

The State of the Union 2017: Catching the wind in our sails

European Commission President Jean-Claude **Juncker** today delivered his [2017 State of the Union Address](#), before the Members of the European Parliament in Strasbourg, presenting his priorities for the year ahead and outlining his vision for how the European Union could evolve by 2025 (see [full speech](#)). He presented a Roadmap for a More United, Stronger and More Democratic Union (see [Roadmap Factsheet](#)). European Commission President **Jean-Claude Juncker** said today: *“The wind is back in Europe’s sails. But we will go nowhere unless we catch that wind. (...) We should chart the direction for the future. As Mark Twain wrote, years from now we will be more disappointed by the things we did not do, than by the ones we did. Now is the time to build a more united, stronger and more democratic Europe for 2025.”* President **Juncker’s** speech in the European Parliament was accompanied by the adoption of **concrete initiatives** by the European Commission on trade, investment screening, cybersecurity, industry, data and democracy, putting words immediately into action. A **series of factsheets** published today also expand on some of the key elements touched upon in the President’s speech. A full press release is available [online](#). (For more information: Margaritis Schinas – Tel.: +32 496 583826; Mina Andreeva – Tel.: +32 498 991382; Natasha Bertaud – Tel.: +32 460 767456)

Commission welcomes agreement in principle to extend and reinforce Investment Plan’s European Fund for Strategic Investments (EFSI)

One year after President Juncker announced the proposal in his State of the Union speech, the European Parliament and Member States have come to an agreement in principle on the extension and strengthening of the European Fund for Strategic Investments (EFSI), the core of the Investment Plan for Europe. The agreement extends the EFSI’s duration as well as increases its financial capacity. Commission Vice-President Jyrki **Katainen**, responsible for Jobs, Growth, Investment and Competitiveness, said: *“Tonight’s agreement means that the new and improved European Fund for Strategic Investments – or EFSI 2.0 – will benefit European citizens until at least 2020. The EFSI has already reached all 28 Member States, supporting key public and private investment projects and financing a huge range of small businesses and start-ups. I thank the Council and the Parliament for their hard work and commitment on this important piece of legislation. With its increased firepower and duration, the EFSI will continue to be an important driving force in the EU’s economic recovery.”* The draft EFSI 2.0 Regulation that has been agreed in principle still has to be formally adopted by the European Parliament and the Council. (For more information about the agreement, see our full [press release](#) or contact Annika Breidhardt – Tel.: +32 229 56153; Siobhán Millbright – Tel.: +32 229 57361)

Industrial production in euro area up by 0.1% from June to July 2017, up by

3.2% since July 2016

In July 2017 compared with June 2017, seasonally adjusted industrial production rose by 0.1% in the euro area (EA19), while it decreased by 0.3% in the EU28, according to estimates from Eurostat, the statistical office of the European Union. In June 2017, industrial production fell by 0.6% in both zones. In July 2017 compared with July 2016, industrial production increased by 3.2% in the euro area and by 3.1% in the EU28. A full press release is available [here](#). (For more information: Lucia Caudet – Tel.: +32 229 56182; Maud Noyan – Tel.: +32 229 80379; Mirna Talko – Tel.: +32 229 87278)

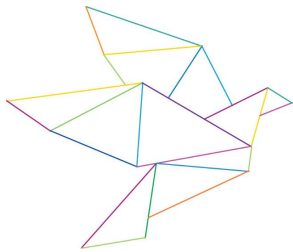
Eurostat: Deuxième trimestre 2017 par rapport au premier trimestre 2017, L'emploi en hausse de 0,4% tant dans la zone euro que dans l'UE28, respectivement +1,6% et +1,5% par rapport au deuxième trimestre 2016

Le nombre de personnes ayant un emploi a augmenté de 0,4% dans la zone euro (ZE19) ainsi que dans l'UE28 au deuxième trimestre 2017 par rapport au trimestre précédent, selon les estimations basées sur les comptes nationaux et publiées par Eurostat, l'office statistique de l'Union européenne. Au premier trimestre 2017, l'emploi avait progressé de 0,5% dans les deux zones. Ces chiffres sont corrigés des variations saisonnières. Par rapport au même trimestre de l'année précédente, l'emploi a augmenté de 1,6% dans la zone euro et de 1,5% dans l'UE28 au deuxième trimestre 2017 (après respectivement +1,6% et +1,5% au premier trimestre 2017). Selon les estimations d'Eurostat, 235,4 millions d'hommes et de femmes avaient un emploi dans l'UE28 au deuxième trimestre 2017, dont 155,6 millions dans la zone euro. Il s'agit des plus hauts niveaux jamais enregistrés dans les deux zones. Ces chiffres sont corrigés des variations saisonnières. Ces données trimestrielles sur l'emploi fournissent une mesure du volume de la main-d'œuvre qui est cohérente avec celle de la production et des revenus dans les comptes nationaux. A Eurostat press release is [available online](#). (For more information: Christian Wigand – Tel.: +32 229 62253; Sara Soumillion – Tel.: +32 229 67094)

Mergers: Commission clears acquisition over a new joint venture between SAIC Motor Corporation and Infineon Technologies

The European Commission has approved, under the EU Merger Regulation, the proposed acquisition of joint control over the newly created Chinese joint venture SAIC Infineon Automotive Power Modules (Shanghai) Co, by Infineon Technologies AG ("Infineon") of Germany and SAIC Motor Corporation Ltd ("SAIC") of China. The joint venture will be established in China and produce and sell automotive frame-based insulated-gate bipolar transistor power modules (power semiconductors) for hybrid and fully electric vehicles in China. Infineon is active in the power semiconductor business. SAIC is a car producer. The Commission concluded that the proposed acquisition would raise no competition concerns given that the joint venture is not active in the European Economic Area. The transaction was examined under the simplified merger review procedure. More information is available on the Commission's [competition](#) website, in the public [case register](#) under the case number [M.8513](#). (For more information: Ricardo Cardoso – Tel.: +32 229 80100; Maria Sarantopoulou – Tel.: +32 229 13740)

PRESIDENT JEAN-CLAUDE JUNCKER'S State of the Union Address 2017



INTRODUCTION – WIND IN OUR SAILS

Mr President, Honourable Members of the European Parliament,

When I stood before you this time last year, I had a somewhat easier speech to give.

It was plain for all to see that our Union was not in a good state.

Europe was battered and bruised by a year that shook our very foundation.

We only had two choices. Either come together around a positive European agenda or each retreat into our own corners.

Faced with this choice, I argued for unity.

I proposed a positive agenda to help create – as I said last year – **a Europe that protects, empowers and defends.**

Over the past twelve months, the European Parliament has helped bring this agenda to life. We continue to make progress with each passing day. Just last night you worked to find agreement on trade defence instruments and on doubling our European investment capacity.

I also want to thank the 27 leaders of our Member States. Days after my speech last year, they welcomed my agenda at their summit in Bratislava. In doing so they chose unity. They chose to rally around our common ground.

Together, we showed that Europe can deliver for its citizens when and where it matters.

Ever since, we have been slowly but surely gathering momentum.

It helped that the economic outlook swung in our favour.

We are now in the fifth year of an economic recovery that finally reaches every single Member State.

Growth in the European Union has outstripped that of the United States over the last two years. It now stands above 2% for the Union as a whole and at 2.2% for the euro area.

Unemployment is at a nine year low. Almost 8 million jobs have been created during this mandate so far. With 235 million people at work, more people are in employment in the EU than ever before.

The European Commission cannot take the credit for this alone. Though I am sure that had 8 million jobs been lost, we would have taken the blame.

But Europe's institutions played their part in helping the wind change.

We can take credit for our European Investment Plan which has triggered €225 billion worth of investment so far. It has granted loans to over 445,000 small firms and more than 270 infrastructure projects.

We can take credit for the fact that, thanks to determined action, European banks once again have the capital firepower to lend to companies so that they can grow and create jobs.

And we can take credit for having brought public deficits down from 6.6% to 1.6%. This is thanks to an intelligent application of the Stability and Growth Pact. We ask for fiscal discipline but are careful not to kill growth. This is in fact working very well across the Union – despite the criticism.

Ten years since crisis struck, **Europe's economy is finally bouncing back.**

And with it, our confidence.

Our EU27 leaders, the Parliament and the Commission are putting the Europe back in our Union. Together we are putting the Union back in our Union.

In the last year, we saw all 27 leaders walk up the Capitoline Hill in Rome, one by one, to renew their vows to each other and to our Union.

All of this leads me to believe: **the wind is back in Europe's sails.**

We now have a window of opportunity but it will not stay open forever.

Let us make the most of the momentum, **catch the wind in our sails.**

For this we must do two things:

First, we should stay the course set out last year. We have still 16 months in which real progress can be made by Parliament, Council and Commission. We must use this time to finish what we started in Bratislava and deliver on our positive agenda.

Secondly, we should chart the direction for the future. As Mark Twain wrote, years from now we will be more disappointed by the things we did not do, than

by the ones we did. **Now is the time to build a more united, stronger and more democratic Europe for 2025.**

STAYING COURSE

Mr President, Honourable Members,

As we look to the future, we cannot let ourselves be blown off course.

We set out to complete an Energy Union, a Security Union, a Capital Markets Union, a Banking Union and a Digital Single Market. Together, we have already come a long way.

As the Parliament testified, 80% of the proposals promised at the start of the mandate have already been put forward by the Commission. We must now work together to turn proposals into law, and law into practice.

As ever, there will be a degree of give and take. The Commission's proposals to reform our Common Asylum System and strengthen rules on the Posting of Workers have caused controversy. Achieving a good result will need all sides to move towards each other. I want to say today: as long as the outcome is the right one for our Union and is fair to all Member States, the Commission will be open to compromise

We are now ready to put the remaining 20% of initiatives on the table by May 2018.

This morning, I sent a Letter of Intent to European Parliament President Antonio Tajani and Prime Minister Jüri Ratas outlining the priorities for the year ahead.

I will not list all our proposals here, but let me mention five which are particularly important.

Firstly, I want us to strengthen our European trade agenda.

Yes, Europe is open for business. But there must be reciprocity. We have to get what we give.

Trade is not something abstract. Trade is about jobs, creating new opportunities for Europe's businesses big and small. Every additional €1 billion in exports supports 14,000 extra jobs in Europe.

Trade is about exporting our standards, be they social or environmental standards, data protection or food safety requirements.

Europe has always been an attractive place to do business.

But over the last year, **partners across the globe are lining up at our door to conclude trade agreements with us.**

With the help of the European Parliament, we have just secured a trade

agreement with Canada that will provisionally apply as of next week. We have a political agreement with Japan on a new economic partnership. By the end of the year, we have a good chance of doing the same with Mexico and South American countries.

And today, we are proposing to open trade negotiations with **Australia and New Zealand**.

I want all of these agreements to be finalised by the end of this mandate. And I want them negotiated in the fullest transparency.

Open trade must go hand in hand with open policy making.

The European Parliament will have the final say on all trade agreements. So its Members, like members of national and regional parliaments, must be kept fully informed from day one of the negotiations. The Commission will make sure of this.

From now on, the Commission will publish in full all draft negotiating mandates we propose to the Council.

Citizens have the right to know what the Commission is proposing. Gone are the days of no transparency. Gone are the days of rumours, of incessantly questioning the Commission's motives.

I call on the Council to do the same when it adopts the final negotiating mandates.

Let me say once and for all: **we are not naïve free traders.**

Europe must always defend its strategic interests.

This is why today we are proposing **a new EU framework for investment screening**. If a foreign, state-owned, company wants to purchase a European harbour, part of our energy infrastructure or a defence technology firm, this should only happen in transparency, with scrutiny and debate. It is a political responsibility to know what is going on in our own backyard so that we can protect our collective security if needed.

Secondly, I want to make our industry stronger and more competitive.

This is particularly true for our manufacturing base and the 32 million workers that form its backbone. They make the world-class products that give us our edge, like our cars.

I am proud of our car industry. But I am shocked when consumers are knowingly and deliberately misled. I call on the car industry to come clean and make it right. Instead of looking for loopholes, they should be investing in the clean cars of the future.

The **new Industrial Policy Strategy** we are presenting today will help our

industries stay or become the world leader in innovation, digitisation and decarbonisation.

Third: I want Europe to be the leader when it comes to the fight against climate change.

Last year, we set the global rules of the game with the Paris Agreement ratified here, in this very House. Set against the collapse of ambition in the United States, Europe will ensure we make our planet great again. It is the shared heritage of all of humanity.

The Commission will shortly present proposals to reduce the carbon emissions of our transport sector.

Fourth priority for the year ahead: we need to better protect Europeans in the digital age.

In the past three years, we have made progress in keeping Europeans safe online. New rules, put forward by the Commission, will protect our intellectual property, our cultural diversity and our personal data. We have stepped up the fight against terrorist propaganda and radicalisation online. But Europe is still not well equipped when it comes to cyber-attacks.

Cyber-attacks can be more dangerous to the stability of democracies and economies than guns and tanks. Last year alone there were more than 4,000 ransomware attacks per day and 80% of European companies experienced at least one cyber-security incident.

Cyber-attacks know no borders and no one is immune. This is why, today, the Commission is proposing new tools, including **a European Cybersecurity Agency**, to help defend us against such attacks.

Fifth: migration will stay on our radar.

In spite of the debate and controversy around this topic, we have managed to make solid progress – though admittedly insufficient in many areas.

We are now protecting Europe's external borders more effectively. Over 1,700 officers from the new European Border and Coast Guard are now helping Member States' 100,000 national border guards patrol in places like Greece, Italy, Bulgaria and Spain. We have common borders but Member States that by geography are the first in line cannot be left alone to protect them. Common borders and common protection must go hand in hand.

We have managed to stem irregular flows of migrants, which were a cause of great anxiety for many. We have reduced irregular arrivals in the Eastern Mediterranean by 97% thanks our agreement with Turkey. And this summer, we managed to get more control over the Central Mediterranean route with arrivals in August down by 81% compared to the same month last year.

In doing so, we have drastically reduced the loss of life in the

Mediterranean. Tragically, nearly 2,500 died this year. **I will never accept that people are left to die at sea.**

I cannot talk about migration without paying strong tribute to Italy for their tireless and noble work. This summer, the Commission again worked closely together with Prime Minister Paolo Gentiloni and his government to improve the situation, notably by training the Libyan Coast Guard. We will continue to offer strong operational and financial support to Italy. **Because Italy is saving Europe's honour in the Mediterranean.**

We must also urgently improve migrants' living conditions in Libya. I am appalled by the inhumane conditions in detention or reception centres. Europe has a collective responsibility, and the Commission will work in concert with the United Nations to put an end to this scandalous situation that cannot be made to last.

Even if it saddens me to see that solidarity is not yet equally shared across all our Member States, **Europe as a whole has continued to show solidarity.** Last year alone, our Member States resettled or granted asylum to over 720,000 refugees – three times as much as the United States, Canada and Australia combined. Europe, contrary to what some say, is not a fortress and must never become one. **Europe is and must remain the continent of solidarity where those fleeing persecution can find refuge.**

I am particularly proud of the young Europeans volunteering to give language courses to Syrian refugees or the thousands more young people who are serving in our new European Solidarity Corps. They are **bringing European solidarity to life.**

We now need to redouble our efforts. Before the end of the month, the Commission will present a new set of proposals with an emphasis on returns, solidarity with Africa and opening legal pathways.

When it comes to **returns**: people who have no right to stay in Europe must be returned to their countries of origin. When only 36% of irregular migrants are returned, it is clear we need to significantly step up our work. This is the only way Europe will be able to show solidarity with refugees in real need of protection.

Solidarity cannot be exclusively intra-European. We must also show solidarity with Africa. **Africa is a noble and young continent, the cradle of humanity.** Our €2.7 billion EU-Africa Trust Fund is creating employment opportunities across the continent. The EU budget fronted the bulk of the money, but all our Member States combined have still only contributed €150 million. The Fund is currently reaching its limits. **We know the dangers of a lack of funding** – in 2015 many migrants headed towards Europe when the UN's World Food Programme ran out of funds. I call on all Member States to now match their actions with their words and ensure the Africa Trust Fund does not meet the same fate.

We will also work on opening up **legal pathways.** **Irregular migration will only stop if there is a real alternative to perilous journeys.** We are close to

having resettled 22,000 refugees from Turkey, Jordan and Lebanon and I support UN High Commissioner Grandi's call to resettle a further 40,000 refugees from Libya and the surrounding countries.

At the same time, **legal migration is a necessity** for Europe as an ageing continent. This is why the Commission made proposals to make it easier for skilled migrants to reach Europe with a Blue Card. I would like to thank the Parliament for your support and I call for an ambitious and swift agreement on this important issue.

SETTING SAIL

Mr President,

Ladies and Gentlemen,

Honourable Members,

I have mentioned just a few of the initiatives we should deliver over the next 16 months. But this alone will not be enough to regain the hearts and minds of Europeans.

Now is the time to chart the direction for the future.

In March, the Commission presented our White Paper on the future of Europe, with five scenarios for what Europe could look like by 2025. These scenarios have been discussed, scrutinised and partly ripped apart. That is good – they were conceived for exactly this purpose. I wanted to launch a process in which Europeans determined their own path and their own future.

The future of Europe cannot be decided by decree. It has to be the result of democratic debate and, ultimately, broad consensus. This House contributed actively, through the three ambitious resolutions on Europe's future and your participation in many of the more than 2,000 public events that the Commission organised since March.

Now is the time to draw first conclusions from this debate. Time to move from reflection to action. From debate to decision.

Today I would like to present you **my view: my own 'scenario six', if you will.**

This scenario is rooted in decades of first-hand experience. I have lived and worked for the European project my entire life. I have seen good times and bad.

I have sat on many different sides of the table: as a Minister, as Prime Minister, as President of the Eurogroup, and now as President of the Commission. I was there in Maastricht, Amsterdam, Nice and Lisbon as our Union evolved and enlarged.

I have always fought for Europe. At times I have suffered with and because of Europe and even despaired for it.

Through thick and thin, I have never lost my love of Europe.

But there is rarely love without pain.

Love for Europe because Europe and the European Union have achieved something unique in this fraying world: peace within and outside of Europe. Prosperity for many if not yet for all.

This is something we have to remember during the European Year of Cultural Heritage. 2018 must be a celebration of cultural diversity.

A UNION OF VALUES

Our values are our compass.

For me, Europe is more than just a single market. More than money, more than the euro. It was always about values.

In my scenario six, there are three principles that must always anchor our Union: freedom, equality and the rule of law.

Europe is first of all a Union of freedom. Freedom from the kind of oppression and dictatorship our continent knows all too well – sadly none more than central and Eastern Europe. Freedom to voice your opinion, as a citizen and as a journalist – a freedom we too often take for granted. It was on these freedoms that our Union was built. But freedom does not fall from the sky. It must be fought for. In Europe and throughout world.

Second, Europe must be a Union of equality.

Equality between its Members, big and small, East and West, North and South.

Make no mistake, Europe extends from Vigo to Varna. From Spain to Bulgaria.

East to West: Europe must breathe with both lungs. Otherwise our continent will struggle for air.

In a Union of equals, there can be no second class citizens. It is unacceptable that in 2017 there are still children dying of diseases that should long have been eradicated in Europe. Children in Romania or Italy must have the same access to measles vaccines as other children right across Europe. No ifs, no buts. This is why we are working with all Member States to support national vaccination efforts. Avoidable deaths must not occur in Europe.

In a Union of equals, there can be no second class workers. Workers should earn the same pay for the same work in the same place. This is why the Commission proposed new rules on posting of workers. We should make sure that all EU rules on labour mobility are enforced in a fair, simple and effective way by a new European inspection and enforcement body. It seems absurd to have a Banking Authority to police banking standards, but no **common Labour Authority** for ensuring fairness in our single market. We will create one.

In a Union of equals, there can be no second class consumers. I will not accept that in some parts of Europe, people are sold food of lower quality than in other countries, despite the packaging and branding being identical. Slovaks do not deserve less fish in their fish fingers. Hungarians less meat in their meals. Czechs less cacao in their chocolate. EU law outlaws such practices already. We must now equip national authorities with stronger powers to cut out any illegal practices wherever they exist.

Third, in Europe the strength of the law replaced the law of the strong.

The rule of law means that law and justice are upheld by an independent judiciary.

Accepting and respecting a final judgement is what it means to be part of a Union based on the rule of law. Member States gave final jurisdiction to the European Court of Justice. The judgements of the Court have to be respected by all. To undermine them, or to undermine the independence of national courts, is to strip citizens of their fundamental rights.

The rule of law is not optional in the European Union. It is a must.

Our Union is not a State but it is a community of law.

A MORE UNITED UNION

Honourable Members,

These three principles must be the foundations on which we build **a more united, stronger and more democratic Union.**

When we talk about our future, experience tells me new Treaties and new institutions are not the answer people are looking for. They are merely a means to an end, nothing more, nothing less. They might mean something to us here in Strasbourg and in Brussels. But they do not mean a lot to anyone else.

I am only interested in institutional reforms if they lead to more efficiency in our Union.

Instead of hiding behind calls for Treaty change – which is in any case inevitable – we must first change **the mind-set that for some to win others must lose.**

Democracy is about compromise. And the right compromise makes winners out of everyone. A more united Union should see compromise, not as something negative, but as the art of bridging differences. Democracy cannot function without compromise. Europe cannot function without compromise. This is what the work between Parliament, Council and Commission should always be about.

A more united Union also needs to become more inclusive.

If we want to strengthen the protection of our external borders, then we need to **open the Schengen area of free movement to Bulgaria and Romania**

immediately. We should also allow **Croatia** to become a full Schengen member once it meets all the criteria.

If we want the euro to unite rather than divide our continent, then it should be more than the currency of a select group of countries. **The euro is meant to be the single currency of the European Union as a whole.** All but two of our Member States are required and entitled to join the euro once they fulfil all conditions.

Member States that want to join the euro must be able to do so. This is why I am proposing to create a **Euro-accession Instrument**, offering technical and even financial assistance.

If we want banks to operate under the same rules and under the same supervision across our continent, then we should **encourage all Member States to join the Banking Union.** Completing the Banking Union is a matter of urgency. We need to reduce the remaining risks in the banking systems of some of our Member States. Banking Union can only function if risk-reduction and risk-sharing go hand in hand. As everyone well knows, this can only be achieved if the conditions, as proposed by the Commission in November 2015, are met. To get access to a common deposit insurance scheme you first need to do your homework.

If we want to avoid social fragmentation and social dumping in Europe, then Member States should agree on the European Pillar of Social Rights as soon as possible and at the latest at the Gothenburg summit in November. National social systems will still remain diverse and separate for a long time. But at the very least, we should work for a **European Social Standards Union** in which we have a common understanding of what is socially fair.

Europe cannot work if it shuns workers.

If we want more stability in our neighbourhood, then we must maintain a credible enlargement perspective for the Western Balkans.

It is clear that there will be no further enlargement during the mandate of this Commission and this Parliament. No candidate is ready yet. But thereafter the European Union will be greater than 27 in number. Accession candidates must give the rule of law, justice and fundamental rights utmost priority.

This rules out EU membership for Turkey for the foreseeable future.

Turkey has been taking giant strides away from the European Union for some time.

Journalists belong in newsrooms not in prisons. They belong where freedom of expression reigns.

The call I make to those in power in Turkey is this: **Let our journalists go.** And not just them either. Stop insulting our Member States by comparing their leaders to fascists and Nazis. Europe is a continent of mature democracies. Insults create roadblocks. Sometimes I get the feeling Turkey is

intentionally placing these roadblocks so that it can blame Europe for any breakdown in accession talks.

As for us, we will always keep our hands stretched out towards the great Turkish people and those who are ready to work with us on the basis of our values.

A STRONGER UNION

Honourable Members,

Our Union must also grow stronger.

I want a stronger single market.

When it comes to important single market questions, I want decisions in the Council to be taken more often and more easily by qualified majority – with the equal involvement of the European Parliament. We do not need to change the Treaties for this. There are **so-called “passerelle clauses”** in the current Treaties which allow us to move from unanimity to qualified majority voting in certain areas – if all Heads of State or Government agree to do so.

I am also strongly in favour of moving to qualified majority voting for decisions on the common consolidated corporate tax base, on VAT, on fair taxes for the digital industry and on the financial transaction tax. Europe has to be able to act quicker and more decisively.

I want a stronger Economic and Monetary Union.

The euro area is more resilient now than in years past. We now have the European Stabilisation Mechanism (ESM). I believe the ESM should now progressively graduate into a European Monetary Fund and be firmly anchored in our Union. The Commission will make concrete proposals for this in December.

We need **a European Minister of Economy and Finance**: a European Minister that promotes and supports structural reforms in our Member States. He or she can build on the work the Commission has been doing since 2015 with our Structural Reform Support Service. The new Minister should coordinate all EU financial instruments that can be deployed when a Member State is in a recession or hit by a fundamental crisis.

I am not calling for a new position just for the sake of it. I am calling for efficiency. The Commissioner for economic and financial affairs – ideally also a Vice-President – should assume the role of Economy and Finance Minister. He or she should also preside the Eurogroup.

The European Economy and Finance Minister must be accountable to the European Parliament.

We do not need parallel structures. We do not need a budget for the Euro area but a strong Euro area budget line within the EU budget.

I am also not fond of the idea of having a separate euro area parliament.

The Parliament of the euro area is the European Parliament.

The European Union must also be stronger in fighting terrorism. In the past three years, we have made real progress. But we still lack the means to act quickly in case of cross-border terrorist threats.

This is why **I call for a European intelligence unit** that ensures data concerning terrorists and foreign fighters are automatically shared among intelligence services and with the police.

I also see a strong case for tasking the new European Public Prosecutor with **prosecuting cross-border terrorist crimes.**

I want our Union to become a stronger global actor. In order to have more weight in the world, we must be able to take foreign policy decisions quicker. This is why I want Member States to look at which foreign policy decisions could be moved from unanimity to qualified majority voting. The Treaty already provides for this, if all Member States agree to do it.

And I want us to dedicate further efforts to defence matters. A new European Defence Fund is in the offing. As is a Permanent Structured Cooperation in the area of defence. By 2025 we need a fully-fledged **European Defence Union.** We need it. And NATO wants it.

Last but not least, **I want our Union to have a stronger focus on things that matter**, building on the work this Commission has already undertaken. We should not meddle in the everyday lives of European citizens by regulating every aspect. We should be big on the big things. We should not march in with a stream of new initiatives or seek ever growing competences. We should give back competences to Member States where it makes sense.

This is why this Commission has been **big on big issues and small on the small ones**, putting forward less than 25 new initiatives a year where previous Commissions proposed over 100. We have handed back powers where it makes more sense for national governments to deal with things. Thanks to the good work of Commissioner Vestager, we have delegated 90% of state aid decisions to the regional or local level.

To finish the work we started, **I am setting up a Subsidiarity and Proportionality Task Force as of this month** to take a very critical look at all policy areas to make sure we are only acting where the EU adds value. First Vice-President Frans Timmermans, who has a proven track record on better regulation, will head this Task Force. The Timmermans Task Force, which should include Members of this Parliament as well as Members of national Parliaments, should report back in a year's time.

A MORE DEMOCRATIC UNION

Honourable Members,

Mr President,

Our Union needs to take a democratic leap forward.

I would like to see European political parties start campaigning for the next elections much earlier than in the past. Too often Europe-wide elections have been reduced to nothing more than the sum of national campaigns. **European democracy deserves better.**

Today, the Commission is proposing **new rules on the financing of political parties and foundations**. We should not be filling the coffers of anti-European extremists. We should be giving European parties the means to better organise themselves.

I also have sympathy for the idea of having **transnational lists** – though I am aware this is an idea more than a few of you disagree with. Such lists would help make European Parliament elections more European and more democratic.

I also believe that, over the months to come, we should involve national Parliaments and civil society at national, regional and local level more in the work on the future of Europe. Over the last three years, Members of the Commission have visited national Parliaments more than 650 times. They also debated in more than **300 interactive Citizens' Dialogues in more than 80 cities and towns across 27 Member States**. But we can still do more. This is why I support President Macron's idea of organising **democratic conventions** across Europe in 2018.

As the debate gathers pace, I will personally pay particular attention to Estonia, Latvia, Lithuania and Romania in 2018. This is the year they will celebrate their **100th anniversary**. Those who want to shape the future of our continent should well understand and honour our common history. This includes these four countries – Europe would not be whole without them.

The need to strengthen democracy also has implications for the European Commission. Today, I am sending the European Parliament **a new Code of Conduct for Commissioners**. The new Code first of all makes clear that Commissioners can be candidates in European Parliament elections under the same conditions as everyone else. The new Code will of course strengthen the integrity requirements for Commissioners both during and after their mandate.

If you want to strengthen European democracy, then you cannot reverse the democratic progress seen with the creation of lead candidates – **'Spitzenkandidaten'**.

I am convinced that any future President will benefit greatly from the unique experience of having campaigned in all quarters of our beautiful continent. To understand the challenges of his or her job and the diversity of our Member States, a future President should have met citizens in the townhalls of Helsinki as well as in the squares of Athens. In my personal experience of such a campaign, it makes you more humble, but also strengthens you during your mandate. And you can face the other leaders in the European Council with the confidence that you have been elected, just as they have. This is good for the balance of our Union.

More democracy means more efficiency. Europe would function better if we were to **merge the Presidents of the European Commission and the European Council.**

This is nothing against my good friend Donald, with whom I have worked seamlessly together for the past three years. This is nothing against Donald or against me.

Europe would be easier to understand if one captain was steering the ship.

Having a single President would better reflect the true nature of our European Union as both a Union of States and a Union of citizens.

OUR ROADMAP

Honourable members,

The vision of a more united, stronger and more democratic Europe I am outlining today combines elements from all of the scenarios I set out in March.

But our future cannot remain a scenario, a sketch, an idea amongst others.

We have to prepare the Union of tomorrow, today.

This morning I sent a **Roadmap** to President Tajani, President Tusk as well as to the holders of the rotating Presidencies of the Council between now and March 2019, outlining where we should go from here.

An important element will be the plans the Commission will present in May 2018 for how the future EU budget can match our ambition and make sure we can deliver on everything we promise.

On 29 March 2019, the United Kingdom will leave the European Union. This will be a very sad and tragic moment. We will always regret it. But we have to respect the will of the British people.

On 30 March 2019, we will be a Union of 27. I suggest that we prepare for this moment well, amongst the 27 and within the EU institutions.

European Parliament elections will take place just a few weeks later, in May 2019. Europeans have a date with democracy. They need to go to the polls with a clear understanding of how the European Union will develop over the years to come.

This is why I call on President Tusk and Romania, the country holding the Presidency in the first half of 2019, to organise a **Special Summit in Romania on 30 March 2019.** My wish is that this summit be held in the beautiful ancient city of Sibiu, or Hermannstadt as I know it. It should be the moment we come together to take the decisions needed for a more united, stronger and democratic Europe.

My hope is that on 30 March 2019, Europeans will wake up to a Union where we all stand by our values. Where all Member States firmly respect the rule of law. Where being a full member of the euro area, the Banking Union and the Schengen area has become the norm for all EU Member States. Where we have shored up the foundations of our Economic and Monetary Union so that we can defend our single currency in good times and bad, without having to call on external help. Where our single market will be fairer towards workers from the East and from the West. Where we managed to agree on a strong pillar of social standards. Where profits will be taxed where they were made. Where terrorists have no loopholes to exploit. Where we have agreed on a proper European Defence Union. Where a single President leads the work of the Commission and the European Council, having been elected after a democratic Europe-wide election campaign.

If our citizens wake up to this Union on 30 March 2019, then they should be able to vote in the European Parliament elections a few weeks later with the firm conviction that our Union is a place that works for them.

CONCLUSION

Honourable Members,

Europe was not made to stand still. It must never do so.

Helmut Kohl and Jacques Delors taught me that Europe only moves forward when it is bold. The single market, Schengen and the single currency were all written off as pipe dreams before they happened. And yet these three ambitious projects are now a reality.

I hear those who say we should not rock the boat now that things have started to get better.

But now is not the time to err on the side of caution.

We started to fix the roof. But we must complete the job now that the sun is shining and whilst it still is.

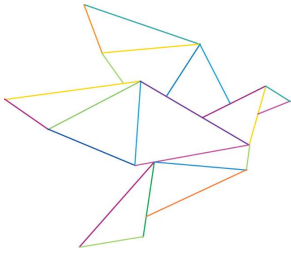
Because when the next clouds appear on the horizon – and they will – it will be too late.

So let's throw off the bowlines.

Sail away from the harbour.

And catch the trade winds in our sails.

The State of the Union 2017: Catching the wind in our sails



European Commission President Jean-Claude Juncker today delivered his 2017 State of the Union Address, before the Members of the European Parliament in Strasbourg, presenting his priorities for the year ahead and outlining his vision for how the European Union could evolve by 2025 (see [full speech](#)). He presented a Roadmap for a More United, Stronger and More Democratic Union (see [Roadmap Factsheet](#)).

European Commission President **Jean-Claude Juncker** said today: *“The wind is back in Europe’s sails. But we will go nowhere unless we catch that wind. (...) We should chart the direction for the future. As Mark Twain wrote, years from now we will be more disappointed by the things we did not do, than by the ones we did. Now is the time to build a more united, stronger and more democratic Europe for 2025.”*

President Juncker’s speech in the European Parliament was accompanied by the adoption of **concrete initiatives** by the European Commission on trade, investment screening, cybersecurity, industry, data and democracy, putting words immediately into action.

A **series of [factsheets](#)** published today also expand on some of the key elements touched upon in the President’s speech.

Key Messages of the 2017 State of the Union Address

Wind in Our Sails

“Ten years since crisis struck, Europe’s economy is finally bouncing back. And with it, our confidence. Our EU27 leaders, the Parliament and the Commission are putting the Europe back in our Union. Together, we are putting the Union back in our Union.”

Staying Course

“As we look to the future, we cannot let ourselves be blown off course. (...) We must finish what we started in Bratislava.”

Trade: *“Partners across the globe have started lining up at our door to conclude trade agreements with us. (...) Today, we are proposing to open trade negotiations with Australia and New Zealand.”*

"Let me say once and for all: we are not naïve free traders. Europe must always defend its strategic interests. This is why today we are proposing a new EU framework for investment screening."

Industry: *"I am proud of our car industry. But I am shocked when consumers are knowingly and deliberately misled. I call on the car industry to come clean and make it right."*

"The new Industrial Policy Strategy we are presenting today will help our industries stay or become the world leaders in innovation, digitisation and decarbonisation."

Fight against Climate Change: *"Set against the collapse of ambition in the United States, Europe will ensure we make our planet great again. It is the shared heritage of all of humanity."*

Cybersecurity: *"Cyber-attacks can be more dangerous to the stability of democracies and economies than guns and tanks. (...) Today, the Commission is proposing new tools, including a European Cybersecurity Agency, to help defend us."*

Migration: *"Europe is and must remain the continent of solidarity where those fleeing persecution can find refuge."*

"We have common borders but Member States that by geography are the first in line cannot be left alone to protect them. Common borders and common protection must go hand in hand."

"I cannot talk about migration without paying strong tribute to Italy for their tireless and noble work. (...) Italy is saving Europe's honour in the Mediterranean."

European Solidarity Corps (see [Factsheet](#)): *"I am particularly proud of the young Europeans (...) who are serving in our new European Solidarity Corps. They are bringing European solidarity to life."*

Africa (see [Factsheet](#)): *"We must also show solidarity with Africa. Africa is a noble and young continent, the cradle of humanity. Our €2.7 billion EU-Africa Trust Fund is creating employment opportunities across the continent."*

Setting Sail

"Now is the time to draw the first conclusions from the debate [on the future of Europe]. Time to move from reflection to action. From debate to decision. Today I would like to present you my view: my own 'scenario six', if you will."

"For me, Europe is more than just a single market. More than money, more than the euro. It was always about values."

East to West: *"Europe extends from Vigo to Varna. From Spain to Bulgaria. East to West: Europe must breathe with both lungs. Otherwise our continent will struggle for air."*

Posting of Workers (see [Factsheet](#)): *"In a Union of equals, there can be no second class workers. Workers should earn the same pay for the same work in the same place."*

A European Labour Authority (see [Factsheet](#)): *"It seems absurd to have a Banking Authority to police banking standards, but no common Labour Authority for ensuring fairness in our single market. We will create one."*

Dual Foods (see [Factsheet](#)): *"In a Union of equals, there can be no second class consumers. I will not accept that in some parts of Europe, consumers are sold food of lower quality than in other countries (...) Slovaks do not deserve less fish in their fish fingers. Hungarians less meat in their meals. Czechs less cacao in their chocolate."*

Rule of Law: *"In Europe the strength of the law replaced the law of the strong. (...)The rule of law is not optional in the European Union. It is a must."*

"The judgements of the Court have to be respected by all. To undermine them, or to undermine the independence of national courts, is to strip citizens of their fundamental rights."

Schengen area: *"If we want to strengthen the protection of our external borders, then we need to open the Schengen area to Bulgaria and Romania immediately. We should also allow Croatia to become a full Schengen member once it meets all the criteria. "*

Euro area (see [Factsheet](#)): *"If we want the euro to unite rather than divide our continent, then it should be more than the currency of a select group of countries. The euro is meant to be the single currency of the European Union as a whole."*

Enlargement: *"We must maintain a credible enlargement perspective for the Western Balkans (...) It is clear that there will be no further enlargement during [this] mandate. (...) But thereafter the European Union will be greater than 27 in number."*

Turkey: *"Turkey has been taking giant strides away from the European Union for some time."*

"Journalists belong in newsrooms not in prisons. They belong where freedom of expression reigns."

"The call I make to those in power in Turkey is this: Let our journalists go."

Qualified Majority Voting for Tax: *"I am strongly in favour of moving to qualified majority voting for decisions on the common consolidated corporate tax base, on fair taxes for the digital industry and on the financial transaction tax."*

European Minister of Economy and Finance (see [Factsheet](#)): *"We need a European Minister of Economy and Finance: a European Minister that promotes and*

supports structural reforms in our Member States.”

“We do not need parallel structures (...) The Parliament of the euro area is the European Parliament.”

The fight against terrorism: *“I call for a European intelligence unit that ensures data concerning terrorists and foreign fighters are automatically shared among intelligence services and with the police.”*

A stronger global actor: *“I want Member States to look at which foreign policy decisions could be moved from unanimity to qualified majority voting. The Treaty already provides for this.”*

Better Regulation (see [Factsheet](#)): *“We should not meddle in the everyday lives of European citizens (...) We should not march in with a stream of new initiatives or seek ever growing competences. We should give back competences to Member States where it makes sense.”*

“I will be setting up a Subsidiarity and Proportionality Task Force as of this month to take a very critical look at all policy areas to make sure we are only acting where the EU adds value.”

Institutional Reform: *“Europe would function better if we were to merge the Presidents of the European Commission and the European Council (...) Europe would be easier to understand if one captain was steering the ship (...) Having a single President would better reflect the true nature of our European Union as both a Union of States and a Union of citizens.”*

“If you want to strengthen European democracy, then you cannot reverse the democratic progress seen with the creation of lead candidates – ‘Spitzenkandidaten’.”

Roadmap

“Our future cannot remain a scenario (...) We have to prepare the Union of tomorrow, today.”

“On 30 March 2019, we will be a Union of 27. I suggest that we prepare for this moment well, amongst the 27 and within the EU institutions.”

“My hope is that on 30 March 2019, Europeans will wake up to a Union where we all stand by our values. Where all Member States firmly respect the rule of law. (...) Where we have shored up the foundations of our Economic and Monetary Union so that we can defend our single currency in good times and bad, without having to call on external help. (...) Where a single President leads the work of the Commission and the European Council, having been elected after a democratic Europe-wide election campaign.”

“We started to fix the roof. But we must now complete the job now that the sun is shining and whilst it still is. (...) So let’s throw off the bowlines. Sail away from the harbour. And catch the trade winds in our sails.”

Background

Every year in September, the President of the European Commission delivers his State of the Union Address before the European Parliament, taking stock of achievements of the past year and presenting priorities for the year ahead. The President also sets out how the Commission will address the most pressing challenges the European Union is facing. The speech is followed by a plenary debate. This kick-starts the dialogue with the European Parliament and Council to prepare the Commission Work Programme for the following year.

In addition, President Juncker and First Vice-President Timmermans sent today a Letter of Intent to the President of the European Parliament and the Presidency of the Council that sets out in detail the actions the Commission intends to take by means of legislation and other initiatives until the end of the following year (2018 in this case). This is specifically foreseen in the 2010 Framework Agreement on relations between the European Parliament and the European Commission.

For More Information

[2017 State of the Union brochure](#) including:

- The authorised State of the Union Address
- The Letter of Intent
- Progress on the Commission's ten priorities
- Roadmap for a More United, Stronger and More Democratic European Union

[State of the Union 2017 web page](#)

[The 10 political priorities of the European Commission](#)

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