

Speech by Vice-President Katainen on behalf of President Juncker at the Plenary Session of the European Parliament on the Finnish Presidency of the Council of Ministers

President, Prime Minister, Honourable Members,

It is a pleasure to be here today on behalf of President Juncker and to participate in this debate on the Finnish Presidency.

Let me first congratulate Ursula von der Leyen for her election by this house as President of the European Commission.

Also, I want to congratulate the Members of the European Parliament, in voting yesterday you instil democratic legitimacy in the Presidency of the European Commission that our citizens expect.

Prime Minister, it is a pleasure to see you here today soon after you hosted the College of Commissioners meeting in Helsinki just two weeks ago. As our President Juncker said in Helsinki: Europe needs Finland, because Finland is pragmatic, down-to-earth, cool-headed. That is exactly what we need in the next upcoming months.

Prime Minister, when it comes to the environment, you are already leading by example. The European Union is the first major economy to have put in place a legally binding framework to deliver on what we committed to do under the Paris Agreement. We have set ambitious targets for 2030 for greenhouse gas emissions reduction, renewable energy and energy efficiency. And translating the 2030 targets into reality has to be our top priority. The European Commission has also laid out its vision for the EU to become climate neutral by 2050.

Reaching climate neutrality with zero net greenhouse gas emissions by 2050 is not only possible but also economically beneficial. The energy transition will not hurt our economy but on the contrary will result in the creation of new jobs, new business opportunities and hundreds of billions of euros per year in reduced air pollution damages.

Finland is showing us the way ahead with the unprecedented ambition of becoming climate neutral by 2035. I therefore have no doubt that Finland is the right country at the right time to take the European Union forward.

Every part of our economy must pull its weight. And this starts with the financial sector. It is why a key pillar of completing the Capital Markets Union is the Action Plan for Financing Sustainable Growth presented by the

Commission in 2018. The idea behind the Action Plan is to help us make a systemic change in investment culture. Sustainability should not be seen as a niche within the financial system. It must define our financial system. And I hope that our proposal will be adopted under the Finnish presidency. It is also why the Commission has proposed that a quarter of the next long-term EU budget is spent on climate objectives. This is more than ever before.

With regards to what I call the “*industrial leg*” of our climate policy – the circular economy – our work to close the loop is now showing real results while creating jobs for our citizens. In 2016, sectors relevant to the circular economy employed more than four million workers, a 6% more than in 2012. And that is the reason, why circular economy must be a solid part of our industrial policy in the future.

Prime Minister, honourable Members, we agreed in Sibiu last May that we will provide the Union with the means necessary to attain our objectives.

To respect our commitment, we need a swift agreement on the next long-term EU budget. You can count on the support of the Commission to facilitate this process in any way we can.

A swift agreement would produce numerous benefits. It would allow us to create tens of thousands of research jobs already in 2021. 100,000 projects funded under Cohesion Policy would start on time. It would also ensure that in 2021, a million young people can benefit from an Erasmus exchange.

So let us send an unambiguous signal of our determination to conclude in the autumn with a modern, balanced and unifying package that we can all support.

Prime Minister, we have also injected sustainability in our trade agreements. Today, Europeans benefit from open trade with 72 countries around the world. During this mandate alone, we finalised trade agreements with 15 countries, including Japan, Canada, Singapore and Vietnam. And we have recently concluded an agreement with Mercosur. This deal sends a clear message in support of open, and fair, sustainable and rules-based trade.

First, our agreement with Mercosur is the biggest agreement we have ever negotiated, creating a rules-based trade area covering 780 million people with the benefits this will bring to both sides. But moreover, it is also an agreement to which each and every country has committed itself to the effective implementation of the Paris Agreement, and in this case of Brazil, this includes the very significant commitment to stop deforestation in the Amazon.

When we talk about ‘rules and values-based trade’ today, this is what we mean. And yes we aim to open markets and we are always ready to open our own, but in doing so, we set the rules in which trade takes place. Trade for the EU means promoting the rules-based system, and playing our part in shaping globalisation according to our values and principles.

Honorable Members, industrial policy should be a key priority for our future. Industrial policy should be based on competitiveness, because competitiveness

is the best friend of a welfare society. Industrial policy based on deepening single market, fair trade, investments to innovation, research and development are forward looking measures to shape our industrial policy and competitiveness. We need to maintain fair competition in social market economy instead of pursuing protectionism.

Prime Minister, ladies and gentlemen,

I can say to you in full confidence that the Commission is in total harmony with the priorities of the Finnish Presidency. Sustainability for Finns is part of who you are and it must be the same for the European Union if we are to have any kind of future at all. I know with you we are in the safest pair of hands in this respect.

This also applies to Finland's unwavering commitment to upholding the rule of law in the Union. By the way, this is the first time, when a Member State, takes a leading role in this file. At a time when the Rule of Law is under pressure, I am pleased to see this issue remaining high on the Presidency's agenda, not only concerning ongoing procedures under Article 7, but also concerning the strengthening of the overall rule of law framework. The rule of law is the cornerstone on which all our values rest. It makes us who we are as Europeans. But it is not a given and it can never be taken for granted.

Such is the case of course when it comes to the security of the European Union. We must take responsibility for ourselves. This has been a priority of this Commission since the day one and today the cooperation we have at the European level is unprecedented. We have witnessed terrorist attacks and cyberattacks; we have seen interference to our elections and democratic processes. This Commission has done a lot to protect our citizens offline and online. Europe is by far the safest place to live in the world. But the nature of security issues is changing by the day. We must constantly adapt. And so I very much welcome the initiatives of the Finnish Presidency in this regard, particularly regarding hybrid threats.

Honorable President, honorable Members of the Parliament, Prime Minister, I really want to wish a lot of energy, and strength to your work in conducting the rotating presidency, I must admit that there are high expectations for the work you are doing.

Thank you very much.