

2020 Export Control Forum

The European Parliament's expectations for more effective controls on cybersurveillance technologies (Markéta Gregorová, INTA Rapporteur, European Parliament)

I would like to thank you for the invitation, it is a great pleasure to be here. This is my First Export Control conference in my capacity as the European Parliament's Rapporteur for dual use export controls. And as you all know, this year we come bearing gifts in the form of political agreement on a recast.

From the start of the negotiations, much before my mandate, the European Parliament aimed for a functioning and effective export control regime for cyber surveillance items. For the European Parliament this meant an EU-autonomous list for emerging technologies and advanced cyber-surveillance. It meant a mechanism to quickly list these technologies and make their licencing requirements uniform in the European Union. We wanted harmonisation and better enforcement. We especially wanted meaningful transparency to name and shame companies which exported to authoritarian regimes.

From the start we aimed at closing loopholes and creating precise definitions and obligations, in order for companies that develop this cyber-surveillance to not be able to so easily circumvent the current regulation. I am sure that, depending on who you ask, there will be very varying assessments of how much this reform fulfils our criteria. I am looking forward to all the different stakeholders' assessments today. I believe it's a promising start with all its flaws, which I am not shy to point out. It shows that the European Union is on the right track and that human rights are becoming as important as they should be.

My political ambitions for European export controls are not nearly fulfilled with the recast. For the fourteenth year in a row Democracies and Freedoms are on the decline. Digital authoritarianism is booming around the globe and we supply the technology. Leaked documents, investigative reports and countless witness account now prove that China is actively committing mass torture and genocide on millions of Uighurs. European companies sell their surveillance ware to China as

if they are trading with New Zealand. When exposed and questioned, they deny knowing anything and do not fear any consequences.

National Security and Geopolitics is increasingly taking a central stage in the realm of export controls. In a changing world with Superpower politics and technological arms races between the US and China, being neutral does not work. Status quo doesn't work. Acting as a single European country doesn't work anymore. The very rationale of the European Union, that if we act together, we are stronger than our combined individual actions could ever be, is true for export controls as it is true for so many other policy fields. We have not yet achieved a level of harmonised export controls in the European Union, that is ultimately required to compete in the long run, but we have made strides towards it.

Our transatlantic partners are showing that they are willing to apply extraterritorial controls, dollar sanctions and sanctions on European entities with a singular reasoning: National Security. The United States is concerned with its rising global competitor and other middle powers and from keeping the newest emerging technologies away from them. With the US moving away from free trade policies to protecting their foundational and emerging technologies, the EU must react either way. The reformed Dual Use Regulation offers the possibility to adapt.

How do we align our export controls and our foreign policy with our allies on the one hand and safeguard our European companies' global competitiveness on the other hand? How do we protect European companies against US and Chinese global giants?

Becoming a rule maker is the only conceivable solution to encounter these power shifts. I see the reform proposal in exactly this logic of being able to control and set European export rules based on our values and interests. I briefly highlight the most important new tools.

We created new listing mechanisms that allow us to go beyond Wassenaar, with its limits in scope and speed of adoption that is hopelessly behind the current technological frontier. Ultimately, we must find a solution with our trading partners and expand controls to all democracies and governments that respect the rule of law and fundamental rights. The European Union alone cannot

stop the proliferation of cyber-surveillance, weapons of mass destruction or new dangerous emerging technologies. Increased global cooperation - as is already underway with our partners - will define the next decade.

In the reform we created a definition of cyber-surveillance items and a mechanism to control non-listed cyber surveillance items. I am sceptical if it is sufficient, clear and wide enough in scope to capture the newest and most dangerous items, but it is a promising start to build on and only time and implementation will tell its usefulness.

A journalist asked me if the export of facial recognition to regimes such as China will now finally require an export licence in the European Union. A very straightforward question, which I couldn't answer her equally straightforward. We didn't find the political will to create a list of items, on which the critical, non-commercially widely available components of modern biometric surveillance would already be listed. All eyes are on Member States to move.

We also added due diligence requirements for companies when exporting cyber-surveillance. The guidelines for businesses on this remain to be written in the following months. The real work is only beginning.

We have also drastically improved the reporting and transparency situation in the European Union. With an annual report that I, for one, can't wait to read this time. And the civil society is eagerly expecting to know the full volume of European cyber-surveillance exports.

To all business representatives here, I want to say that we have listened to businesses and narrowed down the scope of new controlled items to a percentile of all exports. Cyber-surveillance is not the big job creator in Europe and its costs and damages far outweigh its economic benefits. Although bureaucratic changes will have to occur, ultimately the new harmonised reporting, implementation and enforcement measures will improve competitiveness inside the single market.

The more time passes without policy reforms, the more our European national security is undermined, the more journalists are imprisoned, the more China and the US determine how our export control will have to look like and the more authoritarian regimes are allowed to torture their

population. Let's not be willing to pay that price. This is bigger than our present. It is the future, and that is not solely ours.

Thank you.