind discussions on the joint statement initiatives including e-commerce.

Pat Ivory, Ibec Director of EU and International Affairs, chairing a panel on manufacturing and services at the WTO Public Forum

E-commerce joint statement initiative

The fifth and sixth round of e-commerce negotiations at the WTO were held in September and October with further rounds scheduled for November and December. The plurilateral negotiations, involving 80 WTO members, are chaired by Australian Ambassador Francis Lisson and are text based. In the most recent rounds, negotiators discussed for the first time the difficult topics of transfer of personal data and data privacy. Cybersecurity, telecommunications services and customs facilitations have also been discussed. The aim of the negotiations is to create a common set of globally applicable rules on cross-border trade via the internet. There are increasingly divergent standards and regulations making it difficult for businesses and individuals to reap the benefits of an open market to sell or purchase goods and services. There is a general consensus among most participating countries on some of the basic principles such as: recognition of e-contracts and e-signatures, as well as basic rules to secure consumer trust, such as dealing with spam. In the interests of transparency, the EU has published its text proposals. Negotiators aim to have a stock taking at Ambassador level in December and to record substantial progress by MC12 (the WTO’s twelfth ministerial conference), which takes place in Nur El Sultan (Kazakhstan) in June 2020.

Ibec calls on negotiators to remain ambitious for this potential agreement which should ultimately facilitate cross border data flows, prohibit localisation requirements and enable trade in services.

ECIPE paper shows the benefit of the customs moratorium on electronic transmissions

The WTO moratorium on customs duties on electronic transmissions is due to expire in December 2019. Some WTO members have said they will not support renewing the moratorium. It is therefore unclear if the moratorium will be renewed in December. Research carried out by ECIPE (European Centre for International Political Economy) highlights that if countries ignored the moratorium and levied import duties on digital goods and services, they would suffer negative economic consequences which would in turn slow GDP growth and shrink tax revenues. Ibec supports the moratorium and is concerned that business will face additional costs and barriers to market if individual governments move to introduce divergent customs duties on electronic transmissions.

The ECIPE paper can be accessed here.
Global Trade & International Affairs

Business calls for strong OECD thought leadership in “Getting Trade Back on Track”

On 23 October, Business at OECD released its flagship publication *Getting Trade Back on Track: Business priorities for future OECD work on trade*. The business priorities were discussed with Ken Ash, Director and Julia Neilson, Deputy Director of the OECD Trade and Agriculture Directorate during a meeting co-chaired by Pat Ivory, Ibec and Rob Mulligan, US Council of International Business. It was agreed that business and OECD trade leadership would work closely together on areas of shared interest including industrial policy and state support, digital and services trade, and trade and the environment.

Ibec’s Pat Ivory also represented business at the OECD Global Forum on Trade on 23 October emphasising the need for OECD members, including the EU and the USA, to work together to address trade distorting policies, reduce trade tensions and resolve international disputes.

The Business at the OECD publication outlines agreed business views on trade policy issues and how the OECD can support international organisations such as the WTO. Business calls on the OECD to provide evidence-based policy support on several different areas and the economic implications of trade policy choices and uncertainties. The paper can be read in full [here](https://example.com).

*Pat Ivory, Vice-Chair of Business at the OECD and Director of EU & International Affairs speaking at the OECD forum on global trade*
EU-US trade relations: WTO award and tariffs

On 17 October, Ibec held a roundtable for members with Dan Mullaney, Assistant US Trade Representative. The significant investment by Irish companies in the US was showcased and a discussion on Irish-US investment relations was had. Members expressed their concern at the US announcement to introduce tariffs on EU products as a result of the WTO award in the Airbus case. This will have an extremely negative impact on Irish business. Broader global trade issues were also discussed including WTO reform and the ecommerce negotiations.

The roundtable was scheduled in the wake of the WTO award regarding US countermeasures in the WTO Airbus dispute against the EU for illegal subsidies to Airbus. The decision, which is final and cannot be appealed, found that the subsidies had adverse effects on the US aerospace industry to the value of $7.5 billion. As a result, the US is now entitled to introduce counter measures to the value of $7.5 billion annually on EU products imported to the US.

The tariffs came into force on 18 October with a 10% tariff on EU aircraft and a 25% tariff on agricultural and industrial goods. The EU did not announce any immediate retaliatory measures. However, a ruling is expected in spring/summer 2020 on US aid to Boeing and the EU has already published a preliminary list of US products that it will levy a tariff on once that WTO award is published.

Ibec analysis shows that the value of the announced US counter measures is $1.5 billion or one fifth of the value of the counter measures that the US is permitted to impose. This means that the US has scope to take further action. For example, the tariff rate on the current list could be further increased; or additional products or member states could be added to the current list to bring the value to $7.5 billion.

Ibec analysis also shows that as it stands, $467 million of Irish goods will now attract a 25% tariff. This divides equally between dairy and cream liqueur products. On a per capita basis, the total tariffs on Irish goods, at $23.84, is the highest in the EU. It is eight times the EU average and five times higher than the tariff levels per-capita placed on the named countries in the Airbus case. Some other products hit across the EU in specific member states include coffee, frozen meat, olives, and wine.

On a recent visit to Washington, Ibec set out the risks to Irish business in meetings with US stakeholders. Ibec also raised the issue with stakeholders in Geneva including the US Ambassador to the WTO, Dennis Shea, and WTO Director General Roberto Azevêdo. Business links between Ireland, the EU and the US are vitally important to global supply chains and have been overwhelmingly positive for workers and consumers. There is an urgent need for the European Commission and US administration to negotiate a speedy resolution to this dispute. Any new tariff barriers will have significant economic and employment implications on both sides of the Atlantic.

Ibec has recently done a lot of work to show case the Irish-US business relationship. You can read more here.

BioPharmaChem Ireland (BPCI) represents the Biopharma and chemical manufacturing sector in Ireland. Our vision is for Ireland to be the globally recognised centre of excellence for innovation and development in biopharmaceutical, pharmaceutical and chemical manufacture and supply; and the location of choice for the launch of new products.

The Biopharmaceutical industry is in Ireland for many reasons including talent, track record, regulatory stability, research and training collaboration, tax and the sub-supply capability, to name but a few. The sector has an extraordinary compliance and regulatory track record in addition to manufacturing excellence in both drug substance and drug production – covering small molecules and biotechnology. It is very strong in terms of value, exports (50% of total exports from Ireland) and innovation and there is a very buoyant investment flow (demonstrated by recent major investments in Takeda Grangecastle, BMS Cruiserath, WuXi Dundalk, Alexion Blanchardstown and MSD in Carlow and Swords) copper-fastening Ireland’s position as the location of choice for biopharmaceutical manufacturing.

Minister for Business, Enterprise & Innovation Heather Humphreys launched our strategy document in Dublin on 29 May. A US launch followed at Boston Biotech week on 10 September and we concluded with a launch by European Commissioner for Trade-elect Phil Hogan in Brussels on 24 September; the multiple launches reflecting the global nature of our sector. The BPCI strategy addresses five strategic themes namely, Industrial Policy, Talent, Innovation, Infrastructure and Clusters. Ireland has a competitive rate of corporation tax, R&D tax credits and supports. We need to remain competitive in the new OECD BEPS II reality. Competition for Biopharma FDI is ramping up globally with several EU and ROW countries investing in “Nibrt-like” models.
The sector employs 30,000 people, 60% of whom hold a third level qualification. Over 25% of all PhD graduates employed in Irish industry work in our sector. Biologics manufacturing will require many additional employees over the next five years therefore the government needs to prioritise the future attraction of talent to the sector both domestically and globally. The advent of advanced therapy medicinal products (ATMP) presents an opportunity for Ireland. We urge the government to invest in infrastructure to support ATMP and Ireland’s capability in this key area for the future. BPCI has identified three areas, which will position Ireland for the next wave of biopharma investment – investment in ATMPs, allocation of funding for “Regulatory Science Ireland” and support and development of “Clinical Research Development Ireland”. Ireland needs to replicate the vision and foresight that resulted in the creation of Nibrt and similarly position the country for the next wave of investment and innovation.

Ireland is already a globally recognised biopharmaceutical manufacturing centre of excellence, and with the correct supports from government would be ideally positioned for the next wave of global biopharmaceutical innovation and investment.

Key numbers for the sector:

- Biopharma exports from Ireland in 2018 totalled in excess of €73bn
- The sector has invested €10bn in Irish facilities since 2009
- 75+ biopharmaceutical companies in Ireland
- €1.8bn invested in manufacturing process development R&D in 2017
- The Global Top 10 Biopharmaceutical companies all have a manufacturing presence in Ireland
- 30,000 people are directly employed with the same number indirectly employed
William Lavelle, Head of Irish Whiskey, Drinks Ireland, presents an overview of activities in this quarter

**Irish whiskey secures legal protection in major global whiskey markets**

Over the course of 2019, Drinks Ireland/Irish Whiskey Association have successfully applied for and secured legal protection for Irish Whiskey in Australia, India and South Africa, with more registrations expected to follow.

In Australia and South Africa, Irish whiskey was granted a certification mark while in India it received Geographic Indication (GI) protection, similar to the protection afforded by the European Union.

These various protections mean that only Irish whiskey distilled and matured on the island of Ireland can be labelled and sold in these markets as Irish whiskey. It also provides Drinks Ireland | Irish Whiskey Association with the legal recourse to take action against fake Irish whiskey identified in the market.

Last year South Africa was the fifth largest market internationally for Irish whiskey with Australia ranked 10th. India on the other hand is a small market for Irish whiskey but the largest market in the world for all whiskey. Last year sales in all three markets increased and it is hoped the protection will help spur further growth as producers have the confidence to invest in increased sales and marketing, knowing that there is legal remedy to crack down on fake competitors. Consumers can also be assured that the Irish whiskey they are buying is authentic Irish whiskey.

Irish whiskey sold over 126 million bottles globally in 2018. Drinks Ireland/Irish Whiskey Association is the all-island representative body for the Irish whiskey industry and is a category association of Ibec. Protecting the good name and high standards of Irish whiskey globally is the top priority of the association.

Jonathan McDade, Head of Beer, Drinks Ireland at the signing of the Memorandum of Understanding between the Brewers of Europe and the European Commission on the brewing industry’s commitment on consumer information.

In September, Drinks Ireland/Irish Whiskey Association hosted a visit by Pennsylvania Liquor Control Board to Irish whiskey distilleries around the country. Pennsylvania operates the largest state-mandated monopoly on alcohol sales in the US. The delegation is pictured here visiting Kilbeggan Distillery with John Cashman, Chairman of the Drinks Ireland | Irish Whiskey Association’s Trade & Promotion Committee.
Ibec Europe events/activities

BusinessEurope delegation visit to USA

A BusinessEurope delegation including Ibec Director of EU & International Affairs, Pat Ivory visited Washington DC in September to meet with US Commerce Secretary Wilbur Ross, Deputy Trade Representative Jeffrey Gerrish, Congress and business counterparts. The delegation was led by BusinessEurope President Pierre Gattaz and Director General Markus Beyrer with Pat Ivory participating as Chair of the organisation’s US network along with Luisa Santos and Eleonora Catella of BusinessEurope. At the heart of discussions over meetings were EU-USA bilateral trade negotiations including the Airbus-Boeing dispute, China, the reform of the World Trade Organisation (WTO), sanctions and the threat of duties on cars.

BusinessEurope President Pierre Gattaz stated, “The EU and the USA should be working together, not against each other. We share common challenges and our companies have a long history of cooperation that is key for our two economies. Trade tensions are creating uncertainty and leading to decreasing investment and economic slowdown. We need to make sure that multilateral rules are respected and we have an effective way of settling disputes”.

OECD Outreach

On the 18th of September Ibec hosted a joint roundtable on international tax reform with Business at the OECD (BIAC). The event, held in Dublin, focused on the importance of the ongoing OECD/G20 BEPS process for business and small open economies. Attendees included senior business people from Ireland and a number of OECD countries. The current round of OECD/G20 BEPS proposals, if implemented, would represent the most fundamental change in global corporate tax policy in a century. The recent consultation paper from the OECD concerning BEPS Pillar 1 shows the significant political momentum behind global multilateral tax reform through the BEPS process. We also await the November publication of further detail on the proposed global minimum effective corporate tax rate which holds significant risks for the Irish business model.
Ibec will be actively inputting on both fronts as Ireland’s only business representative at Business at the OECD (BIAC).

**Ibec Europe team welcomes Irish stakeholders to Brussels**

On 23 October, the Ibec Europe team invited newly posted attachés from the Irish Permanent Representation to the EU and the Irish Embassy Belgium as well as Irish Seconded National Experts from the European Commission to a welcome lunch in Brussels.

The team presented the attachés with an introduction to Ibec, our campaigns and our priorities for the next five years of EU policy-making.

**SAVE THE DATE for Ibec Europe’s December launch of our institutional priorities 2019-2024**

On 10 December, Ibec Europe will host our annual festive event in Brussels. In tribute to the start of a new EU institutional cycle, we will launch our priorities in what is a brand new space for our events, converted convent and concert space Le Bouche à Oreille on 11 Rue Félix Hap, 1040 Etterbeek.

**EU Affairs & Trade Policy Committee**

Members of our EU Affairs & Trade Policy Committee met in Brussels and Dublin on Thursday, 14 November from 0930-1200 Ibec HQ/1030-1300 Ibec Europe.

Our Chairperson, Edel Creely, joined members in Brussels and Dublin via video from Ibec Europe.

Ireland’s Deputy Permanent Representative to the EU Maeve Collins was guest speaker.

**Ibec & German-Irish Chamber of Industry and Commerce**

On Friday 1 November Ibec hosted a meeting with the German-Irish Chamber of Industry and Commerce. Dr Volker Treier, Head of Foreign Trade at the Association of German Chambers of Industry and Commerce (DIHK) and Danny McCoy Ibec CEO addressed the group. The group held a discussion on German-Irish trade and the consequences of Brexit in Germany, Ireland and the EU.