



# ***State of the Union 2025***



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# *Address*







## President Metsola, Honourable Members,

**Europe is in a fight.** A fight for a continent that is whole and at peace. For a free and independent Europe. A fight for our values and our democracies. A fight for our liberty and our ability to determine our destiny for ourselves. Make no mistake – this is a fight for our future.

I thought long and hard about whether to start this State of the Union address with such a stark appraisal. After all, we Europeans are not used to – or comfortable with – talking in such terms. Because our Union is fundamentally a peace project. But the truth is that the world of today is unforgiving. And we cannot varnish over the difficulties that Europeans feel every day. They can feel the ground shift beneath them. They can feel things getting harder just as they are working harder. They can feel the impact of the global crisis. Of the higher cost of living. They feel the speed of change affecting their lives and careers. And they worry about the endless spiral of events they see on the news – from the devastating scenes in Gaza to the relentless Russian barrage on Ukraine.

We simply cannot wait for this storm to pass. This summer showed us that there is simply no room or time for nostalgia. Battlelines for a new world order based on power are being drawn right now. So, yes, Europe must fight. For its place in a world in which many major powers are either ambivalent or openly hostile to Europe. A world of imperial ambitions and imperial wars. A world in which dependencies are ruthlessly weaponised. And it is for all of these reasons that a new Europe must emerge.

Honourable Members,

**This must be Europe's Independence Moment.** I believe this is our Union's mission. To be able to take care of our own defence and security. To take control over the technologies and energies that will fuel our economies. To decide what kind of society and democracy we want to live in. To be open to the world and choose partnerships with allies – old and new. Ultimately, it is about having the freedom and the power to determine our own destiny. And we know we can do it. Because

together we have shown what is possible when we have the same ambition, unity and urgency.

## This must be Europe's Independence Moment.

I have lost count of the number of times that I was told that Europe could not do this

or that. During the pandemic. On the recovery plan. On defence. On supporting Ukraine. On energy security. The list goes on. Every time – Europe stood united and made it. And we need to do the same now.

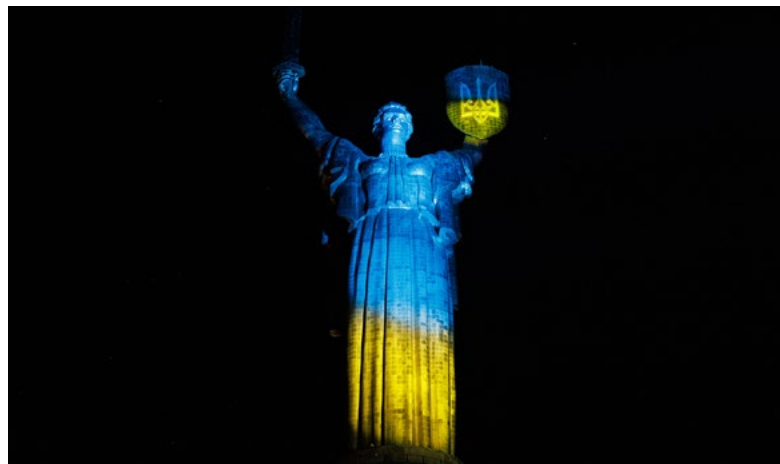
So, Honourable Members, the central question for us today is a simple one. Does Europe have the stomach for this fight? Do we have the unity and the sense of urgency? The political will and the political skill to compromise? Or do we want to just fight between ourselves? To be paralysed by our divisions. This is what all of us have to answer – every Member State, every Member of this House, every Commissioner.

All of us. In my eyes the choice is clear. So my pitch today is a pitch for unity. Unity between Member States. Unity between EU institutions. Unity between the pro-European democratic forces in this House. I am here – and the entire College is here – ready to make this happen with you. Ready to strengthen the pro-European democratic majority. **Because it is the only one that can deliver for Europeans.**

Honourable Members,

Freedom and independence are what the people of Ukraine are fighting for today. People like Sasha and his grandmother. Sasha was only 11 years old when the Russians attacked.

He and his mother sought refuge in a basement in their town of Mariupol. One morning, they went out to get some food. That's when all hell broke loose. A rain of Russian bombs, on a civilian neighbourhood. All became dark and Sasha felt his face burning. He had shrapnel just below his eyes. In a matter of days, Russian soldiers stormed the city. They took Sasha and his mum to what the Russians called a "filtration camp".



Then Sasha was taken away. They told him he didn't need his mum. He would go to Russia, and have a Russian mother. A Russian passport. A Russian name. They sent him to occupied Donetsk. But Sasha didn't give up.

On a stop on the way, he asked to borrow a stranger's phone. And he called his grandma, Liudmyla, who was living in free Ukraine. "Baba, just take me home." She didn't hesitate a second. Her friends told her she was crazy to go. But Liudmyla moved mountains to get to him. With the help of the Ukrainian government, she travelled to Poland, Lithuania, Latvia, Russia, and finally into occupied Ukraine. She got Sasha back.

And through the same long journey, brought him to safety. But their hearts are still broken. Every single day they keep fighting to find Sasha's mum – stuck somewhere by Russia's brutal war. I would like to thank Sasha and Liudmyla for allowing me to share their story. I am honoured that they are here with us today.

Honourable Members,

Please join me in paying tribute to Sasha, to Liudmyla, and to Ukraine's relentless fight for freedom. Sadly, Sasha's story is far from unique. There are tens

of thousands more Ukrainian children whose fate is unknown. Trapped. Threatened.

Forced to deny their identities. We must

do everything in our power to support

Ukraine's children. This is why I can announce that, together with Ukraine and other

partners, I will host a **Summit of the International Coalition for the Return of Ukrainian Children. Every abducted child must be returned.**

Every abducted child  
must be returned.

Honourable members,

This war needs to end with a just and lasting peace for Ukraine. Because Ukraine's freedom is Europe's freedom. The images in Alaska were not easy to digest. But just a few days later, Europe's Leaders came to Washington to support President Zelenskyy and secure commitments. Real progress has been made since then.

Just last week 26 countries in the Coalition of the Willing said they were ready to be part of a reassurance force in Ukraine or participate financially – in the context of a ceasefire.



We will continue to support all diplomatic efforts to end this war. But we have all seen what Russia means by “diplomacy”. Putin refuses to meet President Zelenskyy. Last week, Russia launched the largest number of drones and ballistic missiles in a single attack. Yesterday, there was a missile attack on a village in Donetsk, targeting people waiting to pick up their pensions. More than 20 were killed.

And just today we have seen a reckless and unprecedented violation of Poland’s and Europe’s air space by more than 10 Russian drones. **Europe stands in full solidarity with Poland.** Putin’s message is clear. And our response must be clear too. We need more pressure on Russia to come to the negotiating table. We need more sanctions. We are now working on the 19th package in coordination with partners. We are particularly looking at phasing out Russian fossil fuels faster, the shadow fleet and third countries. And at the same time we need more support for Ukraine. No one has contributed as much as Europe. Close to €170 billion of military and financial aid so far. More will be needed. And it should not only be European

taxpayers who bear the brunt of this. **This is Russia’s war. And it is Russia that should pay.**

This is Russia’s war.  
And it is Russia that  
should pay.

This is why we need to work urgently on a new solution to finance Ukraine’s war effort on the basis of the immobilised Russian assets. With the cash balances -associated

to these Russian assets, we can provide Ukraine with a Reparations Loan. The assets themselves will not be touched. And the risk will have to be carried collectively. Ukraine will only pay back the loan once Russia pays for the reparations. The money will help Ukraine already today.

But it will also be crucial in the mid- and long-term for Ukraine’s security. For example, funding for strong Ukrainian armed forces as the first line of security guarantees. We will propose a new programme. We call it **Qualitative Military Edge**. It will support investment in the capabilities of the Ukrainian armed forces. Take drones for an example. Before the war, Ukraine had none. Today, it is Ukraine’s use of drones that is accounting for over two thirds of Russian equipment losses. That is not just an edge on the battlefield. It is a reminder of the power of human ingenuity in our open societies. But Russia is catching up fast, supported by Iranian designed Shahed drones. And it is seizing the advantage of industrial mass production.

Saturday, in one single night, Russia sent 800 drones to Ukraine. So ingenuity helped to open a door for Ukraine’s defence. But raw industrial might, on the other side may threaten to sweep it closed. So we can use our industrial strength to support Ukraine to counter this drone warfare. We can help transform Ukrainian ingenuity into battlefield advantage – and into joint industrialisation. This is why I can also announce that Europe will frontload €6 billion from the ERA loan and enter into a **Drone Alliance with Ukraine**. Ukraine has the ingenuity. What it needs now is scale. And together, we can provide it: so that Ukraine keeps its edge, and Europe strengthens its own.

Mesdames et Messieurs les députés,

L'économie de guerre de Poutine continuera même si la guerre cesse. Cela signifie que l'Europe doit être prête à assumer la responsabilité de sa propre sécurité. Bien sûr, l'OTAN restera toujours essentielle. Mais seule une posture de défense européenne forte et crédible peut garantir notre sécurité. Et nous avons accompli des progrès historiques ces dernières années pour bâtir notre Union européenne de la défense.

Au début de cette année, nous avons lancé le plan « Readiness 2030 » qui pourrait mobiliser jusqu'à 800 milliards d'euros d'investissements dans le domaine de la défense. Cela inclut le programme SAFE, désormais prêt à fournir 150 milliards d'euros pour des achats communs. Dix-neuf États membres ont déjà soumis une demande. Le programme est complètement souscrit. C'est une bonne nouvelle. Nous travaillons aussi à accorder une prime à ceux qui soutiennent l'Ukraine ou achètent du matériel ukrainien. C'est une aide financière d'urgence face à un besoin urgent.

La semaine dernière, j'ai pu le constater de mes propres yeux en visitant les États membres en première ligne. Ce sont eux qui connaissent le mieux la menace Russe. Et sans aucun doute : le flanc oriental de l'Europe protège toute l'Europe. De la mer Balte à la mer Noire. C'est pourquoi nous devons investir pour le soutenir avec un **Eastern Flank Watch**. Cela signifie doter l'Europe de moyens stratégiques

indépendants. Nous devons investir dans la surveillance spatiale en temps réel afin qu'aucun mouvement de forces ne passe inaperçu. Nous devons répondre à l'appel de nos amis baltes et bâtir ce mur de drones. Ce n'est pas une ambition abstraite. C'est le fondement d'une défense crédible. Une capacité européenne développée, déployée

et entretenue conjointement, réactive en temps réel, sans aucune ambiguïté sur nos intentions. **L'Europe défendra chaque centimètre carré de son territoire.**

Dans tous les pays que j'ai visités, j'ai entendu le même message : il n'y a pas de temps à perdre. Donc lors du prochain Conseil européen, nous présenterons une **feuille de route** claire. Pour lancer de **nouveaux projets communs en matière de défense**. Fixer des objectifs précis pour 2030. Et créer un **semestre européen de la défense**. 2030, c'est demain. Et c'est aujourd'hui que l'Europe doit se préparer.

L'Europe défendra  
chaque centimètre carré  
de son territoire.





Honourable Members,

Let's make the next reunification of Europe happen.

When we talk about independence, we are talking about choosing our destiny. That is what Ukraine is fighting for. And that is what all Europeans deserve. Because Europe is an idea – the idea of freedom and mutual strength. This was the idea that drove the post-1989 generation. When East and West came together. And it is as powerful now as it was then. This is why we are bringing future Member States closer to our Union. Investing. Supporting reforms. Integrating into the Single Market. We must keep up the speed on this merits-based process. Because only a united – and a reunited – Europe can be an independent Europe. A larger and stronger Union is a security guarantee for all of us. And because for Ukraine, for Moldova, for the Western Balkans – their future is in our Union. Let's make **the next reunification** of Europe happen.

Honourable Members,

Man-made famine can never be a weapon of war. For the sake of the children, for the sake of humanity – this must stop.

What is happening in Gaza has shaken the conscience of the world. People killed while begging for food. Mothers holding lifeless babies. These images are simply catastrophic. So I want to start with a very clear message: Man-made famine can never be a weapon of war. For the sake of the children, for the sake of humanity – this must stop.

This is also part of a more systematic shift in the last months that is simply unacceptable. We have seen the financial suffocation of the Palestinian Authority. The plans for a settlement project in the so-called E1 area which would essentially cut off the occupied West Bank from East Jerusalem. The actions and statements by the most extremist ministers of the Israeli government which incite violence. All of this points to a clear attempt to undermine the two-state solution. To undermine the vision of a viable Palestinian state and we must not let that happen.

Honourable Members,

It truly pains me to say these words. And I know that for many citizens, Europe's inability to agree on a common way forward is equally painful. They are asking how much worse



things must get before there is unity of response. I understand. Because what is happening in Gaza is unacceptable. And because Europe must lead the way – just as it has done before. Our financial support and humanitarian aid far outweigh that of any other partner. Our commitment to a viable Palestinian Authority is keeping a two-state solution alive. And we must urge others to urgently step up too – both in the region and beyond.



But, of course, Europe needs to do more. Many Member States have moved ahead on their own. On our side, we proposed to suspend parts of our Horizon funding. But this is stuck without a majority. We must overcome this. We cannot afford to be paralysed. This is why I will propose a package of measures to carve out a way forward.

First, the Commission will do all that it can on its own. We will put our bilateral support to Israel on hold. We will stop all payments in these areas – without affecting our work with Israeli civil society or Yad Vashem.

Second, we will make two further proposals to the Council. We will propose sanctions on the extremist ministers and on violent settlers. And we will also propose a partial suspension of the Association Agreement on trade-related matters. I am aware it will be difficult to find majorities. And I know that any action will be too much for some. Too little for others. But we must all take our own responsibilities – Parliament, Council and Commission.

Thirdly, we will set up a Palestine Donor Group next month – including a dedicated instrument for Gaza reconstruction. This will be an international effort with regional partners. And it will build on the momentum of the New York Conference organised by France and Saudi Arabia.

Honourable Members,

I am a long-standing friend of the people of Israel. I know how much the atrocious attacks on 7 October by Hamas terrorists shook the nation to its core. The hostages have now been held captive by Hamas terrorists for more than 700 days since 7 October. That is 700 days of pain and suffering. There can never be any place for Hamas – neither now, nor in the future. Because they are terrorists who want to destroy Israel. And they are also inflicting terror on their own people. Keeping their future hostage.

Europe's goal has always been the same. Real security for Israel and a safe present and future for all Palestinians.

Europe's goal has always been the same. Real security for Israel and a safe present and future for all Palestinians. And that means that the hostages must be released. That there should be unrestrained access for all humanitarian aid. And that there must be an immediate ceasefire. But in the longer term, the only realistic peace plan is one based on two States. Living side by side in peace and security. With a secure

Israel, a viable Palestinian authority and the scourge of Hamas removed. This is what Europe has always stood for. And it is time to come together and help make it happen.

Honourable members,

Europe's independence will depend on its ability to compete in today's turbulent times.

We have everything it takes to thrive here

in Europe – from our Single Market to our social market economy. But we know the economic and geopolitical headwinds are strong. And we have seen how dependencies can be used against us.

This is why we will massively invest in digital and clean tech. With more to come in our future Competitiveness Fund and a doubled Horizon Europe, our research and innovation programme. And we are tackling the key bottlenecks identified by the Draghi report – from energy to capital, investment to simplification.

We have held strategic dialogues with key industries – from cars to chemicals, steel to pharmaceutical, defence to agriculture. In each sector, the message is the same. To protect jobs, we need to make business in Europe easier. And the omnibuses we have put on the table so far will make a real difference. Less paperwork, less overlaps, less complex rules.

Our proposals will cut €8 billion a year of bureaucratic costs for European companies. A digital Euro for example will make it easier for companies and consumers alike. And further omnibuses are on their way – for example on **military mobility or digital**. For innovative

companies, we are preparing the so-called **28th regime and speeding up the work on the Savings and Investments Union**.

Because we have many high potential startups in key technologies like quantum, AI or biotech. As they grow, the limited availability of risk capital forces them to turn to foreign investors. This is wealth and jobs going elsewhere. And it jeopardises our tech sovereignty. This is why the Commission will

partner with private investors on a multi-billion-euro **Scaleup Europe Fund**. It will help make major investments in young, fast-growing companies in critical tech areas. Because we want **the best of Europe to Choose Europe**.



**FREEDOM TO EXPLORE,  
RESEARCH AND INNOVATE.**



Honourable Members,

Our greatest asset is the Single Market – but it remains unfinished. The IMF estimates that the internal barriers within the Single Market are equivalent to a 45 % tariff on goods. And a 110 % tariff on services. Just think of what we are missing out on. And, as underscored by the Letta report, the Single Market remains incomplete, mostly in three domains: finance, energy, and telecommunications. We need clear political deadlines. This is why we will present a **Single Market Roadmap to 2028**. On capital, services, energy, telecoms, the 28th regime and the fifth freedom for knowledge and innovation. Only what gets measured, gets done.

Honourable Members,

This will also support our investment in the technologies that will fuel our economy. Clean and digital. Take **artificial intelligence**. A European AI is essential for our future independence. It will help power our industries and our societies. From healthcare to defence. So – we will focus on the first key building blocks – that’s from the Cloud and AI Development Act to the Quantum Sandbox.



We are massively investing in European **AI Gigafactories**. They support our innovative start-ups to develop, train, and deploy their next-generation AI models. When we called on the private sector to join forces with us, the response was overwhelming. And later today I will meet CEOs from some of the largest European tech champions. They will hand over their **European AI & Tech Declaration**. This is their commitment to invest in Europe’s tech sovereignty. And we must also take the same approach on clean tech – from steel to batteries. Europe’s clean tech sector must stay in Europe – and we have to take urgent action.

With the **Clean Industrial Deal**, we have identified the main hurdles that slow down these sectors. We now need to speed up with the implementation. Because investors want to know that if they invest, there will be demand for clean European products. This is why **lead markets** must be at the heart of our action. To spark a virtuous cycle. Where both, supply and demand go up, and prices go down. On the supply side, we will launch a **Battery Booster package**. This will put €1.8 billion up for equity to boost production in Europe. Batteries are a key enabler of other clean tech – especially electric vehicles. So this goes to the heart of our independence. On the demand side, we must urgently drive demand for European industrial leadership in clean tech. This is why we will introduce a “made in Europe” criteria in public procurement. And when we invest in Global Gateway, for example, we set strong incentives for partners to buy European.

I am convinced: the future of clean tech will continue to be made in Europe. But for that, we also need to make sure that our industry has the materials here in Europe. And the only answer here is creating a truly circular economy. So we need to move faster on the Circular Economy Act. And move ahead in those sectors that are ready. Finally, we need to keep up the speed. So the Commission will propose an **Industrial Accelerator Act** for key strategic sectors and technologies. In sum, when it comes to digital and clean tech: faster, smarter and more European.



I am convinced: the future of clean tech will continue to be made in Europe.

We must stay the course on our climate and environmental goals.

Honourable Members,

Already today, low-carbon sources account for over 70 % of our electricity. We are global leaders in clean tech patents – better than the US, and racing with China. We are catching up with US venture capital for clean tech – and way ahead of China. We are firmly on track to achieve our 2030 target to cut emissions by at least 55 %. This is the power of the European Green Deal. And we must stay the course on our climate and environmental goals.

The science is crystal clear. And the economic and security case is equally compelling. In fact, this transformation is central to our push for independence. Because it reduces our energy dependency. Because circular production limits our strategic dependencies. And because it creates frontrunner industries that can export the solutions to others. When I speak to the Global South, from Africa to India to Central Asia, they are looking for solutions. These are rapidly evolving markets and the jury is still out on who will dominate the markets. We are the ones who can meet this growing demand for solutions. But it is not a given.

This is why the Commission proposed the 2040 targets – ten years after the Paris Agreement. I know that many people are concerned about the scale of what is ahead. This is why the transition must support people and strengthen industry. This also means massively boosting our public and private investment. Creating lead markets for circular and clean products to deliver jobs and investments in Europe.

Ensuring a just transition for all – for example with the Social Climate Fund. Securing the global level playing field, notably by promoting carbon pricing. Europe must protect its industries. They are doing the right thing to decarbonise. And they should be rewarded and incentivised. We otherwise risk relying on importing the steel that

Europe will always remain open. We like competition. But we will always protect our industry from unfair competition.

our carmakers need or the fertilisers that our farmers need. We would be at the mercy of the price, volume and quality that others are willing and able to provide. Take steel and other metals. Global overcapacity is squeezing margins and leaving little incentive to pay a clean premium. This makes it harder for Europe's steel industry to invest in decarbonisation.

That is why the Commission will propose **a new, long-term trade instrument to succeed the expiring steel safeguards.** Europe will always remain open. We like competition. But we will always protect our industry from unfair competition.

Honourable Members,

When we talk about competitiveness we talk about jobs. We are talking about people and their livelihoods. So the bottom line is that workers must be empowered if we are to have a competitive economy. This is why we will propose a Quality Jobs Act. To ensure that modern employment keeps pace with the modern economy. And this is important because we know how hard times have been for so many families. How costs have rocketed up. How people are making sacrifices to make ends meet. This is a matter of basic social justice.

This is why we urgently need an ambitious **European Anti-Poverty Strategy**. We will lay out our plan to help eradicate poverty by 2050. Backed up by a strong Child Guarantee to shield our children from poverty. We will also put forward a series of packages on **affordability and the cost of living**. Allow me to give you four telling examples.

The first is **energy**. When energy costs rise, it is not just numbers on a bill. It is every single part of people's lives that is affected. So at the height of the energy crisis in the last years, Europe acted. And thanks to that common effort, we quickly managed to stabilise prices and secure supply. We are now on the path to energy independence. But energy bills are still a real source of anxiety for millions of Europeans. And costs are still structurally high for industry. We know what drove prices up: **dependency on Russian fossil fuels**. So it is time to **get rid of dirty Russian fossil fuels**. And we know, what brings prices down: **clean homegrown energy**. We need to generate **more homegrown renewables – with nuclear as a baseload**. But we also need to urgently modernise and invest in our **infrastructure and our interconnectors**.

This is why we will propose a new **Grids Package** to strengthen our grid infrastructure and speed up permitting. And to go with that, I am presenting today a new initiative called **Energy Highways**.



## Europeans need affordable energy right now.

We have identified eight critical bottlenecks in our energy infrastructure. From the Øresund Strait to the Sicilian Canal. We will now work to remove these bottlenecks one by one. We will bring governments and utilities together, to address all outstanding issues. Because Europeans need affordable energy right now.

Honourable Members,

A home is not just four walls and a roof. It is safety, warmth, a place for family and friends. It is belonging. But for too many Europeans today, home has become a source of anxiety. It can mean debt or uncertainty. The numbers tell a painful truth. House prices are up by more than 20 % since 2015. Building permits down by over 20 % in five years. This is more than a housing crisis. It is a social crisis. It tears at Europe's social fabric. It weakens our cohesion. And it also threatens our competitiveness. Nurses, teachers, and firemen cannot afford to live where they serve. Students drop out because they cannot pay the rent. Young people delay starting families.

## We will present the first ever European Affordable Housing Plan.

That is why still this year – after receiving your input, we will present the first ever **European Affordable Housing Plan**.

To make housing more affordable, more sustainable, and of better quality. It will be a European effort, anchored in local realities. We need a radical overhaul of the

way we tackle this issue. We need to **revise our State aid rules** to enable housing support measures. We need to make it much easier to **build new houses and student residences**. And we will also propose a legal initiative on **short-term rentals** to tackle the remaining issues. We need **all of society**, all lawmakers and all stakeholders to come together. In this spirit, we will **convene the first EU Housing Summit** to ensure it is at the top of our agenda.

Honourable Members,

Housing is about dignity. It is about fairness. And it is about Europe's future. **Eight years ago, the European Pillar of Social Rights made housing a social right in Europe. It's time to turn this promise into reality.**

**The third example I would like to highlight is cars.** It is a pillar of our economy and industry. A European pride. Millions of jobs depend on it. Earlier this year, we gave the sector more flexibility to reach their 2025 targets. This is working. And with respect for technology neutrality, we are now preparing the 2035 review. And millions of Europeans want to buy affordable European cars. So we should also invest in small, affordable vehicles. Both for the European market, but also to meet the surge in global demand.



The future of cars –  
and the cars of the future –  
must be made in Europe.

This is why we will propose to work with industry on a new **Small Affordable Cars initiative**. I believe Europe should have its own E-car. E for environmental – clean, efficient and lightweight. E for economical – affordable for people. E for European – built here in Europe, with European supply chains. Because we cannot let China and others conquer this market. No matter what, the future is electric. And Europe will be part of it. **The future of cars – and the cars of the future – must be made in Europe.**

Honourable Members,

**The final example I want to highlight is linked to food.** In Europe, we have access to high-quality food that our outstanding farmers and fishers produce at affordable prices. They are also the custodians of our lands and oceans, our biodiversity. The key to our food security. But they are facing headwinds – from high input costs to red tape or unfair competition. We are acting on all those fronts. We have simplified the CAP – less paperwork and more trust. We have ringfenced income support in the next MFF. And made sure that funding can be topped up by national and regional envelopes.



Farmers have a right  
to a fair price for their  
food – and a fair profit  
for their families.

But our farmers need fair competition and a level playing field. This is essential. This is why we have robust safeguards in our trade deal with Mercosur – backed up by funding if compensation is needed. We also need to strengthen the position of farmers in the food chain. For too long their hard work has not paid off as it should. **Farmers have a right to a fair price for their food –**

**and a fair profit for their families.** We will review the **implementation on our unfair trading practices legislation**. And take action wherever it is needed. And I can also announce today that we will **boost our promotion budget** to launch a new “Buy European food” campaign. Because we can proudly say that our European food is the best in the world.

Honourable Members,

When we talk about competitiveness and independence we must talk about our relations with the United States. I have heard many things about the deal we agreed on over the summer. I understand the initial reactions. So allow me to be as clear

I can. Our trading relationship with the US is our most important. We export over €500 billion worth of goods to the US every year. Millions of jobs depend on it. As President of the Commission, I will never gamble with people's jobs or livelihoods. This is why we did a deal to keep market access for our industries. And we ensured that Europe got the best possible deal out there. We have put our companies at a relative advantage. Because some of our direct competitors face much higher US tariffs. Yes, their baseline may be lower.

But when you account for the exceptions that we secured and the additional rates which others have on top – we have the best agreement. Without any doubt. And I want to be crystal clear on one point: Whether on environmental or digital regulation. We set our own standards. We set our own regulations. Europe will always decide for itself.

Honourable Members,

I do not believe in tariffs. Tariffs are taxes. But the deal provides crucial stability in our relations with the US at a time of grave global insecurity. Think of the repercussions of a full-fledged trade war with the US. Picture the chaos. And then put that image next to the one from China just last week. China flanked by the Leaders of Russia and North Korea. Putin gloating about how Russia-China relations are at an unprecedented high. None of this is a great surprise. But it reflects the changing landscape. And it creates two imperatives for Europe's independence push and its place in the world.

The first is that we need to **double down on diversification and partnerships**. 80 % of our trade is with countries other than the US. So we need to capitalise on new opportunities. At a time when the global trading system is crumbling, we are securing the global rules through bilateral agreements. Like with **Mexico** or **Mercosur**. Or finalising negotiations on a historic deal with India by the end of this year.

We will also build a **coalition of like-minded countries** to reform the global trading system – **like the CPTPP**. Because trade allows us to strengthen our supply chains. Open up markets. Reduce dependencies. Ultimately, this is about enhancing our **economic security**. The world wants to **Choose Europe**. And we need to do business with the world.



The second imperative is – for Europe to step up where others have stepped away. Take research. **Science has no passport, gender, ethnicity or political colour**. It is one of the most valuable global goods. This is why the Commission announced a **Choose Europe package** of €500 million to attract and retain the best scientists

The world is looking  
to Europe – and Europe  
is ready to lead.

and researchers. And Europe must also take the lead on global health. We are on the brink – or even at the start – of another **global health crisis**. As a medical doctor by training, I am appalled by the disinformation that threatens global progress on everything **from measles to polio**. And this is why today I can announce that the EU will head a new **Global Health Resilience Initiative**. Because the world is looking to Europe – and **Europe is ready to lead**.

Honourable Members,

Europe's independence is about protecting our freedoms. The freedom to decide. To speak out. To move around a whole continent. The freedom to vote. To love. To pray. To live in a Union of equality. Our democracy and the rule of law are the guarantors of those freedoms. This is why we have done so much to strengthen our tools and step-up enforcement. We built a new rule of law cycle that ensures that problems are detected early and solved through engagement.

We need an integrated annual cycle on the rule of law – a common rhythm, clear milestones, and contributions from all institutions. And our focus must be to close the existing loopholes. We have strengthened the link between funds and respect for the rule of law. And with the next long-term budget we will go even further. **Respecting the rule of law is a must for EU funds. Now and in the future.**



Our democracy is under attack. The rise in information manipulation and disinformation is dividing our societies. It is not only eroding trust in the truth – but also in democracy itself. This is why we urgently need the **European Democracy Shield**. We need more capacity to monitor and detect information manipulation and disinformation. So we will set up a new **European Centre for Democratic Resilience**. This will bring together all the expertise and capacity across Member States and neighbouring countries.

Honourable Members,

In some communities across Europe, **traditional media are struggling**. In many rural areas, the days of going out for a local paper is a nostalgic memory. This has created many **news deserts** where disinformation thrives. And this is very dangerous for our democracy. Because informed citizens who can trust what they read and hear are essential to keep those-in-power accountable. And when

independent media are dismantled or neutralised, our ability to monitor corruption and preserve democracy is severely weakened. This is why the first step in an **autocrat's playbook** is always to **capture independent media**. **Because this enables backsliding and corruption to happen in the dark**. So we need to do more to protect our media and independent press.

A free press is the backbone of any democracy. And we will support Europe's press to remain free.

This is why we will launch a new **Media Resilience Programme** – it will support independent journalism and media literacy. But we also need to invest to address some of the root causes of this trend. This is why in the next budget, we have proposed to significantly boost funding for media. We also need to enable private equity. We will therefore use our tools

to support **independent and local media**. **A free press is the backbone of any democracy. And we will support Europe's press to remain free.**

Honourable Members,

The same goes for social media. It has so many benefits for connecting people. But I would like to raise one specific topic. And this is the effects of giving our **children unfettered access** to social media. As a mother of seven, and a grandmother of four, I feel the anxiety of parents who are doing their best to keep their children safe. These parents worry that when their children pick up a phone they could be exposed to the wide-ranging dangers, simply with a scroll.

Online bullying. Adult content. Promoting self-harm. And **algorithms** that prey on children's vulnerabilities with the **explicit purpose of creating addictions**. Too often mums and dads feel powerless and helpless. That they are drowning against the tsunami of Big Tech flooding their family homes.



I strongly believe that **parents, not algorithms**, should be raising our children. Their voice must be heard. This is why today I am here to tell you that I am listening. Just as in my days – we as a society – taught our children that they could not smoke,

I strongly believe that parents, not algorithms, should be raising our children.

drink and watch adult content until a certain age. I believe it is time we consider doing the same for social media. **Our friends in Australia are pioneering a social media restriction**. I am watching the implementation of their policy closely to see what next steps we can take here in Europe.



I will commission a **panel of experts** to advise me by the end of this year on the best approach for Europe. We will approach this **carefully** and listen to everyone. And in all of this work we will be guided by the need to empower parents and build a safer Europe for our children. **Because when it comes to our kids' safety online, Europe believes in parents, not profits.**

Meine Damen und Herren Abgeordnete,

unsere Demokratie zu schützen, ist unsere wichtigste Aufgabe. Aber dafür müssen wir auch zeigen, dass die Demokratie Lösungen für die berechtigten Sorgen der Menschen liefert. Nirgendwo ist das deutlicher spürbar als bei der **Migration**. Deshalb haben wir vorgeschlagen, die Mittel für das Migrations- und Grenzmanagement im nächsten Haushalt zu verdreifachen. Damit wir Migration wirksam steuern und unsere Außengrenzen schützen können.

Wir brauchen ein System,  
das menschlich ist, ohne  
aber naiv zu sein.

Aber es ist klar, dass mehr nötig ist. Die Menschen in Europa haben bewiesen, dass sie bereit sind, jenen zu helfen, die vor Krieg und Verfolgung fliehen. Aber die Frustration wächst, wenn sie den Eindruck haben, unsere Regeln werden missachtet. Deshalb müssen wir unsere Anstrengungen verstärken. Wir

brauchen ein System, das menschlich ist, ohne aber naiv zu sein. Wir müssen mit der Rückkehr abgelehnter Asylbewerber in ihre Heimatländer ernst machen.

Es kann doch nicht sein, dass nur 20 Prozent derjenigen, die nicht bleiben dürfen, Europa tatsächlich verlassen. Wir brauchen daher eine schnelle Übereinkunft beim **Gemeinsamen Europäischen Rückkehrsystem**. Wir dürfen keine Zeit mehr verlieren. Und wir müssen auch sicherstellen, dass wir den **Migrations- und Asyl-Pakt** voll und ganz umsetzen, sobald er in Kraft tritt. Er ist streng, aber fair. Und er wird nur funktionieren, wenn alle ihren Anteil leisten. Mitgliedsstaaten aus Nord wie Süd, aus Ost wie West.

Selbstverständlich werden wir unseren internationalen Verpflichtungen immer nachkommen. Aber es sind wir in Europa, die entscheiden, wer zu uns kommt und unter welchen Umständen und nicht die Schlepper und Schleuser. Sie machen Millionen und Abermillionen mit ihren zynischen, falschen und fatalen Versprechen. Deshalb müssen wir ihr Geschäftsmodell zerstören.

Die Zahlen gehen zwar insgesamt zurück, aber immer noch versuchen zu viele, illegal die Grenzen zu passieren oder sterben auf dem Weg. Wir müssen mit Social Media Plattformen zusammenarbeiten, um die Online-Planung, Online-Werbung für Schleuseroperationen zu beenden. Wir müssen enger mit den Fluggesellschaften kooperieren, gerade auf problematischen Routen wie denen nach Belarus. Und nur, wenn wir der Spur des Geldes folgen, können wir die kriminellen Netzwerke aufspüren und ihre Finanzquellen austrocknen. **Und wir brauchen ein neues Sanktionsregime, das Schleuser und Menschenhändler ins Visier nimmt.** Um ihre Vermögenswerte einzufrieren. Um ihre Bewegungsmöglichkeiten einzuschränken. Um ihre Gewinne zu kappen. Menschenschmuggel ist ein grausames

und verbrecherisches Geschäft, und kein Schlepper oder Schleuser darf in Europa ungestraft davonkommen.

Honourable Members,

The point I want to make is simple. If it matters to Europeans, it matters to Europe. This is our enduring duty to deliver. This summer, we all saw the pictures of Europe's forests and villages on fire. More than a million hectares were burned. An area around a third of the size of Belgium. The scale of the damage is enormous. And we know it is not a one off. Climate change is making each summer hotter, harsher, and more dangerous. This is why we have to radically step up our efforts into climate resilience and adaptation, and nature-based solutions. But we must also give ourselves the tools to respond.

This is why we will propose to create a new **European firefighting hub** based in Cyprus, which could also support our regional neighbours. We know the difference our Civil Protection Mechanism can make. Over the summer, 760 brave Europeans were sent to all corners of Europe. Literally running towards the flames. And I would like to conclude my speech with a tribute to them – the firefighters, pilots, crews. Everyone who stepped up.

I would like to tell you the story of a group of 20 Greek rangers. They are specialists in taming the fiercest of forest fires. When the fires erupted in the Asturias region, Spain called for Europe's support. And Greece answered the call. The flames were so vast the smoke could be seen from space. But for five days the 20 Greek rangers stood shoulder to shoulder with their Spanish colleagues. As the flames swept closer to the village of Genestoso, they fought day and night to contain the inferno. And in the end – together – they tamed the fire, and the village was saved.

Honourable Members,

it is such an honour to welcome one of these heroes today. The leader of the Greek team, Lieutenant Nikolaos Paisios.

Lieutenant, Dear Nikolaos, Your courage is an inspiration to us all. For your strength, your commitment, and your extraordinary leadership: *ευχαριστώ* – to you and your team of European heroes.



Honourable Members,

This is Europe as one community. This is the Europe that I love. This is the Europe that we must protect at all costs. And we must do that together. I want to work with this House and with all pro-European democratic forces to deliver for Europeans.

I am working on legislative packages to empower this pro-European majority. And I am so delighted, dear Roberta, that we have managed to renew the **Framework Agreement** between the Commission and Parliament. This will only strengthen our cooperation. And it will be an enabler for us to work on the real reforms that are needed. Because I support **the right of initiative** of the European Parliament. And I believe that we need to move to qualified majority in some areas, for example in foreign policy. **It is time to break free from the shackles of unanimity.**

The point is that we need to make sure our Union is faster and can deliver for Europeans. Because this is how we can win this fight together. To deliver Europe's independence moments. And let's remember that we have always had to fight for our freedoms. From the generation that fought hand to hand across our Continent. To the underground press that kept the flame of freedom alive across Central and Eastern Europe during the Cold War. Or the Forest Brothers in the Baltics who resisted Soviet oppression at every turn. This struggle, this fight, is deeply engrained in who we are as Europeans. 80 years ago our Continent was hell on earth. 40 years ago our Continent was divided by a Wall. But on each occasion, Europeans decided to fight for a better future. To make itself whole – and to make the whole strong. And this is what I will strive for every single day.

Long live Europe.



# *Letter of intent*



*Brussels, 10 September 2025*

Dear President Metsola,

Dear Prime Minister Frederiksen,

As global shifts continue to reshape the world order, the European Union must **rise to the moment – boldly, decisively and purposefully**. In this first year of the new mandate, our Union has already taken steps to strengthen defence, competitiveness and democracy. But in our fast-changing world there is no room for complacency or hesitation. It is time to move forward together and respond to the scale and urgency of the situation.

In these uncertain times, we must demonstrate that we can deliver on the issues that matter the most for our citizens. We must earn their trust, ensure stability and security, and shape a confident future for our continent. To do this, **Europe must become more independent**. We must take greater responsibility for our security, strengthen our competitiveness and ensure we have the means to act autonomously and meet current and future challenges. Europe must always live up to its responsibility in the world, from the war in **Gaza** to Russia's war against **Ukraine**.

Russia's ongoing aggression has made clear the urgent need for Europe to strengthen its **security and defence**. The Readiness 2030 Plan constitutes a historic step in this direction, and will make further investments through our SAFE programme and further proposals to advance our European Defence Union. It has been almost 1 300 days since Russia launched its brutal and unprovoked war of aggression against **Ukraine**. We have stood by Ukraine's side since day one and will continue to do so for as long as it takes. We will work together to guarantee Ukraine's place within our European family, as well as that of Moldova and our Western Balkan partners.

Since the beginning of this mandate, we have put **competitiveness and jobs** at the heart of our agenda. Guided by the Competitiveness Compass, our plan to implement the Draghi Report, we have already made significant progress with initiatives from agriculture to clean industries, energy to innovation, and investment to security.

Europe excels in research and development, but we face challenges in scaling up **innovation**. We will focus on unlocking the potential for digital technologies, such as AI or quantum. We will put forward proposals to strengthen the circular economy and work on lead markets for clean and innovative products. We will simplify the regulatory environment with a single harmonised set of rules and work to improve access to venture capital – so **our companies can find what they need to grow right here in Europe**. The Commission has already tabled six 'omnibus' simplification packages, and further omnibuses are on their way – for example on military mobility or digital – to help make business easier in Europe.

The devastating wildfires across Europe have shown that **climate change** is an increasing security threat for our citizens, our environment and our economies. We must continue on our path towards our climate and environmental goals, as well as stepping up our climate resilience and adaptation efforts.

Europe also needs to do more to address the concerns of Europeans on **affordability and the cost of living**. This is particularly the case when it comes to housing and energy. We will accelerate efforts to reduce structurally high energy prices. We will make proposals to make

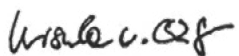
housing more affordable, more sustainable and of better quality. We will propose initiatives on these issues and on stepping up the **fight against poverty**. We will also continue to support thriving rural communities and support an agricultural sector that is ready for the future.

We will propose new legislation to strengthen the fight against organised crime, protect our borders with an enhanced European Border and Coast Guard and develop the resilience of our critical infrastructure. Our work on internal security will go hand-in-hand with measures to reinforce the **resilience of our democracies** and societies, from strengthening our collective capacity to withstand threats to tackling information manipulation.

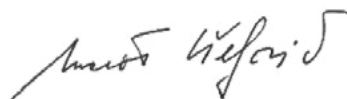
We continue to protect our **economic and security interests on the global stage**. The agreement on trade with the United States brings stability and predictability for citizens and businesses. This also underlines the imperative to deepen our cooperation with the rest of the world. We will work to conclude ongoing trade negotiations and we are strengthening mutually beneficial partnerships, such as with the Pact for the Mediterranean, including the setting up of a Mediterranean University.

We submitted a bold proposal for the **EU long-term budget** that can significantly enhance the EU's capacity to deliver on its core priorities. This will help deliver the ambition of a more independent Europe, able to support people, businesses, regions and civil society, all while guaranteeing the respect of our **Union's values** and the **rule of law**. We welcome the fruitful exchanges with the European Parliament and the Council on these proposals – including on own resources – and look forward to finalising an ambitious budget that delivers for Europeans. The list below features key priorities for the upcoming year, drawing from **structured dialogues** with the **European Parliament** and discussions with the **Council**. It will be followed up by the Commission work programme for 2026, our interinstitutional dialogue, and the Joint Declaration of Legislative Priorities to be signed by the three institutions.

In these uncertain times, Europe needs **unity** and **a sense of urgency**. We look forward to working with you closely to ensure that **Europe delivers for all Europeans**.



Ursula von der Leyen



Maroš Šefčovič

## KEY PRIORITIES FOR THE UPCOMING YEAR

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### A NEW PLAN FOR EUROPE'S SUSTAINABLE PROSPERITY AND COMPETITIVENESS

- Single Market Roadmap to 2028
- Industrial Accelerator Act
- Omnibus packages
- 28th Regime and European Innovation Act
- European Grids Package
- EU Cloud and AI Development Act

### A NEW ERA FOR EUROPEAN DEFENCE AND SECURITY

- Eastern Flank Watch initiative
- Roadmap for European Defence Readiness and European Defence Semester
- Amendment of the European Border and Coast Guard Regulation
- New rules on fighting organised crime and new sanctions regime for targeting smugglers and traffickers
- Revision of the Europol Regulation

### SUPPORTING PEOPLE, STRENGTHENING OUR SOCIETIES AND OUR SOCIAL MODEL

- Strategy for Outermost Regions and Agenda for Cities
- Skills portability initiative
- Affordable Housing Plan
- European Anti-Poverty Strategy
- Quality Jobs Act
- Gender Equality Strategy

## SUSTAINING OUR QUALITY OF LIFE: FOOD SECURITY, WATER AND NATURE

- European Climate Adaptation Plan
- Initiative on the Generational Renewal of Farming
- Livestock strategy including elements on animal welfare
- Omnibus package on food
- Ocean Act

## PROTECTING OUR DEMOCRACY, UPHOLDING OUR VALUES

- European democracy shield
- Digital Fairness Act
- Media Resilience Programme
- Anti-corruption strategy
- Action plan against cyberbullying

## GLOBAL EUROPE: LEVERAGING OUR POWER AND PARTNERSHIPS

- Humanitarian Communication
- Pact for the Mediterranean
- EU–India Strategic Agenda



# *State of the Union 2025*



*From promise  
to progress:  
first year in office*

Von der Leyen Commission  
2024-2029



# Introduction: Europe's choice

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Last year, **between 6 and 9 June 2024, almost 200 million Europeans in 27 countries** cast their ballots to elect their representatives in the European Parliament. It was the moment of **Europe's choice**.

**Turnout was the highest it had been in 20 years.** This is proof that Europeans care about our Union and expect it to deliver on the challenges ahead. And this is the mission that the new Commission has taken on – to deliver on our citizens' expectations and aspirations.

The world around us is more conflictual and competitive than it has been in the last decades. The events since the beginning of the year underscore a new geopolitical reality: the age of great-power competition is back. The security architecture that Europe was able to rely on since the end of the Cold War can no longer be taken for granted.

Likewise, **economic competition has become much harsher and can no longer be seen as separate from security issues.** The mastered energy crisis resulting from Russia's full-scale invasion of Ukraine is one example. But we are also seeing this today in the transactional power play involving critical supply chains and trade relations. This has direct consequences for European companies. They demand protection

from unfair competition and that we do our utmost to create a conducive environment for business in Europe. Europe is making great efforts to foster its position as a competitive continent for traditional industries and to become an even more attractive place for pioneers in clean tech and artificial intelligence (AI). People across our Union want action to address **inflation, the cost of living, energy prices, the housing crisis** and the growing impact of **extreme weather events**.

These are the main challenges that the new von der Leyen Commission has been tackling since the start of the mandate on 1 December 2024. We have worked for a strong and competitive Europe, in line with President **von der Leyen's political guidelines for 2024–2029**.



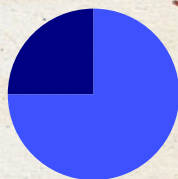
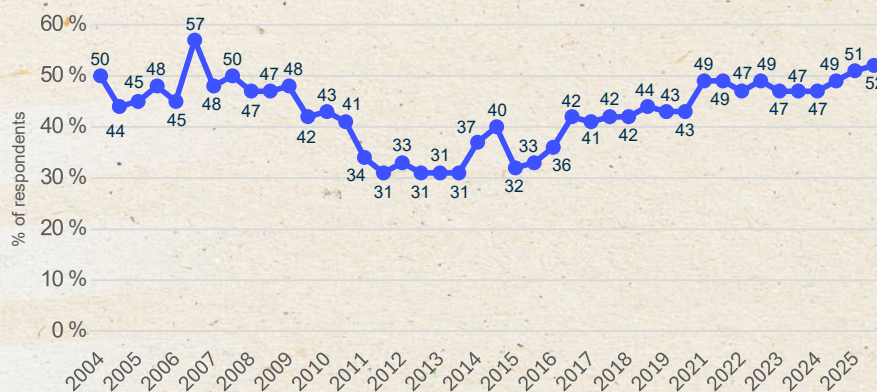
According to the Eurobarometer, Europeans, especially young people, have expressed their highest degree of trust in the EU and the Commission in 18 years, at 52 %. Three quarters of respondents (75 %) say they feel

they are citizens of the EU, the highest level in more than two decades, and almost 7 in 10 (69 %) see the EU as a place of stability in a troubled world.



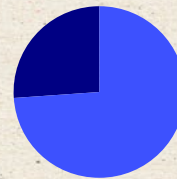
Trust in the European Union has reached its **highest point** in 18 years

### How much trust do you have in the European Union?



**75 %**

Three quarters of respondents (75 %) - the highest level in more than two decades - say they **feel they are citizens of the EU**



**74 %**

The Eurobarometer survey registered the **highest support ever for the common currency**, both in the EU (74 %) and in the euro area (83 %)

Source: Standard Eurobarometer 103.

In an increasingly volatile global environment, Europe's work to win a leading position in the economy of tomorrow begins first and foremost at home. We have laid out a **competitiveness compass**, which points to a modern, decarbonised economy. We are listening to businesses and have started to **simplify rules to make it easier for them to operate in the EU**, while maintaining our social and climate goals. We are encouraging scientists, businesses and the world's innovators to **'Choose Europe'** and fuel its growth. We have taken steps to **ensure energy independence and affordability**. We are **diversifying our trade partnerships and reducing excessive dependencies**. We are investing in skills, in housing and in the social pillar of our social market economy. And we are working to secure the future of our economy and our industry – in tech, AI, agriculture, the automotive sector, pharmaceuticals, defence and more.

We have taken concrete steps to reduce unhealthy dependencies and strengthen Europe's independence. We have **reinforced our network of reliable partners** and we have made of Europe a pole of stability in the world. Partners across the globe – from the United Kingdom to India, and from South-East Asia to South America – are turning to the EU as a **predictable, reliable and fair partner** with which to do business.

However, **a key precondition for prosperity is peace and security on our continent**.

Europe has understood that **it must assume more responsibility for its own defence**. To that end, we have proposed a **Readiness 2030** plan to help boost national defence spending and close our military capability gaps. We continue to stand firmly by Ukrainians in the face of Russia's war of aggression, providing political, financial and military support. Because **only a just and lasting peace in Ukraine can guarantee Europe's security**.

The world changes, so must we. That is why we have proposed a **modernised long-term EU budget** for the cycle that starts in 2028. It will be **more ambitious, more flexible**, allowing us to react better to emerging crises, **more consistent** with our priorities and **simpler** for people and businesses to benefit from it. It will be a **safeguard for the rule of law in our European Union**.

This is a crucial moment in European history. Now more than ever, Europe must focus on its own strengths. But Europe has always shown that **when it stands together it can overcome any crisis**. It is time to make the choice of strength, the choice of unity, the choice of Europe.





# A competitive and prosperous Union

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The world has entered **a new era of harsh geoeconomic competition**. Major economies are vying for access to raw materials, new technologies and global trade routes. From AI to clean tech and from quantum to space – the race is on. As this competition intensifies, so does the use of export controls, tariffs and sanctions. The impact of these new realities on an open economy like the EU's cannot be underestimated.

**Europe's prosperity and quality of life is at stake.** Our Union must switch gears in the global economic race, protecting its people and its companies from the impact of hostile economic measures and empowering them to be more competitive. This has been at the core of the von der Leyen Commission's actions.

**Europe has everything it needs to regain its competitive edge.** We are leaders in many future-oriented sectors, such as clean tech. We are an attractive global partner with which countries want to deal. We have high social and environmental standards and a strong commitment to be the first climate-neutral continent in the world. Most importantly, we have strong societies with high levels of equality and talented, innovative, hard-working people.

Nevertheless, too many obstacles still stand in the way of our companies and workers – from high energy prices to excessive regulatory burdens. Last year, at President von der Leyen's request, Professor Mario Draghi identified the most significant of these obstacles in his **report on the future of European competitiveness**. The report highlighted, amongst other obstacles, a vicious circle of low investment and low innovation.

Furthermore, **President von der Leyen has led strategic dialogues** with industry representatives from key economic sectors, including automotive, steel, chemicals, pharmaceuticals and defence. The dialogues have identified specific hurdles these sectors face, and how to address them. This is a Commission that listens to Europe's businesses and workers, and acts on their concerns.

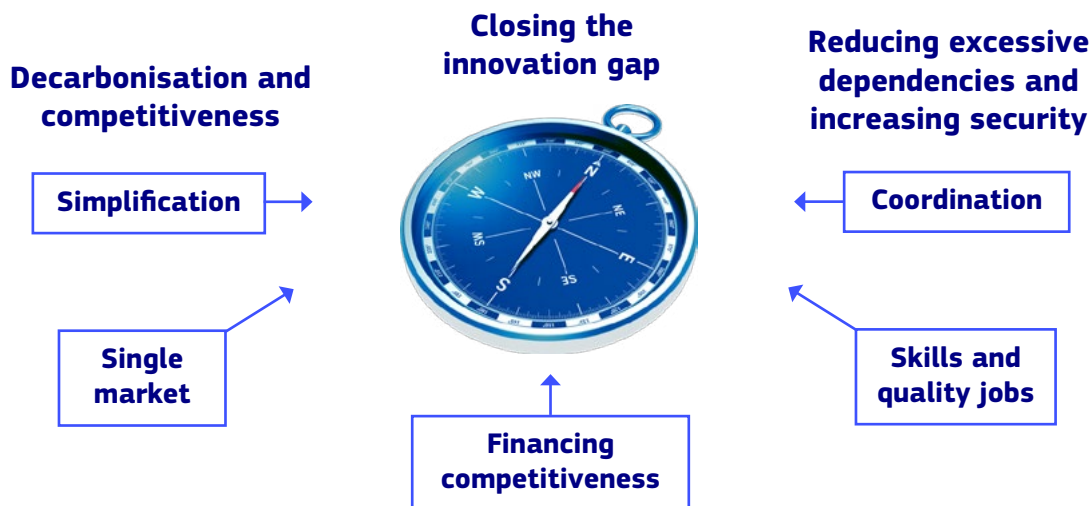
In parallel to these extensive consultations and building on the recommendations of the Draghi Report, the Commission presented a **competitiveness compass** to steer its work in the coming years.

First, the compass sets out to **close the innovation gap**. Second, it describes **a joint plan for decarbonisation and competitiveness** that shapes our **clean industrial deal**. Third, the EU needs to **reduce excessive dependencies**, which is a matter of **security as well as competitiveness**. To support these objectives, the competitiveness compass

identifies several **key enablers**: simplifying rules and reducing burdens; removing obstacles in the single market; building a savings and investments union; investing in skills; and better coordinating policies between the European and national levels.

We are on the move. Guided by the competitiveness compass, **the Commission is charting a course towards prosperity**.

## COMPETITIVENESS COMPASS



We have the right foundations to compete globally:



- Our single market represents **17 % of global GDP**
- **EUR 10 trillion of savings** held in bank deposits
- Trade agreements with **76 trading partners**
- **Our GDP today is 5 % higher** than before the COVID-19 pandemic
- **Almost 10 million people more in employment** since 2019, despite a war raging at our doorstep

## Closing the innovation gap – Choose Europe for science, for business, for innovation

For centuries **Europe has been a land of innovation, entrepreneurship and scientific freedom.** Europe's global share of patent applications is on a par with the United States and China, though only a third of these are commercially exploited. We are roughly as good as the United States at creating start-ups, but when it comes to scale-ups we are outpaced by our competitors. To close this gap, we are putting research and innovation, and science and technology, at the heart of our economy.

Europe must be home to the next wave of frontier technologies, starting with AI. The AI race has only just begun, and global leadership is still up for grabs. The EU can lead that race with its distinctive European brand of AI, building industry-specific applications and harnessing its power for productivity and people.

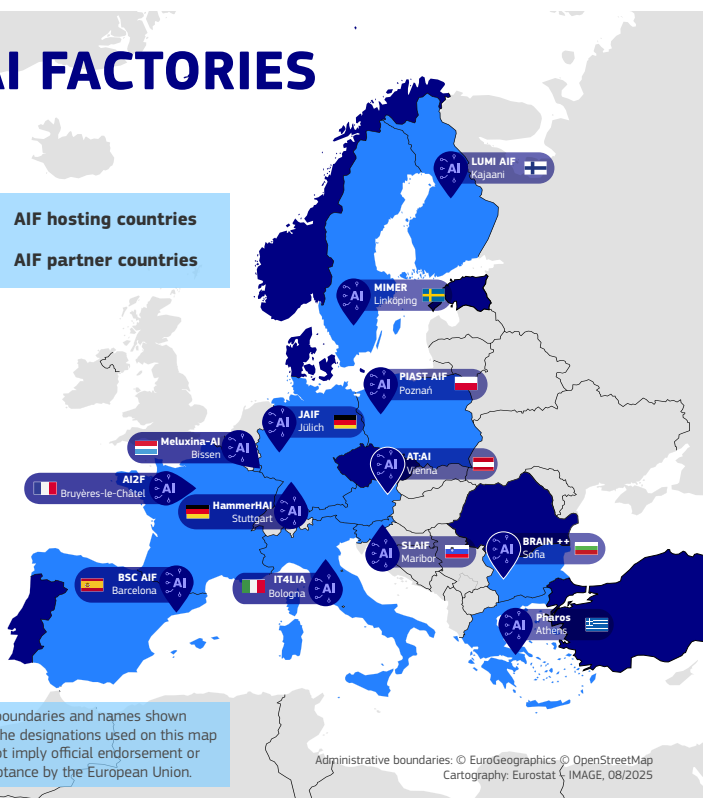
Following the work carried out in recent years with the adoption of the AI Act, the development of a powerful network of supercomputers and the creation of common European data spaces, the Commission is now taking its ambitions to a new level. Since December 2024, **13 sites across Europe have been selected to establish AI factories.** These AI factories will bring together EU supercomputers, large data resources, training facilities, universities, start-ups and human capital to create a powerful innovation environment that pushes the boundaries of technology.

The development of infrastructure requires investment. In February, at the AI Summit in Paris, President **von der Leyen** announced **InvestAI**, an initiative that will mobilise private and public investment of **up to EUR 200 billion** in AI.

In April, the Commission put forward the **AI continent action plan.** At its heart is the ambition to build on the AI factories and set up **AI gigafactories.** They will be equipped with **over 100 000 advanced AI processors.** We have already received a total of 76 expressions of interest proposing to set up AI gigafactories in 16 Member States across 60 different sites.

### AI FACTORIES

- AIF hosting countries
- AIF partner countries





Anna-Maria Halacheva is a PhD student at INSAIT, a research institute in Bulgaria. She is a rising star in AI and has made it to the Forbes Bulgaria 2024 '30 Under 30' list. At age 25, her groundbreaking research explores the intersection of 3D computer vision and robotics, focusing on how autonomous robots can understand and interact with their surroundings. Anna-Maria and her team are dedicated to open research, fostering global collaboration and innovation. Further, she is a recipient of the Google DeepMind scholarship, awarded to the most talented women researchers in AI and deep tech. INSAIT, together with Sofia Tech Park, has secured EUR 90 million in EU funding to establish an AI factory, which will enable more groundbreaking advances by Anna-Maria and her colleagues.

.lumen is a Romanian deep-tech company that created glasses which, thanks to advanced AI, empower visually impaired people to live a better life. The glasses behave like a virtual guide dog thanks to .lumen's haptic feedback interface that feels like a vibration on the user's forehead. .lumen received EUR 9.7 million in funding from the European Innovation Council, which allowed the company to develop its groundbreaking technology. Cornel Amariei, founder of .lumen, has said that 'without the EU, .lumen would not exist today'.





## QUANTUM EUROPE STRATEGY

The quantum Europe strategy aims to make Europe a global leader in quantum by 2030.

### EUROPE'S STRENGTHS

**Scientific leadership**  
Nobel prize level of expertise

**EUR 11 billion invested**  
By EU and Member States  
in the last five years

**Vibrant ecosystem**  
Thriving quantum  
start-ups and SMEs



### MAIN GOALS

To **turn scientific discoveries**  
into **market-ready applications**

To **enhance Europe's security**  
and **tech sovereignty**

To **maintain Europe's**  
**scientific leadership**

Alongside AI, **quantum technologies** promise to revolutionise the way in which the world addresses complex tasks, from pharmaceutical breakthroughs to securing critical infrastructure. In July, the Commission put forward its **quantum strategy**, with the goal of **making Europe a quantum leader by 2030** by enabling more research, strengthening quantum ecosystems, promoting more private investment and supporting the development of quantum skills on our continent.

Moreover, we want the EU to push the boundaries and become a trailblazer in space. With the **vision for the space economy**, presented in June, the Commission will work with Member States, the European Space Agency and the European Union Agency for the Space Programme in a new '**Space Team Europe**', to consolidate capabilities and develop the EU's competitiveness in space.

Science remains the fuel of progress and growth for our societies. But in today's world, its role is suddenly being questioned. In Europe **we will always make the case**

**for science.** We believe in the necessity of basic research and the possibility of its applications in everyday life. Therefore, we want scientists, investors and innovators to choose Europe.

In May, President **von der Leyen** presented the first elements of the new **Choose Europe strategy** at Sorbonne University. It focuses on keeping science free and attracting the best scientists around the world to help us innovate here in Europe. This endeavour consists of a new package worth **EUR 500 million between 2025 and 2027**.

Choose Europe also aims to take innovation **from the laboratory to the market** and create new business opportunities. The goal is to make Europe the best place to innovate, and to start and grow technology-driven companies.



**FREEDOM TO EXPLORE,  
RESEARCH AND INNOVATE.**

## Europe offers:

Stable public funding and research career pathways  
Academic freedom and scientific excellence  
High quality of life (healthcare, education, pensions)  
Collaboration beyond borders



**EUR 500 million**  
for 2025-2027 to make  
Europe a magnet  
for researchers

**EUR 230 million** to draw  
top researchers to universities  
with potential

**EUR 2 million per researcher**  
extra for relocation and  
start-up costs

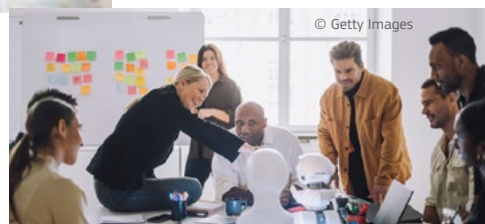
Support to **longer-term**  
employment **opportunities**



Over 60  
**funding schemes**  
across the EU  
available online

## **Horizon Europe**

The world's largest international  
research programme with  
a budget of **EUR 93.5 billion**





Dr. Martha C. Mayorquín-Torres, a Mexican scientist researching renewable resources for pharmaceutical applications, moved to Belgium in search of better research conditions. She is currently working on the TransPharm project, supported by Horizon Europe, at Ghent University. Her research focuses on developing active pharmaceutical ingredients from cleaner and more renewable resources, while also aiming to make pharmaceutical manufacturing processes more sustainable. Like many other scientists and researchers, Martha has chosen Europe.

To support this drive, the Commission presented its **start-up and scale-up strategy**. Start-ups and scale-ups are essential to Europe's future. They foster innovation and sustainable growth, create high-quality jobs, attract investment and create new markets in which the EU can lead.

On the other hand, the **life sciences strategy** seeks to optimise research in the field of living organisms, systems and the link between them. The strategy, which is crucial for European competitiveness, aims to enable rapid market access and uptake by companies of such innovations.

## EU START-UP AND SCALE-UP STRATEGY



**Fostering an innovation-friendly environment**

**Driving better financing for start-ups and scale-ups**



**Supporting start-ups' market uptake and expansion**

**Attracting and retaining the best talent**



**Facilitating access to infrastructure, networks and services**

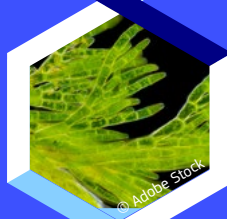
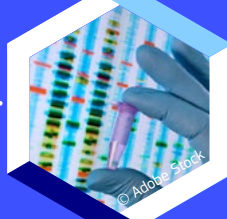


Europe's choice is clear. We are choosing to put research and innovation, as well as science and technology, at the heart of our economy. We are choosing to be the continent where innovation serves humanity; where global talent is welcomed. We are choosing to start a new age of invention and ingenuity.

# LIFE SCIENCES STRATEGY

## Support for advanced therapies

Coordinate the development of centres of excellence with Member States



## Life sciences career development through Choose Europe

Attract and retain talent in synergy with Member States' activities

## Life sciences investors interface

Connect start-ups, industry and investors

## Clinical research investment plan

Facilitate funding for multi-country clinical trials

## One Health<sup>(\*)</sup> Microbiome Initiative

Make the EU a world-class innovator in microbiome-based solutions

## EU Biotech Act

Foster innovation by simplifying rules and providing supportive measures

(\*) One Health recognises the interconnectedness of human, animal and environmental health.

## Shaping a joint plan for decarbonisation and competitiveness

**Europe is a front runner in the clean-tech race and is well equipped to thrive in a decarbonised economy.** We have talent, top-class infrastructure and a clear roadmap towards climate neutrality. Last year, emissions from the energy sector decreased by nearly 10 %, while energy consumption increased by only 1 %. Some 30 % of the world's innovative electrolyser technology companies are based in the EU, along with 20 % of its carbon capture and storage companies and 40 % of its wind and heat pump technology companies.

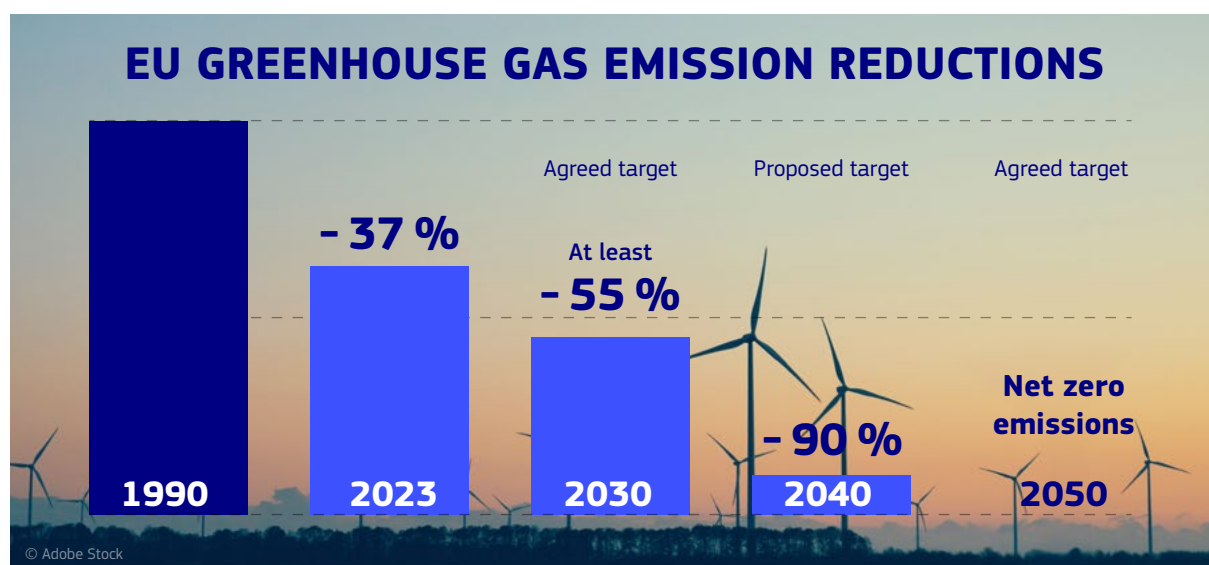
**Europe is staying the course.** We are on track to achieve our target of at least a 55 % reduction in greenhouse gas emissions by 2030 compared to 1990 levels. Now, we have proposed a **90 % target for 2040** to meet, in a pragmatic way, the obligations of our Climate Law, giving our industries the predictability they need to plan their investments.

At the same time, a successful clean transition requires greater flexibility and agility, and a strong partnership with

individuals and businesses. We must play to our traditional strengths: our industries, small and medium-sized enterprises (SMEs), innovators and workers. The Commission wants the EU to be a leader of the economy of the future while **retaining its edge in the industries that have made it prosperous.**

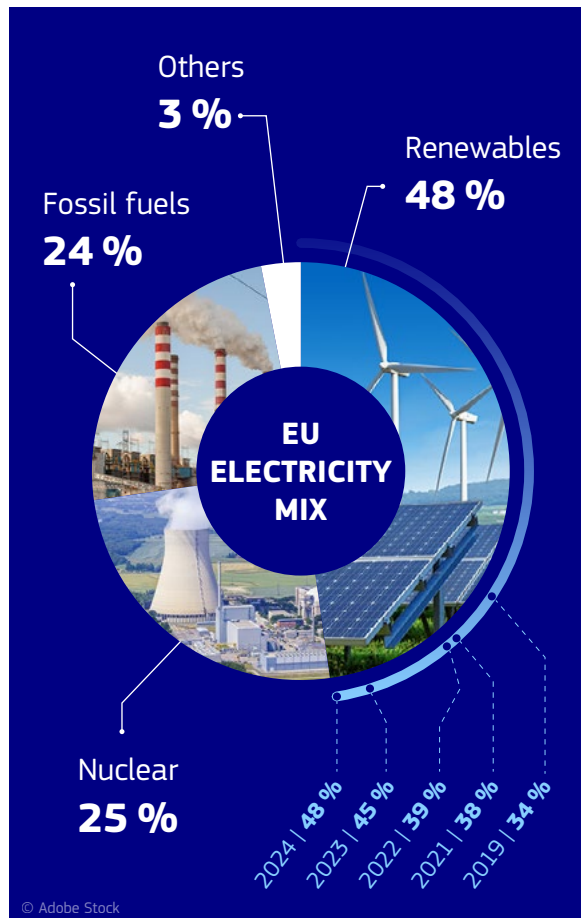
This is why, in February, the Commission put forward a business plan for competitiveness and decarbonisation, the **clean industrial deal**, with a focus on energy intensive industries and clean tech.

**Energy-intensive industries** such as chemicals, steel and cement have been competitive, job-creating sectors for the European economy. Today, they are slowed down by high energy costs and unfair global competition. At the same time, **clean technologies**, such as hydrogen, wind and solar energy, are at the heart of the transformation such industries need. As the global race to control these technologies gets faster and rougher, **Europe must adapt quickly.**





Hybrid Greentech, a Danish company founded by Rasmus Rode Mosbæk, developed a cutting-edge software platform for smart energy storage management. The project, supported through InvestEU, won the Green Power Award 2024 and has become a European model for how technology, climate and business can go hand in hand.



The clean industrial deal aims to **lower energy prices**, which remain too high for some sectors. It also aims to **boost demand for clean products** by creating lead markets and promoting their adoption in public procurement. It will **support companies in financing their clean transition** thanks to an **Industrial Decarbonisation Bank aiming to mobilise EUR 100 billion in funding**. Finally, it will **enhance circularity** to source the raw materials that we need.

To reinforce the deal, the Commission adopted the **clean industrial deal State aid framework** in June, which will simplify rules for Member States to provide public support to achieve the deal's objectives.



The **affordable energy action plan**, adopted along with the clean industrial deal, targets the high energy costs that hinder our competitiveness. The plan includes measures to decrease national taxes on electricity; support the uptake of long-term electricity supply contracts and energy-efficient solutions; and seek reliable suppliers of liquefied natural gas. The Commission estimates that these measures could save consumers and businesses **up to EUR 45 billion this year and up to EUR 260 billion annually by 2040**.

To realise its double ambition to decarbonise while boosting Europe's competitiveness, the Commission is deeply engaged with the stakeholders on the ground: entrepreneurs, farmers, workers and industry leaders. As a follow-up to our strategic dialogues with key sectors, the Commission presented an **action plan on steel and metals**, an **industrial action plan for the European automotive sector** and a **chemicals action plan**. We want to cut the ties that still hold our companies back, so that Europe can be not only a continent of industrial innovation but also a continent of industrial production.

The clean industrial deal will mobilise over **EUR 100 billion** to support EU-made clean manufacturing and the clean transition.



A cleaner, smarter and more flexible energy system will help **save up to EUR 45 billion in 2025, going up to EUR 260 billion annually by 2040**.



Agios Efstratios and Chalki are Greek islands becoming models of climate neutrality and energy autonomy – featuring renewable energy, electric mobility and digital public services thanks to funds from NextGenerationEU and cohesion policy. Despite their small size – respectively around 250 and 500 inhabitants – and the difficulties inherent to islands, they are going the extra mile and showing the way towards a cleaner future.

Our plans for a more competitive Europe go beyond the industrial sector. Our farmers ensure both our **food sovereignty**, with high-quality and safe products that have been a signature of our European way of life for generations, and food security worldwide. **They have turned the EU into an agriculture and food powerhouse.**

But faced with harsh challenges in recent years, such as higher input costs, extreme weather events and complex geopolitics, **our farmers need support.**

In January, the Commission established the **European Board on Agriculture and Food**, based on the recommendations of last year's strategic dialogue on the future of agriculture, to provide advice to the Commission and promote a culture of dialogue and trust.



Sophie Bell is a 26-year-old, third-generation farmer from Cavan in Ireland who, by her social media engagement, is inspiring a new generation of young women to step into farming, advocating for young farmers and putting the spotlight on generational renewal. She has benefited from common agricultural policy funding and, in December 2024, she participated in the 10th European Congress of Young Farmers.



Then, in February 2025, the Commission presented a **vision for agriculture and food. The vision shows our farmers that we are standing by them** as we make European agriculture more competitive and make it work better with nature. It sets out measures to ensure that farmers get better revenue for their products; to combat unfair competition from abroad by focusing on the alignment of imported agriculture products with our own production standards; and to ensure that rural areas remain vibrant, attractive places to live and work for current and future generations of farmers.

## THE VISION FOR AGRICULTURE AND FOOD

- Aims to create a competitive, resilient, fair and future-proof agri-food sector by 2040
- The sector generates **EUR 900 billion** annually<sup>(\*)</sup> and supports about **30 million jobs**



In fact, three quarters of all businesses in Europe depend on nature in one way or another. Preserving nature now will prevent problems for our companies down the line. The Commission has proposed a roadmap to develop **nature credits** that incentivise action to restore and preserve nature by both the private and the public sectors. They offer an opportunity to boost biodiversity and preserve habitats while generating revenue for those who protect nature and for investors.

A European Solidarity Corps volunteering project brought together six young volunteers from France, Germany, Poland, Italy and Greece in the wine region of Amarante, Portugal. There they became involved in the local community, helping organic farmers, organising fair trade workshops in schools, supporting social institutions and running cultural events.



## Making business easier in Europe

The key to our prosperity is to put our house in order, and to make business easy right here in Europe. Simplification is vital to Europe's competitiveness, as all industries made clear during our strategic dialogues. They told us that the regulatory pressures weigh heavily on them, with burdensome reporting, overlapping regulations and complex requirements. The Commission has heard their call and is acting on it.

The 2025 Commission work programme is fully focused on simplification. So far, we have put forward six **simplification packages** to address barriers to competitiveness across different sectors. Their goal is **to support those who create value in Europe** and to tell the world that **Europe means business**.

The first sets of measures were presented in February. They focus on **reducing the complexity of EU sustainability reporting and due diligence requirements for all businesses**, with an emphasis on SMEs. They also simplify the application of the **Carbon Border Adjustment Mechanism**: we are exempting from its scope 90 % of importers, which are responsible for less than 1 % of import volumes and their associated emissions. The climate impact of this change is minimal, but the positive impact on SMEs is huge.

Two more simplification packages were adopted in May. One focused on **farmers and national authorities dealing with agriculture** by simplifying payments for farmers, streamlining controls based on technology and giving more trust to farmers on the fulfilment of certain funding conditions.

The other simplification package of May was dedicated to SMEs. In this package the Commission identified a new category of companies: **small mid-caps (SMCs)**, companies with between 250 and

750 employees and either less than EUR 150 million in annual turnover or less than EUR 129 million in total assets. **Some 38 000 companies in the EU will be included in this new category.** They will be free to grow without facing a sudden increase in compliance obligations.

June brought the fifth simplification package, which focused on supporting EU Member States and the defence industry in **scaling up defence capabilities**. The package introduces a **regime of fast-track permitting**, which could reduce the permitting waiting period **from several years to 60 days**.

In July, the Commission presented its sixth simplification package, this time on **chemicals**. The measures proposed will **simplify the labelling rules for hazardous chemicals, clarify cosmetics regulations** and **ease registration for fertilising products**.

According to Commission estimates, these simplification efforts will save businesses, industries, farmers and national authorities **over EUR 8 billion** in annual administrative costs. At the same time, they will stimulate companies to scale up, grow, innovate, invest and become more competitive.



Over **EUR 8 billion**  
in savings on annual  
administrative costs

**Six major simplification packages**  
proposed by the Commission so far

Goal to cut administrative burdens

**by at least 25 % for all companies**

**and 35 % for SMEs**

by the end of this mandate

As of August, we have also organised **28 implementation dialogues** in which College members debate with relevant stakeholders in their area of competence and listen to how they cope with the implementation of EU rules, identify inefficiencies and search for simplification opportunities.

On the other side, the **VAT in the digital age initiative**, once fully implemented, will make life simpler for businesses by facilitating reporting for cross-border trade on the basis of e-invoicing. It will bring down compliance costs for EU traders by over **EUR 4 billion per year** and, at the same time, reduce VAT fraud.

In times of growing trade barriers around the world, our single market is a safe harbour for European businesses – a place where they can grow strong before they set sail on global markets. However, the vitality of the single market is held back by too many national barriers and by too much fragmentation and bureaucracy.

To address this, the Commission put forward a **single market strategy** in May, which focuses on the **ten most important and persistent barriers**. The single market was born to tear down barriers between our countries, to erase customs and duties and to make it easy to do business within Europe. Thirty years after its creation we are finally going back to that idea, to fulfil the promise of our single market.



## CHALLENGES FACING THE SINGLE MARKET

Low productivity growth  
at around **1 %**

EU's **stagnating global competitiveness**

## KEY ROLE OF THE SERVICES SECTOR



**75 %**  
of EU GDP

Intra-EU service trade  
**no higher** than  
service trade with the  
rest of the world



**60 %** of barriers  
remain the same as  
20 years ago

## KEY ACTIONS TO DISMANTLE THE TEN MOST IMPORTANT BARRIERS IN THE SINGLE MARKET

As global trade faces new obstacles, Europe must remove the remaining barriers within the single market. These barriers disrupt the smooth flow of goods and services, restricting cross-border trade and investments. Tackling the ten most harmful barriers will make it easier and simpler to do business across the single market - Europe's greatest asset.



### **Complicated business establishment and operations**

- Establish a new 28th regime for EU company law
- Revise the Commission recommendation on business transfers



### **Overly complex EU rules**

- Reduce unnecessary administrative burdens identified in simplification proposals
- Simplify and streamline the EU public procurement framework



### **Long delays in standard-setting**

- Review the standardisation regulation
- Allow the Commission to establish common specifications when needed



### **Outdated product rules and lack of product compliance**

- Better coordinate EU and national customs and market surveillance authorities, and potentially establish an EU market surveillance authority
- Create a legal framework for refurbished and repaired products
- Strengthen requirements for notified conformity assessment bodies



### **Burdensome procedures for temporary posting of workers**

- Support adoption of the e-declaration for posted workers and social security coordination
- Facilitate temporary cross-border provision of posted workers
- Pilot and deploy the European Social Security Pass (ESSPASS)



### **Lack of ownership by Member States**

- A high-level single market representative ('Sherpa') to promote application of rules in every Member State
- Organise high-level political meetings of the Single Market Enforcement Task Force (SMET)
- Reinforce preventive mechanisms at EU level



### **Limited recognition of professional qualifications**

- Make recognition faster and more efficient using digital tools and automatic procedures
- Explore common rules for the recognition of qualifications of third country nationals



### **Fragmented rules on packaging, labelling and waste**

- Implement the Digital Product Passport for digital labels and product compliance
- Harmonise and simplify extended producer responsibility schemes for end-of-life products



### **Restrictive and diverging national services regulation**

- Facilitate temporary provision of cross-border services, possibly including harmonisation of service authorisations and certification schemes
- Address challenges in specific services sectors such as construction, retail, delivery as well as business and industry services



### **Territorial supply constraints (TSCs)**

- Develop tools against unjustified territorial supply constraints beyond situations prohibited by competition law



## Financing Europe's growth opportunities

Europe is home to many groundbreaking companies with innovative ideas, but **they need the means to finance their ambition**. The fragmentation of the EU's financial markets prevents businesses from getting access to finance, sometimes pushing them to settle elsewhere.

At the same time, savers would like better opportunities to invest; at present, **approximately EUR 10 trillion** rests in bank deposits in the EU.

Every year, EUR 300 billion of European families' savings go from Europe to foreign financial markets, because our capital market is too fragmented. This money is often used to buy innovative European companies from abroad. This must change. We see a strong opportunity to leverage this enormous wealth and create growth here in Europe.

In March, the Commission presented the **savings and investments union strategy** to unlock the full potential of the EU's capital markets and connect savers seeking better investment opportunities with businesses in need of capital.

The proposed measures focus on **empowering savers to become investors** if they so choose, while **making it easier for businesses to access deeper and more diverse sources of finance**, including across borders.

Another tool helping Europe finance its priorities and become more independent is **NextGenerationEU**, the EU's ambitious post-pandemic recovery plan. According to Commission estimates, investments under NextGenerationEU alone will **boost the EU's gross domestic product by up to 1.4 % in 2026**, and its positive effects will continue to be felt in the years to come.

# NEXT GEN EU

**+ 4.5  
million**

small, medium and large  
companies supported

**+ 49.8  
million**

people with access to new or  
modernised healthcare facilities

**+ 31.1  
million**

people better protected  
against natural disasters

**33.4  
million**

MWh/year  
savings in annual primary  
energy consumption

**+ 16.2  
million**

homes or buildings with  
very high-capacity internet

**+ 10.7  
million**

young people between 15-29  
receiving support for education,  
training and employment

**+ 1.4 %**

estimated boost to EU's GDP  
in 2026 thanks to investments  
under NextGenerationEU alone

As of August 2025

So far, the RRF has enabled the **installation of over 110 gigawatts of renewable energy capacity across the EU** and has saved 33.4 million megawatt-hours per year in primary energy consumption – this is **more than Denmark's total annual electricity consumption**.



The main arm of NextGenerationEU is the **Recovery and Resilience Facility (RRF)**. By the beginning of August of this year, **EUR 362 billion had been disbursed** to Member States under the RRF – about 56 % of the total available. Meanwhile, **EUR 288 billion remains available**. Member States need to accelerate implementation to ensure that the funds can be put to good use **before the RRF expires at the end of 2026**. This June, the Commission provided guidance to ensure that they make the best possible use of the opportunities the RRF offers.

The Antinero programme aims to protect Greek forests and prevent megafires by cleaning up dry vegetation, improving forest roads and firebreaks, planting new trees and creating natural buffer zones that slow down fires. It also takes care of burned areas with anti-erosion and flood protection works. The goal is simple: make forests safer, healthier and more resilient in the face of climate change. The programme was developed with funding from NextGenerationEU and is a flagship example of how EU investment delivers climate resilience, preparedness and protection for rural communities. With a budget over EUR 400 million, it is the largest-ever project tackling this issue in the country.

#### BEFORE



#### AFTER



© Secretariat General of Forests of the Ministry of environment and energy



© Management Authority for the Programme Transport 2021-2027, 2025

**Cohesion policy** continues to be one of the most powerful tools in the EU's toolkit to invest in more equal and resilient societies in line with our common priorities.

However, the current cohesion programmes were adopted before the major geopolitical shifts we have experienced in the past four years. **Our instruments must grow more flexible to adapt to emerging priorities.** In April, the Commission carried out a **mid-term review of the current cohesion policy** and made proposals to make it fitter to invest in and respond to today's challenges.

Member States will be able to reprogramme part of their cohesion policy funds and **dedicate them to current EU priorities** such as strengthening Europe's competitiveness, boosting European defence, increasing housing affordability, improving water resilience and supporting the energy transition. Special attention will be given to **eastern regions bordering Russia, Belarus and Ukraine**, which have been particularly affected by Putin's war.

Thanks to EU cohesion policy support for the Solidarity Lanes initiative, the PRIMUS project in Romania has increased navigation safety on the Danube, serving ports in Romania, Ukraine and Moldova. In particular, PRIMUS increases capacity on the Sulina Canal from 8 ships to at least 20 ships per day by modernising previous navigation tools and making available to pilots all relevant information in real time. It thus allows Romania to fully benefit from the potential of this waterway and provides Ukraine and Moldova with a vital connection to the EU amidst the ongoing war.



## Empowering people and strengthening our social model

**The foundation of our economy is people: their hard work, their talent and their skills.** Competitiveness today is less about the cost of labour and more about the knowledge of workers, and this is where we can outmatch our competitors. Here in Europe, companies can find incredibly experienced workers and top-notch tech graduates. We do not have enough of them, however, and this is a handbrake on our ability to compete.

This is why, in March, the Commission put forward its **union of skills plan**, complemented by an **action plan on basic skills** and a **STEM education strategic plan**. These measures will boost Europe's human capital and empower people to contribute to our continent's competitiveness.

The union of skills initiatives will provide opportunities for adults to regularly upskill and reskill. At the same time, the Commission proposes measures to increase the share of students **enrolled in STEM fields** (science, technology, engineering and maths) and in **information and communication technology PhD programmes**, with a special focus on **female students**.

These actions build on the **pact for skills**, which has helped **6.1 million people** receive training thanks to the joint work of the Commission, national authorities, industry, social partners, and education and training providers.



To effectively address skills shortages, **the role of social partners is crucial**. They know what skills workers and companies need most, and the best practices in the field. **Social dialogue** with workers' and employers' associations has been a cornerstone of the European social model for decades. In a changing world, it will be even more necessary to foster trust, protect workers' rights and guarantee that the changes in the economy **boost our competitiveness without weakening our social fabric**.

In March, the Commission, along with the EU-level social partners, signed a new **pact for European social dialogue** in which it commits to expanding the scope of social dialogue and promoting increased consultation of social partners when preparing legislative initiatives.

Here in Europe, we know that productivity can be enhanced by good working conditions: having stable employment; earning a fair wage; maintaining a good work-life balance; finding childcare for children and good care for elderly parents; having access to decent and affordable homes. But in today's world, many of these social rights can no longer be taken for granted.

Europeans are increasingly concerned about the **affordability of housing**. Younger generations face barriers their parents did not. The Commission has set up a **Housing Task Force** to develop a **European affordable housing plan** that will tackle structural issues and put in place a strategy to stimulate public and private investment in construction.

## AFFORDABLE HOUSING – A PRIORITY FOR THE COMMISSION



Adjusted for inflation, house prices have risen by **more than 20 %** since 2015



Building permits for residential buildings dropped by **more than 20 %** since 2021



**17 % of our population** is living in overcrowded homes



Overall inflation-adjusted investment in residential buildings **fell by 6 %** from 2022 to 2024



Rents in major cities have **risen as much as 48 % for a one-bedroom apartment** between 2014 and 2023



Homelessness affects all Member States and has **increased substantially** over the last decade



© Viktória Király, 2025

At 64, Maria found herself raising her grandchildren after her daughter developed addiction problems. Despite being employed, she could not afford to pay rent. Thanks to a financial instrument backed by the European Regional Development Fund, a public-private partnership in Slovakia has leveraged public resources to make available more than 350 rental apartments, enabling Maria and hundreds of other vulnerable people to find quality homes at prices up to 30 % below market rates. 'The Dostupný Domov apartment with discounted rent was like a light at the end of the tunnel,' she says. 'It provides home comfort, privacy and a better study environment for the whole family.'

The same is true for **equality**. It is not only a key European principle enshrined in our treaties; it also fuels **economic growth** by allowing full participation in the workforce, fostering creative, innovative ideas, and it leads to a better quality of life for all.

The EU has made important strides along the path towards **equality** between women and men, with new rules on **pay transparency**, **gender balance on company boards** and **combating violence against women**. But there is no space for complacency.

### Target by end of June 2026 for EU large listed companies:



**at least 40 %**

of the under-represented  
sex among their  
non-executive directors

or



**at least 33 %**

among all directors

The average share of women  
on corporate boards is currently  
**34 %** in the EU





In 2024, Ljubljana won a European Capitals of Inclusion and Diversity Award for its efforts to make the city safer for women and prevent violence against women. The initiatives undertaken by the city include the organisation of awareness and prevention campaigns on violence against women, the development of creative projects such as art exhibitions telling the stories of victims of violence, the co-financing of five safe houses for victims of domestic violence, two maternity homes and the establishment of a 24/7 SOS helpline.

In March, the Commission laid out a **roadmap for women's rights**. At home and abroad, the Commission will continue working to ensure that **every woman and girl enjoys the right to feel safe and to be treated with dignity**; that she receives equal pay for equal work; and that she has access to high-quality health, education and an appropriate work-life balance. Europe is home to some of the most gender-equal societies in the world, but the work is far from over, and we will never stop fighting for equality.

At the same time, we continue the work we started in the previous mandate to protect and advance the rights of LGBTIQ people. An updated LGBTIQ strategy, as well as a new anti-racism strategy, will further consolidate our efforts.





# A secure Union ready to defend itself

Our world is again marked by imperial ambitions and wars. International actors are ready to utilise all means – fair or foul – to gain an advantage. Russia has intensified its attacks on Ukraine as its war of aggression entered its fourth year. And the security architecture that kept Europe safe for decades can no longer be taken for granted. In response to this new situation, our Union has pursued action that seemed unthinkable until just last year. **The Europe of defence has finally awakened.**

In today's world, we cannot rely on others to defend Europe. **Europe's defence is our strategic responsibility**, and this responsibility begins with a strengthened budget – for defence and for our defence industry. Our Member States are mobilising unprecedented resources to increase their defence expenditure, and our Union has launched a set of new initiatives to help Member States **spend more, spend better and spend European.**

With our **Readiness 2030** initiatives, we are facilitating additional investment of up to **EUR 800 billion** by Member States over the next four years. Sixteen Member States have requested the activation of the **national escape clause** to raise their defence budgets. In just four months, we created **SAFE (Security Action for Europe)**, a new financial instrument with **EUR 150 billion in loans for joint defence procurement**. We proposed a **simplification package** on defence to radically speed up our defence investment. We have also reinforced our network of **defence and security partnerships** with countries across the world – from the United Kingdom to Canada and from Norway to Japan – with which we share values and common security interests. Our goal is clear: by 2030, **Europe must have everything it needs for credible deterrence.**

## READINESS 2030

**Mobilising up to EUR 800 billion for the EU's security and defence**



© NATO, 2024

**SAFE  
EUR 150 billion**

**19 Member States**

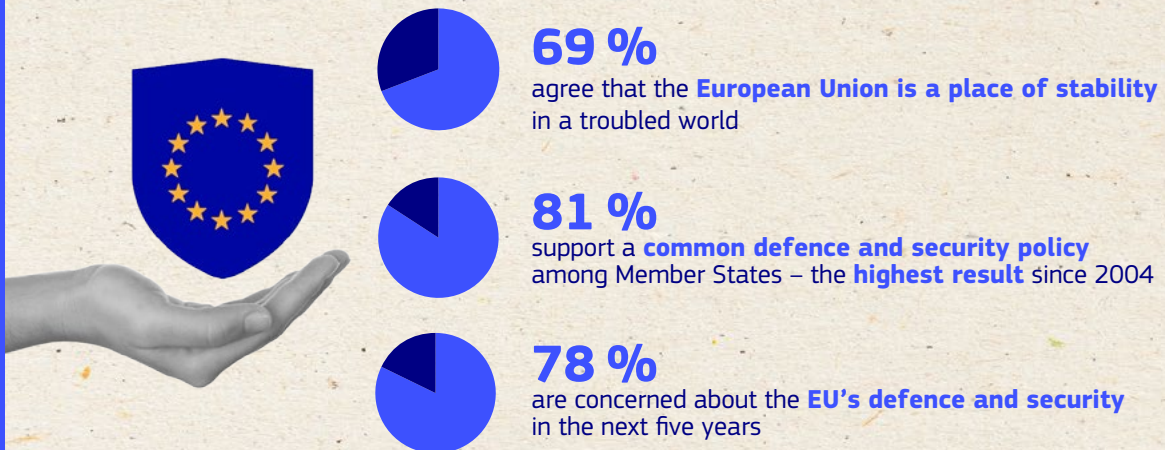
**Activation of the  
national escape clause**

**16 Member States**

*As of August 2025*



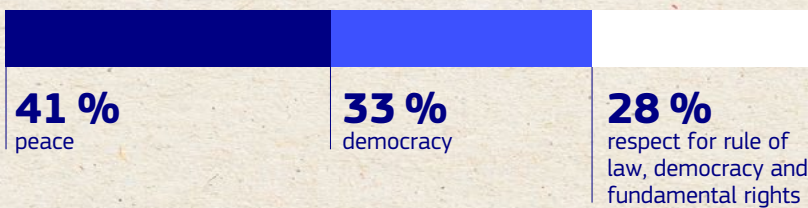
## EUROPEANS' VIEWS ON SECURITY AND DEFENCE



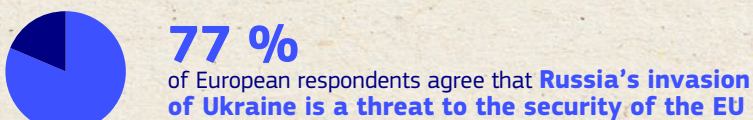
According to Europeans, **the EU should take measures** in the medium term in the areas of:



**Values that best represent the EU:**



**Most important issues facing the EU at the moment:**



Source: Standard Eurobarometer 103

In parallel, **Europe continues its unwavering support for Ukraine. With EUR 168.9 billion of support, including almost EUR 60 billion of military support, the EU remains Ukraine's largest donor.** Additionally, the new SAFE instrument can be used to procure directly from Ukraine's defence industry. Ukraine's future is in our Union, and we are integrating its defence industry into the broader European defence industrial base.

Beyond defence, we have worked to increase our security and resilience across a range of areas, **from cybersecurity and critical infrastructure to our supply of energy,**

**water, medicines and raw materials.**

Likewise, we have promoted a **culture of preparedness** across European society, increasing our resilience and our capacity to withstand any future crisis together.

To further integrate and prioritise security across the Commission's initiatives, **President von der Leyen now chairs regular Security College meetings,** in which the full College of Commissioners can discuss and be briefed on security matters in a dedicated setting.

This is a new era for **European security and defence.**

## A new era for European defence: Readiness 2030

Europe's security paradigm has been shaken. On the one hand, Russia continues to wage an atrocious war on European soil. On the other, deep geopolitical shifts have shaken our continent's security architecture.

**For too long, Europe has been running a security deficit. It needs to catch up urgently.**

The project 'Atlantic Constellation', supported under NextGenerationEU, results from a partnership between Portugal and Spain, and aims to develop a complete satellite-based value chain for advanced data applications in defence and sustainability. The collaboration resulted in the launch of the second Portuguese satellite in 2024. 'Atlantic Constellation' is the biggest project in the space sector in Portuguese history, with two satellites already in orbit and more in the pipeline. This specific project is part of 'New Space Portugal', which will establish the capability to design and produce complete satellites, and deliver high-value-added services based on earth observation data.



This Commission is focusing on building a true **defence union**. While NATO will continue to be a cornerstone of our security, the **EU needs to assume more responsibility for its own protection**, which is why, in March, the Commission put forward **Readiness 2030**. It contains a **White Paper for European defence** that identifies capability gaps and investment that needs to be carried out in the field of defence, such as air and missile defence, artillery systems, ammunition and missiles, drones and electronic warfare.

Furthermore, Readiness 2030 makes available the resources to act immediately. We proposed to Member States a **coordinated activation of the national escape clause** under the Stability and Growth Pact, allowing Member States to raise their defence spending without falling foul of our fiscal rules.

The second initiative is **SAFE**. The Commission will soon start providing Member States with up to **EUR 150 billion in loans** backed by the EU budget and its high credit rating.

The loans will be used for **common procurement from the European defence industry** and will focus on the priority capabilities that have been identified. They will be used to **purchase from companies established in the EU, the European Economic Area and Ukraine**, and at least 65 % of the cost of the product should originate in the same regions.

As of September, **19 Member States** had expressed interest in accessing funding through SAFE loans, reaching **full subscription of the EUR 150 billion**.

Additionally, the **mid-term review of cohesion policy**, launched in April, provides incentives for countries and regions willing to reallocate available funding to productive capacities in the defence sector across the EU.

The Commission has continued to use all the available tools to drive defence spending.

In June we presented a **major simplification package with a focus on the defence industry**, and in April we announced the investment of **EUR 910 million in 62 new projects under the European Defence Fund (EDF)**, covering air and missile defence, ammunition, military mobility, AI, cyber warfare and electronic warfare, amongst other sectors.

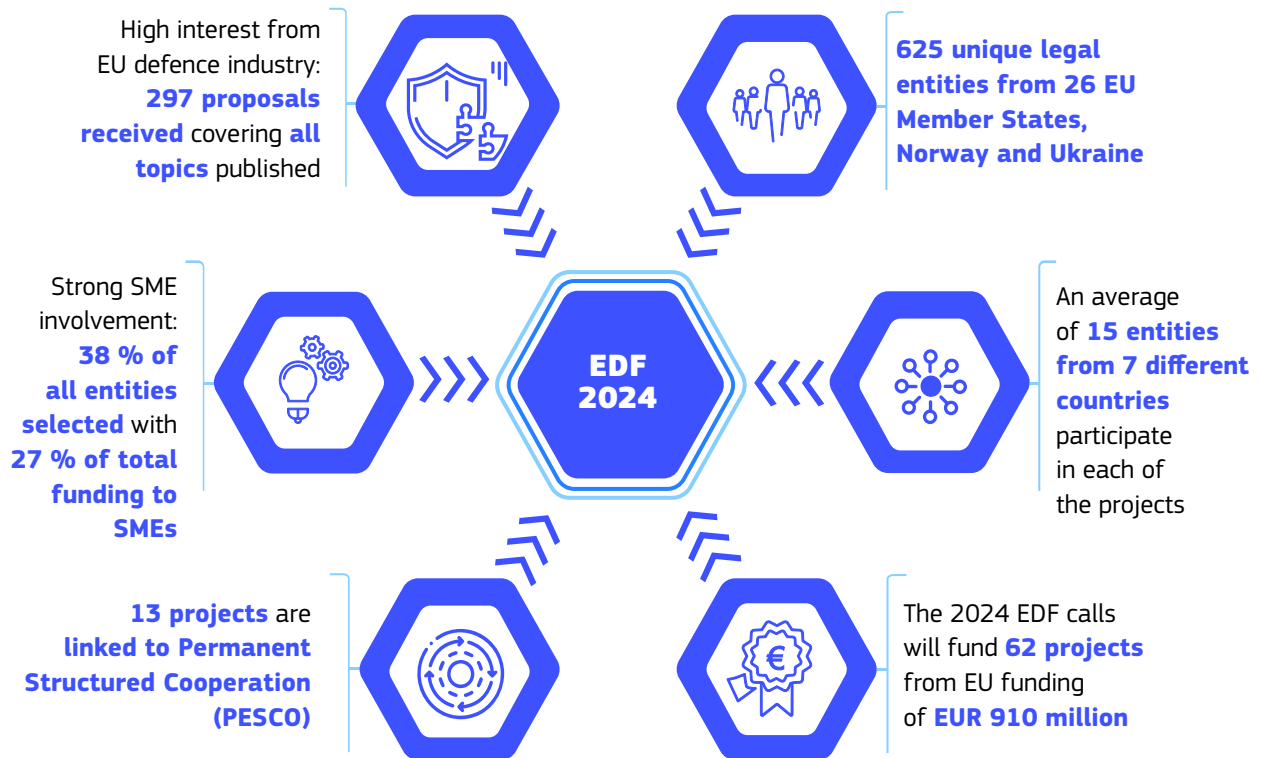
Also, as space and satellites play an increasingly strategic role in our society, we have moved to prevent disruption by hostile actors and to increase security with the **EU Space Act**.

Czech companies Eagle.one and Fly4Future, together with the Czech Technical University in Prague, developed the robotic 'hunter' Eagle.one. The project, presented in November 2024 and supported by the European Regional Development Fund, focuses on the development of an autonomous flying robot using in-vehicle artificial intelligence to safely capture unauthorised drones in a protected airspace without destroying them, which is key in civil applications.





## KEY FIGURES OF EUROPEAN DEFENCE FUND 2024



### EDF 2024 funds flagship projects contributing to EU strategic autonomy and resilience



#### Naval

EUROSWEET will develop a common European unmanned minesweeping system with autonomous features



#### Air

The ENGRT II project enhances EU defence autonomy by developing the next generation rotorcraft by 2030, focusing on advanced rotorcraft technologies and configurations



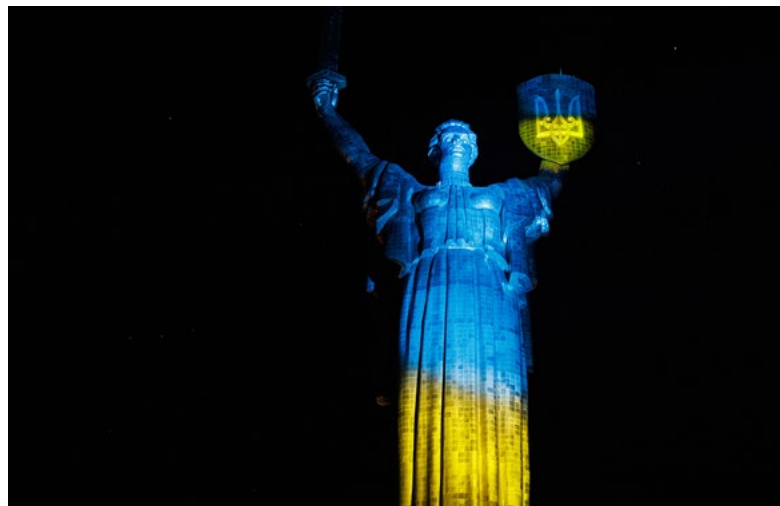
#### Ground

iMUGS2 will further develop and demonstrate modular and open systems architectures that integrate autonomous and swarming capabilities, among others, into both new and legacy military vehicles

## Standing for a free and sovereign Ukraine

It has been more than three years since Putin launched his full-scale war of aggression against Ukraine. The Ukrainian people have shown heroic resistance and courage as they continue to fight for their right to choose their own destiny.

**Their freedom is Europe's freedom.** The war in Ukraine is Europe's top security crisis, which is why **we have not wavered in our support.** As of August, the support provided by the entire EU since the beginning of the war amounted to **EUR 168.9 billion**. This year alone, we will cover **84 % of Ukraine's external financing needs.**



### EU SOLIDARITY WITH UKRAINE AT A GLANCE



#### OVERALL SUPPORT

**EUR 168.9 billion** for Ukraine and Ukrainians, including economic, financial, humanitarian and military support

#### TEMPORARY PROTECTION

More than four million Ukrainians have found refuge in the EU



#### HUMANITARIAN ASSISTANCE

The biggest Union Civil Protection Mechanism operation ever

#### MILITARY ASSISTANCE

The EU and its Member States have mobilised EUR 59.6 billion in military support



#### EU INTEGRATION

The EU opened accession negotiations with Ukraine

#### HOLDING RUSSIA ACCOUNTABLE

18 packages of hard-biting sanctions against Russia, including four since 1 December 2024

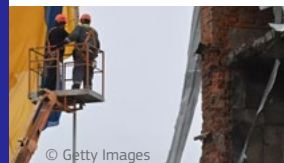


#### PEACE NEGOTIATIONS

International and Team Europe efforts towards a just and lasting peace for Ukraine

#### RECOVERY AND RECONSTRUCTION OF UKRAINE

Aim to mobilise up to EUR 40 billion in public and private investment



## EUR 168.9 billion

in overall support  
to Ukraine and Ukrainians

### EUR 17 billion

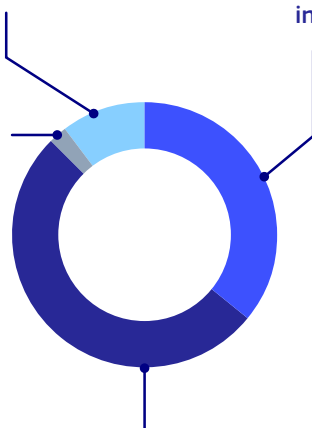
made available  
to Member States  
to cater for the needs  
of people fleeing  
the war

### EUR 59.6 billion

in military assistance  
for Ukraine under the  
European Peace Facility  
and by Member States  
individually

### EUR 3.7 billion

from the  
proceeds of  
immobilised  
Russian  
assets



over **EUR 88.6 billion**  
in financial and budget support,  
and in humanitarian assistance

### EUR 15 billion

from Member  
States, including  
humanitarian  
assistance

### over EUR 73.6 billion

in macro-financial  
assistance,  
budget support,  
humanitarian and  
emergency support,  
provided or guaranteed  
by the EU budget



The Stasevskij siblings – Dalia, Justas and Lukas – are Finnish-Ukrainian musicians who have wholeheartedly supported Ukraine, especially since the onset of Russia's full-scale invasion. Through a diverse range of initiatives – from humanitarian aid campaigns and frontline reportage to public performances and cultural diplomacy – they promote European values, democratic principles, and international cooperation, amplifying the voices of those affected by the war.

Under the **Ukraine Facility**, the Commission has disbursed **EUR 22.7 billion** to support Ukraine's economy and the implementation of reforms. Together with our G7 partners, we are providing additional support of EUR 45 billion in loans. For its part, the EU has provided so far **EUR 9 billion** under an extraordinary macro-financial assistance programme. This is to be **repaid with the revenue generated by immobilised Russian assets**.

In addition, in what continues to be the **largest-ever operation under the Union Civil Protection Mechanism**, the Commission and Member States have delivered more than **156 000 tonnes of assistance** to Ukraine and we have coordinated the evacuation of **more than 4 500 Ukrainian patients to hospitals in 22 European countries**: this is literally a life-saving manifestation of European solidarity.

The Commission has also increased its pressure on Russia. Following our proposals, the EU has adopted **18 packages of hard-biting sanctions against Russia, including four since the beginning of this mandate.**

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Coordinated the  
evacuation of more than  
**4 500**  
Ukrainian patients

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Thanks to our sanctions, Russia's oil and gas revenues have fallen by almost 80 % compared to before the war. Its deficit and interest rates have skyrocketed, and inflation is above 10 %. Importing technologies and critical goods has become prohibitively expensive.

We have listed **444 vessels** that are part of Russia's shadow fleet, and **more than 2 500 individuals** and entities are subject to travel bans and asset freezes.



**Over 2 500**  
sanctioned  
individuals  
and entities



The EU has listed  
**444 vessels**  
from Russia's  
shadow fleet



At the same time, we have continued working to ensure that **Russia is held accountable for the crimes it has committed in Ukraine**. In February, the Commission, along with the High Representative, the Council of Europe, Ukraine and 37 states, laid out the foundations for the establishment of a **Special Tribunal for the Crime of Aggression against Ukraine**, and an agreement has already been signed by the Ukrainian President, Volodymyr Zelenskyy, and the Secretary General of the Council of Europe, Alain Berset.



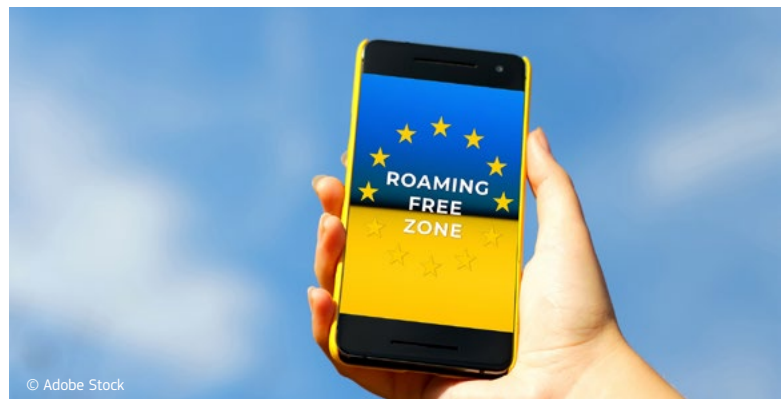
This tribunal will have the power to hold to account Russia's political and military leaders, who bear the greatest responsibility for the atrocities committed in Ukraine.

Additionally, President von der Leyen has continued to publicly advocate for the **return of the Ukrainian children abducted by Russia** and we strongly support the International Coalition for the Return of Ukrainian Children.

We will continue to support Ukraine for as long as it takes until it can have a just and lasting peace. In that context, the Commission, together with the Coalition of the Willing, has **welcomed the efforts by US President Donald Trump to stop the killing in Ukraine and find a deal to end the war**. President von der Leyen joined President Zelenskyy and other European leaders in the White House in August, to discuss the way forward to a just and lasting peace.

The work continues to **design strong, credible security guarantees for Ukraine**, and the EU stands ready to do its share.

**Ukrainians have chosen to join our Union** and Ukraine is a candidate for EU membership.



The Commission is assisting Ukraine in implementing the reforms needed to carry negotiations forward, and **Ukraine has shown extraordinary tenacity in meeting its goals while in the midst of fighting a war**. The accession process is based on merit, and **Ukraine merits being able to move forward**. The Commission has been clear that **Ukraine is ready to open the first cluster of accession negotiations**.

In the meantime, we have continued to integrate Ukraine progressively into the single market and other EU programmes, **for instance the EU roaming area as of 2026, the single euro payments area (SEPA) and the EU space programme**. We have also revised our mutual trade agreement to make it more fit for our long-term relationship in the context of Ukraine's accession.

Moreover, more than four million Ukrainians have found refuge in the EU. In June, the Commission proposed to extend the current **temporary protection status**, which allows them to live, work and study in the EU, until 4 March 2027. It also proposed that Member States start preparing for a transition out of the temporary protection system towards other legal statuses and that they facilitate the return and reintegration of those who wish to return home to Ukraine.

Our conviction is that Ukraine will soon be a peaceful, prosperous country for all its citizens, **fully at home in the EU**.

## A united Europe

### Europe's first security policy is its unity.

Enlargement is a strategic investment in Europe's long-term peace, stability and prosperity.

Countries and people in the Western Balkans, Moldova and Ukraine have chosen to become part of the EU. While enlargement remains a merit-based process, we are committed to giving them our full support and assistance.

**The Ukraine Facility, the Reform and Growth Facility for Moldova, the Western Balkans growth plan,** and other enlargement initiatives are helping to drive investment and ensure that the reforms

necessary for these countries to become EU members are implemented.

In the **Western Balkans, almost EUR 120 million** has been disbursed under the growth plan to support fundamental reforms, while a separate package of almost **EUR 490 million for clean energy investments** was announced in July. Our six partners are progressively benefiting from joining SEPA and from enhanced connectivity through our transport corridors, our network of digital innovation hubs and an initiative to provide free Wi-Fi in public spaces across the region.

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## First investments under the EU's growth plan for the Western Balkans



### Albania

#### Digitalisation of energy transmission system

This investment project digitalises 40 high-voltage substations throughout Albania, increasing the networks' transmission capacity and reducing energy losses.



### Montenegro

#### Introduction of a supervisory control and data acquisition system (SCADA) in the Montenegrin distribution system

This investment project updates Montenegro's grid with smart meters and an advanced management system to improve efficiency, cutting losses by 30 GWh per year and supporting renewable energy.



### Serbia

#### Novi Sad solar thermal plant

This investment project builds a 31 MW solar-thermal plant and a 17 MW heat pump in Novi Sad, bringing renewable energy sources to the district heating system and avoiding 17 kilotonnes of CO2 emissions per year.

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On 1 January 2025, the European digital innovation hubs (EDIHs) network expanded to welcome new hubs from Albania, Kosovo, Montenegro, North Macedonia, and Serbia. This marks a major milestone in strengthening digital transformation in the EU enlargement region. The hubs are helping local businesses, start-ups and public institutions access cutting-edge technology, AI expertise and capacities.

In relation to **Moldova**, the Commission has signed a two-year strategy that will provide **EUR 250 million** to reduce the country's energy dependence on Russia, increase its resilience and help it integrate into the EU energy market.

In July, at the first-ever **EU–Moldova Summit**, the Commission disbursed the first **EUR 270 million under the growth plan for Moldova**. This will finance hospitals, heating systems and access to affordable energy.

We have moved to integrate Moldova into SEPA and into the common roaming area, and we support its efforts to resist Russian disinformation and manipulation ahead of parliamentary elections.



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With EU support, Moldova has been able to support 80 families in Bălți, who now live in more energy-efficient and comfortable apartments, with lower energy bills. Indeed, a 16-story residential block was thermally renovated through the first co-financing model for energy renovation.

**As concerns Georgia**, we have reiterated our solidarity with the Georgian people and our readiness to continue supporting them on their path towards a European future.

When it comes to **accession negotiations**, **Albania** and **Montenegro** have opened or closed new chapters since the beginning of the mandate. And with regard to **Ukraine** and **Moldova**, the Commission stands by its opinion that the first accession cluster should be opened as soon as possible.

## A prepared and resilient Union

Recent years have shown that crises can hit without warning and affect the most basic aspects of daily life. In what is now a more dangerous world, **we must adapt and must develop a preparedness mindset** at all levels of society that allows us to handle all incoming challenges.

Last year, former Finnish President Sauli Niinistö prepared a report titled ***Safer Together – Strengthening Europe’s civilian and military preparedness and readiness***. Building on its recommendations, the Commission has put forward a **preparedness union strategy** with 30 key actions to enhance the capacity of public authorities and citizens to withstand any calamity.



# EU PREPAREDNESS UNION STRATEGY

## KEY TOOLS AND ACTIONS

### Foresight and anticipation

- Develop an EU comprehensive risk and threat assessment
- Set up a crisis dashboard for decision-makers
- Strengthen the Emergency Response Coordination Centre
- Develop an EU catalogue for training and a platform for lessons learned
- Establish an EU Earth Observation Governmental Service

### Resilience of vital societal functions

- Embed preparedness by design into EU policies and actions
- Adopt minimum preparedness requirements
- Revise the Union Civil Protection Mechanism
- Propose an EU stockpiling strategy
- Propose a climate adaptation plan
- Ensure supply of water and other critical natural resources

### Population preparedness

- Improve early warning systems
- Increase awareness about risks and threats
- Develop guidelines to reach a population self-sufficiency of minimum 72 hours
- Include preparedness in school education curricula and training of educational staff
- Promote preparedness in youth programmes
- Attract talent to reinforce the EU's preparedness

### Public-private cooperation

- Establish a public-private Preparedness Task Force
- Develop public-private emergency protocols
- Revise the public procurement framework
- Establish a European Centre of Expertise on Research Security

### Civil-military cooperation

- Establish comprehensive civil-military preparedness arrangements
- Develop standards for civil-military dual-use planning and investment
- Organise regular EU exercises to promote comprehensive preparedness

### Crisis response coordination

- Set up an EU crisis coordination hub
- Boost rescEU – EU-level reserve of response capacities

### Resilience through external partnerships

- Advance mutual resilience with candidate countries
- Integrate preparedness and resilience into bilateral partnerships and multilateral institutions
- Strengthen and deepen EU-NATO cooperation on preparedness and resilience
- Develop mutual resilience through external economic and development policies





Civil preparedness and resilience are fundamental. In moments when public authorities might be out of reach, **citizens and families must be empowered to act on their own behalf**. Among the actions proposed, the Commission wants to develop guidelines to **achieve population self-sufficiency for at least 72 hours**, put in place a stockpiling strategy and set up a true **EU crisis coordination hub**.

The two first initiatives under the preparedness union were presented in July: the **stockpiling strategy** and the **medical countermeasures strategy**. While the first of these focuses on securing the availability of essential goods, such as food, water, oil, fuel and medicines, in the event of a crisis, the second seeks to accelerate the development, production and accessibility of critical medical means, such as flu vaccines, new antibiotics for antimicrobial resistance and antivirals for vector-borne diseases, and to improve access to chemical, biological, radiological and nuclear countermeasures.

## MEDICAL COUNTERMEASURES STRATEGY – TARGETS BY 2030

- Next generation influenza vaccines
- New antivirals and vaccines against vector-borne diseases
- New antibiotics to treat resistant infections
- New diagnostics, personal protective equipment and countermeasures for chemical, biological, radiological or nuclear threats



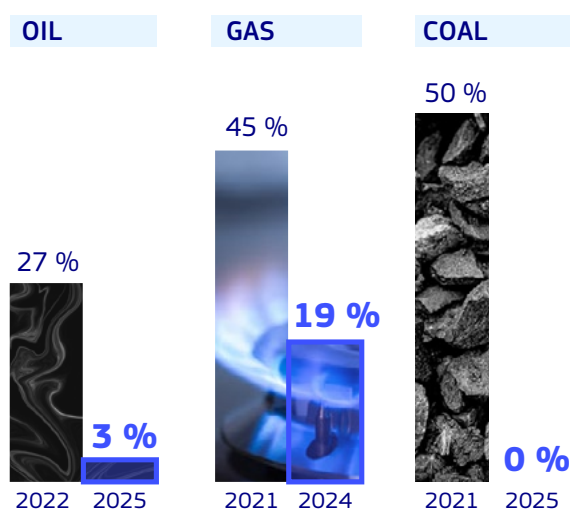
To ensure readiness across the board, the Commission has acted to bolster Europe's resilience and security in specific sectors.

At the beginning of the decade, the EU imported 50 % of its coal, 45 % of its gas and 27 % of its oil from Russia. This created a situation of overdependence that was exploited by Putin when he launched his full-scale war against Ukraine.

Today, imports of the three fuels have either been banned or have diminished massively. And thanks to **REPowerEU** we have saved energy and we have boosted native clean sources, enhancing our strategic autonomy.

## REPowerEU

### REDUCTION OF EU ENERGY IMPORTS FROM RUSSIA



Still, we cannot rely on a hostile power for our energy security, and every euro still paid to Russia for energy supplies is feeding its war machine. With the new **REPowerEU roadmap**, the Commission wants to **phase out all imports of Russian energy**. We will gradually stop all imports of Russian gas, and we will facilitate the end of Russian oil imports by the end of 2027.

At the same time, we will increase our independence and our energy security by strengthening the EU's electricity market. In February, **Estonia, Latvia and Lithuania** synchronised with the EU's electricity grid, breaking all links with Russia and Belarus after 15 years of close cooperation during which **the Commission covered 75 % of the investment costs**.



On 9 February 2025, Lithuania, Latvia and Estonia, in cooperation with Poland, successfully completed the synchronisation of electricity grids with the Continental Europe Network. It was a strategic European project, with EU support exceeding EUR 1.3 billion. From now on, the Baltic States are fully integrated into the EU energy market and their grids are not managed by Russia, reinforcing their independence and the resilience of the entire EU electric system.

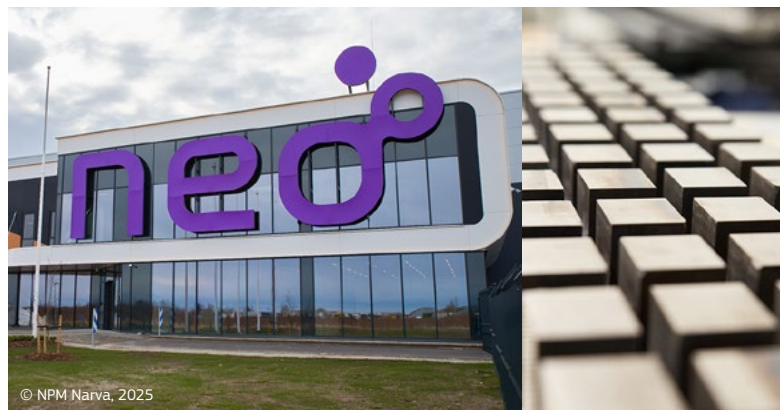
In our quest for security and independence, we have continued to build a **European health union** through the **Critical Medicines Act**, which will **incentivise pharmaceutical manufacturing in the EU**.

In addition, in order to reduce excessive dependencies and secure the EU's access to **critical raw materials**, in March the Commission designated **47 strategic projects in 13 Member States under the Critical Raw Materials Act**, which will benefit from targeted support regarding capital investment and permitting provisions. Another **13 projects outside the EU** were selected in June. They demonstrate clear potential to contribute to EU supply security and will receive coordinated support within the framework of our partnerships with the host countries.



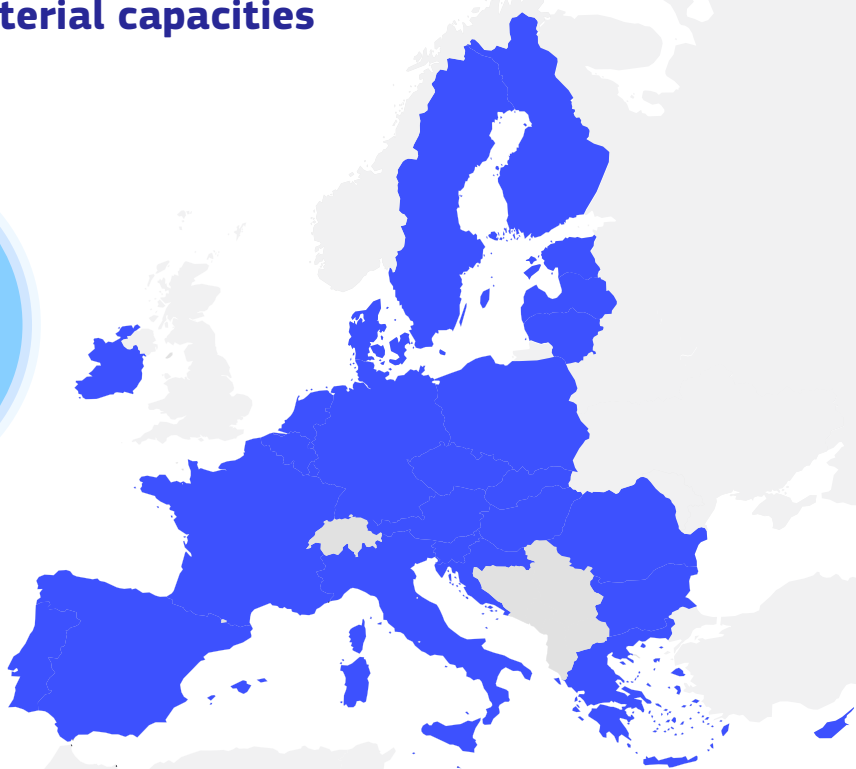


The NEO magnet factory in Narva, Estonia, is the first project that was supported by the Just Transition Fund. The plant is expected to be inaugurated in mid-September 2025 and its production of permanent rare earth magnets should be sufficient to support the manufacturing of approximately 1.5 million electric cars, increasing the EU's autonomy in critical materials.



## 47 strategic projects to boost EU domestic strategic raw material capacities

**47**  
projects  
across  
Europe



### Critical Raw Materials Act's targets:

The EU to be autonomous for at least **10 %** of its **extraction**, **40 %** of its **processing**, and **25 %** of its **recycling** needs by **2030**.

Administrative boundaries:  
© EuroGeographics  
© OpenStreetMap

The boundaries shown on this map do not imply official endorsement or acceptance by the European Union.

Cartography:  
Eurostat – IMAGE, 08/2025

**No raw material is more critical than water.** Water is a pillar of life and of the economy, including farming, fisheries and industry. Europe's water supplies are increasingly threatened. **About 20 % of Europe's territory and 30 % of its population are affected every year by water stress.**

About **20 %**  
of **Europe's territory** and  
**30 %**  
of **its population**  
are affected every year by water stress

In order to prepare for future challenges, in June the Commission presented a **water resilience strategy** with measures to protect the water cycle; reduce water waste; prevent water pollution, notably by PFAS; and, overall, secure clean and affordable water for all.

## The European water resilience strategy aims to:

Restore and protect the water cycle

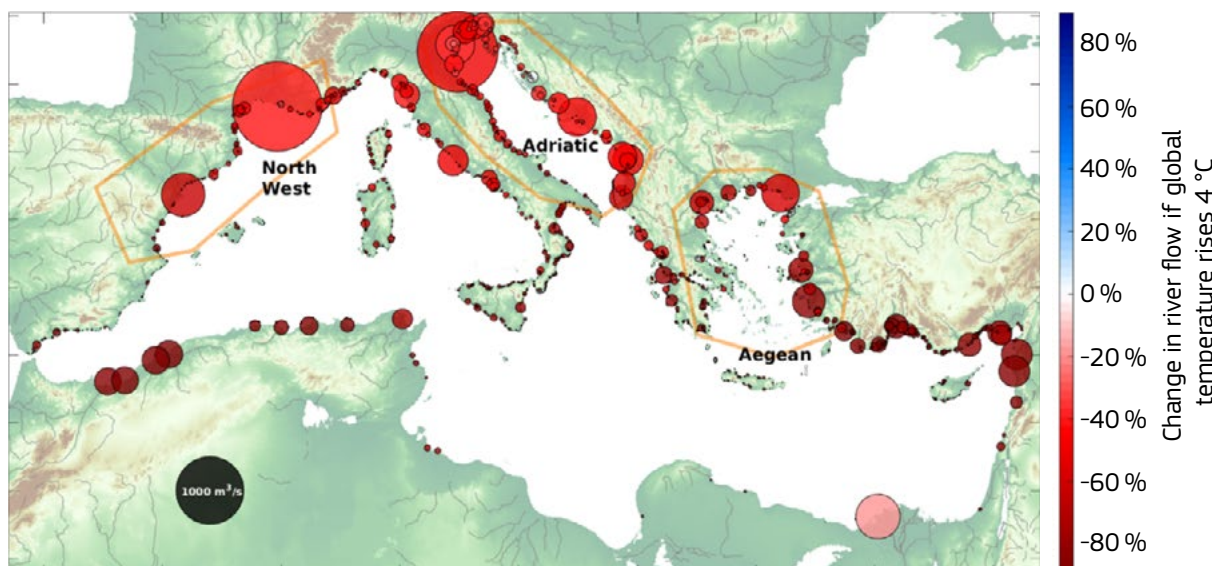
Provide clean and affordable water and sanitation for all

Build a water-smart economy to boost competitiveness and attract investments

**If we act together** – individuals, communities and public authorities at all levels – we will be better prepared and much more resilient when the next crisis comes.

## FRESHWATER SCARCITY IS A THREAT TO MARINE LIFE

Climate change could result in 41 % less river flow into the Mediterranean Sea



Tomáš Čermák and Anna Podmanická, two high-school students from Czechia and Slovakia respectively, developed an innovative water purification system tackling antibiotic pollution by merging photocatalysis and plasma. The innovative system, called PURA, cleans wastewater by removing residues of pharmaceuticals, including antibiotics. The system uses no added chemicals, making it environmentally friendly, and targets micropollutants that conventional treatment plants often fail to remove. The two students are the global winners of The Earth Prize 2025, the world's largest international environmental competition for 13 to 19-year-olds.



## A secure Europe

**Security starts at home.** As dangers in the world increase, organised crime, smugglers and other criminals take advantage of our European freedoms to act and hide across borders. The Commission is committed to protecting the security of the EU's 450 million citizens.

With the new **European internal security strategy**, we will reinforce the network of EU agencies that work for our security so that they act in lockstep, and we will prepare and be able to respond to the new landscape of hybrid threats, cyberattacks and serious as well as organised crime.

# ProtectEU – THE EUROPEAN INTERNAL SECURITY STRATEGY

## PRIORITY AREAS AND KEY ACTIONS



### INCREASE THREAT AWARENESS, TO BETTER ANTICIPATE SECURITY THREATS

Regular EU internal security threat analyses

Improved intelligence-sharing by Member States with the EU's Single Intelligence Analysis Capacity



### FIGHTING ORGANISED CRIME

New and stronger rules to tackle organised crime networks, including on investigations and the protection of youth

Follow the money and step up measures to cut off criminal tools and assets



### BOOST CAPABILITIES FOR LAW ENFORCEMENT

Make Europol a truly operational police agency to reinforce support for Member States

Strengthen Frontex, with up to 30 000 personnel over time

New roadmaps for secure data exchange and lawful access to data



### COMBATTING TERRORISM

New comprehensive counter-terrorism agenda to prevent radicalisation, secure online and public spaces and respond to attacks when they occur

A new toolbox to prevent radicalisation

Feasibility study for a new EU-wide system to track terrorist financing



### BUILD RESILIENCE AGAINST HYBRID THREATS

Support Member States to secure all physical and digital critical infrastructure

New rules and measures to reinforce cybersecurity

New measures to strengthen the security of ports and transport hubs



### STRONG GLOBAL SECURITY PLAYER

Accelerate the integration of EU candidate countries into the EU's security architecture

Step up cooperation with enlargement and neighbourhood partners, Latin America and the Mediterranean region

Joint operational teams with law enforcement authorities in partner countries



The Commission will also ensure that law enforcement authorities have legal access to the data and digital information they need.

Increasingly, the EU is facing threats to the security of **critical infrastructure and services**. To protect our more vulnerable sectors, we have put forward an **action plan to bolster the cybersecurity of hospitals and healthcare providers** and measures to detect, respond to and avert **threats against submarine cables**.

AquaHub was created by a team of Polish entrepreneurs who came in first place in the 2024 'Digital in Defence' EUDIS Hackathon. One of the most revolutionary modules that AquaHub is developing is an autonomous charging and docking system that transforms how sea infrastructure is protected. Normally, drones have to be physically pulled out of the water for charging, leaving long gaps in patrols. With AquaHub's solution, drones can patrol wind farms, pipelines and ports 24/7, automatically returning to a dock to recharge before heading back out - no human intervention is needed. The team has also benefited from the Commission's BlueInvest mentorship programme, gaining valuable expertise in defence technology, intellectual property and team management.

**Strong security requires strong borders.** With the EU marking 40 years of freedom and security since the creation of the **Schengen area**, we welcomed **Bulgaria's and Romania's full accession to Schengen** on 1 January 2025. As of now, more than 450 million people are free to move across 29 European countries.

**Our external borders need to be secure and well controlled.** Through increased cooperation with neighbouring countries, the stepping up of our fight against smuggling, and determined action to address the weaponisation of migration, we saw an important decrease in irregular border crossings in the European Union.

The measures implemented so far are already having an impact. In the first half of 2025, **illegal border crossings into the EU fell by 21 %** in comparison to the first half of 2024.





The **pact on migration and asylum** is our key tool for managing migration in a way that is fair and firm while showing solidarity with Member States that are subject to intense migratory pressure.

In June 2025, the Commission presented a report on the preparations made at EU level and by Member States to implement the pact as of June 2026.

The report highlights important progress, as well as remaining challenges to be addressed.

With this in mind, the Commission has frontloaded key elements of the pact to support Member States as they prepare its implementation. We have proposed a first **EU list of safe countries of origin** and a simplification of the concept of **safe third country** to accelerate asylum procedures while ensuring the respect of fundamental rights.

We also need to increase the execution of return orders for those without the legal right to stay in the EU. The **common European system for returns** will enable the mutual recognition of return decisions between Member States and create a European return order.

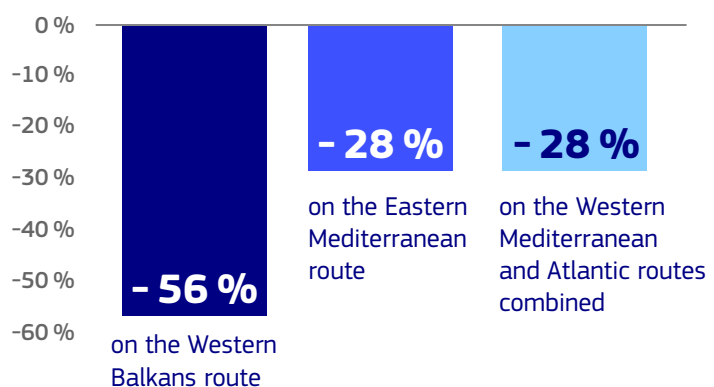
Additionally, the proposal opens the possibility of setting up **return hubs in third countries**: individuals who have received a return decision and are staying in the EU illegally could be returned to a third country awaiting return to their country of origin.

We will always respect our international obligations, but the asylum system must work for all, and it must not be abused by those who do not have a right to international protection. This is the migration and asylum policy we are putting in place – **both fair and firm**.

## DECREASE OF ILLEGAL BORDER CROSSINGS INTO THE EU IN 2025<sup>(\*)</sup>

**- 21 %**  
overall in Europe

(\*) First half of 2025 compared with the same period in 2024.



# A reliable global partner

The world is an increasingly unpredictable place. International relations are changing. Old certainties have faded away.

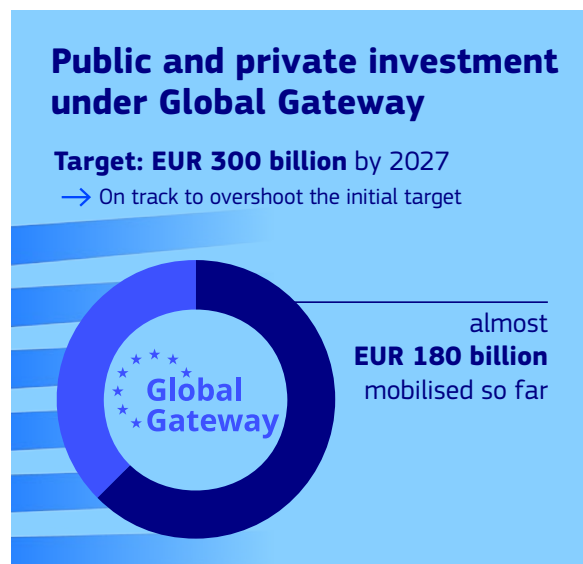
We must strengthen our economic security. While **the EU remains open for trade and cooperation**, we will always defend our citizens' and businesses' interests and protect them from unfair trading practices.

In this challenging geopolitical context, **the EU has become the partner of choice for reliable and rules-based trade and investment**. In recent months, countries around the world have flocked to the EU to negotiate **new trade deals and partnership agreements**, or update existing ones. They know how much we have to offer. We are reliable. We play by the rules. Our industries deliver, and doing business with us is good for business.

We have made **substantial progress in important trade negotiations**, ranging from **Mercosur** to **India** and from **Mexico** to **Indonesia**. We have launched a new phase in our bilateral relations with the **United Kingdom** and **Switzerland**. And we have reinforced ties with other important regions, such as **Central Asia**.

The **United States** is the EU's largest trading partner. Our trade is worth EUR 1.6 trillion annually, making it the largest trade partnership in the world. Together **we have reached an agreement that delivers stability in our partnership and predictability for our companies and consumers**.

Our **Global Gateway strategy** has become a trusted source of investment worldwide, creating good local jobs and adding value across the globe. **It has mobilised almost EUR 180 billion in public and private investment – and we are well on track to overshoot the initial target of EUR 300 billion in seven years.**



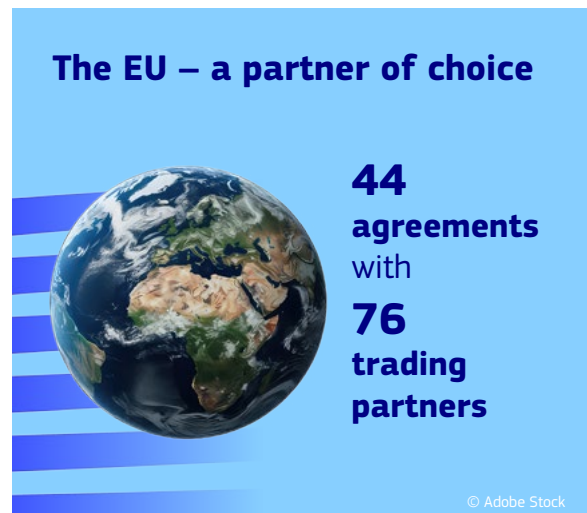
Europe has **taken abroad the solidarity we practice at home**. We are engaged in an **ambitious multilateral agenda**, from climate and environmental protection to pandemic prevention. Finally, we continue to be the **largest provider of international aid in the world** and a leading humanitarian donor.

## A new era of partnerships and trade agreements

The EU has a wide network of trade agreements: **44 agreements with 76 trading partners**. We are working to **forge new partnerships and deepen the existing ones**.

Recent trade disputes have shown the importance of diversifying our trade and searching for untapped potential to increase our economic security and reduce excessive dependencies. **While the United States remains the EU's main trade partner, representing 20 % of our trade, 80 % is with other countries**, many of whom are eager to strengthen their relations with us.

Technilum, a French company specialising in urban lighting furniture, has significantly expanded its exports to Canada thanks to the EU-Canada trade agreement (CETA). The agreement eliminated 7 % customs duties, making Technilum's products more competitive. This has led to major project wins for the company in cities like Ottawa, Vancouver and Calgary, and growth rates close to 80 % in the Canadian market. The company manufactures locally in France, supporting local jobs.



In the past months, the Commission has concluded negotiations on ambitious partnerships with **Mercosur and Mexico**; and it reached a political agreement for a deal with **Indonesia**, one of the world's largest democracies.

We have made strides in our trade negotiations with **India**, as President von der Leyen and Prime Minister Modi have agreed to accelerate talks with a view to reaching a deal this year. At the same time, both sides have committed to adopting a **joint strategic agenda** to address global issues, foster security and promote mutual prosperity.

We relaunched trade negotiations with **Malaysia**; we opened them with the **United Arab Emirates**; we finalised digital trade agreements with the **Republic of Korea** and **Singapore**, which are especially important as we adapt longstanding partnerships to the demands of the digital age.

With **South Africa**, we have launched negotiations for our first-ever **clean trade and investment partnership**. It will facilitate trade in critical minerals and clean energy, developing strategic industries in the country so that good jobs and value are created and maintained there. At the same time, it will benefit our companies' competitiveness in the context of the green transition.

Finally, when it comes to the **United States**, with whom we conduct trade that is worth EUR 1.6 trillion annually, the deal agreed between Presidents von der Leyen and Trump in July brings much-needed **stability and predictability for EU businesses and consumers**. The deal includes a 15 % tariff ceiling for the vast majority of products - allowing EU exporters to remain competitive on the vital US market. We also agreed on a special regime with lower tariffs

for selected products such as aircraft and generic pharmaceuticals, and we will continue working to include more products in this low-tariff regime. At the same time, we will support our ambition to rid ourselves of Russian energy by procuring US liquefied natural gas, oil and nuclear energy products, and we will secure our AI capabilities with a steady supply of US semiconductors for European computing centres.

As we enhance our trade partnerships around the globe, we also continue negotiations to advance the **reform of the Customs Union**, which will further foster international trade while safeguarding the single market.

**Global Gateway** has continued to support smart and sustainable infrastructure and connectivity across the world. An **investment package worth EUR 4.7 billion** will support South Africa in achieving a just and clean energy transition. We are funding vocational training programmes in **Angola** so that Angolan people can acquire skills and work on the development of the **Lobito Corridor**. In addition, the **Blue Raman** submarine cable, which will connect India and Europe through Djibouti, will be extended to **Kenya, Somalia and Tanzania**, connecting East Africa to digital markets.

President von der Leyen and President Ramaphosa of South Africa have also teamed up to support the clean energy transition in Africa through the **scaling up renewables in Africa** campaign.

In **Latin America and the Caribbean**, we are promoting satellite broadband expansion. In **Barbados**, we are supporting a green hydrogen storage project as well as pharmaceutical research and manufacturing, thereby reinforcing the health resilience of the entire region.

## THE EU-US AGREEMENT

The transatlantic relationship is the most valuable economic relationship in the world, worth **EUR 1.6 trillion** annually.



Secures continued, competitive access to the US market for EU exports



Safeguards millions of EU jobs



Preserves deeply integrated transatlantic value chains – many of which rely on European SMEs



Maximum, all-inclusive 15 % tariff ceiling for EU products



15 % ceiling to apply to EU exports of cars, pharmaceuticals, semiconductors and lumber



Low-tariff exemptions for EU products like aircraft, cork and generic pharmaceuticals



Commitment to reduce tariffs further across a range of areas



Strengthened cooperation on economic security



Working together on steel and aluminium trade



Reliable supply of US energy products to accelerate EU transition away from Russian fossil fuels



Going further, a **strategic partnership** was established between the EU and the five Central Asian countries at the **first-ever EU–Central Asia Summit** in April. As a first sign of the new impetus in our relationship, a **Global Gateway investment package of EUR 12 billion** will support cooperation on climate, energy and critical raw materials.

We have also deepened our relationships with our traditional partners. We completed negotiations with **Switzerland** on several agreements that will strengthen and expand our partnership, notably Switzerland's participation in the EU single market, the EU electricity market and flagship programmes such as Horizon Europe, digital Europe and Erasmus+; and a new arrangement on its financial contribution to the EU's economic and social cohesion.

We have also started a new chapter in our bilateral relations with the **United Kingdom**. In May, we concluded a **security and defence partnership (SDP)**. We have agreed on **reciprocal access to each other's waters for fishers until 2038**, and we will work towards a **sanitary and phytosanitary agreement**, the **linkage of both sides' emissions trading systems**; the UK's association to **Erasmus+**; and a **youth experience scheme** allowing young people from either side to work, study, train and build friendships abroad.

Moreover, we concluded an SDP with **Canada** in June, and we will soon start negotiations on a digital trade agreement. With **Iceland**, we will negotiate another SDP and we have agreed to boost cooperation on fisheries, ocean governance and the Arctic.

With **Japan**, one of our closest partners in eastern Asia, we have launched a **competitiveness alliance** based on increased bilateral trade, strengthened economic security and more cooperation on innovation and on the clean and digital transitions. Cooperation on defence, under our existing SDP, will also be reinforced.

### The EU has security and defence partnerships with:



### And we are negotiating with:



## Working for peace in the Middle East and a prosperous Mediterranean region

A prosperous Mediterranean basin is a strategic interest of the European Union as it strives to improve its competitiveness, increase its security and manage migration.

We want to shape a new pact for the region together with Europe's partners on the other shore.

Nowhere in the Mediterranean is the need for peace more urgent than in the **Middle East**, most notably in the **Gaza Strip**. We have continued to work for peace, calling for a ceasefire, unrestricted access of humanitarian aid to Gaza, and the unconditional release of all hostages. Our commitment to a just, comprehensive and lasting peace based on a **two-state solution** remains unwavering.

The EU remains by far the **biggest international donor and provider of humanitarian aid to Palestinians**. We have significantly increased humanitarian assistance to Gaza. So far this year, the EU has allocated and disbursed more than EUR 170 million in humanitarian support. Our humanitarian air bridge operations have delivered over 4 900 tonnes of life-saving aid, and we have helped evacuate hundreds of patients in need of medical assistance.

Following a **review of article 2 of the EU-Israel association agreement**, the Commission proposed in July to partially suspend Israel's participation in Horizon Europe. While Israel has met some

of its commitments under the common understanding on humanitarian aid and access to Gaza, the situation remains severe.

Stability in the region depends on a **well-established, well-functioning Palestinian Authority** with control over the entire West Bank and Gaza. To support that aim, the Commission is providing support of **up to EUR 1.6 billion** between 2025 and 2027, to help the functioning of the public administration and foster economic recovery on the ground.

Additionally, we are providing support to the **United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA)** to support the delivery of education, primary healthcare and relief assistance to Palestinian refugees in the region.



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Further north, since the fall of the Bashar al-Assad regime in **Syria**, we have strived to help its people rebuild a country **in which national minorities are respected and protected**. In December, the Commission launched a humanitarian air bridge operation to bring support to those most in need in Syria. In March, during the **conference ‘Standing with Syria: Meeting the needs for a successful transition’**, the Commission and Member

States committed to **provide a total of EUR 5.8 billion**.

Later, in June, the Commission proposed additional support of **EUR 175 million** to build on the progress created by the EU's decision to lift economic sanctions against the country. The new funds support Syria's institutional development and community-driven initiatives.

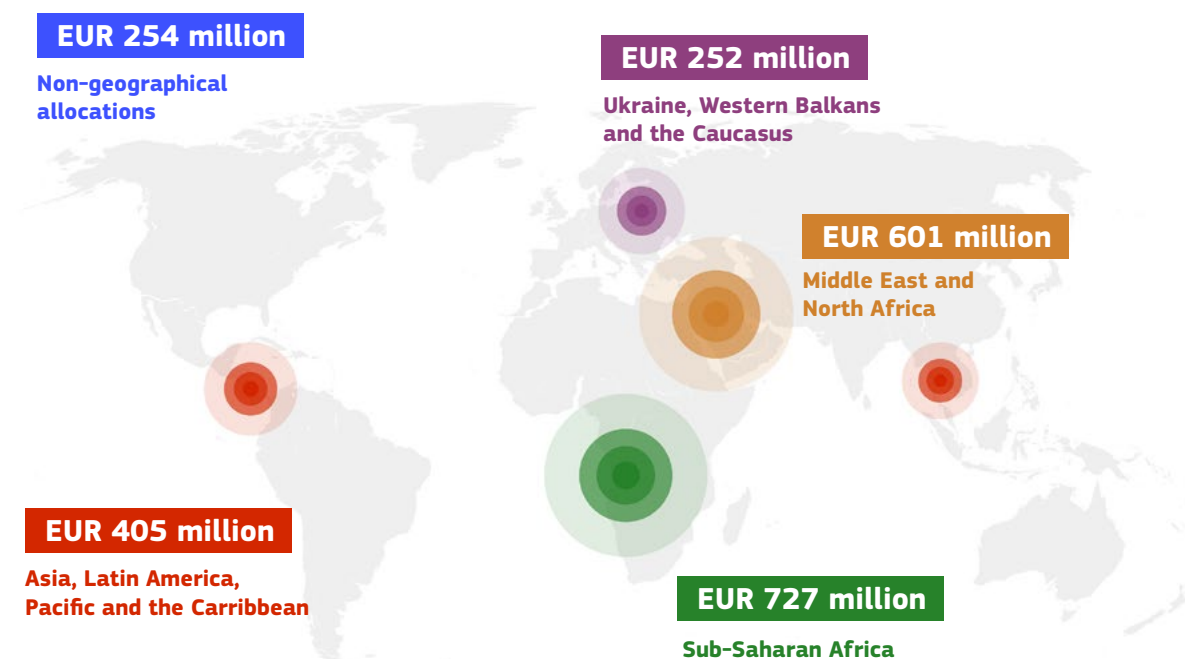
## An actor for peace and solidarity in the world

**The EU is the largest donor of international aid in the world and a leading humanitarian donor.** This role has become more relevant as other

donors have scaled down their humanitarian funding. We know that in many places around the world, **the EU's support makes the difference between life and death.**

### EU'S HUMANITARIAN AID 2025

Total budget: **EUR 2.2 billion**



As of August 2025

In May, at the **European Humanitarian Forum**, the Commission pledged **EUR 2.3 billion for 2025** to address the most urgent humanitarian needs caused by the conflicts in **Ukraine, Gaza and Sudan**.

Thanks to funding from the EU, the International Rescue Committee keeps health clinics in camps for internally displaced people and refugees, including at the Gedaref camps in eastern Sudan. Such clinics serve as a critical lifeline for displaced women and girls who are disproportionately affected by the crisis. Indeed, women and girls make up most of the displaced people and over 12 million women and girls are at risk of gender-based violence across Sudan. The facilities allow women and girls to access the sexual and reproductive health care that is needed by upholding strong infection prevention and control measures, providing safe spaces equipped with handwashing stations, restrooms and waste management systems, but also providing counselling and guidance.

On top of this commitment, the Commission is providing life-changing humanitarian support for those most in need in Afghanistan, Yemen, Latin America and the Caribbean, the Greater Horn of Africa, western, central and southern Africa, the Indian Ocean region and the areas hit by the Rohingya refugee crisis.

Globally, the Commission has pledged a further **EUR 3.4 billion to combat global malnutrition**, with a special focus on children under the age of five and young pregnant and lactating mothers.

When crises hit at home and abroad, the **Commission's Emergency Response Coordination Centre (ERCC)** continues to be at the centre of the EU's collective response. The ERCC has been turned into a true crisis coordination hub. Through the **Union Civil Protection Mechanism**, the Commission, Member States and associate countries coordinate the delivery of assistance to partners in need.

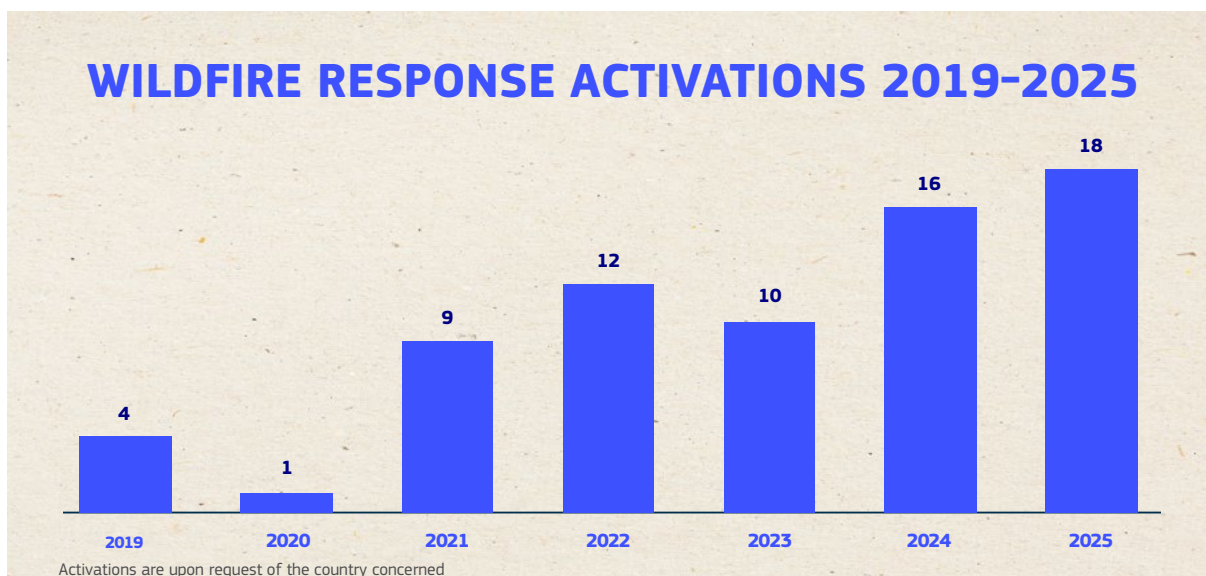
In this way we have been able to respond to crises far and wide. For example, we have delivered over 4 900 tonnes of humanitarian aid to Gaza by air, land and sea. Additional humanitarian operations brought help to **Myanmar/Burma** in April, following a devastating 7.9-magnitude earthquake that killed more than 5 000 people. Another operation delivered help to **Mozambique** in December, in the wake of cyclone Chido.





A very tangible example of the EU's solidarity is **our life-saving medical support**. The Commission has coordinated **medical evacuations in Ukraine and Gaza**, allowing the most vulnerable people to continue medical treatment in European hospitals. Similarly, when a fire broke out in a nightclub in the North Macedonian town of Kočani, **40 patients with severe burns were evacuated for treatment in various Member States**.

Additionally, as severe wildfires hit several countries during the summer season this year, the ERCC has organised and coordinated the deployment of firefighters and aircraft across the continent. As of mid-August, the number of Union Civil Protection Mechanism activations for the season had already surpassed the total wildfire activations in 2024: 11 countries, from Portugal and Spain to Bulgaria and Bosnia and Herzegovina, have **requested and received support to fight forest fires thanks to EU solidarity**.





## A champion of global cooperation

Just like we do at home, **we work to build consensus and unity of purpose abroad.**

No country on earth is immune to the effects of climate change, environmental degradation, terrorism or organised crime powered by digital means. A predictable, rules-based international order enables all of us, collectively, to address these challenges.

Building on the lessons learned from the COVID-19 pandemic, in May a **World Health Organization Pandemic Agreement** to address global health emergencies was reached in Geneva, with the Commission negotiating on behalf of Member States.

Likewise, we have mobilised to reinforce immunisation efforts worldwide – an effort of particular importance amidst the current decrease in available resources. In June, the EU and the Gates Foundation co-hosted the **Global Summit: Health & Prosperity through Immunisation** in Brussels. The pledging event secured more than EUR 7.7 billion, for the 2026–2030 period, for Gavi, the Vaccine Alliance.

This funding brings Gavi closer to its objective of protecting 500 million children from preventable diseases and protecting the world from deadly outbreaks of disease through its vaccine stockpiles.

The Commission has also led the push for the ratification of the **Agreement on Marine Biological Diversity of Areas beyond National Jurisdiction**, which will protect biodiversity in the high seas. The treaty needs to be ratified by at least 60 countries, but the process has stalled recently. The Commission has reacted by pledging **EUR 300 million** to boost partner countries' efforts to preserve marine biodiversity, ratify the treaty as swiftly as possible and support better ocean governance.

'Plastic-Free Youth' is an Erasmus+ youth exchange project which focuses on fighting climate change. The project brings together young people from different background and four different Member States (Spain, France, Romania and Croatia) to work on ocean pollution problems and the protection of wildlife in Fuerteventura. Participants learn about the impact humans have on the environment by collecting rubbish, learning about microplastic and recording certain data about the current state of the coast.



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## WHY DOES THE OCEAN MATTER?

The ocean is the foundation of life on Earth and provides a wide range of resources, benefits and services. The ocean is critical for food security, energy production, and data. It is crucial for the prosperity and competitiveness of the EU blue economy.



**> 70 %**  
of the Earth's surface



**5 million**  
jobs in the EU



**80 %**  
of global biodiversity



**99 %**  
of global internet traffic  
via underwater cables



**74 %**  
of the EU's external trade  
done by maritime transport



**± 50 %**  
of the oxygen produced  
on our planet

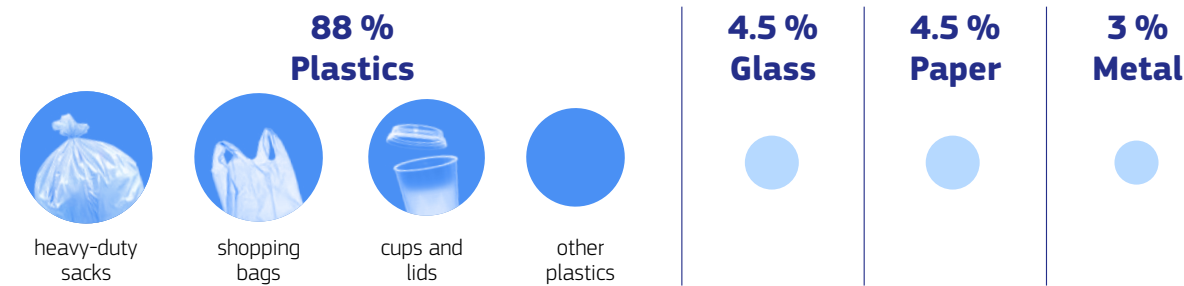
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With 70 000 kilometres of coastline, Europe is a continent of the sea. Every fifth European lives on the coast. The ocean provides sustainable food and an endless supply of clean energy. It carries three quarters of European trade, and it moderates our climate. That is why the Commission has crafted a **European Ocean Pact**, which was presented at the **UN Ocean Conference**. It will be dedicated to restoring the ocean's health, supporting coastal and island communities, advancing ocean research, increasing maritime security and boosting a sustainable and competitive blue economy.

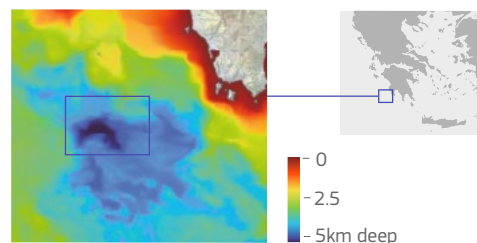
Because the fight to protect our ocean is a global challenge, we need to build a strong global alliance and support each other. The Commission has pledged **EUR 1 billion to invest in projects across the world** that support scientists and those who make a living at sea.

## DEEP SEA LITTER

Identified litter items:



**> 26 000  
litter items/km<sup>2</sup>**  
found on the seabed  
of Calypso Deep  
(Mediterranean Sea)



© Adobe Stock

As Europe reiterates its **commitment to climate neutrality by 2050**, we also continue to help our partners fulfil their own climate goals. We have only one planet earth, and we are all impacted by rising temperatures and increasingly frequent extreme weather events. We are working with Member States and global partners to ensure that the **COP30 UN Climate Change Conference** taking place in Brazil later this year, at which national commitments will be revised, is an occasion to increase our global ambition and determination.

To keep up the momentum on the clean energy transition and unlock more investment, in January the Commission launched the **Global Energy Transition Forum** together with the International Energy Agency. It will help to reach the targets of tripling renewable energy and doubling energy efficiency by 2030 that were agreed by world leaders at COP28.

Along with the clean transition, the EU is also leading the way in the **digital transition** globally. In June, the Commission and the High Representative put forward an **international digital strategy** to open digital cooperation with partners abroad.

Under the strategy, the Commission will seek to expand its partnerships by investing in the digital transition abroad, notably in AI, 5G/6G, digital public infrastructure, cybersecurity and global digital governance.

# A democratic Europe with a budget fit for the future

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## Europe is switching gears to match the challenges of today and tomorrow.

The Commission is determined to equip our Union with the tools it will need in the years to come. At the same time, adapting does not mean forsaking our values and the pillars upon which the EU has been built: **peace, freedom, democracy and the rule of law.**

Our democracy must be protected and nurtured every day. Democracy makes sure that citizens can freely express their views, have a say about their future, participate in the democratic life and enjoy fully their fundamental rights.

This starts with media pluralism and independence – a key tenet of European democracy. In August 2025, the **European Media Freedom Act** entered into full application. This means more protection for editorial independence and journalistic sources, more safeguards for the independent functioning of public media and more transparency of media ownership.

Europe's democracy, security and economy rely on the rule of law. It is the cornerstone for translating EU values into tangible benefits for Europeans, fostering stability, equality, social cohesion, and competitiveness. Therefore, we are constantly working to uphold it.

Since its inception in 2020, the **rule of law report** has become an established tool for dialogue between Member States and the Commission. It serves as a powerful prevention instrument and a catalyst for reform, including through recommendations that provide guidance to strengthen the

independence of the judiciary, media freedom, the fight against corruption and engagement with civil society in all Member States.

Following the inclusion of the most advanced accession countries in 2024, this year, the report put a particular emphasis on rule of law aspects with a **direct impact on the functioning of the single market**, such as sound lawmaking, public procurement rules and the stability of the regulatory environment. The rule of law underpins our competitiveness drive, since businesses – and SMEs in particular – need a stable and predictable economic environment.

The report confirmed the positive trajectory in many Member States, as important reforms have been implemented in recent years. Nevertheless, it also found that challenges remain in some Member States, and that in a few cases these challenges raise serious concerns.

**Respect for the rule of law is non-negotiable.** Under the next multiannual financial framework (MFF), the Commission will constantly assess compliance by Member States with the principles of the rule of law, along with the sound financial management of funds. There will be a special focus on **supporting the implementation of the recommendations contained in the rule of law report.** In addition, the **conditionality regulation** will continue to protect the budget from breaches of the rule of law principles.

The engine that drives our actions and turns our principles into realities is the **EU budget**. It is the tool we use to **build a stronger, more independent and more prosperous Europe, investing in what matters to citizens**.

For the past five years the **EU budget has punched above its weight**, meeting unexpected and critical challenges from the COVID-19 pandemic to Russia's full-scale invasion of Ukraine – but we must admit that we have reached the limits of what is possible with it.

Today, geopolitical tensions are on the rise, trade rules are being rewritten, extreme weather events are ever more frequent and technological changes are coming faster than ever. **The EU needs a long-term budget that can respond quickly to new realities and is flexible enough to adapt to upcoming challenges**.

In July and September, the Commission presented its proposal for the EU's next long-term budget for 2028–2034 — the MFF. **At almost EUR 2 trillion, it is the most ambitious ever proposed**. It is designed to be **more flexible**, allowing Europe to act fast when circumstances change; **simpler**, reducing the number of investment programmes from 52 to 16; **more streamlined**; and **easier for beneficiaries to benefit**.

The new budget will allow us to invest better for the benefit of Europeans through tailor-made **national and regional partnership plans**. These plans will be designed and implemented through close collaboration between the Commission, the Member States, regions and local communities. **Payments will be conditional on the fulfilment of pre-agreed milestones and targets**.

**Cohesion and agriculture will be at their heart**, with a minimum of EUR 300 billion ring-fenced to support farmers' and fishers' income, almost EUR 220 billion dedicated to investing in less-developed regions and at least 14 % of national allocations dedicated to social expenditure.

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## A SMARTER, SHARPER, LARGER EU BUDGET



### Larger in scale

EUR 2 trillion (1.26 % of EU GNI) to match Europe's needs and ambition



### Smarter in design

Results-oriented, simpler for beneficiaries, more agile



### Sharper in priorities

Focus on European priorities

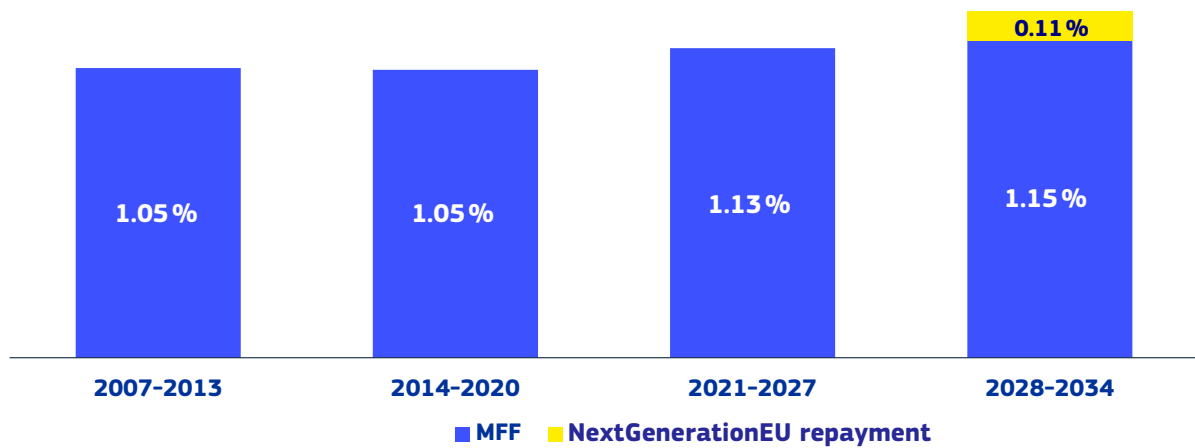
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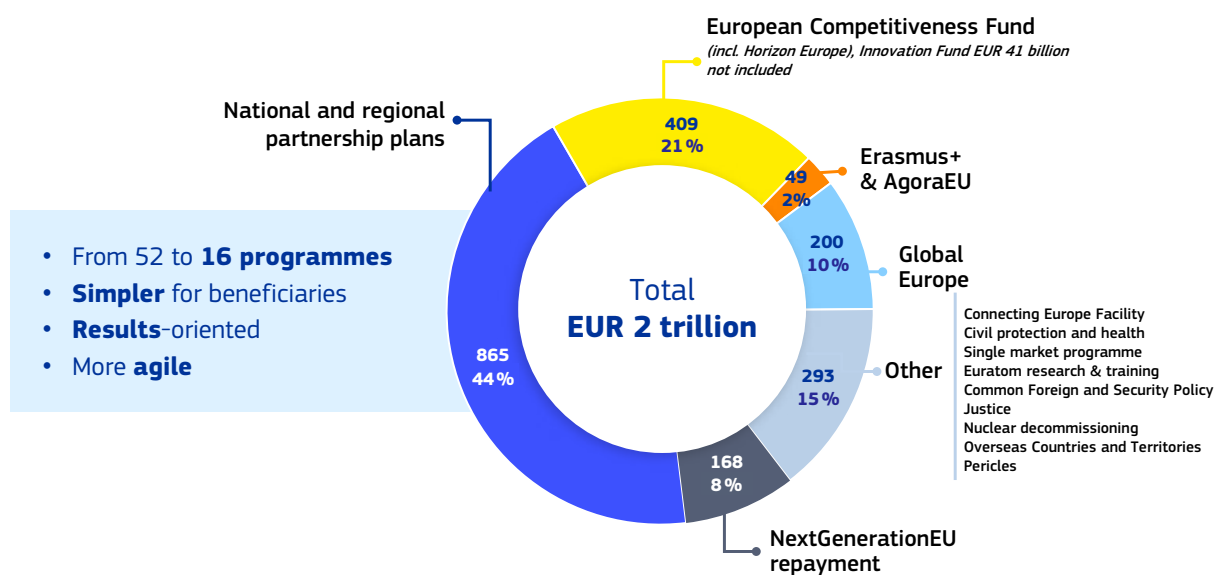
## AN AMBITIOUS EU BUDGET FOR AN AMBITIOUS EUROPE

Percentage of gross national income (GNI)  
of the period concerned

### MFF evolution



Commitment appropriations are based on adopted multiannual financial frameworks (including European Union Solidarity Fund and Emergency Aid Reserve). Gross national income amounts are based on the first technical adjustments of the respective multiannual financial framework.



All amounts in billion EUR, current prices, adjusted with 2% deflator

At the same time, we will continue to invest in our youth. **The budget of the Erasmus+ programme will be increased by 50 %** to help young people to study and volunteer in other EU countries, reinforcing a sense of connection and civic engagement and encouraging them to discover our continent. Meanwhile, the **AgoraEU programme** will support the creative sector, protect media freedom and promote our fundamental rights and shared values.

The next block of the new budget will **boost our competitiveness**. The new **European Competitiveness Fund**, with EUR 409 billion, will secure supply chains, increase our economic security, scale up innovation and help Europe lead the global race for clean and smart technology.

'Flow' is an animated movie directed by Latvian filmmaker Gints Zilbalodis. A Latvian, Belgian and French co-production, it shows how cross-border creativity is a source of strength, inspiration and global recognition. Its international distribution was supported through Creative Europe and the movie received the 2024 LUX Audience Award. Moreover, its Golden Globe and Oscar wins and its worldwide acclaim make 'Flow' one of the most globally successful European cultural productions of recent years.

Under the Competitiveness Fund, **EUR 131 billion will be allocated to defence and space: five times more than under the current MFF**.

We will support our Member States, which have committed to raising their defence expenditure by a significant margin, and simultaneously we will strengthen our defence industrial base and capabilities.

In addition, the world-renowned **Horizon Europe** programme will be strengthened to continue investing in groundbreaking and collaborative research. It will promote our **Choose Europe strategy** and support start-ups in sectors such as quantum, biotech and clean tech.

Meanwhile, the new **single market and customs programme** will further improve the functioning of the single market, including its external dimension, empowering citizens, consumers and businesses to reap its benefits.



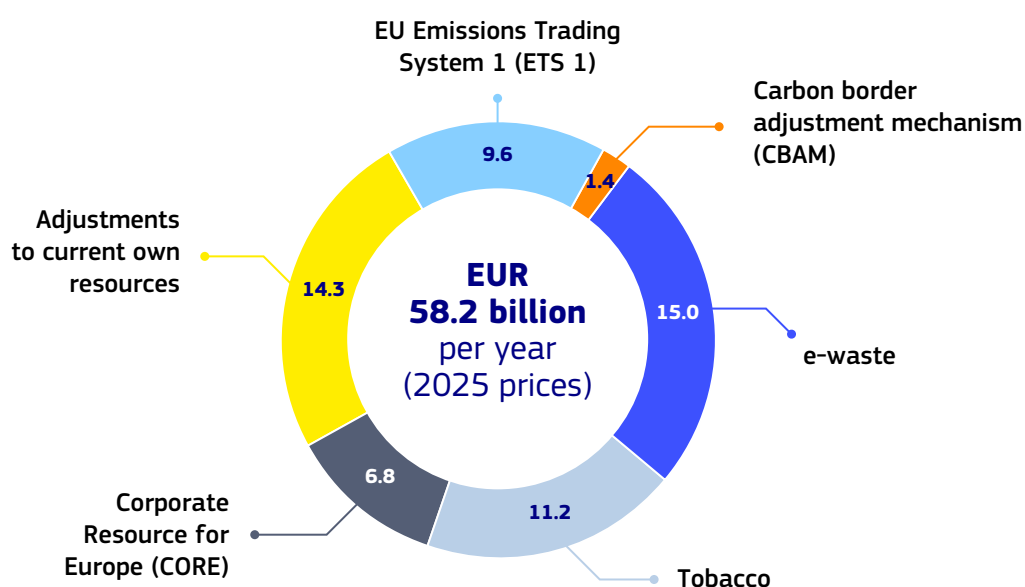
We also recognise that crises are now the norm. When they hit, we must be prepared to act quickly and effectively. To that end, the new budget will boost our **preparedness union** with a new **Union Civil Protection Mechanism** that combines EU actions on civil protection and health emergency preparedness. Moreover, a crisis mechanism will make **EUR 400 billion in loans** available to Member States for when emergencies inevitably do arise.

The new MFF will shore up Europe's global leadership. In an increasingly dangerous, competitive world, Europe must remain engaged so as to **secure our interests and uphold a rules-based international order**. With the **Global Europe instrument**, worth EUR 200 billion, we will boost Global Gateway in building stronger strategic partnerships, and we will accompany and support candidate countries on their path to joining our Union.

Additionally, we are setting aside **EUR 100 billion for Ukraine**, to support its recovery and its path to EU membership. At the same time, the budget reinforces our role as a **top provider of development assistance and humanitarian aid**.

To support these actions and guarantee European independence, we need proper sources of financing. There are only two ways to finance the European budget: national contributions or own resources. We want to keep national contributions stable, and we also have to repay our shared borrowing under NextGenerationEU. With this in mind, we have proposed **five new own resources**, along with some modifications to those that already exist. Together, they will have the capacity to **generate up to EUR 58.5 billion every year**.

## NEW OWN RESOURCES



European Travel Information and Authorisation System (ETIAS) fees generate an additional EUR 0.3 billion

*All amounts in billion EUR*



Citizens are at the heart of our democracies. That is why the Commission has taken initiatives to further involve them in EU policymaking, in particular through **European Citizens' Panels**. This spring, the sixth such panel brought together 150 randomly selected people from all Member States, to discuss the future of the EU budget, how the money should be spent and what it should support. The participants put forward **23 recommendations** from which the Commission drew while preparing the new MFF proposal.

College members have hosted **26 youth policy dialogues**, during which people aged between 16 and 30 debated about their interests and priorities regarding the EU.

Our action also continues to protect and nurture democracy, rule of law and empowering citizens.



# *State of the Union 2025*

## *Timeline: first year in office*

Von der Leyen Commission  
2024-2029



## December 2024



### 1 DECEMBER

The second von der Leyen Commission takes office.



### 6 DECEMBER

**President von der Leyen travels to Uruguay and reaches a political agreement on a groundbreaking partnership with the Mercosur countries.**



### 10 DECEMBER

The European Commission approves a final EUR 50 million payment to Moldova under its macro-financial assistance programme, bringing the total support provided since July 2022 to EUR 295 million.

—



Seven consortia are selected to establish the first artificial intelligence (AI) factories across Europe. This is a major step in building a thriving environment to train advanced AI models and develop AI solutions.



### 16 DECEMBER:

The EU adopts the 15th package of sanctions against Russia. It includes the listing of 52 vessels from Russia's shadow fleet and 84 additional listings of individuals and entities. For the first time, the EU adopts fully-fledged listings on Chinese persons and entities for their role in supporting Russia's military industry.



## 16-17 DECEMBER

In the wake of the fall of the Assad regime in Syria, President von der Leyen travels to Türkiye and Jordan and expresses the EU's commitment to a united Syria that respects all minorities.



## 18 DECEMBER

The Commission disburses nearly EUR 4.1 billion to Ukraine under the Ukraine Facility.



## 20 DECEMBER

**President von der Leyen reaches a political agreement on a modernised partnership between the EU and Switzerland.**



The Commission approves a EUR 1 billion disbursement to Egypt under its macro-financial assistance programme, following the fulfilment of the agreed policy conditions.



## 24 DECEMBER

Entry in force of RESTORE (Regional Emergency Support to Reconstruction), allowing Member States to direct cohesion policy funds towards reconstruction efforts after climate-related disasters.

## January 2025



## 1 JANUARY

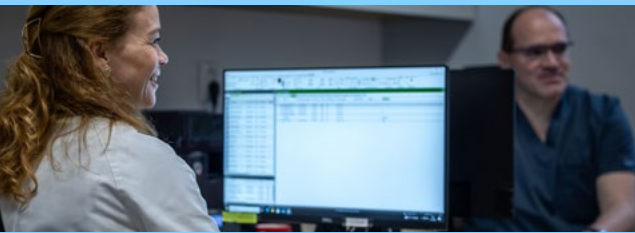
**Land border controls between Bulgaria and Romania, and with the rest of the Schengen area, are lifted. The Schengen area is now composed of 29 European countries.**





## 10 JANUARY

The first EUR 3 billion of loans under the G7-led Extraordinary Revenue Acceleration (ERA) initiative are disbursed to Ukraine, to be repaid with proceeds from immobilised Russian assets.



## 15 JANUARY

The Commission presents an action plan to bolster the cybersecurity of hospitals and healthcare providers.



## 17 JANUARY

**The EU concludes negotiations on a modernised Global Agreement with Mexico.**



## 20 JANUARY

Negotiations are relaunched on an EU–Malaysia free trade agreement, to unlock even greater benefits for businesses and consumers.



## 23 JANUARY

President von der Leyen, together with international partners and stakeholders, launches a new Global Energy Transition Forum to accelerate the clean energy transition.



## 27 JANUARY

The EU presents a EUR 30 million emergency assistance package to tackle the energy crisis provoked by Gazprom in Moldova. This support will help restore electricity and heating for 350 000 inhabitants in the Transnistrian region.



## 29 JANUARY

The Commission presents the **competitiveness compass**, its roadmap to boost Europe's competitiveness and secure sustainable prosperity.



## 30 JANUARY

The EU–Jordan Strategic and Comprehensive Partnership, which will help meet common challenges and advance shared values of peace, democracy and human rights, is signed.



## February 2025



## 1 FEBRUARY

The EU–Chile Interim Trade Agreement enters into force.



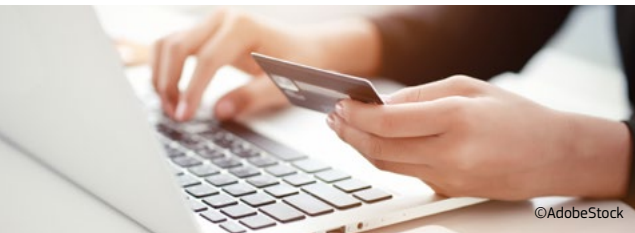
## 4 FEBRUARY

Senior legal experts of the EU, the Council of Europe, Ukraine and 37 states lay down the legal foundations for the establishment of a Special Tribunal for the Crime of Aggression against Ukraine.



The Commission and Moldova agree on a two-year comprehensive strategy for energy independence and resilience, along with immediate support for energy bills.





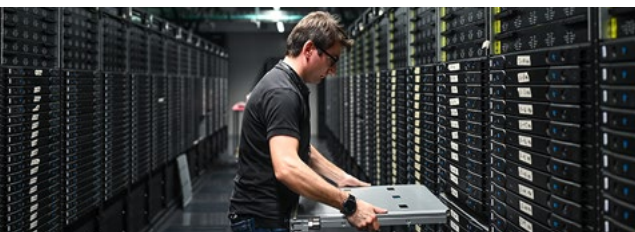
## 5 FEBRUARY

The Commission announces measures to tackle risks stemming from low-value imports sold via non-EU online retailers and marketplaces hosting non-EU traders.



## 9 FEBRUARY

Estonia, Latvia and Lithuania fully disconnect from Russian and Belarussian networks and join the European continental electricity grid ahead of schedule. This has been made possible in part thanks to political and financial support from the Commission, with over EUR 1.2 billion in European funding.



## 11 FEBRUARY

**President von der Leyen launches the InvestAI initiative to mobilise EUR 200 billion of investment in AI, including a European fund of EUR 20 billion for AI gigafactories.**



## 19 FEBRUARY

**The Commission presents the vision for agriculture and food, an ambitious roadmap to support European farmers, protect the EU's food security and ensure the future of farming and food in Europe.**



## 19-20 FEBRUARY

President von der Leyen boosts ties with the Caribbean region during the 48th CARICOM Summit in Barbados and reaffirms Europe's commitment to deepening its relations and partnership with the region.





## 21 FEBRUARY

The Commission and the EU High Representative present a set of measures to strengthen the security and resilience of submarine cables.



## 24 FEBRUARY

Three years after the start of Russia's war of aggression, President von der Leyen and the College of Commissioners visit Ukraine and meet President Zelenskyy and his government. The EU also adopts its 16th sanctions package against Russia and presents a new package to support Ukraine's energy security and its full integration into the EU's electricity market.



## 26 FEBRUARY

**The Commission unveils the clean industrial deal; the action plan for affordable energy, to save EUR 260 billion annually by 2040; and simplification proposals on sustainability and EU investments, delivering more than EUR 6 billion in administrative relief. These initiatives will boost the competitiveness and resilience of European industry while keeping the EU committed to its climate targets and accelerating decarbonisation.**



## 27-28 FEBRUARY

President von der Leyen and the College of Commissioners travel to India to strengthen the EU–India partnership. They meet Prime Minister Narendra Modi and his government and hold the second meeting of the EU–India Trade and Technology Council.

## March 2025



### 4 MARCH

The Commission launches the strategic dialogue on steel to address critical challenges faced by the sector and ensure its continued success as a key driver of the European economy.



### 5 MARCH

**The Commission adopts the union of skills, accompanied by an action plan on basic skills and a STEM (science, technology, engineering and mathematics) education strategic plan. These initiatives will provide people with enhanced skills, allowing them to access quality jobs and navigate transitions, while making European companies more competitive.**



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The Commission and cross-industry social partners sign a new pact for European social dialogue to strengthen the role of social partners in shaping labour market, employment and social policies.

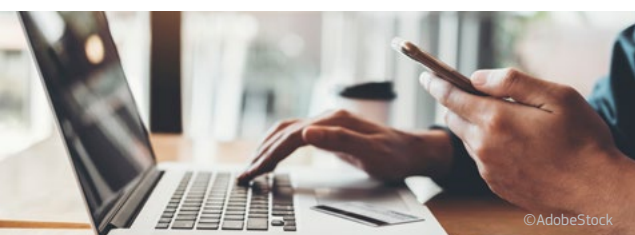


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**Presentation of the action plan for the European automotive sector, based on the related strategic dialogue. It includes measures to increase the sector's competitiveness; accelerate innovation and decarbonisation; and provide more flexibility in relation to compliance with CO<sub>2</sub> standards for cars and vans, while keeping to the 2035 targets.**



**7 MARCH**

The Commission adopts the roadmap for women's rights, setting out the EU's long-term vision to advance women's rights and reaffirming its commitment to fully realise a gender-equal society.

**10 MARCH**

The EU and the Republic of Korea conclude negotiations on a digital trade agreement.

**11 MARCH**

The Commission proposes a critical medicines act to improve the availability of medicines, diversify supply chains and boost pharmaceutical manufacturing in the EU.



A common European system for returns is proposed for the swifter, simpler and more effective return of migrants without the right to stay in the EU. The proposal includes a single European return order, mutual recognition of return decisions and full respect for fundamental rights.



### 13 MARCH

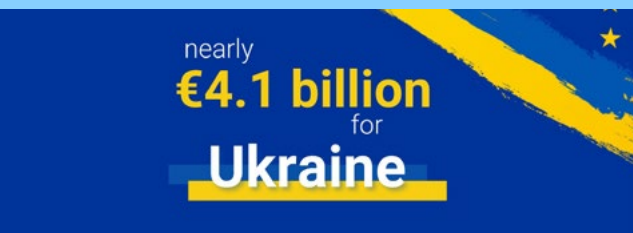
During the EU–South Africa Summit in Cape Town, President von der Leyen announces the launch of negotiations on a clean trade and investment partnership, along with a Global Gateway investment package worth EUR 4.7 billion, mainly to support South Africa’s just energy transition.



### 17 MARCH

During the conference ‘Standing with Syria: Meeting the needs for a successful transition’ in Brussels, Belgium, the EU mobilises EUR 5.8 billion in international support for Syria’s transition and the region, including EUR 2.5 billion for 2025–2026 from the EU itself.

The Commission disburses nearly EUR 4.1 billion to Ukraine under the Ukraine Facility.



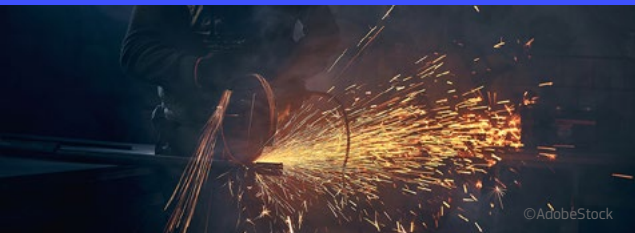
### 19 MARCH

**The Readiness 2030 plan is adopted. The package enables massive defence spending of over EUR 800 billion thanks both to the activation of the national escape clause and to SAFE, an instrument for the Commission to raise EUR 150 billion on capital markets. The money will be used to give loans to Member States on advantageous terms, to invest in the common procurement of priority defence capabilities.**

**The Commission adopts the savings and investments union strategy to improve the way the EU financial system channels savings towards productive investments. It will create opportunities for citizens to invest in productive undertakings and for EU businesses to find the funding they need to grow and scale up.**







—

**The action plan on steel and metals is adopted, building on the strategic dialogue launched on 4 March. The plan strengthens the sector's competitiveness and safeguards the industry's European future.**

## 20 MARCH

A further EUR 1 billion is disbursed to Ukraine under the G7-led ERA loans, to be repaid with proceeds from immobilised Russian assets.



## 25 MARCH

The Commission selects the first 47 projects under the Critical Raw Materials Act, to secure and diversify EU access to raw materials.



—

The Commission launches the EU Sanctions Helpdesk, a one-stop-shop service providing free support to small and medium-sized enterprises in complying with EU sanctions worldwide.



## 26 MARCH

**The EU preparedness strategy, to enhance Europe's capability to prevent and respond to emerging threats, is presented by the Commission and the High Representative. The strategy aims to prepare citizens, governments, and economic and social institutions in the event of disruption.**



## 27 MARCH

During the Nutrition for Growth Summit, the Commission pledges EUR 3.4 billion until 2027 to combat malnutrition globally. The investment will focus on supporting partner countries facing high levels of child malnutrition.





**President von der Leyen participates in a meeting of the Coalition of the Willing in support of Ukraine.**

## 28 MARCH

Allocation of EUR 1.3 billion for the period up to 2027 to support the deployment and uptake of critical technologies, such as AI, by businesses and public administrations. The initiatives will be conducted under the digital Europe programme.



The Commission puts forward a proposal to support Europe's wine sector, ensuring it remains competitive and vital in the decades to come. The measures cover agricultural practices, climate support, marketing rules and EU-funded promotion abroad.



In the wake of a devastating earthquake that hits Myanmar/Burma, the EU mobilises initial emergency assistance worth EUR 2.5 million. In the following days, the EU launches a humanitarian air bridge operation, deploys experts to coordinate the delivery of assistance and provides additional financial support.

## 31 MARCH

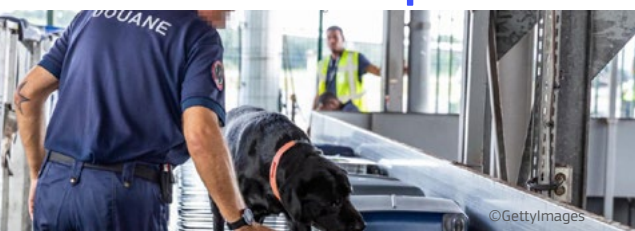
The Commission announces 135 projects under the Technical Support Instrument to support Member States in preparing and implementing 390 reforms in 2025. The reforms will support the EU's competitiveness and digital transition.



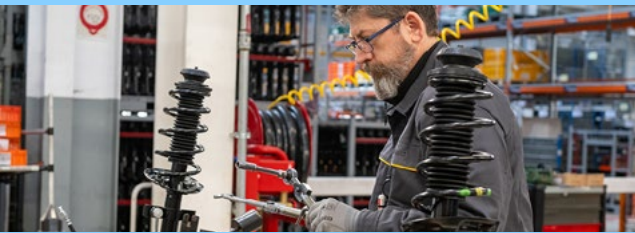
**April 2025**

## 1 APRIL

ProtectEU, an internal security strategy to bolster the EU's ability to guarantee security for its citizens, is adopted by the Commission. The measures proposed include closer cooperation between law enforcement agencies in the fight against hybrid threats, violent extremism and organised crime.







The Commission presents the mid-term revision of cohesion policy, with measures oriented towards making cohesion instruments support new EU priorities such as competitiveness, defence, affordable housing and water resilience.

The Commission proposes flexibility measures to help manufacturers comply with 2025 CO<sub>2</sub> emission targets for new cars and vans. The proposal maintains the 2025 target while safeguarding the industry's capacity to invest in the clean transition.

The Commission disburses the third regular payment of approximately EUR 3.5 billion under the Ukraine Facility.

### 3 APRIL

The EU–Türkiye High-Level Economic Dialogue is hosted by the Commission with the aim of enhancing EU–Türkiye cooperation at a time of significant geopolitical shifts.

### 4 APRIL

**President von der Leyen, together with European Council President Costa, participates in the first-ever EU–Central Asia Summit, meeting the presidents of the five central Asian partners. The parties agree to upgrade relations between the EU and central Asia to a strategic partnership.**

**8 APRIL**

The Commission holds a high-level dialogue with representatives of the pharmaceutical industry to discuss the implications of potential US tariffs on pharmaceutical products.

**9 APRIL**

**The Commission adopts the AI continent action plan, to put the EU in a position to become a global leader in AI, establish AI gigafactories, develop high-end infrastructure, promote research and boost the deployment of AI by businesses and public administrations.**

**9-10 APRIL**

The EU and the Commission take several decisions in support of Ukraine, including the disbursement of EUR 1 billion under the G7 ERA initiative to be repaid with proceeds from immobilised Russian assets; the signature of agreements worth EUR 300 million to support Ukraine's recovery; and the extension of the current road transport agreement that facilitates Ukraine's access to the EU single market.





## 14 APRIL

The Commission proposes a comprehensive support programme of up to EUR 1.6 billion to support Palestinian recovery and resilience. The programme will cover the 2025–2027 period, and includes EUR 620 million in grants for the Palestinian Authority; EUR 576 million in grants for concrete projects to foster economic recovery on the ground; and up to EUR 400 million in loans by the European Investment Bank (EIB) for the Palestinian private sector.



The 1st EU–Palestine High-Level Political Dialogue convenes. The two sides exchange views on the situation in Gaza and the West Bank, and the prospects for advancing the two-state solution.



## 15 APRIL

Simplification measures are published by the Commission within the framework of the entry into force of the EU Deforestation Regulation at the end of 2025. Together, all these measures will lead to a currently estimated 30% reduction of administrative costs and burden for companies.



During the High-Level Conference on Sudan, the Commission pledges EUR 282 million in 2025 to address the critical humanitarian situation in the country. The Member States pledge another EUR 240 million, for an EU total of EUR 522 million.



## 16 APRIL

The Commission proposes to frontload elements of the pact on migration and asylum, along with a first EU list of safe countries of origin.



According to Safety Gate, the European rapid alert system for dangerous non-food products, 4 137 alerts were registered in 2024 – the highest number since the system's creation in 2003.



A list of products is adopted for which the Commission will prioritise the development of eco-design and energy labelling requirements. The selected products include steel, aluminium, textiles and tyres. The harmonised requirements will foster the use of repairable, circular and energy-efficient products, while preventing barriers to trade in the single market.

## 22 APRIL



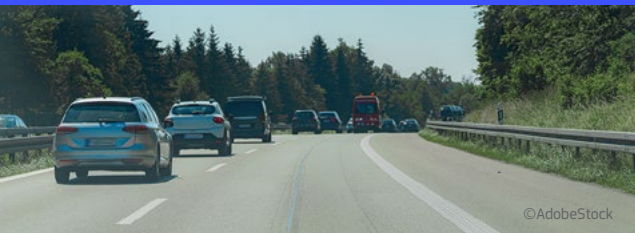
To continue enabling defence investment, the Commission broadens the scope of the Strategic Technologies for Europe Platform (STEP), enabling support for projects under Horizon Europe, the European Defence Fund and the digital Europe programme for defence-related and dual-use innovation.

## 23 APRIL



Under the Digital Markets Act, the Commission fines Apple EUR 500 million for breaching its anti-steering obligation and Meta EUR 200 million for breaching its obligation to give consumers the choice of a service that uses less of their personal data. On the same day, and following constructive exchanges, the Commission closes its investigation into Apple in a separate case relating to user-choice obligations.



**24 APRIL**

The Commission proposes a comprehensive overhaul of the EU's road safety and vehicle registration rules, prioritising road safety and air quality and better protecting citizens from fraudulent odometer tampering.



The Commission proposes to integrate into EU law the Agreement on Marine Biological Diversity of Areas beyond National Jurisdiction (BBNJ Agreement), which aims to protect the ocean, tackle environmental degradation and curb biodiversity loss.

**30 APRIL**

The Commission announces 62 defence projects that will receive EUR 910 million in support from the European Defence Fund. The projects will contribute to the priorities laid out in the Readiness 2030 plan. For the first time, Ukrainian entities will participate in the projects.

**May 2025****5 MAY**

**President von der Leyen presents the 'Choose Europe' initiative to attract scientists, researchers, academics and highly skilled workers from around the world. The initiative includes a EUR 500 million package for 2025–2027.**

**6 MAY**

The Commission adopts the REPowerEU roadmap, with the aim of completely phasing out all remaining imports of Russian gas, oil and nuclear fuels.



## 7 MAY

The EU signs a digital trade agreement with Singapore.



## 8 MAY

The Commission disburses EUR 1 billion to Ukraine under the G7 ERA loans initiative, to be repaid with proceeds from immobilised Russian assets.



## 9 MAY

On Europe Day, in Luxembourg, the presidents of the EU institutions mark the 75th anniversary of the Schuman Declaration, pronounced by Robert Schuman, which laid the ground for the development of the EU.



The Commission, the High Representative, the Council of Europe, Ukraine and other partner countries formally endorse the establishment of a Special Tribunal for the Crime of Aggression against Ukraine.



President von der Leyen announces EUR 3 billion of additional support for Member States with the implementation of the pact on migration and asylum.



## 12 MAY

As part of the Commission's bid to boost competitiveness, President von der Leyen meets representatives of the European defence and chemical industries to discuss each sector's priorities and concerns.





During their third Digital Partnership Council, the EU and Japan agree to further cooperate on core digital technologies such as AI, semiconductors, high-performance computing, data governance, submarine cables and cybersecurity.

### 13 MAY



The second EU-Ukraine Defence Industry Forum takes place in Brussels, bringing together more than 500 industry representatives to strengthen cooperation and encourage joint procurement in the spirit of the Readiness 2030 plan.

### 14 MAY



The Commission adopts simplification measures targeting the common agriculture policy to make it easier to support farmers and make the processes involved more streamlined. The adopted measures could save farmers EUR 1.58 billion and national administrations EUR 210 million.



The Commission presents the Marie Skłodowska-Curie actions 'Choose Europe for science' pilot project to give more opportunities to early-career researchers through competitive allowances and longer contracts. This is part of the 'Choose Europe' plan presented by President von der Leyen.

### 16-18 MAY



The final session of the European citizens' panel on the new EU long-term budget takes place in Brussels, Belgium. For the first time, a group of 150 randomly selected citizens from all Member States discuss the priorities for the next multiannual financial framework. They make 23 recommendations to the Commission.



## 19 MAY

The first-ever EU–United Kingdom Summit takes place in London. The two sides conclude a security and defence partnership. They also agree on reciprocal access to waters for fishers until 2038 and to continue negotiations towards a common sanitary and phytosanitary area, the association of the UK with the Erasmus+ programme or the creation of a youth experience scheme that gives young people the opportunity to study and work in the EU and the United Kingdom.



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The Commission, the High Representative and several donors of humanitarian aid to Gaza call on the Israeli government to allow the full and immediate resumption of aid and to enable the United Nations (UN) and humanitarian organisations to work to save lives and reduce suffering. They also reiterate that Hamas must allow humanitarian assistance to be distributed without interference and release all remaining hostages.



## 20 MAY

The EU adopts the 17th package of sanctions against Russia and increases the cost of the war for Putin. The package includes the listing of 189 vessels that are part of Russia's shadow fleet, bringing the total to 342.



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The Commission proposes to facilitate Member States' application of the 'safe third country' concept. This will accelerate asylum processes and reduce pressure on asylum systems, while ensuring legal safeguards for applicants and the respect of fundamental rights.





The Commission announces 15 projects on renewable hydrogen production, which will be supported with EUR 992 million through the European Hydrogen Bank.

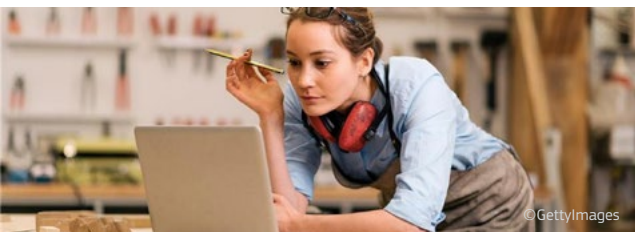


At the end of the European Humanitarian Forum, the Commission pledges over EUR 2.3 billion in humanitarian aid for 2025 to address humanitarian needs in Gaza, Sudan and Ukraine.

## 21 MAY



**The Commission presents a single market strategy that will create a more simple, seamless and strong European market, to make companies choose Europe.**



The Commission proposes simplification measures to save EU businesses a further EUR 400 million per year. This new set of measures notably identifies a new category of companies – small mid-caps – giving them access to certain existing benefits for small and medium-sized enterprises, thus encouraging scaling up in Europe.



The Commission announces EUR 80 million in EU humanitarian funding for 2025 to support people in need in Yemen.



## 26 MAY

Ahead of the summer and the wildfire season, the Commission announces measures such as the deployment of 670 firefighters, 22 firefighting planes and four helicopters, from 14 Member States, across high-risk locations in Greece, Spain, France and Portugal. The deployment is coordinated and co-financed by the Union Civil Protection Mechanism.



## 27 MAY

**The Council adopts SAFE, the EUR 150 billion instrument of Readiness 2030. This will enable the Commission soon to start raising money on capital markets to allow Member States to finance joint procurement on defence priorities.**



The Commission opens investigations against several pornographic websites under the Digital Services Act over the absence of effective age verification mechanisms that expose minors to their content.



## 28 MAY

The Commission and the High Representative adopt a strategy for the Black Sea region. The EU will forge closer cooperation with Ukraine, Moldova, Georgia, Türkiye, Armenia and Azerbaijan, by enhancing security and stability, fostering sustainable growth and prosperity, and promoting environmental protection, climate change resilience, preparedness, and civil protection.





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The Commission's assessment of Member States' national energy and climate plans shows the EU is closing in on the 2030 objective of reducing greenhouse gas emissions by 55 % in comparison to 1990 levels.



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**The Commission launches the 'Choose Europe to start and scale' strategy, which will help start-ups and scale-ups address challenges in taking their ideas from the lab to the market.**



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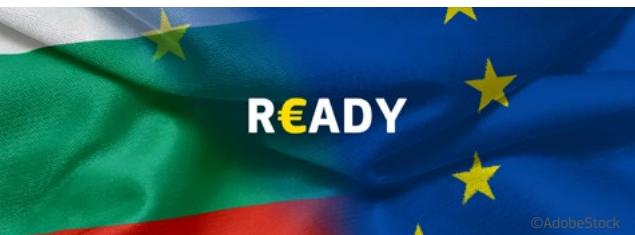
The EU, together with 14 Member States, ratifies the Biodiversity Beyond National Jurisdiction (BBNJ) Agreement in New York, United States, ahead of the UN Conference on the Ocean in Nice, France.

## June 2025



### 4 JUNE

In the European semester spring package, the Commission proposes country-specific recommendations in line with the priorities of the competitiveness compass. This is the first assessment of Member States' progress under the revised economic governance framework.



**The Commission concludes that Bulgaria is ready to adopt the euro as of 1 January 2026 and proposes to the Council a decision to that effect, which it adopts on 8 July.**



The Commission proposes the 2026 EU budget, designed to support strategic objectives such as support for Ukraine, competitiveness, migration management, security and defence, and strategic investment.



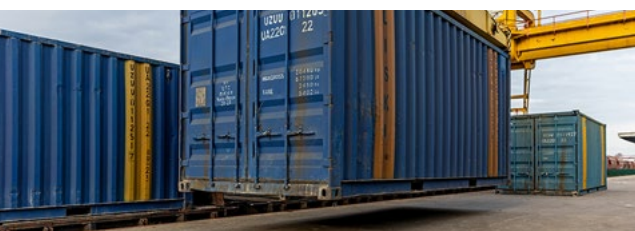
Presentation of a European way forward for Ukrainian refugees in the EU. This includes a proposal to prolong temporary protection for people fleeing Russia's aggression against Ukraine until 4 March 2027, while also preparing for a coordinated transition to other regimes.



Adoption of the European water resilience strategy, aiming at restoring and protecting the water cycle, securing clean and affordable water for all and creating a sustainable, resilient, smart and competitive water-economy in Europe.



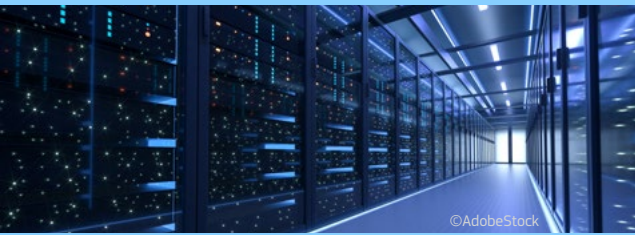
The Commission takes stock of the implementation of the Recovery and Resilience Facility and provides guidance to Member States with a view to its closure at the end of 2026.



## 5 JUNE

The Commission sets up a new surveillance tool to help protect the EU against sudden and potentially disruptive surges in imports.





The Commission and the High Representative set out an international digital strategy to work with partners around the world in supporting their digital transitions.



## 9 JUNE

At the 2025 UN Ocean Conference, President von der Leyen presents the EU ocean pact to restore the ocean's health, promote a thriving blue economy and support the well-being of people living in coastal areas.



## 11 JUNE

The Commission, Spain, the United Kingdom and Gibraltar reach a political agreement to remove checks on people and goods circulating between Gibraltar and Spain while preserving the integrity of the Schengen area, the single market and the customs union.



## 13 JUNE

The Commission proposes that the Council authorises the signature of the comprehensive agreements with Switzerland. On the same day, the Swiss Federal Council approves the agreements and opens the process for their domestic consultation.



The Commission disburses EUR 1 billion to Ukraine under the G7 ERA loans initiative, to be repaid with proceeds from immobilised Russian assets.



## 15-17 JUNE

**President von der Leyen, together with President Costa, participates in the G7 Summit in Kananaskis, Canada.**



## 16 JUNE

In the light of the situation between Israel and Iran and airspace closures in the Middle East, the Union Civil Protection Mechanism supports the organisation of several flights for EU citizens to leave the region.



## 17 JUNE

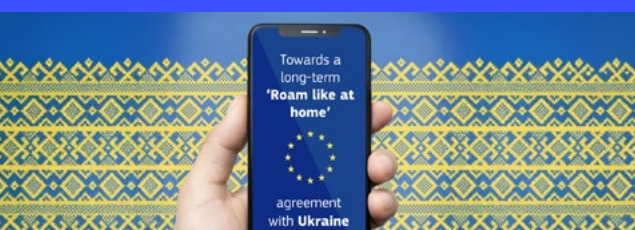
Following the presentation of the REPowerEU roadmap in May, the Commission proposes legislation to gradually stop imports of Russian gas and oil by the end of 2027.



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The Commission proposes a simplification package dedicated to defence with the goal of speeding up defence investment and production.



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As the first legislative proposal under the savings and investments union strategy, the Commission proposes a new framework to make securitisation simpler and more fit for purpose.



—  
The Commission proposes to integrate Ukraine into the EU roaming area as from January 2026, fully eliminating roaming charges for Ukrainian phone numbers in the EU and vice versa.





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An EU humanitarian air bridge flight arrives in Afghanistan with almost 100 tonnes of humanitarian supplies. On the same day, the Commission commits to providing EUR 161 million to help the most vulnerable Afghans.



## 18 JUNE

The EU and Australia agree to start negotiations on a security and defence partnership and renew their engagement to conclude a free trade agreement.



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The Commission announces its preliminary finding under the Digital Services Act that AliExpress is in breach of its obligation to assess and mitigate risks relating to the dissemination of illegal products. The company can now examine and reply to the finding. The Commission also accepts AliExpress's commitments to deal with issues of transparency in advertising and recommender systems.



## 20 JUNE

Within the framework of the Global Gateway and Italy's Mattei Plan, the Commission signs several agreements with African countries to increase connectivity, develop skills and advance sustainable agri-food systems.



The Commission excludes Chinese companies from EU government purchases of medical devices exceeding EUR 5 million, following an investigation under the International Procurement Instrument.

## 23 JUNE



At the EU–Canada Summit, the two sides sign a security and defence partnership, further strengthening bilateral ties.



In order to step up support for the Palestinian people, the Commission allocates EUR 202 million to the UN Relief and Works Agency in the Near East (UNRWA) and the Palestinian Authority.

## 24 JUNE



North Macedonia becomes a participant in the EU citizens, equality, rights and values programme.



The Commission presents a roadmap setting out how national law enforcement authorities will have effective and lawful access to the digital data they need to tackle organised crime, terrorism, drug trafficking, child sexual abuse, etc.

## 25 JUNE



**The Commission proposes an EU space act and a vision for a European space economy – a new set of measures to make the EU space sector cleaner, safer and more competitive.**



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The Commission presents a new State aid framework to support the clean industrial deal's objectives. It will enable Member States to push forward the development of clean energy, industrial decarbonisation and clean technology.



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At the Gavi Global Summit: Health and Prosperity through Immunisation, co-hosted by the EU and the Gates Foundation, world leaders pledge more than EUR 7.7 billion to Gavi.



## 28 JUNE

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The Commission adopts two adequacy decisions to allow data to continue flowing freely and safely with the UK.



## 30 JUNE

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The EU and Ukraine reach an agreement on a modernised trade relationship within the context of Ukraine's accession process, taking into account the sensitivity of certain EU agricultural sectors.



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President von der Leyen participates in the fourth UN International Conference on Financing of Development. The Commission and the EIB announce a new type of guarantee agreement that will provide up to EUR 5 billion to de-risk investments and expand EIB operations outside the EU.



## July 2025



### 1 JULY

The Commission and the six Western Balkans partners gather in Skopje, North Macedonia, to take stock of progress under the growth plan for the Western Balkans, including reforms, integration into the single euro payments area and digital connectivity. The Commission proposes an investment package to mobilise up to EUR 487.3 million worth of investment in clean energy in Albania, Montenegro and Serbia.



### 2 JULY

**The Commission proposes to set in the EU Climate Law a 2040 climate target of a 90 % reduction in greenhouse gas emissions compared to 1990 levels. The proposal introduces flexibilities that the Commission will consider in designing instruments to achieve this target and shows that the EU is staying the course to achieve climate neutrality by 2050.**

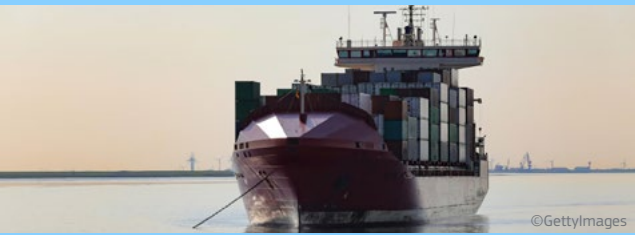


With the 'Choose Europe for life sciences' strategy, the Commission seeks to optimise research and enable rapid market access for innovations in the field of life sciences (the study of living systems).



The Commission presents a quantum strategy to make the EU a leader in the sector by 2030. The measures promote research and investment in a resilient, European quantum ecosystem.





To accelerate the transition to a circular economy, the Commission launches initiatives in the fields of waste shipments and the management of electrical and electronic waste. A strategic dialogue on circularity starts a period of public consultation leading towards the upcoming circular economy act.

### 3 JULY



The Commission selects 94 transport projects that will receive almost EUR 2.8 billion under the Connecting Europe Facility to support the clean and digital transition. Further EUR 3.66 billion are disbursed from the Modernisation Fund to support 34 energy projects to support the modernisation of energy systems.

### 4 JULY



The EU and Moldova hold their first-ever bilateral summit. President von der Leyen announces the first disbursement of EUR 270 million under the Growth Plan for Moldova and reiterates the Commission's assessment that the country is ready to open the first cluster of accession negotiations.



The Commission announces six projects of electric vehicle battery cell manufacturing that will receive EUR 852 million under the Innovation Fund. The projects support the EU's decarbonisation goals while boosting industrial competitiveness and creating high-quality jobs in Europe.

### 7 JULY



To incentivise private investment in actions to protect and preserve nature, the Commission launches a roadmap towards nature credits.



## 8 JULY

The Commission's rule of law report confirms a positive trajectory in many Member States, although challenges remain in some countries. This year's report puts a particular emphasis on issues that have a direct link with the proper functioning of the single market and competitiveness.

The Commission presents an action plan for the chemicals industry and a simplification package for the sector. These initiatives will strengthen the sector's competitiveness and modernisation in the EU.



## 9 JULY

Implementing the preparedness union strategy, the Commission launches the EU stockpiling strategy and the medical countermeasures strategy. Both are designed to improve access to essential goods in times of crisis.



## 10 JULY

At the Ukraine Recovery Conference in Rome, the Commission unveils a EUR 2.3 billion package of agreements with public financial institutions to support Ukraine's reconstruction efforts. President von der Leyen reiterates the EU's commitment to Ukraine's recovery and reconstruction and the Commission's assessment that Ukraine is ready to open the first cluster of accession negotiations.



The Commission receives the general-purpose AI code of practice prepared by independent experts. The code is a voluntary tool designed to help industry comply with the AI Act's rules.





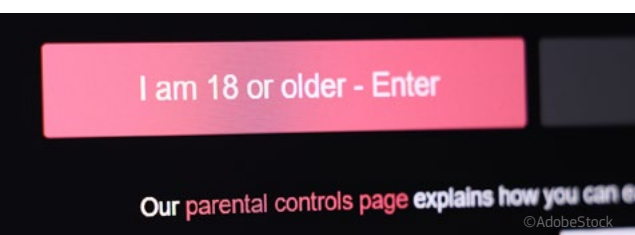
## 11 JULY

The Commission and Ukraine announce BraveTech EU to accelerate defence innovation building on battlefield-tested innovations from Ukraine.



## 13 JULY

The Commission and Indonesia reach a political agreement on their Comprehensive Economic Partnership Agreement, a decisive milestone towards its conclusion.



## 14 JULY

Under the DSA, the Commission presents guidelines for the protection of minors and a prototype of an age-verification app to minimise children's exposure to harmful content online while fully protecting the privacy of its users.



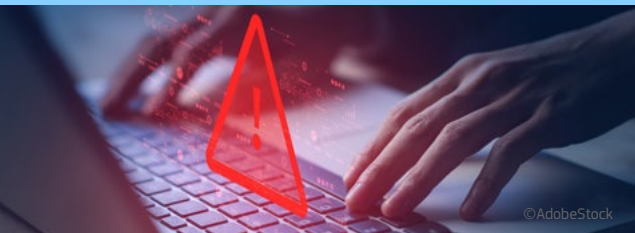
At a leaders' meeting, President von der Leyen and European Council President Costa welcome Armenia's growing partnership with the EU and its ambitious reform agenda. They reiterate the EU's support for the country's sovereignty, territorial integrity, and democratic reforms.



## 16 JULY

**The Commission proposes the most ambitious EU long-term budget ever with almost EUR 2 trillion for the period 2028-2034. It focuses on investing in Member States, regions and people, boosting European competitiveness and innovation, protecting Europe and its citizens and strengthening the EU as a global actor.**





The Commission launches a reflection process for the review of the EU anti-fraud architecture.



## 17 JULY

During a visit to Iceland, President von der Leyen and Prime Minister Kristrún Frostadóttir agree to launch negotiations on a security and defence partnership and strengthen cooperation on fisheries, ocean governance, climate, and more.



The Republic of Korea becomes an associate country to Horizon Europe, the first Asian country to join the programme.



## 18 JULY

The EU adopts its 18th package of sanctions against Russia, which includes lowering the oil price cap, transaction ban for Nord Stream pipelines, and additional individuals, companies, banks, and vessels listed.



The Council authorises the Commission and the High Representative to enter negotiations with each of the six Gulf Cooperation Council members to conclude bilateral strategic partnership agreements.



## 23 JULY

At a bilateral summit, the EU and Japan launch a competitiveness alliance with a focus on trade, economic security, innovation, and the green and digital transitions. Both partners also enhance their defence security cooperation.





## 24 JULY

**At a summit marking 50 years of diplomatic relations between the EU and China, President von der Leyen underscores the need to rebalance bilateral relations. In a joint press statement, both sides identify opportunities to work closer on climate.**



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The Commission reaches an agreement with Moldova to update the bilateral trade relation towards a stable, long-term and balanced trade relationship, notably in the context of Moldova's accession process.



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The Emergency Response Coordination Centre sends firefighting airplanes from rescEU to fight wildfires in Cyprus. This season the EU has responded to wildfire emergencies in Greece, Bulgaria, Albania and North Macedonia. Firefighters from across Europe have been strategically prepositioned in key high-risk areas in Portugal, Spain, Greece, and France.



## 27 JULY

**President von der Leyen and US President Donald Trump reach an agreement on tariffs and trade that delivers stability and predictability for citizens and businesses.**



## 28 JULY

—  
The Commission proposes to partially suspend Israel's participation to Horizon Europe following the review of article 2 of the EU-Israel Association Agreement.

## August 2025



### 5 AUGUST

The Commission proposes a new macro-financial assistance operation for Jordan worth EUR 500 million in order to help the country advance its reform agenda and foster employment, economic growth, and investment.



### 13 AUGUST

Spain activates the Civil Protection Mechanism for the first time ever for forest fires and the Commission quickly mobilises two rescEU planes. In the previous week, Albania, Bulgaria, Greece and Montenegro had also activated the mechanism and all received support. The number of activations for 2025 is already equal to the total activations for wildfires for 2024 during the whole fire season.



### 18 AUGUST

**President von der Leyen, together with several European leaders, joins President Zelenskyy in his meeting with US President Donald Trump in Washington DC. Leaders agree to work on security guarantees for Ukraine and express support for President Trump's efforts to stop the killing. The day before, President von der Leyen welcomes President Zelenskyy in Brussels and hosts a videoconference with other European leaders following President Trump's meeting with Vladimir Putin.**



### 22 AUGUST

The Commission disburses to Ukraine EUR 4.05 billion: EUR 3.05 billion under the Ukraine Facility and EUR 1 billion under the exceptional macro-financial assistance programme to be repaid with the proceeds of immobilised Russian assets held in the EU.

# EU-US JOINT STATEMENT

## 28 AUGUST

To pave the way for implementing the EU-US Joint Statement of 21 August and restoring stability and predictability in bilateral trade relations, the Commission puts forward two proposals to eliminate tariffs on US industrial goods, provide preferential market access to some US seafood and non-sensitive agricultural goods, and prolong the current tariff-free treatment for lobster.



September 2025

## 29 AUGUST – 1 SEPTEMBER

President von der Leyen visits the EU's frontline Member States: Bulgaria, Estonia, Finland, Latvia, Lithuania, Poland and Romania. During the trip, the President announces the full subscription of EUR 150 billion in SAFE funds by 19 Member States. She also underscores the EU's solidarity in the wake of the challenges faced by countries bordering Russia and Belarus.



## 3 SEPTEMBER

**The Commission presents to the Council, for signature and conclusion, its proposals for an EU-Mercosur Partnership Agreement and an EU-Mexico Modernised Global Agreement.**

