

# Speech by Vice-President Katainen on behalf of President Juncker at the Plenary Session of the European Parliament on the debate on the Future of Europe with Nicos Anastasiades, President of Cyprus

President Tajani,

President Anastasiades,

Honourable Members,

Our thoughts and hearts are with the victims of last night's horrible attack against humanity that we condemn with great firmness. We are grateful for the tireless work of the first responders, and we trust in the work of the law enforcement services to bring those responsible to justice. We will continue to defend our free and open societies by all means in our use. The city of Strasbourg is a symbol of European peace and democracy, values that we will always defend. The European Commission stands alongside France and the French people at this very difficult moment.

Honourable Members,

I wished we would have had a better situation to talk about the future of Europe than where we are today. Nevertheless we cannot give up. We need to continue building a better and safer Europe for our citizens. Intolerance and hate do not belong to our societies and they do not represent our values.

I want to thank Mr President, my good friend Nicos, for being here today to debate the future of Europe. I remember when we talked about the future of the EU in the Prime Minister's office in Finland many years ago. We have continued this discussion during all these years, and now we are here in the European Parliament to discuss with the Honourable Members on the challenges, opportunities and direction of the European Union.

Mr President,

You and your country have always shown a great European solidarity. You have shown this time and again over the years. When it comes to migration, you have always been there and taken much more than your fair share of responsibility.

The financial and economic crisis also hit Cyprus harder than most. The

effects will not go away overnight. But today, I see a recovering labour market and economy, growing by over 4% in 2017 and continuing at an impressive rate this year. I see a more stable financial sector, with a lower – although still too high – rate of non-performing loans.

I also see investment returning, thanks in part to the Juncker Plan which has helped trigger EUR 109 million of additional investment. It has also supported 125 smaller companies or start-ups to grow and create jobs locally. I will visit Cyprus at the end of January to discuss further use of the Juncker Plan in order to help boost growth and job creation. But if the situation has turned around, it is because of the strength and hard work of the Cypriot people. I want to pay tribute to them in particular for everything they have done.

I also want to pay tribute to you, Mr President, dear Nicos, for your commitment to the programme of recovery. The tough decisions made and the commitment to making them work should never be overlooked by anyone in Europe.

We know there is still a long way to go. And the Commission will assist you every step of the way, including through tailored support offered by the Structural Reform Support Service. It has already provided EUR 520 million to support the economic integration of the island and improved links and contacts between its two communities. But it also continues to support Cyprus across the board, including to meet its climate and energy targets.

The point is that as we look to our future, Europe will stand in solidarity with Cyprus, just as Cyprus has always stood in solidarity with Europe. And nowhere is that more important than when it comes to bring to an end the division of the island. The Commission will stand ready to assist any efforts. The Commission will always answer your call to support any negotiations or discussions held under the auspices of the United Nations that work towards a fair, comprehensive and viable settlement. This would be beneficial for Cyprus, for Europe and for the wider security and stability in the region. There would be no more important message for our common future.

But we must prepare that future as of today. Later this week, European leaders – including the President – will have a real discussion on our future long-term budget. This is not only about numbers or figures. It is about our future. It is about deciding what Europe should achieve. And it is about deciding where to invest in our future, on the issues that matter the most to the people of Cyprus and to the whole of Europe. This is why the Commission has put forward a fair, modern and balanced budget. A budget that is more efficient and more focused on the issues that matter the most – just as Cyprus has so long been calling for.

For instance, there will be an almost three-fold increase in funding for migration and security to make sure that Europe can protect its citizens. This will be especially important for Cyprus as a country that has taken so much responsibility in this area. Funding for research and innovation will be increased by 50%. We have also proposed to double the means of Erasmus+ and a new Digital Europe Programme worth EUR 9 billion will support Europe's

digital transformation. All of these will provide real opportunities for Cypriots and further boost the productivity of the Cypriot economy. We have also proposed an enhanced Reform Support Programme with EUR 22 billion earmarked for key reforms identified in the European Semester.

All of this will make a real difference on the ground in Cyprus and across our Union. So it is crucially important that we can agree on our new budget as swiftly as possible. Mr President, I count on your support, your counterparts' support and of course this House's support in order to make all this happen.

Thank you.