**White Paper Foreign Subsidies**

As detailed in the consultation, Belgium welcomes the idea of tackling the topic of foreign subsidies as it would contribute to the well-functioning of the single market and enhance fair competition.

The white paper on levelling the playing field as regards foreign subsidies is a good start for discussion. In addition to the answers given to questions to the public consultation, Belgium wishes to stress the following points of attention.

Firstly, Belgium notes that the white paper tends to overlook the broader picture of international trade. The EU is part of a fast-paced global trade environment that requires efficient EU measures that do not lead to protectionism nor reduce the attractiveness of European companies for foreign investors. Besides, there are various pre-existing international agreements (i.a. WTO, OECD or ICN instruments) that should be fully considered in the new European approach to secure cohesion and prevent conflicting obligations.

Secondly, a new legislation on foreign subsidies should fit into, and complement, existing European policies and instruments. It could indeed greatly impact a broad range of policies such as the single market, competition, state aid or trade. While the white paper addresses other legislations, the analysis is too brief and does not sufficiently address the system as a whole. It is of utmost importance to avoid overlap with existing tools but also potential parallel and potentially conflicting procedures. To this end, the current reflection on the modernisation of the rules on State Aid is of particular importance. Beyond specific instruments, broader EU policies such as the green deal and industrial strategy must be considered.

Thirdly, practical consequences of new measures must be taken into account. Creating new procedures and modules will have consequences on a broad range of stakeholders ranging from national authorities and contractors to big companies but also SMEs and smaller entities. Additional administrative burdens and costs must be carefully thought of.

Given the essential role of SME’s in the European economy, a balance need to be struck between the protection against acquisitions within this context of subsidies, and the continuation of foreign investments in this same group of companies.

Finally, a new instrument should be more precise. The definition of concepts such as “foreign subsidies”, “companies” or “EU interest” should be carefully drafted to address the issues at stake while also considering member states peculiarities and economic framework.

Regarding the legal basis, Belgian authorities indicate that beside the international dimension and the impact on free movement, the internal market should also be considered.

To conclude, Belgium supports the idea of tackling foreign subsidies but stresses that it would require advanced discussions to fit within the existing framework while protecting all parties involved and considering the additional administrative burden.