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EU proposal on investment vetting is an important step towards level playing field in Europe and better protection in case of corporate acquisitions

In his State of the Union Speech in Brussels today, European Commission President Jean-Claude Juncker presented proposals for an investment screening framework.

In mid-February, Germany, France and Italy put forward proposals in order to start a European debate aimed at establishing a legal basis in European law which gives Member States the possibility to intervene in individual cases of foreign direct investment on strategic assets, in particular if carried out by state-controlled or state-financed enterprises. Germany, France and Italy firmly welcome the Commission's proposals as an important step towards a level playing field in Europe.

Economic Affairs Minister Brigitte Zypries said: "We greatly welcome the proposals made by Commission President Juncker. Europe and of course Germany are and will remain open to investment from abroad. We are highly interested in foreign investment when it takes place under market conditions. But we need to prevent other states from taking advantage of our openness in order to push through their industrial policy interests. The proposals ensure fair competition in the EU and also offer better protection against company acquisitions that do not comply with market rules. In future, the Member States will have clear powers to intervene in the case of state-controlled direct investment in European companies."

French Minister for the Economy and Finance M. Le Maire said "Foreign investments are essential for economic growth and extremely welcome in France today and in the future. But we need trade rules that are fair. And that's not the case today. The EU must be ready to stand up for its interests and protect itself - in particular when competition is not fair and we are dealing with important national strategic interests. That's why today's proposal presented by President Juncker is so important and why we welcome it. It is an important first step towards fairer competition and a level playing field at a global level. It needs to be complemented by further work to ensure reciprocity in public procurement and more widely in all our trade relationships. "

Italian Minister of Economic Development Carlo Calenda said "The proposal presented by President Juncker is an important milestone in the EU commercial policy. We are by far the largest destination of Foreign Direct Investments, we are proud of it and we want to consolidate this leadership. In the meantime we realize that more and more strategic European assets could be achieved by third countries through unfair means, especially in terms of financial resources. We have to ensure a level playing field for our industry to compete at global level. We count on EU to swiftly agree on the proposed system of rules that will enable Member States to effectively counter unfair practices in foreign investments. Today we are giving an important answer to a sensitive issue that EU should tackle in the interest of European enterprises and citizens.