

President Metsola's remarks at the Special European Council
17th April 2024

Thank you Charles.

Good evening everyone.

In 50 days' time, hundreds of millions of Europeans will start heading to the polls. As you know, I have been visiting Member States, where alongside MEPs we are listening to citizens. The people that we have met have mentioned the fight against poverty and social exclusion, security, the strengthening of the economy and the creation of new jobs among their top priorities.

These are the issues that people expect us to deliver on, like we already delivered on migration. That is why I welcome our discussion on driving economic growth and boosting European competitiveness aided by the analysis of Enrico Letta in his High-Level Report on the Future of the Single Market. All this comes at a critical time.

Dear colleagues,

The Single Market is our Union's unique growth model. It has been a powerful engine of convergence and our most valuable asset. Today, people are able to live, work, study and travel anywhere within our Union. It helps businesses, large and small, to set-up shop wherever they choose, giving them greater market access while fostering competitiveness. It also enables consumers to have wider choices, at cheaper prices and with stronger consumer protection that will account for their interests. In being the world's largest single democratic market, it has even strengthened our place in the world.

And yet, new geopolitical realities and increasingly complex challenges have since exposed our Single Market's vulnerabilities. How can we make Europe more competitive, more innovative, and more autonomous? How do we attract companies, create jobs and increase economic growth?

What we are discussing here is not something new. For over 30 years, the Single Market has been an evolving project, inherently linked to the EU's strategic priorities. In this moment, we need to remember that the European Single Market project is - and has always been - deeply political. And I believe that our economic area still holds the potential to deliver even wider benefits for our people. The time is now for a renewed commitment to it.

That means deepening our Single Market, which will bring it back on par with the needs of the current context especially with the green and digital transitions of our economies. Only by increasing productivity, speeding-up investments in own industrial capabilities, including in smart electricity grids, and integrating the Single Market for energy, finance and telecoms, can we reduce strategic dependencies while simultaneously supporting and sustaining economic growth. The Single Market is our greatest economic driver and that needs to be reflected in levelling-up our communities. This is how we address social exclusion, whether that is off or online.

In practice, this will require more effort to level the playing field. The adoptions of the Digital Services Act, the Digital Markets Act and the AI act are key steps in the right direction. But an

equal level of commitment is needed when it comes to energy and more broadly for the green transition.

The reality is that while our targets here are world-leading, which is something that we should - and are - proud of, excessive bureaucracy risks holding us back. In some places for example, the development phases for building an offshore wind farm can take just as long as the complete construction of an onshore windfarm. Meaning that at present, building more efficient infrastructure in Europe is significantly less attractive.

But apart from an obstacle to strategic investment and our climate ambitions, bureaucracy also presents a barrier to socio-economic inclusion. The farmer demonstrations are one glaring example of where we did not match our ambitions with the needs and expectations of our people. This far from just an agricultural issue and the strategic agenda needs to reflect this.

That is why I have always maintained that for the green transition to work - and it is necessary - it must incorporate every sector. It cannot leave anyone behind. It must provide real incentives and safety nets for industry. People must have confidence in the process and they must be able to afford it. Otherwise, it risks driving more and more people to the comfort of the fringes, paradoxically at the very moment where we are calling upon people to stand up for Europe. We cannot allow that.

Another barrier that hinders economic progress is the fragmentation of our financial sector and more specifically obstacles to capital flows across our Union. Even though green investments have gained momentum in recent years, a gap of more than €400 billion remains to be filled annually - a gap that even with a reassessment of our approach to state aid, simply cannot be filled by public financing alone.

The free movement of capital is one of the four fundamental freedoms of the Single Market, and yet after decades of integration there are still obstacles that impact our global competitiveness.

If our businesses and industries are to scale-up and innovate, to create jobs, to incentivise better savings opportunities for our citizens, to generate wealth and ensure Europe's competitiveness, we need to create the right conditions and frameworks for our start-ups and SMEs to stay in Europe. Meaning that we need to complete our Banking Union and our Capital Markets Union. As I said earlier, the deepening of the Single Market has always been a question of political will. The time has come again to take ownership of the issue or we risk losing it all.

That is how we can show our people that ours is a project that delivers. How we can address the real issues and cushion the challenges facing businesses and families across Europe who face higher bills, uncertain housing markets and those who struggle to make it to the end of the month. How we will ensure long-term competitiveness, prosperity and leadership on the global stage.

In the process of doubling down on our Single Market, of reforming and getting ready for the changing world we are in, EU enlargement towards Ukraine, towards Moldova, Georgia and the Western Balkans must remain high on our strategic and political agenda. And here, the approval of the Reform and Growth Facility for the Western Balkans is a step in the right direction. It once again shows that the Single Market does make us attractive. It is bringing our Western Balkans allies closer to us and in doing so, it is strengthening our continent, our Union,

our European way - and us all. The European Parliament understood this, which is why we came together to deliver it at record speed.

Dear colleagues,

I started my remarks today by referring to citizens' concerns. Europeans also want us to reinforce our security and defence structures to defend peace and democracy over the next five years. What is happening at our borders must remain at the top of our agenda.

Russia remains persistent in its illegal and indiscriminate attacks on Ukraine. We have already provided strong political, diplomatic, humanitarian, economic and military support to Ukraine. Our support with Ukraine cannot waver. We need to speed-up and intensify the delivery of equipment that they need, including on air defence.

We cannot let up.

The same is true when it comes to Russia's attempts to skew narratives and strengthen pro-Kremlin sentiments ahead of our upcoming European elections in June through disinformation. It is not just a threat anymore but a possibility - and it is one that we must be ready to counter. On this, let me again reassure you that the European Parliament stands ready to support you in pushing-back and addressing any malign interference with our democratic decision-making processes in every way that it can. As it has always done.

On the situation in the Middle East, Iran's unprecedented drone and missile strikes on Israel risk igniting further tensions in the region. As a Union, we will keep working to de-escalate and stop the situation spiralling into more bloodshed.

Last year, the European Parliament voted overwhelmingly to have the Islamic Revolutionary Guard Corps listed as a terrorist organisation. We maintain that. And with these worrying developments, new sanctions against Iran for its drone and missile programs are needed and justified.

In Gaza, the situation still remains desperate. Let me reiterate that the European Parliament will keep pushing for a ceasefire. We will keep demanding the return of the remaining hostages while maintaining that Hamas can no longer operate with impunity. That is how we get more aid into Gaza, how we save innocent lives and how we push forward the urgent need for a two-state solution that gives real perspective to Palestinians and security to Israel.

Dear colleagues,

This is the last European Council before the elections in June. I want to thank you for making these exchanges so interactive and for everything that you have already done to support our efforts in getting out the vote. And rest assured, that the Parliament will continue to work until the last moment of the mandate to deliver for all Europeans.