



# STATE OF THE UNION 2016

by Jean-Claude Juncker,  
President of the European Commission  
**14 September 2016**

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Every year in September, the President of the European Commission delivers his State of the Union speech 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 Parliament and Council to prepare the Commission Work Programme for the following year.

Anchored in the Treaty of Lisbon, the State of the Union address is foreseen in the 2010 Framework Agreement on relations between the European Parliament and the European Commission, which also foresees that the President of the European Commission sends 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 (2017 in this case).

Jean-Claude Juncker, the President of the European Commission, delivered his second State of the Union speech on 14 September 2016.

An authorised version of this 2016 State of the Union speech, the letter of intent, a report on progress on the Commission's 10 priorities as well as the transcript of the speech and the President's closing remarks are included in this booklet. Other language versions and additional material are available at <http://ec.europa.eu/soteu>

This provides a complete picture of the State of the Union 2016, as seen by President Juncker. It constitutes the European Commission's contribution to the informal meeting of the 27 Heads of State or Government in Bratislava on 16 September 2016.

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# **STATE OF THE UNION 2016**

TOWARDS A BETTER EUROPE —  
A EUROPE THAT PROTECTS, EMPOWERS AND DEFENDS

AUTHORISED VERSION

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# STATE OF THE UNION 2016

TOWARDS A BETTER EUROPE — A EUROPE THAT PROTECTS, EMPOWERS AND DEFENDS

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## INTRODUCTION

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Mr President,

Honourable Members of the European Parliament,

I stood here a year ago and I told you that the state of our Union was not good. I told you that there is not enough Europe in this Union. And that there is not enough union in this Union.

I am not going to stand here today and tell you that everything is now fine.

It is not.

Let us all be very honest in our diagnosis.

**Our European Union is, at least in part, in an existential crisis.**

Over the summer, I listened carefully to Members of this Parliament, to government representatives, to many national Parliamentarians and to the ordinary Europeans who shared their thoughts with me.

I have witnessed several decades of EU integration. There were many strong moments. Of course, there were many difficult times too, and times of crisis.

But never before have I seen such little common ground between our Member States. So few areas where they agree to work together.

Never before have I heard so many leaders speak only of their domestic problems, with Europe mentioned only in passing, if at all.

Never before have I seen representatives of the EU institutions setting very different priorities, sometimes in direct opposition to national governments and national parliaments. It is as if there is almost no intersection between the EU and its national capitals anymore.

Never before have I seen national governments so weakened by the forces of populism and paralysed by the risk of defeat in the next elections.

Never before have I seen so much fragmentation, and so little commonality in our Union.

**We now have a very important choice to make.**

Do we give in to a very natural feeling of frustration? Do we allow ourselves to become collectively depressed? Do we want to let our Union unravel before our eyes?

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Or do we say: is this not the time to pull ourselves together? Is this not the time to roll up our sleeves and double, triple our efforts? Is this not the time when Europe needs more determined leadership than ever, rather than politicians abandoning ship?

Our reflections on the State of the Union must start with a sense of realism and with great honesty.

**First of all, we should admit that we have many unresolved problems in Europe. There can be no doubt about this.**

From high unemployment and social inequality, to mountains of public debt, to the huge challenge of integrating refugees, to the very real threats to our security at home and abroad — every one of Europe's Member States has been affected by the continuing crises of our times.

We are even faced with the unhappy prospect of a member leaving our ranks.

**Secondly, we should be aware that the world is watching us.**

I just came back from the G20 meeting in China. Europe occupies seven chairs at the table of this important global gathering. Despite our big presence, there were more questions than we had common answers to.

Will Europe still be able to conclude trade deals and shape economic, social and environmental standards for the world?

Will Europe's economy finally recover or be stuck in low growth and low inflation for the next decade?

Will Europe still be a world leader when it comes to the fight for human rights and fundamental values?

Will Europe speak up, with one voice, when territorial integrity is under threat, in violation of international law?

Or will Europe disappear from the international scene and leave it to others to shape the world?

I know that you here in this House would be only too willing to give clear answers to these questions. But we need our words to be followed by joint action. Otherwise, they will be just that: words. And with words alone, you cannot shape international affairs.

**Thirdly, we should recognise that we cannot solve all our problems with one more speech. Or with one more summit.**

This is not the United States of America, where the President gives a State of the Union speech to both Houses of Congress, and millions of citizens follow his every word, live on television.

In comparison to this, our State of the Union moment here in Europe shows very visibly the incomplete nature of our Union. I am speaking today in front of the European Parliament. And separately, on Friday, I will meet with the national leaders in Bratislava.

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So my speech cannot only compete for your applause, ignoring what national leaders will say on Friday. I also cannot go to Bratislava with a different message than I have for you. I have to take into account both levels of democracy of our Union, which are both equally important.

We are not the United States of Europe. Our European Union is much more complex. And ignoring this complexity would be a mistake that would lead us to the wrong solutions.

Europe can only work if speeches supporting our common project are not only delivered in this honourable House, but also in the parliaments of all our Member States.

Europe can only work if we all work for unity and commonality, and forget the rivalry between competences and institutions. Only then will Europe be more than the sum of its parts. And only then can Europe be stronger and better than it is today. Only then will leaders of the EU institutions and national governments be able to regain the trust of Europe's citizens in our common project.

Because Europeans are tired of the endless disputes, quarrels and bickering.

Europeans want concrete solutions to the very pertinent problem that our Union is facing. And they want more than promises, resolutions and summit conclusions. They have heard and seen these too often.

Europeans want common decisions followed by swift and efficient implementation.

Yes, we need a vision for the long term. And the Commission will set out such a vision for the future in a White Paper in March 2017, in time for the 60th anniversary of the Treaties of Rome. We will address how to strengthen and reform our economic and monetary union (EMU). And we will also take into account the political and democratic challenges our Union of 27 will be facing in the future. And of course, the European Parliament will be closely involved in this process, as will national parliaments.

But a vision alone will not suffice. What our citizens need much more is that someone governs. That someone responds to the challenges of our time.

Europe is a cord of many strands — it only works when we are all pulling in the same direction: EU institutions, national governments and national parliaments alike. And we have to show again that this is possible, in a selected number of areas where common solutions are most urgent.

**I am therefore proposing a positive agenda of concrete European actions for the next 12 months.**

Because I believe the next 12 months are decisive if we want to reunite our Union. If we want to overcome the tragic divisions between East and West which have opened up in recent months. If we want to show that we can be fast and decisive on the things that really matter. If we want to show the world that Europe is still a force capable of joint action.

We have to get to work.



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I sent a letter with this message to President Schulz and Prime Minister Fico this morning.

**The next 12 months are the crucial time to deliver a better Europe:**

a Europe that **protects**;

a Europe that **preserves the European way of life**;

a Europe that **empowers** our citizens,

a Europe that **defends** at home and abroad; and

a Europe that **takes responsibility**.

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### A EUROPE THAT PRESERVES OUR WAY OF LIFE

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I am convinced the European way of life is something worth preserving.

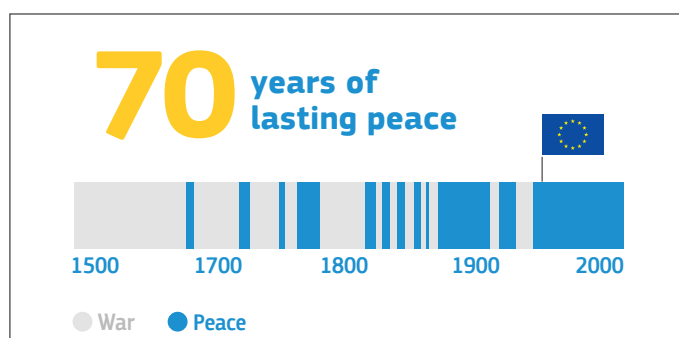
I have the impression that many seem to have forgotten what being European means.

What it means to be part of this **Union of Europeans** — what it is the farmer in Lithuania has in common with the single mother in Zagreb, the nurse in Valetta or the student in Maastricht.

To remember why Europe's nations chose to work together.

To remember why crowds celebrated solidarity in the streets of Warsaw on 1 May 2004.

To remember why the European flag waved proudly in Puerta del Sol on 1 January 1986.



To remember that Europe is a driving force that can help bring about the unification of Cyprus — something I am supporting the two leaders of Cyprus in.

Above all, Europe means peace. It is no coincidence that the longest period of peace in written history in Europe started with the formation of the European Communities.

70 years of lasting **peace** in Europe. In a world with 40 active armed conflicts, which claim the lives of 170 000 people every year.

Of course we still have our differences. Yes, we often have controversy. Sometimes we fight. But we fight with words. And we settle our conflicts around the table, not in trenches.

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An integral part of our European way of life is our **values**.

The values of freedom, democracy and the rule of law. Values fought for on battlefields and soapboxes over centuries.

We Europeans can never accept Polish workers being harassed, beaten up or even murdered on the streets of Harlow. The **free movement of workers** is as much a common European value as our **fight against discrimination and racism**.

We Europeans stand **firmly against the death penalty**. Because we believe in and respect the value of human life.

We Europeans also believe in **independent, effective justice systems**. Independent courts keep governments, companies and people in check. Effective justice systems support economic growth and defend fundamental rights. That is why Europe promotes and defends the rule of law.

Being European also means being open and **trading with our neighbours**, instead of going to war with them. It means being the world's biggest trading bloc, with trade agreements in place or under negotiation with over 140 partners across the globe.



And trade means jobs — for every €1 billion we get in exports, 14 000 extra jobs are created across the EU. And more than 30 million jobs, 1 in 7 of all jobs in the EU, now depend on exports to the rest of the world.

That is why Europe is working to open up markets with Canada — one of our closest partners and one which shares our interests, our values, our respect for the rule of law and our understanding of cultural diversity. The

EU–Canada trade agreement is the best and most progressive deal the EU has ever negotiated. And I will work with you and with all Member States to see this agreement ratified as soon as possible.

Being European means the right to have **your personal data protected** by strong, European laws. Because Europeans do not like drones overhead recording their every move, or companies stockpiling their every mouse click. This is why Parliament, Council and Commission agreed in May this year a common European data protection regulation. This is a strong European law that applies to companies wherever they are based and whenever they are processing your data. Because in Europe, privacy matters. This is a question of human dignity.

Being European also means a **fair playing field**.

This means that workers should get **the same pay for the same work in the same place**. This is a question of social justice. And this is why the Commission stands behind our proposal on the posting of

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workers directive. The internal market is not a place where eastern European workers can be exploited or subjected to lower social standards. **Europe is not the Wild West, but a social market economy.**

A fair playing field also means that in Europe, **consumers are protected against cartels and abuses by powerful companies. And that every company, no matter how big or small, has to pay its taxes where it makes its profits.** This goes for giants like Apple too, even if their market value is higher than the GDP of 165 countries in the world. In Europe we do not accept powerful companies getting illegal backroom deals on their taxes.

The level of taxation in a country like Ireland is not our issue. Ireland has the sovereign right to set the tax level wherever it wants. But it is not right that one company can evade taxes that could have gone to Irish families and businesses, hospitals and schools. **The Commission watches over this fairness. This is the social side of competition law. And this is what Europe stands for.**

Being European also means a culture that **protects our workers and our industries** in an increasingly globalised world. Like the thousands who risk losing their jobs in Gosselies in Belgium — it is thanks to EU legislation that the company will now need to engage in a true social dialogue. And workers and local authorities can count on European solidarity and the help of EU funds.

Being European also means standing up for our **steel industry**. We already have 37 anti-dumping and anti-subsidy measures in place to protect our steel industry from unfair competition. But we need to do more, as overproduction in some parts of the world is putting European producers out of business. This is why I was in China twice this year to address the issue of overcapacity. This is also why the Commission has proposed to change the lesser duty rule. The United States imposes a 265 % import tariff on Chinese steel, but here in Europe, some governments have for years insisted we reduce tariffs on Chinese steel. I call on all Member States and on this Parliament to support the Commission in strengthening our trade defence instruments. **We should not be naïve free traders, but be able to respond as forcefully to dumping as the United States.**

Europe will always  
stand by its **farmers**



This year, our dairy sector  
received an exceptional  
**€1 billion** of EU support

A strong part of our European way of life that I want to preserve is our **agricultural sector**. The Commission will always stand by our farmers, particularly when they go through difficult moments as is the case today. Last year, the dairy sector was hit with a ban imposed by Russia. This is why the Com-

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Euro area countries saved  
**€50 billion** this year



thanks to  
the European Central  
Bank's **monetary policy**

mission mobilised €1 billion in support of milk farmers to help them get back on their feet. Because I will not accept that milk is cheaper than water.

For most of us, being European also means **the euro**. During the global financial crisis, the euro stayed strong and protected us from even worse instability. The euro is a leading world currency, and it brings huge, often in-

visible economic benefits. Euro area countries saved €50 billion this year in interest payments, thanks to the European Central Bank's monetary policy. €50 billion extra that our finance ministers can and should invest into the economy.

Mario Draghi is preserving the stability of our currency. And he is making a stronger contribution to jobs and growth than many of our Member States.

Yes, we Europeans suffered under a historic financial and debt crisis. But the truth is that while public deficits stood at 6.3 % on average in the euro area in 2009, today they are below 2 %.

Over the last 3 years, **almost 8 million more people found a job**. 1 million in Spain alone, a country which continues to show an impressive recovery from the crisis.

I wish all this was recalled more often — everywhere in Europe where elected politicians take the floor.

Because in our incomplete Union, there is no European leadership that can substitute national leadership.

European nations have to defend the rationale for unity. No one can do it for them.

They can.

We can be united even though we are diverse.

The great, democratic nations of Europe must not bend to the winds of populism.

Europe must not cower in the face of terrorism.

No — Member States must build a Europe that protects. And we, the European institutions, must help them deliver this promise.

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### A EUROPE THAT EMPOWERS

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The European Union should not only preserve our European way of life but empower those living it.

We need to work for a Europe that empowers our citizens and our economy. And today, both have gone **digital**.

Digital technologies and digital communications are permeating every aspect of life.

All they require is access to high-speed internet. We need to be connected. Our economy needs it. People need it.

And we have to invest in that connectivity now.

That is why today, the Commission is proposing a reform for our European telecommunications markets. **We want to create a new legal framework that attracts and enables investments in connectivity.**

Businesses should be able to plan their investments in Europe for the next 20 years. Because if we invest in new networks and services, that is at least 1.3 million new jobs over the next decade.

Full deployment  
of **5G network**  
supports the creation  
of over **2 million jobs**  
by 2025



Connectivity should benefit everyone.

That is why today the Commission is proposing to **fully deploy 5G**, the fifth generation of mobile communication systems, across the European Union by 2025. This has the potential to create a further 2 million jobs in the EU.

Everyone benefiting from connectivity means that it should not matter where you live or how much you earn.

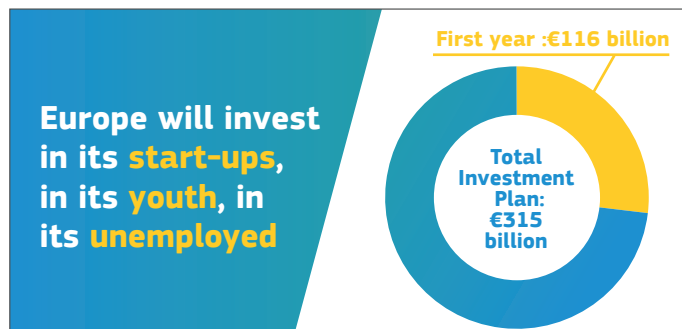
So we propose today to equip every European village and every city with **free wireless internet access** around the main centres of public life by 2020.

As the world goes digital, we also have to **empower our artists and creators and protect their works**. Artists and creators are our crown jewels. The creation of content is not a hobby. It is a profession. And it is part of our European culture.

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I want journalists, publishers and authors to be paid fairly for their work, whether it is made in studios or living rooms, whether it is disseminated offline or online, whether it is published via a copying machine or hyperlinked on the web.



The **overhaul of Europe's copyright rules** we are proposing today does exactly that.

Empowering our economy means investing not just in connectivity, but in job creation.

That is why Europe must invest strongly in its youth, in its jobseekers, in its start-ups.

The €315 billion **investment plan for Europe**, which we agreed together here in this

House just 12 months ago, has already raised €116 billion in investments — from Latvia to Luxembourg — in its first year of operation.

Over 200 000 small firms and start-ups across Europe got loans. And over 100 000 people got new jobs, thanks to the new European Fund for Strategic Investments (EFSI) I proposed, my Commission developed, and you here in the European Parliament supported and adopted in record time.

And now we will take it further. Today, we propose to **double the duration** of the fund and **double its financial capacity**.

With your support, we will make sure that our fund will provide **a total of at least €500 billion — half a trillion** — of investments **by 2020**. And we will work beyond that to reach €630 billion by 2022. Of course, with Member States contributing, we can get there even faster.

Alongside these efforts to attract private investment, we also need to create the right environment to invest in.

European banks are in much better shape than 2 years ago, thanks to our joint European efforts. Europe needs its banks. But an economy almost entirely dependent on bank credit is bad for financial stability. It is also bad for business, as we saw during the financial crisis.

That is why it is now urgent we accelerate our work on the **capital markets union**. The Commission is putting a concrete roadmap for this on your table today.



A capital markets union will make our financial system more resilient. It will give companies easier and more diversified access to finance. Imagine a Finnish start-up that cannot get a bank loan. Right now,

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the options are very limited. The capital markets union will offer alternative, vital sources of funding to help start-ups get started — business angels, venture capital, market financing.

To mention just one example — almost a year ago we put a proposal on the table that will make it easier for banks to provide loans. It has the potential of freeing up €100 billion of additional finance for EU businesses. So let us please speed up its adoption.

Our European investment plan worked better than anyone expected inside Europe, and now we are going to take it global. Something many of you and many Member States have called for.

Today we are launching an **ambitious investment plan for Africa and the neighbourhood** which has the potential to raise €44 billion in investments. It can go up to €88 billion if Member States pitch in.

The logic is the same that worked well for the internal investment plan: we will be using public funding as a guarantee to attract public and private investment to create real jobs.

This will complement our development aid and help address one of the root causes of migration. With economic growth in developing countries at its lowest level since 2003, this is crucial. The new plan will offer lifelines for those who would otherwise be pushed to take dangerous journeys in search of a better life.

As much as we invest in improving conditions abroad, we also need to invest in responding to humanitarian crises back home. And, more than anything, we need to **invest in our young people**.

I cannot and will not accept that Europe is and remains the continent of youth unemployment.

I cannot and will not accept that the millennials, Generation Y, might be the first generation in 70 years to be poorer than their parents.

Of course, this is mainly a task of national governments. But the European Union can support their efforts. We are doing this with the **EU youth guarantee** that was launched 3 years ago. My Commission enhanced the effectiveness and sped up delivery of the youth guarantee. More than **9 million young people** have already benefitted from this programme. That is 9 million young people who got **a job, traineeship or apprenticeship because of the EU**. And we will continue to roll out the youth guarantee across Europe, improving the skillset of Europeans and reaching out to the regions and young people most in need.

More than **9 million young people**



got a job, traineeship or apprenticeship  
thanks to **Europe's youth guarantee**



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**1 out of 3**  
Erasmus+ students  
gets a job offer  
from the company  
that they trained in



We are doing this with the Erasmus programmes too — which 5 million students have already benefitted from. Young people move, travel, work, study, and train in countries across the EU thanks to Erasmus. And 1 in 3 young Erasmus Plus students got offered jobs by the companies they trained in.

There is more we can do. There are many young, socially minded people in Europe will-

ing to make a meaningful contribution to society and help show solidarity. We can create opportunities for them to do so.

### **Solidarity is the glue that keeps our Union together.**

The word 'solidarity' appears 16 times in the treaties which all our Member States agreed and ratified.

Our European budget is living proof of financial solidarity.

There is impressive solidarity when it comes to jointly applying European sanctions when Russia violates international law.

The euro is an expression of solidarity.

Our development policy is a strong external sign of solidarity.

And when it comes to managing the refugee crisis, we have started to see solidarity. I am convinced much more solidarity is needed. But I also know that solidarity must be given voluntarily. It must come from the heart. It cannot be forced.

We often show solidarity most readily when faced with emergencies.

When the Portuguese hills were burning, Italian planes doused the flames.

When floods cut off the power in Romania, Swedish generators turned the lights back on.

When thousands of refugees arrived on Greek shores, Slovakian tents provided shelter.

In the same spirit, the Commission is proposing today to set up a **European Solidarity Corps**. Young people across the EU will be able to volunteer their help where it is needed most, to respond to crisis situations, like the refugee crisis or the recent earthquakes in Italy.

**I want this European Solidarity Corps up and running by the end of the year. And by 2020, to see the first 100 000 young Europeans taking part.**

By voluntarily joining the European Solidarity Corps, these young people will be able to develop their skills and get not only work but also invaluable human experience.



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### A EUROPE THAT DEFENDS

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A Europe that protects is a Europe that defends — at home and abroad.

We must **defend ourselves against terrorism**.

Since the Madrid bombing of 2004, there have been more than 30 terrorist attacks in Europe — 14 in the last year alone. More than 600 innocent people died in cities like Paris, Brussels, Nice or Ansbach.

Just as we have stood shoulder to shoulder in grief, so must we stand united in our response.

The barbaric acts of the past year have shown us again what we are fighting for — the European way of life. In face of the worst of humanity we have to stay true to our values, to ourselves. And what we are is democratic societies, plural societies, open and tolerant.

But that **tolerance cannot come at the price of our security**.

That is why my Commission has prioritised security from day one — we criminalised terrorism and foreign fighters across the EU, we cracked down on the use of firearms and on terrorist financing, we worked with internet companies to get terrorist propaganda offline and we fought radicalisation in Europe's schools and prisons.

But there is more to be done.

We need to know who is crossing our borders.

That is why we will defend our borders with the new **European Border and Coast Guard**, which is now being formalised by Parliament and Council, just 9 months after the Commission proposed it. Frontex already has over 600 agents on the ground at the borders with Turkey in Greece and over 100 in Bulgaria. Now, the EU institutions and the Member States should work very closely together to quickly help set up the new agency. **I want to see at least 200 extra border guards and 50 extra vehicles deployed at the Bulgarian external borders as of October.**

We will defend our borders, as well, with strict controls, adopted by the end of the year, on everyone crossing them. Every time someone **enters or exits the EU**, there will be a record of when, where and why.

By November, we will propose a **European travel information system** — an automated system to determine who will be allowed to travel to Europe. This way we will know who is travelling to Europe before they even get here.

And we all need that information. How many times have we heard stories over the last months that the information existed in one database in one country, but it never found its way to the authority in another that could have made the difference?

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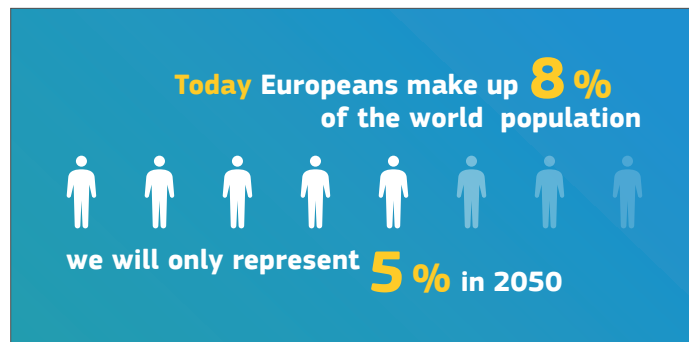
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Border security also means that information and intelligence exchange must be prioritised. For this, **we will reinforce Europol** — our European agency supporting national law enforcement — by giving it better access to databases and more resources. A counterterrorism unit that currently has a staff of 60 cannot provide the necessary 24/7 support.

A Europe that protects also defends our interests beyond our borders.

The facts are plain: the world is getting bigger. And we are getting smaller.

Today we Europeans make up 8 % of the world population — we will only represent 5 % in 2050. By then you would not see a single EU country among the top world economies. But the EU together? We would still be topping the charts.



Our enemies would like us to fragment.

Our competitors would benefit from our division.

**Only together are we and will we remain a force to be reckoned with.**

Still, even though Europe is proud to be a soft power of global importance, we must not be naive. **Soft power is not enough in our increasingly dangerous neighbourhood.**



Take the brutal fight over Syria. Its consequences for Europe are immediate. Attacks in our cities by terrorists trained in Daesh camps. But where is the Union, where are its Member States, in negotiations towards a settlement?

Federica Mogherini, our High Representative and my Vice-President, is doing a fantastic job. But she needs to become our European Foreign Minister via whom all diplomatic services, of big and small countries alike, pool

their forces to achieve leverage in international negotiations. This is why I call today for a **European strategy for Syria**. Federica should have a seat at the table when the future of Syria is being discussed. So that Europe can help rebuild a peaceful Syrian nation and a pluralistic, tolerant civil society in Syria.

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Europe needs to toughen up. Nowhere is this truer than in our **defence policy**.

Europe can no longer afford to piggyback on the military might of others or let France alone defend its honour in Mali.

We have to take responsibility for protecting our interests and the European way of life.

Over the last decade, we have engaged in over 30 civilian and military EU missions from Africa to Afghanistan. But without a permanent structure we cannot act effectively. Urgent operations are delayed. We have separate headquarters for parallel missions, even when they happen in the same country or city. It is time we had a **single headquarters** for these operations.

We should also move towards common military assets, in some cases owned by the EU. And, of course, in full complementarity with NATO.

The business case is clear. The lack of cooperation in defence matters costs Europe between €25 billion and €100 billion per year, depending on the areas concerned. We could use that money for so much more.

It can be done. We are building a multinational fleet of air tankers. Let's replicate this example.

For European defence to be strong, the European defence industry needs to innovate. That is why we will propose before the end of the year a **European Defence Fund**, to turbo boost research and innovation.

The Lisbon Treaty enables those Member States who wish, to pool their defence capabilities in the form of a **permanent structured cooperation**. I think the time to make use of this possibility is now. And I hope that our meeting at 27 in Bratislava a few days from now will be the first, political step in that direction.

Because it is only by working together that Europe will be able to defend itself at home and abroad.

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## A EUROPE THAT TAKES RESPONSIBILITY

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The last point I want to make is about responsibility. About taking responsibility for building this Europe that protects.

I call on all EU institutions and on all of our Member States to take responsibility.

We have to stop with the same old story that success is national, and failure European. Or our common project will not survive.

We need to remember the sense of purpose of our Union. I therefore call on each of the 27 leaders making their way to Bratislava to think of **three reasons why we need the European Union**. Three

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## STATE OF THE UNION 2016

TOWARDS A BETTER EUROPE — A EUROPE THAT PROTECTS, EMPOWERS AND DEFENDS

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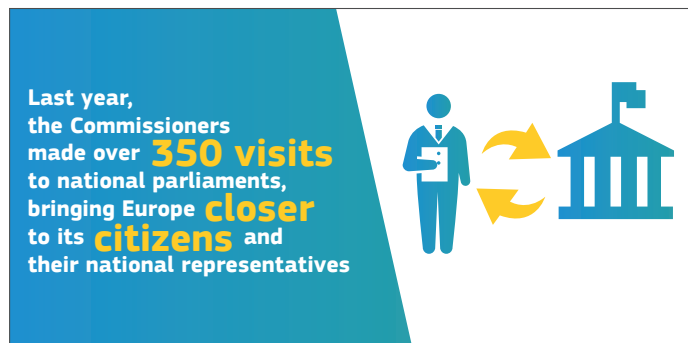
things they are willing to take responsibility for defending. And that they are willing to deliver swiftly afterwards.

Slow delivery on promises made is a phenomenon that more and more risks undermining the Union's credibility. Take the Paris Agreement. We Europeans are the world leaders on **climate action**. It was Europe that brokered the first-ever legally binding, global climate deal. It was Europe that built the coalition of ambition that made the agreement in Paris possible. But Europe is now struggling to show the way and be amongst the first to ratify our agreement.

I call on all Member States and on this Parliament to do your part in the next weeks, not months. We should be faster. Let's get the Paris Agreement ratified now. It can be done. It is a question of political will. And it is about Europe's global influence. Only France, Austria and Hungary have ratified it so far.

The European institutions too have to take responsibility.

I have asked each of my Commissioners to be ready to discuss, in the next 2 weeks, the State of our Union in the national parliaments of the countries they each know best. Since the beginning of my mandate, my Commissioners have made **over 350 visits to national parliaments**. And I want them to do this even more now. Because Europe can only be built with the Member States, never against them.



We also have to take responsibility in recognising when some decisions are not for us to take. It is not right that when EU countries cannot decide among themselves whether or not to ban the use of **glyphosate in herbicides**, the Commission is forced by Parliament and Council to take a decision.



So we will change those rules — because that is not democracy.

The Commission has to take responsibility by being political, and not technocratic.

A **political Commission** is one that listens to the European Parliament, listens to all Member States, and listens to the people.

And it is us listening that motivated my Commission to withdraw 100 proposals in our first 2 years of office, to present 80 % fewer initiatives than over the past 5 years and to launch a thorough review of all existing legislation. Because only by focusing on where Europe can provide real added value and deliver results will we be able to make Europe a better, more trusted place.

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## STATE OF THE UNION 2016

TOWARDS A BETTER EUROPE — A EUROPE THAT PROTECTS, EMPOWERS AND DEFENDS

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Being political also means correcting technocratic mistakes immediately when they happen. The Commission, the Parliament and the Council have jointly decided to abolish **mobile roaming charges**. This is a promise we will deliver. Not just for business travellers who go abroad for 2 days. Not only for the holidaymaker who spends 2 weeks in the sun. But for our cross-border workers. And for the millions of Erasmus students who spend their studies abroad for one or two semesters. I have therefore withdrawn a draft that a well-meaning official designed over the summer. The draft was not technically wrong. But it missed the point of what was promised. And you will see a new, better draft as of next week. When you roam, it should be like at home.

Being political is also what allows us to implement the **Stability and Growth Pact** with common sense. The pact's creation was influenced by theory. Its application has become a doctrine for many. And today, the pact is a dogma for some. In theory, a single decimal point over 60 % in a country's debt should be punished. But in reality, you have to look at the reasons for debt. We should try to support and not punish ongoing reform efforts. For this we need responsible politicians. And we will continue to apply the pact not in a dogmatic manner, but with common sense and with the flexibility that we wisely built into the rules.

Finally, taking responsibility also means holding ourselves accountable to voters. That is why we will propose to change the absurd rule that Commissioners have to step down from their functions when they want to run in European elections. The German Chancellor and the Czech, Danish or Estonian Prime Minister do not stop doing their jobs when they run for re-election. Neither should Commissioners. If we want a Commission that responds to the needs of the real world, we should encourage Commissioners to seek the necessary rendezvous with democracy. And not prevent this.

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## CONCLUSION

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Honourable Members,

I am as young as the European project that turns 60 next year in March 2017.

I have lived it, worked for it, my whole life.

My father believed in Europe because he believed in stability, workers' rights and social progress.

Because he understood all too well that peace in Europe was precious — and fragile.

I believe in Europe because my father taught me those same values.

But what are we teaching our children now? What will they inherit from us? A Union that unravels in disunity? A Union that has forgotten its past and has no vision for the future?

Our children deserve better.

They deserve a Europe that preserves their way of life.

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## STATE OF THE UNION 2016

TOWARDS A BETTER EUROPE — A EUROPE THAT PROTECTS, EMPOWERS AND DEFENDS

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They deserve a Europe that empowers and defends them.

They deserve a Europe that protects.

It is time we — the institutions, the governments, the citizens — all took responsibility for building that Europe. Together.



*Jean-Claude Juncker*

## **STATE OF THE UNION 2016**

LETTER OF INTENT TO PRESIDENT MARTIN SCHULZ  
AND TO PRIME MINISTER ROBERT FICO

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## STATE OF THE UNION 2016

### LETTER OF INTENT TO PRESIDENT MARTIN SCHULZ AND TO PRIME MINISTER ROBERT FICO

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*Dear President Schulz,*

*Dear Prime Minister Fico,*

*We are at a critical juncture for Europe's citizens, for our Member States, and for the European Union as a whole.*

*This European Commission has emphasised, since the start of our term, that these are extraordinary times. The challenges facing us are numerous: achieving an economic recovery which benefits all, notably the weaker parts of our societies; reducing unemployment, especially among the young; strengthening fairness and the social dimension of our single market; managing migration flows and our common borders; increasing security to combat terrorist threats; responding to the instability in our eastern and southern neighbourhood; strengthening Europe's common defence capacities; enhancing the capacity of Europe to act as a single and strong player on the global scene; and resisting the rise of all forms of extremism that are incompatible with our fundamental European values.*

*Though the outcome of the referendum in the UK affects us all, it must not dominate our agenda for the next years. We have a positive reform agenda in front of us to strengthen our Union, to respond forcefully to the challenges of our times and to create a better Europe that empowers and protects citizens where needed. We must move ahead and act effectively with a sense of urgency, determination and above all unity.*

*On the 60th anniversary of the Treaties of Rome in March 2017, we will commemorate the founding fathers of the European Union and their joint commitment to the Community method; and more importantly, we will look forward and strive to meet the expectations of today's generation, and their children: the future of our Union.*

\*\*\*

*The 10 priorities outlined in the European Commission's political guidelines — presented on 15 July 2014 following discussions with the European Parliament and inspired by the European Council's 'Strategic agenda for the Union in times of change' — continue to provide the right set of objectives for our joint work. In 2014, we jointly set out a new agenda for jobs and growth; we wanted to be active and ambitious on big things, and small and modest where issues can be better addressed by Member States; and we stressed that this is no time for business as usual. Listening closely to citizens across Europe, this approach is more necessary than ever in order to ensure effective management of our common challenges.*

*When we focus on the big things, we can deliver tangible results in crucial areas. A little more than 1 year after the launch of our EFSI, the centrepiece of the investment plan for Europe, the fund is already active in 26 Member States and has triggered € 116 billion in investments. We have supported the financing of innovative projects and now more than 200 000 small and medium-sized enterprises (SMEs) have access to new financing thanks to the EFSI.*



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## STATE OF THE UNION 2016

### LETTER OF INTENT TO PRESIDENT MARTIN SCHULZ AND TO PRIME MINISTER ROBERT FICO

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*We have made substantial progress in regaining control of irregular migration flows and stopping the tragedy of daily deaths in the Mediterranean and the Aegean Sea. At the same time, Europe has shown solidarity with 1 million Syrian refugees by providing shelter for them. And we have relocated and resettled over 13 000 refugees in the past year alone. Clearly, this is not enough and can only be a beginning. We now need to maintain and step up these efforts, since solidarity goes hand in hand with responsibility.*

*If we want to preserve Schengen and the freedom to move within our Union, we need strong protection of our external borders. Our agreement on the European Border and Coast Guard Regulation — which is now being formalised — is proof of our joint capacity to decide quickly. Swift and efficient implementation should now be a priority for all of us, so that the European Border and Coast Guard can become fully operational and deploy its first missions at the Bulgarian–Turkish and Greek–Turkish borders in the weeks to come. Furthermore, the Commission’s proposals from 6 April on a new entry–exit system should be adopted by the European Parliament and the Council and swiftly implemented by the end of 2016 as a crucial contribution to our common security.*

*We need a collective commitment to timely decisions and implementation in other areas as well. Following the recent terrorist attacks on European soil, the Commission has proposed a number of key actions and initiatives, such as a counterterrorism directive, measures to address terrorist financing and tighter controls on firearms, in order to move towards an operational and effective security union. These proposals now need to be adopted, with their ambition maintained.*

\*\*\*

*This year, the three institutions have formally agreed, in a new interinstitutional agreement, that better regulation principles set the frame for our joint policymaking. The Commission sees this agreement as a joint commitment and a duty for the three institutions to focus on what is big and urgent, while striving for simple, evidence-based, predictable and proportionate rules that are fit for purpose and deliver maximum benefits to citizens and businesses.*

*As a contribution to this, the Commission is presenting today a report on the state of play of the application of our ‘Better regulation’ agenda since the beginning of our mandate. The report shows how we are concretely applying better regulation principles across all areas of our work. For our 2017 work programme, in accordance with the regulatory fitness and performance (REFIT) programme, we will be able to suggest areas where EU legislation can be improved and simplified on the basis of concrete and thoroughly analysed data.*

*Finally, in line with our new interinstitutional agreement, the presidents of the three institutions will, for the first time, agree a joint declaration, to be signed by the end of this year, which will set out the broad objectives and priorities for 2017 on the basis of the Commission’s work programme, and identify items of major political importance which should receive priority treatment in the legislative process. We see this as a very important process, enabling our Union to act and deliver where it is most needed. In*

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## STATE OF THE UNION 2016

### LETTER OF INTENT TO PRESIDENT MARTIN SCHULZ AND TO PRIME MINISTER ROBERT FICO

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*these times of unprecedented challenges for our continent, interinstitutional unity and determination is more important than ever before. With this spirit, and underpinning the sense of urgency expressed in the President's State of the Union address, the Commission is presenting today a number of important initiatives in the fields of security, investment, the digital single market and capital markets union, which reinforce and accelerate delivery of our joint priorities to address the biggest and most urgent challenges. We consider these as items of major political importance which will require priority treatment in the weeks and months to come.*

\*\*\*

*This letter of intent marks the starting point of our interinstitutional dialogue on priorities for the next year. It is also a contribution to the discussions at the informal meeting of the Heads of State or Government of 27 Member States in Bratislava.*

*Complementing the State of the Union address, we outline below an indicative list of the main initiatives that the Commission intends to take between now and the end of 2017, as well as the most important areas where priority action by the European Parliament and the Council is needed to turn proposals into results — because we need the three institutions and the Member States on board if we want our Union to deliver.*

\*\*\*

#### **Priority 1: A new boost for jobs, growth and investment**

- **\*\*\* Investment package: extending and strengthening the European Fund for Strategic Investments (EFSI 2.0), and complementing it with an external investment plan which will help to address the root causes of migration by attracting fresh investment in Europe's neighbourhood, notably in Africa** (concrete Commission proposals are presented today).
- **\*\*\* A results-oriented budget that responds to the challenges citizens face: review of the multiannual financial framework** (concrete Commission proposals are presented today) **and, at the appropriate time, a comprehensive proposal for the future framework beyond 2020, including on own resources.**
- 2017 European semester of economic policy coordination: delivering investment, sound public finances and structural reforms, while continuing to make use of the appropriate flexibility built into the Stability and Growth Pact and identified by the Commission since January 2015.
- **\*\*\* Youth initiative: stepping up the fight against youth unemployment, modernising school and higher education, pursuing the roll-out of the EU youth guarantee and developing European solutions, including the European Voluntary Service, the mobility of apprentices and the launch of a European Solidarity Corps.**
- Swift adoption by the co-legislators of the 2015 circular economy package, including legislation on waste management, and follow-up to the circular economy action plan.

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- *Modernisation and simplification of the common agricultural policy to maximise its contribution to the Commission's political priorities and to the sustainable development goals.*

#### **Priority 2: A connected digital single market**

- **\*\*\* Swift adoption by the co-legislators of all proposals aimed at completing the digital single market: cross-border portability of online content services in the internal market, digital contracts proposals, proposal to prevent unjustified geo-blocking, modernised audio-visual framework, reform of the telecoms and of the copyright rules and creation of a WiFi4EU voucher scheme for local authorities** (concrete Commission proposals are presented today).
- *Digital single market value added tax package (VAT on e-commerce, e-publications, e-books) to reduce the administrative burden on businesses arising from different VAT regimes by modernising the current VAT rules that apply to e-commerce activities.*
- *Digital single market data economy package (review of the 'ePrivacy directive', communication on the free flow of data) to align the acquis with the newly adopted general rules on data protection and to give a clear EU framework clarifying legal uncertainties created by new data technologies and removing unjustified barriers to the movement of data within Europe.*

#### **Priority 3: A resilient energy union with a forward-looking climate change policy**

- **\*\*\* Swift ratification by the EU and Member States of the Paris Agreement on climate change.**
- **\*\*\* Swift adoption by the co-legislators of the energy union and climate change proposals, such as the security of gas supply package, the EU emissions trading system and related rules on effort-sharing and land use and forestry.**
- *Implementation of the energy union strategy: managing the modernisation of the economy to promote jobs and growth in Europe, by placing energy efficiency first and having the ambition to become the world number one in renewable energies.*
- *Implementation of the strategy on low-emission mobility: increasing the efficiency of transport by responding to the mobility needs of people and goods, moving to zero-emission vehicles whilst maintaining Europe's competitiveness.*
- *Swift adoption by the co-legislators of all pending aviation legislation, including the proposal strengthening the European Aviation Safety Agency and the proposal for a framework to deal with civil drones, as well as the follow-up to the aviation strategy.*

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## STATE OF THE UNION 2016

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#### ***Priority 4: A deeper and fairer internal market with a strengthened industrial base***

- ***\*\*\* Implementation and acceleration of the capital markets union action plan in order to facilitate investments, expand and diversify sources of finance for EU businesses and enhance financial stability by private risk-sharing, including a proposal on business insolvency, facilitating restructuring and giving businesses a second chance (a Commission communication with a list of actions and a roadmap is presented today). Swift adoption by the co-legislators of all pending measures.***
- ***\*\*\* Re-launch of the common consolidated corporate tax base (CCCTB) that includes a new approach with a legislative proposal on a compulsory common tax base as the first step and consolidation as the final step, in order to improve the business environment for cross-border companies and ensure a fair and efficient taxation of large companies across Europe.***
- *Implementation and acceleration of the single market strategy to remove obstacles to investments and allow the single market to effectively function and benefit consumers and businesses. Swift adoption by the co-legislators of all pending measures.*
- *Follow-up to the VAT action plan to set up the foundations of a single robust EU VAT area that will ensure a more efficient and fraud-proof definitive VAT regime across Europe in order to adapt the VAT system to the digital economy and the needs of SMEs, including through a modernised policy on EU rules governing VAT rates.*
- *Follow-up to the space strategy for Europe: ensuring reliable, secured and cost-effective satellite communications services for EU business and national public authorities and infrastructures.*
- *Follow-up to the REFIT check, modernisation of existing occupational health and safety legislation to better protect the safety and health of workers, through better implementation, an updated legislative framework and enhanced protection from the risks related to carcinogens and mutagens.*
- *Swift adoption by the co-legislators of the corporate tax transparency directive.*

#### ***Priority 5: A deeper and fairer Economic and Monetary Union***

- ***\*\*\* Swift adoption by the co-legislators of the proposal on a European deposit insurance scheme and continuing work on risk reduction in the banking union and beyond.***
- ***\*\*\* Presentation of a European pillar of social rights and related initiatives, including on work-life balance.***
- ***\*\*\* Promoting, in the next recommendation on the economic policy of the euro area, a positive fiscal stance for the euro area, in support of the monetary policy of the European Central Bank.***

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- *Completing Europe's Economic and Monetary Union: White Paper on the future of the EMU to prepare Stage 2 of EMU deepening in the political and democratic context of an EU-27 (March 2017), including a stability oriented review of the Stability and Growth Pact and the follow-up to Article 16 of the Treaty on Stability, Coordination and Governance in the Economic and Monetary Union (incorporation of the substance of this treaty into the legal framework of the European Union/Community method).*

#### **Priority 6: A reasonable and balanced EU–US free trade agreement**

- *Pursuing work towards the conclusion of the Transatlantic Trade and Investment Partnership with the US.*
- **\*\*\* Swift ratification of the Comprehensive Economic and Trade Agreement with Canada, anchored in common EU–Canadian values and with a reformed system for settling investor disputes in line with EU demands.**
- *Pursuing and completing ongoing bilateral negotiations (e.g. with Japan) and opening negotiations with Australia, Chile and New Zealand.*
- *Swift ratification of the EU–Singapore Free Trade Agreement.*
- **\*\*\* Strengthening our European trade defence instruments, as proposed by the Commission in 2013, including the reform of the lesser duty rule.**
- *Addressing overcapacity in the international trade of steel.*
- *Dealing in a balanced way with the expiry of some provisions in China's Protocol of Accession to the World Trade Organisation (WTO), notably by maintaining strong anti-dumping instruments to protect jobs in Europe from unfair competition.*

#### **Priority 7: An area of justice and fundamental rights based on mutual trust**

- **\*\*\* Reinforced implementation of the security agenda, in particular paving the way for an effective and genuine security union and better operational use of all existing instruments.**
- **\*\*\* Proposal for a European travel information and authorisation system** (a Commission communication on this is presented today).
- **\*\*\* Reinforcing Europol and improving information exchange in the fight against terrorism** (a Commission communication on this is presented today).
- **\*\*\* Alignment of the data protection rules when processing is carried out by the EU institutions to the newly adopted general rules on data protection.**

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## STATE OF THE UNION 2016

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- **\*\*\* Developing new adequacy decisions on exchange of personal data with third countries.**
- Swift adoption of the proposal on the European Public Prosecutor's Office.
- Implementation of the action plan against terrorist financing.
- **\*\*\* Swift adoption by the co-legislators of the directives on firearms, terrorism and European criminal records information system and the regulation on entry/exit (smart borders)** (a Commission communication on this is presented today).
- Assessing the scope for further action to strengthen the protection of whistleblowers in EU law.
- Pursuing the EU's accession to the European Convention on Human Rights, in line with the requirements set out by the Court of Justice of the European Union.

#### **Priority 8: Towards a new policy on migration**

- **\*\*\* Swift operationalisation of the European Border and Coast Guard** (a Commission communication on this is presented today).
- **\*\*\* Implementation of the EU–Turkey statement, stepping up relocation of refugees from Greece and Italy, continuing resettlement from Turkey to the EU, including protection of unaccompanied minors.**
- **\*\*\* Swift adoption by the co-legislators of the proposals to reform the common European asylum system, including the reform of the Dublin mechanism.**
- **\*\*\* Implementation of the new migration partnership framework with third countries.**
- Swift adoption by the co-legislators and efficient implementation of all the actions and measures brought forward in response to the refugee crisis and in the follow-up to the European agenda for migration.
- Swift adoption by the co-legislators of a new resettlement framework.

#### **Priority 9: A stronger global actor**

- **\*\*\* Operational implementation of the EU global strategy, including its security and defence elements. A European Defence Fund will be presented as part of the European defence action plan.**
- **\*\*\* An EU strategy for Syria.**



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## STATE OF THE UNION 2016

### LETTER OF INTENT TO PRESIDENT MARTIN SCHULZ AND TO PRIME MINISTER ROBERT FICO

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- *Renewed partnership with Africa.*
- *Modernisation of EU development policy: revision of the European consensus on development to align with the sustainable development goals and development of a policy framework for a new partnership agreement with African, Caribbean and Pacific countries (post-Cotonou agreement).*

#### **Priority 10: A Union of democratic change**

- **\*\*\* Assessing the democratic legitimacy of existing procedures for the adoption of delegated and implementing acts, including aligning all basic acts which still refer to the regulatory procedure with scrutiny.**
- *Stepping up enforcement of EU law, in line with the Commission's political priorities.*
- **\*\*\* Amendments to the Commission's Code of Conduct and the Framework Agreement with the European Parliament to ensure that members of the Commission can stand as such for European Parliament elections.**
- *Conclusion of an interinstitutional agreement on a mandatory transparency register.*

\*\*\*

*We intend to base the Commission's 2017 work programme on this letter of intent, on which we will in the weeks to come intensely consult the European Parliament and its relevant committees as well as with the Council and the Committee of Permanent Representatives.*

*Europeans deserve a Europe that preserves their way of life. They deserve a Europe that empowers and defends them. They deserve a Europe that protects.*

*It is time we all took responsibility for building that Europe. Together.*



**Jean-Claude  
Juncker**



**Frans  
Timmermans**





# **STATE OF THE UNION 2016**

PROGRESS ON THE EUROPEAN COMMISSION'S  
10 PRIORITIES

# STATE OF THE UNION 2016

## PROGRESS ON THE EUROPEAN COMMISSION'S 10 PRIORITIES



### 1/ A new boost for jobs, growth and investment

‘My first priority as Commission President will be to strengthen Europe’s competitiveness and to stimulate investment for the purpose of job creation.’

Jean-Claude Juncker, political guidelines, 15 July 2014

**The European Union’s recovery continues.** This year the EU should grow by **1.8 %**, the euro area by **1.7 %**. Unemployment has fallen to its lowest level in 7 years, and there are **8 million more jobs than in 2013**. But the legacy of the worst economic and social crisis in decades is far-reaching and there is also more uncertainty now worldwide. Since the start of the mandate we have been pursuing a clear strategy: to build a ‘virtuous triangle’ of **investment, structural reforms and responsible public finances** that aims to deliver both **prosperity and social justice**. The strategy is working, and we will stay the course.

In its first year, our **investment plan for Europe** raised **€ 116 billion** in new investment across 26 of our Member States. Three weeks after taking office, the Commission, in collaboration with the European Investment Bank, proposed to launch the **European Fund for Strategic Investments** (EFSI, the so-called Juncker-Fund). It was agreed by the Parliament and the Council within 4.5 months. Thanks to the EFSI, new projects are helping to find treatments for Alzheimer’s disease, transforming old industrial sites into new offices, producing renewable energy through new wind farms, bringing energy efficiency into our homes and cutting our bills, and investing in many other strategic parts of the economy. 192 financing agreements have been approved, giving **200 000 small businesses and start-ups** better

We have proposed to extend the European Fund for Strategic Investments **beyond 2018**. We want to make it easier to combine it with other European funding available to Member States and regions, such as the European Structural and Investment Funds, and have published guidance on this. The first projects combining funds are now up and running.

**More than  
100 000 new  
jobs so far**



**Better  
access to  
finance for  
200 000 small  
businesses and  
start-ups**

To help people acquire the right mix of skills for an ever-changing world of work and help Member States modernise their education and training systems, we launched a **skills agenda for Europe**. It includes a new **skills guarantee** to help low-skilled adults acquire basic literacy, numeracy and digital skills and advance towards an upper secondary qualification.

To combat **youth unemployment**, we continue to roll out the **EU youth guarantee**, aiming to ensure that all young people receive an offer of work, training or education within 4 months of leaving school or becoming unemployed. Across Member States, the **youth employment initiative** helps to implement the youth guarantee. In 2015, the Commission made an extra €1 billion available to speed up implementation. So far, **more than 9 million young people** have benefited from youth guarantee schemes.

**€116 billion  
in new investment  
in the first year  
across 26 of our  
Member States**



access to finance. We estimate that the plan has helped to create more than **100 000 new jobs** so far.

#InvestEU

# STATE OF THE UNION 2016

## PROGRESS ON THE EUROPEAN COMMISSION'S 10 PRIORITIES



### 2/ A connected digital single market

'We must make much better use of the great opportunities offered by digital technologies, which know no borders. To do so, we will need to have the courage to break down national silos in telecoms regulation, in copyright and data protection legislation, in the management of radio waves and in the application of competition law.'

Jean-Claude Juncker, political guidelines, 15 July 2014

The internet and digital technologies impact the way we live and how enterprises and industries create growth. The digital revolution influences the way we live (for instance thanks to smart grids and household applications for controlling heat consumption), the way we learn new knowledge or skills (for instance thanks to internet tutorials) and the way we entertain ourselves (for instance thanks to TV programmes enjoyable in your car). The digital revolution influences the way industries and enterprises of all sizes organise their production, reaching out to new clients as well as distributing and selling their goods and services.

Completing our digital single market could unlock around **€415 billion in new growth** per year. In May 2015, we adopted our strategy and have been rolling it out since then.

In 2016, we made important progress: **mobile roaming** charges were further cut and, as initiated by the Commission and agreed by the European Parliament and the Council in May 2016, will be **fully abolished in 2017**. New **EU data protection** rules were agreed, one and the same for all EU Member States. They will allow people to take back control of their 'online life' and ensure that their personal data is safe.

This year we made proposals to boost cross-border **e-commerce**. We are modernising **contract rules** so that consumers have confidence to buy online, and companies find it cheaper and easier to expand their businesses across national markets. We are taking steps to prevent **geo-blocking** so that consumers can access online services and products in other EU countries. We are helping to bring down the costs of **parcel delivery** by introducing more transparency in pricing. We also have an ongoing antitrust competition inquiry into **European e-commerce markets**, which focuses on potential barriers erected by companies to cross-border online trade in goods and services.

We have proposed to modernise **copyright** rules so that people can access their digital services — such as TV, film and music — whenever they travel across the EU.

We worked with industry and national authorities to support and connect different initiatives to **digitise industry and boost investment**. Overall we aim to mobilise more than **€50 billion** of new public and private investment, including **€500 million** for a European network of **digital innovation hubs** where businesses can get advice and test digital innovations. The new **European cloud — a true industrial project** — will give Europe's 1.7 million researchers and 70 million science and technology professionals a virtual environment in

**A European cloud for 1.7 million researchers and 70 million science and technology professionals**



which to store, manage, analyse and re-use vast amounts of research data. We are encouraging industry and standardisation bodies to work on common **standards** in 5G communications networks and cybersecurity. And in July 2016 we launched a new public-private partnership on cybersecurity that is expected to trigger **€1.8 billion** of investment. This strengthens the competitiveness of our **cybersecurity** sector and supports our efforts to equip Europe against cyber-attacks.

Finally, we proposed to modernise the European regulatory framework for content, the **Audio-visual Media Services Directive**, so that all market players have to respect the same standards and uphold the same values and principles: promoting **cultural diversity** by supporting European films, **protecting children** from harmful content and **tackling hate speech** in social media.

#DigitalSingleMarket

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## STATE OF THE UNION 2016

### PROGRESS ON THE EUROPEAN COMMISSION'S 10 PRIORITIES

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### 3/ A resilient energy union with a forward-looking climate change policy

‘We need to pool our resources, combine our infrastructures and unite our negotiating power vis-à-vis third countries. We need to diversify our energy sources, and reduce the high energy dependency of several of our Member States.’

Jean-Claude Juncker, political guidelines, 15 July 2014

Our challenge is to **modernise our economy** by bringing down greenhouse gas emissions while at the same time **boosting EU innovation** and **competitiveness**.

Smarter energy use and ambitious climate action create new jobs and growth — the best investment in Europe's future and in the modernisation of our economy. Over the last year we continued to build a single market where energy can flow freely, and where no Member State is left isolated. The first **State of the energy Union report** set the scene for further action.

Infrastructure is critical. We have adopted 195 European projects of common interest that benefit from accelerated planning and simplified regulation, and are eligible for financial support.

We continued to promote **interconnectivity** between Member States. In October 2015, we facilitated an agreement between Estonia, Latvia, Lithuania and Poland to end the isolation of the Baltic Sea region. We supported new pipelines between Estonia and Finland as well as connectors linking the natural gas grids of Bulgaria, Greece, Hungary, Austria, and Romania. This will allow natural gas from the Caspian region and liquefied natural gas from other sources to reach Central Europe.

In February 2016, we presented new measures on **energy security**, which will minimise interruptions to supply. Solidarity among Member States will help to protect households and essential social services in times of crisis. We will also strengthen the tools to ensure compliance with EU law of **intergovernmental gas agreements**.

In April 2016, the EU signed the **Paris Agreement on climate change**. In June, the Commission presented a proposal to the Parliament and the Council to ratify the agreement. The Paris Agreement offers a **last chance** to hand over to future generations a **more stable world**, a

**healthier planet, fairer societies** and **more prosperous economies**. This will require changes in business and investment behaviour and incentives across all policy areas.

In 2014, the EU agreed to **reduce greenhouse gas emissions by at least 40 % by 2030**. In July 2016, we

**Leading the way to a low-carbon economy by reducing greenhouse gas emissions by at least 40 % by 2030 and implementing the UN Paris Agreement**

proposed targets for Member States which apply to transport, buildings, agriculture, waste, land use and forestry, and we set out a low-emission mobility strategy. Together with the Commission's proposal to reform the EU's **emissions trading system**, these measures will accelerate the transition to low-carbon emissions in all parts of our economy.

#EnergyUnion

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# STATE OF THE UNION 2016

## PROGRESS ON THE EUROPEAN COMMISSION'S 10 PRIORITIES

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### 4/ A deeper and fairer internal market with a strengthened industrial base

‘Our internal market is Europe’s best asset in times of increasing globalisation. I therefore want the next Commission to build on the strength of our single market and to fully exploit its potential in all its dimensions.’

Jean-Claude Juncker, political guidelines, 15 July 2014

**Our internal market is the biggest in the world.** 30 million businesses generate the EU's GDP of €14 trillion, serving more than half a billion people. Our economic power is built on the free movement of people, goods, services and capital across 28 Member States — one of the European Union's greatest achievements. But we can do more. In its report on the costs of non-Europe, the European Parliament estimates that a **fully functioning internal market could add more than €1 trillion** to our economy.

Our **capital markets union** is helping businesses to diversify their sources of finance. European venture capital funds raise five times less capital than their US counterparts, which is why our latest proposals to facilitate **cross-border fund raising** of venture capital are so timely. Our new plans to restart standardised and transparent **securitisation markets** — which could deliver extra financing worth €100 billion for European companies — were proposed by the Commission on 30 September 2015 and agreed in record time by the Council on 2 December 2015, and we now look to Parliament to complete the negotiations. We have

We want to help **small businesses** and **start-ups**, and launched a public consultation on the obstacles they face. We have presented a **VAT action plan** — the first step towards a single European VAT area. This will make life simpler for all businesses, support the digital economy, and tackle fraud. We have also produced guidance on the balanced development of the **collaborative economy**. We have acted to restore trust in and give a renewed future to our **car industry** following emissions scandals. We have stepped up our efforts to promote our **steel industry** in the light of international competition.

To promote a deeper and fairer internal market, we proposed to revise the **posting of workers directive** and are acting to prevent risks of abuse. The principle is clear: people should receive the same pay for the same work at the same workplace. Clear, fair and enforceable rules are key to facilitate labour mobility.

We also proposed that, when it comes to **taxation**, all companies should pay their fair share of taxes in the countries where they make their profits. We are leading the international work in this area. In October 2015, OECD countries agreed measures to **limit tax-base erosion and profit shifting**, and this year's G7 Summit endorsed them. In January 2016, we presented our **anti-tax avoidance package**, which the Council backed in June.

We also came forward with proposals to oblige multinational companies to publish **country-by-country reports** on their profits and taxes. The public has the right to know where multinationals are paying their taxes and how much. This comes on top of the landmark agreement on the **automatic exchange between tax authorities of information on cross-border tax rulings**, which our Member States reached just 7 months after the Commission presented the proposal.

**The biggest internal market in the world**  
**30 million businesses generate the EU's GDP of €14 trillion**



proposed to simplify **prospectus requirements**, reduce burdens for companies issuing **shares and bonds**, and strengthen **venture capital markets**.

#SingleMarket

# STATE OF THE UNION 2016

## PROGRESS ON THE EUROPEAN COMMISSION'S 10 PRIORITIES



### 5/ A deeper and fairer EMU

‘Over the next 5 years, I want to continue with the reform of our EMU to preserve the stability of our single currency and to enhance the convergence of economic, fiscal and labour market policies between the Member States that share the single currency.’

Jean-Claude Juncker, political guidelines, 15 July 2014

**The euro is the world's second currency. It accounts for a quarter of the world's foreign currency reserves.**

To ensure it delivers stability and growth, our roadmap is clearly set out in the **‘Five presidents’ report’** agreed by the leaders of the EU institutions and coordinated by President Juncker.

**A European deposit insurance scheme: an additional safety net for savers across Europe**



**Deeper economic integration must benefit everyone and serve greater convergence between but also within Member States.** In March 2016 the Commission presented a first outline of a **European pillar of social rights** — as President Juncker announced in his 2015 State of the Union speech — and launched a broad public consultation. The pillar sets out a number of essential principles to support well-functioning and fair labour markets and welfare systems within the euro area. Other Member States may also join.

We have strengthened economic governance by improving the **European semester of economic policy coordination**. We now present country reports much earlier than in the past, allowing a substantial discussion with each Member State. Country-specific recommendations focus on a limited number of priorities that require urgent attention. **Social priorities**, including issues linked to unemployment, education and social inclusion, now occupy a greater place in our analysis. Also, we now propose a **recommendation**

**for the economic policy of the euro area** at the same time as the annual growth survey, allowing all members of the euro area to develop a common understanding of the challenges we face. By reforming the semester, we have also made it more democratic. The Commission President, the Vice-President for the euro and social dialogue and the Commissioners directly responsible for the European semester appear regularly before the European Parliament to discuss priorities and report on progress, while all Commissioners are regularly taking part in debates in national parliaments.

Since the summer of 2015, **Greece** has been on track to reform its economy and build recovery. Last year we managed to keep Greece in the euro area, and that is how things are going to stay. The Commission was instrumental to last summer's agreement, advocating solidarity and responsibility among all euro area members.

We adopted proposals on a **unified representation of the euro area** in international fora so that we speak with one voice and fully exploit the euro's growing economic and financial power.

We launched a **European Fiscal Board** to advise the Commission on fiscal policy for the euro area as a whole, and the Council has endorsed the establishment of new **national productivity boards** — another tool to strengthen our competitiveness.

Regarding the **banking union**, the **Single Resolution Mechanism** became fully operational on 1 January 2016. We proposed the **European deposit insurance scheme** on 24 November 2015 as an additional safety net for savers across Europe, and urge the Parliament and Council to advance negotiations.

#deepeningEMU



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## STATE OF THE UNION 2016

### PROGRESS ON THE EUROPEAN COMMISSION'S 10 PRIORITIES

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## 6/ A reasonable and balanced Free Trade Agreement with the United States

‘Under my presidency, the Commission will negotiate a reasonable and balanced trade agreement with the United States of America, in a spirit of mutual and reciprocal benefits and transparency. [...] I will also be very clear that I will not sacrifice Europe’s safety, health, social and data protection standards or our cultural diversity on the altar of free trade.’

Jean-Claude Juncker, political guidelines, 15 July 2014

The European Union is one of the world’s **most open economies** and remains **committed to free and responsible trade**. In its ‘Trade for all’ strategy of October 2015, the Commission focused on the needs of ordinary people, and aimed to ensure that the benefits of trade are shared as widely as possible. These principles are at the heart of our Transatlantic **Trade and Investment Partnership (TTIP) negotiations** with the United States.

The Commission has the **full backing of EU leaders** to pursue the TTIP **negotiations**. **Backed by this mandate, negotiations have continued at a heightened pace**. As of July 2016, 14 rounds of negotiations have been concluded, and the Commission has met its goal of having almost all its proposals on the table. Nonetheless, as President Juncker underlined once again at the G7 Summit in May, **‘substance is far more important than deadlines, and the European Union will not lower the standards we are used to.’**

The TTIP talks are the most **open and transparent** ever: broad stakeholder consultations have taken place, and hundreds of pages of negotiating documents have been published. All Members of the European Parliament have access to TTIP negotiating documents, as do national parliaments and governments. Trade Commissioner, Cecilia Malmström, keeps Member States fully informed about the talks, and holds meetings with a broad range of stakeholders, including consumer and environmental groups, trade unions and businesses.

**We have listened to people’s concerns.** We proposed to replace the existing system for settling disputes between investors and states with a **new, reformed investment court system**, which enshrines governments’ rights to

regulate, and is transparent, independent and impartial. We used this approach in our trade deal with Vietnam. Then Canada agreed to apply this new approach to the EU–Canada trade deal: this makes it the most progressive trade agreement the EU has ever concluded. We apply the same approach to TTIP and all future trade agreements.

**Promoting our strategic interest at global level while not compromising on European standards and principles**



Given the common values of the EU and the US, as well as the strategic, political and economic importance of the transatlantic relationship, the Commission stands ready to conclude an **ambitious, balanced and high-standard TTIP agreement**. Given the upcoming elections in the United States and the inevitable slowdown of the pace of negotiations, both parties will endeavour to consolidate the progress that has been achieved. The Commission stands ready to engage with the new United States administration as soon as possible.

#TTIP

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# STATE OF THE UNION 2016

## PROGRESS ON THE EUROPEAN COMMISSION'S 10 PRIORITIES

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### 7/ An area of justice and fundamental rights based on mutual trust

'I intend to make use of the prerogatives of the Commission to uphold, within our field of competence, our shared values, the rule of law and fundamental rights, while taking due account of the diversity of constitutional and cultural traditions of the 28 Member States.'

Jean-Claude Juncker, political guidelines, 15 July 2014

Our **European agenda on security** responds to the greatest **terrorist threat** we have faced in over a decade.

We work with our Member States to address **root causes**, and support community initiatives on **tackling radicalisation**. We are investing in integration projects and strengthening the dialogue between different communities at all levels.

Europol's new **European Counterterrorism Centre** supports national efforts against foreign terrorist fighters, trafficking in illegal firearms and financing of terrorism.

**Europol's new European Counterterrorism Centre supports national efforts against terrorism and serious crime.**



The **Radicalisation Awareness Network's Centre of Excellence** helps our Member States to prevent and fight radicalisation. The **EU internet forum** brings together ministers and internet companies, helping them to limit the spread of terrorist material online, and empowering civil society partners to challenge the terrorist narratives.

The **passenger name record system for airlines** was agreed by the European Parliament and Council, while our proposals to better **control firearms** are under negotiation. A new **entry-exit system** — part of our '**smart borders package**' — will help improve the quality and efficiency of controls at our external Schengen border.

To **prevent the financial system from being used to fund terrorism**, we proposed to submit virtual currency exchange platforms to greater scrutiny, and to minimise anonymous payments through pre-paid cards.

All of these efforts pave the way to a **security union**. This will require that Member States and their law-enforcement authorities work closely with EU agencies to close operational loopholes and plug information gaps.

On fundamental rights, events in **Poland**, particularly the dispute over the Constitutional Tribunal, have given rise to concerns regarding the rule of law. Since January 2016 we have been in an intensive dialogue with the Polish government, and this continues.

A comprehensive reform of **data protection** rules in the EU, proposed since 2012, was agreed by Parliament and Council in May 2016. The new EU-US privacy shield will protect the fundamental rights of EU citizens whose personal data is transferred to the US, and give companies legal clarity about their obligations.

In May 2016, the Commission together with Facebook, Twitter, YouTube and Microsoft unveiled a new code of conduct to combat **illegal hate speech online**.

EU citizens now enjoy **better access to justice** as the Parliament and Council have passed legislation on the presumption of innocence and on safeguards for children in criminal proceedings. Negotiations on **legal aid and on a European Public Prosecutor's Office** continue, and new proposals have been adopted on the **protection of children in cross-border family disputes**.

#SecurityEU



# STATE OF THE UNION 2016

## PROGRESS ON THE EUROPEAN COMMISSION'S 10 PRIORITIES



### 8/ Towards a new policy on migration

‘The recent terrible events in the Mediterranean have shown us that Europe needs to manage migration better, in all aspects. This is first of all a humanitarian imperative. I am convinced that we must work closely together in a spirit of solidarity.’

Jean-Claude Juncker, political guidelines, 15 July 2014

The Commission has addressed both the immediate and the long-term challenges of managing migration flows effectively and comprehensively. We have allocated more than **€15 billion** from our budget in 2015 and 2016. **Our migration policy ensures solidarity and a fair sharing of responsibilities.** Our work was led by First Vice-President Timmermans and our EU Migration Commissioner Avramopoulos, a position created by President Juncker in 2014.

**We have saved lives.** Frontex joint operations Triton and Poseidon and Operation Sophia have together rescued over 400 000 people in the Mediterranean and the Aegean in

**To strengthen our external border** we proposed a **European Border and Coast Guard**, which was created in record time and first operations will begin in fall 2016. We are reinforcing the **Schengen Border Code** so that every person (EU nationals and third-country nationals) entering or exiting the Schengen area undergoes a security check.

**We are supporting the Member States** that have been **most affected**. Since the beginning of 2015, Greece has been granted over **€353 million** in emergency assistance, on top of the **€509 million** already allocated under the national programmes for 2014-2020. This makes Greece the biggest beneficiary of EU migration funds. Italy has been awarded emergency assistance of over **€23.5 million** since 2014, on top of the **€592.6 million** for 2014-2020. We have also provided financial support to the Bulgarian authorities — around **€12 million** in emergency support to respond to the migration crisis in order to provide accommodation, food and medical supplies to migrants and to provide equipment to the Bulgarian border guards. This comes on top of **€91 million** already allocated under the national programmes for the period 2014-2020.

**We set up a new Emergency Assistance Instrument**, providing **€700 million** for 2016-2018. Our first priority is the situation in Greece: we have already contracted **€198 million** to improve the living conditions of refugees.

**We have saved lives. Over 400 000 people rescued at sea in 2015-2016**



2015-2016. We are also disrupting criminal smuggling networks, working in the Aegean Sea, with the Turkish authorities and NATO.

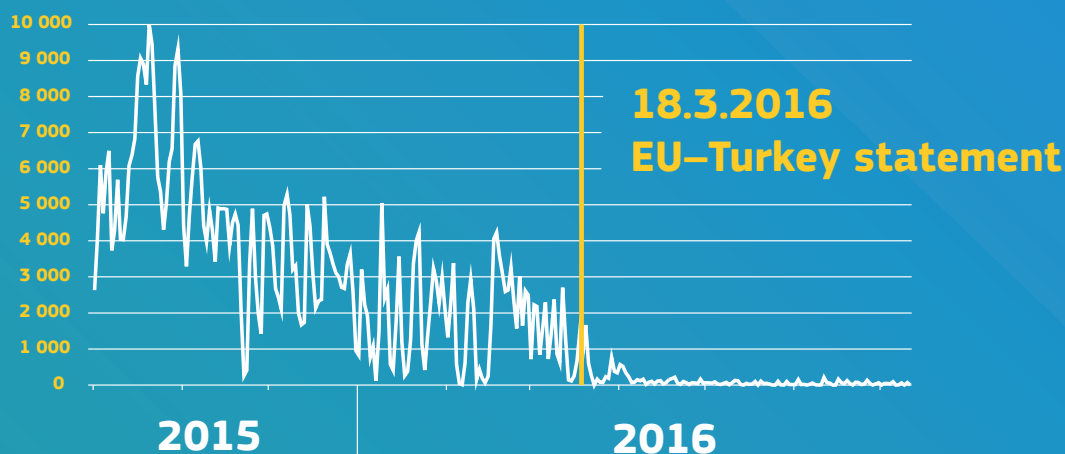
**We are helping displaced people within Syria** as well as Syrian refugees and their host communities, including in Lebanon, Jordan, and Turkey. At the London ‘Supporting Syria’ conference, the EU and its Member States pledged more than **€3 billion** for 2016, on top of the **€6.8 billion** mobilised for the Syrian crisis since 2011.

We **are also helping Syrian refugees in Turkey** to live in dignity and build a new life through our Facility for Refugees in Turkey: **€3 billion** has been mobilised for 2016-2017 from the EU budget and Member States.

**More than €10 billion mobilised in response to the refugee crisis in 2015-2016**



The average number of **daily crossings** fell from **around 10 000** in **October 2015** to **around 100** by the **summer 2016**



**We have established formal cooperation among the countries along the Western Balkans route.** Our Civil Protection Mechanism, which provides urgent material support, has already been activated by Greece, Croatia, Hungary, Slovenia and Serbia. **We are showing solidarity by relocating and resettling asylum seekers.** Last year, Member States agreed to our proposals to relocate 160 000 people in need of international protection from Greece and Italy, and to resettle 22 000 displaced people from outside the EU. So far, over **13 000 people** have been **relocated or resettled** since September 2015.

**We are making our return policy more effective.** The proposed new EU list of 'safe countries of origin' will allow for faster returns where an individual has no right to asylum, and we are putting in place incentives, for specific countries (starting with Algeria, Bangladesh, Morocco and Pakistan) to ensure **effective returns and readmission**.

**We are working with Turkey** to coordinate our responses to common challenges. Building on our joint action plan of October 2015, we adopted on 18 March 2016 an EU-Turkey statement to end the irregular migration from Turkey to the EU to replace dangerous journeys across the Aegean with safe and legal paths to the EU for Syrian refugees. The EU-Turkey statement of 18 March 2016 is delivering results. Instead of an unmanageable 10 000 people arriving a day as in October 2015, now around 100 arrive a day, since the EU-Turkey statement was implemented. The EU-Turkey statement requires that for every Syrian readmitted by Turkey from Greek islands, another Syrian in Turkey is being resettled in the EU. By August 2016, **1 061 Syrian refugees** in Turkey had been resettled in Europe, while **1 566 irregular migrants**

to the EU had been returned to Turkey from several Member States. Each request for asylum is handled individually. Every asylum seeker may appeal the decision. The principle of not returning refugees to a country where they face persecution ('non-refoulement') is respected.

**We are reforming the European asylum system**, with proposals seeking to **harmonise asylum conditions across the EU** and laying down all the elements necessary for a more humane, fair, coherent and efficient common policy. It will be generous to the most vulnerable people in genuine need of international protection, and strict towards potential abuse, while always respecting fundamental rights.

**We made proposals aimed at better managing legal migration and establishing an EU framework for resettlement.** We reformed the EU Blue Card scheme to make it more attractive for highly skilled non-EU nationals.

**We are addressing the root causes of migration by working with our regional partners.** We set up an Emergency Trust Fund for Africa, using **€1.9 billion** from the EU budget and the European Development Fund to promote development and security in strategic regions. We proposed **new migration partnerships** with key countries, starting with Ethiopia, Mali, Niger, Nigeria and Senegal, as well as an **external investment plan** building on our experience with the successful investment plan for Europe. Our priorities are to save lives, increase returns, enable migrants and refugees to stay closer to home and, in the long term, address the root causes of irregular migration and forced displacement.

#Migration EU

# STATE OF THE UNION 2016

## PROGRESS ON THE EUROPEAN COMMISSION'S 10 PRIORITIES



### 9/ A stronger global actor

‘We need a stronger Europe when it comes to foreign policy. The Ukraine crisis and the worrying situation in the Middle East show how important it is that Europe is united externally.’

Jean-Claude Juncker, political guidelines, 15 July 2014

The European Union remains a **central pillar of the global order**, providing security and stability in our region and beyond. Working through the UN, WTO, G7 and other multilateral forums, we defend human rights, democracy and the rule of law. Facing a more fragile world, we launched a new **global strategy**, defined by High Representative/Vice-President Mogherini, for a more credible and coherent foreign and security policy.

Since 2000 the EU has deployed more than **120 electoral missions** involving the participation of **over 11 000 observers**



The EU signed the first-ever **EU–NATO Joint Declaration**, deepening our efforts to counter hybrid threats and cyber attacks, build a stronger defence industry and help our partners to prevent and respond to crises.

We provide unwavering support to **Ukraine's** territorial integrity, sovereignty and independence, and remain committed to full implementation of the Minsk agreements. We continue to support the country's reforms, and have proposed to **lift visa requirements** for Ukrainian citizens travelling to the Schengen area. Full implementation of the Minsk agreements is also a key element for any change in our relations with **Russia**, including the lifting of sanctions. In the meantime, we maintain selective engagement with Russia on issues where there is a clear EU interest to do so.

In the **Western Balkans**, we facilitated dialogue between **Belgrade** and **Pristina**, allowing both to advance on their paths towards the EU. **Montenegro** and **Serbia** opened new chapters in their accession negotiations. The **Stabilisation and Association Agreement** with **Kosovo** entered into force in April 2016.

As part of our response to the refugee crisis, we have re-energised our relationship with **Turkey**. The EU–Turkey statement of 18 March 2016 brought new impetus to Turkey's EU accession process, and visa liberalisation was accelerated. However, we will not water down our standards.

We presented a new strategy for relations with **China** which aims to improve access to the Chinese market and promote cooperation on global challenges. At the EU–China Summit in Beijing, we urged China to uphold the principles of free and transparent trade, and established a bilateral working group on over-capacity in the **steel industry**.

We concluded negotiations with **Cuba** on a political dialogue and cooperation agreement, marking a new phase in our bilateral relations that will build mutual trust and encourage cooperation in multinational forums.

**EU and its Member States are the world's largest donor**

**Official development assistance:**



We are supporting UN-led efforts to restore peace in **Syria** and to stabilise **Libya**, where we are ready to provide the Government of National Accord with assistance worth €100 million.

The EU played a leading role in defining the **2030 agenda for sustainable development**. The EU provides more than half of world-wide official development aid and remains the **world's largest donor** of assistance. In 2015, the EU and its Member States provided €68 billion in official development assistance, well ahead of the United States, Japan and other donors, and our humanitarian aid reached a new record of €1.5 billion.

#EUGlobalPlayer

# STATE OF THE UNION 2016

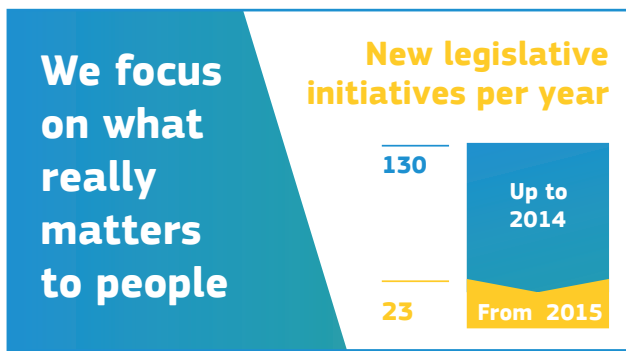
## PROGRESS ON THE EUROPEAN COMMISSION'S 10 PRIORITIES



### 10/ A union of democratic change

‘A European Commission under my leadership will be committed to fulfilling the special partnership with the European Parliament. [...] I am also committed to enhanced transparency when it comes to contact with stakeholders and lobbyists.’

Jean-Claude Juncker, political guidelines, 15 July 2014



When this Commission took office, we decided to do things differently. **We focus on what really matters to people**, cutting new legislation from 130 major initiatives in 2014 to 23 each in 2015 and 2016 — a reduction of more than 80 %. **We want to bridge the gap between Brussels and our citizens**, spending more time in the Member States.

This year, First Vice-President Timmermans completed negotiations with the European Parliament and the Council on a **new interinstitutional agreement** on how to make laws. We will now set priorities together to ensure the drafting and adoption of laws is quick and efficient, and reflects the issues on which national governments and citizens want European solutions.

Since the beginning of our mandate, the Juncker Commission has continued its commitment to **citizens' dialogues**, holding **88 town hall events in 53 cities in 27 Member States** bringing together 23 Commissioners and numerous European Parliamentarians, national and local politicians.

We have shown **political leadership**, and taken responsibility for how the Commission implements sensitive decisions in the fields of consumer protection and health and environmental policy — previously the process was too technocratic. Decisions on **glyphosate** and **endocrine disruptors** have been discussed at political rather than technical level. Because citizens' concerns about genetically modified organisms may vary greatly among Member

States, the Commission proposed in 2015 to return the power to restrict or prohibit the use of genetically modified food and feed to national authorities. The European Parliament and the Council have not yet been able to agree to allow for national solutions on this issue.

We will soon launch negotiations to widen the scope of our **Joint Transparency Register** to cover the European Parliament, the Council, and the Commission. We consulted widely with the public before launching these negotiations, and there is overwhelming support for greater transparency on who influences policy in and around the EU institutions. The Commission continues to take the lead on this, and we have produced a cultural shift in attitudes to transparency. **9 482 organisations and individuals** now appear in our Transparency Register; **4 562** of these have joined since 1 November 2014. Making the system mandatory will further improve these figures.

The Juncker Commission sees as a priority its **special partnership with the European Parliament and the citizens it represents**. In total, since we took office, the President and the First Vice-President have taken part in **80 debates** in the European Parliament; vice-presidents and Commissioners have taken part in **780 debates** in total. And all the Members of the Commission have made over **350 visits to national parliaments**, bringing Europe closer to its citizens and their national representatives. We will be re-energising further this relationship by having Commissioners presenting this State of the Union with national parliaments.

#BetterRegulation

# **STATE OF THE UNION 2016**

MEETINGS AND VISITS OF MEMBERS  
OF THE COMMISSION  
WITH NATIONAL PARLIAMENTS  
SINCE THE BEGINNING OF THE MANDATE

(1 NOVEMBER 2014 – 9 SEPTEMBER 2016)

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## STATE OF THE UNION 2016

### MEETINGS AND VISITS OF MEMBERS OF THE COMMISSION WITH NATIONAL PARLIAMENTS SINCE THE BEGINNING OF THE MANDATE (1 November 2014 – 9 September 2016)

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Member State	Chamber	Number	Members of the Commission
<b>Belgium</b>	Chambre des Représentants	<b>7</b>	J. Katainen, C. Malmström, F. Timmermans, M. Thyssen, A. Ansip (2), M. Šefčovič
	Sénat	<b>5</b>	J. Katainen, M. Šefčovič, C. Malmström, M. Thyssen, F. Timmermans
<b>Bulgaria</b>	Narodno Sabranie	<b>4</b>	M. Šefčovič, T. Navracsics, V. Andriukaitis, P. Hogan
<b>Czech Republic</b>	Poslanecká sněmovna	<b>14</b>	E. Bieňkowska, C. Crețu, J. Katainen, C. Malmström, M. Šefčovič, V. Jourová (2), V. Bulc, A. Ansip, F. Timmermans, F. Mogherini, V. Andriukaitis, M. Thyssen, P. Hogan
	Senát	<b>12</b>	E. Bieňkowska, C. Crețu, V. Jourová (2), J. Katainen, M. Šefčovič, V. Bulc, A. Ansip, F. Timmermans, V. Andriukaitis, M. Thyssen, P. Hogan
<b>Denmark</b>	Folketing	<b>11</b>	M. Vestager (3), J. Katainen, F. Timmermans, C. Malmström, M. Arias Cañete, M. Šefčovič, J. Hill, V. Andriukaitis, V. Bulc
<b>Germany</b>	Bundestag	<b>42</b>	G. Oettinger (6), V. Andriukaitis, N. Mimica (2), V. Bulc (2), J. Katainen (2), A. Ansip (2), M. Arias Cañete, K. Georgieva, P. Moscovici (3), J. Hill (2), J. Hahn, P. Hogan, F. Mogherini, C. Malmström, F. Timmermans, M. Šefčovič, M. Thyssen, J.-C. Juncker (3), K. Vella, V. Jourová, C. Stylianides (3), T. Navracsics, M. Vestager, V. Dombrovskis (2), C. Crețu
	Bundesrat	<b>3</b>	N. Mimica, D. Avramopoulos, M. Thyssen
<b>Estonia</b>	Riigikogu	<b>13</b>	V. Dombrovskis, J. Katainen, A. Ansip (5), M. Šefčovič, V. Andriukaitis (2), P. Hogan, F. Timmermans, C. Malmström
<b>Ireland</b>	Houses of the Oireachtas	<b>10</b>	V. Andriukaitis, J. Katainen, C. Malmström, P. Moscovici, J. Hill, P. Hogan, F. Mogherini, F. Timmermans, M. Šefčovič, A. Ansip
<b>Greece</b>	Vouli ton Ellinon	<b>5</b>	J. Katainen, V. Dombrovskis, V. Andriukaitis, C. Crețu, P. Moscovici
<b>Spain</b>	Congreso de los Diputados	<b>10</b>	M. Arias Cañete (2), F. Mogherini, J. Katainen, V. Bulc, C. Malmström, N. Mimica, V. Jourová, P. Hogan, C. Crețu
	Senado	<b>6</b>	M. Arias Cañete (2), J. Katainen, C. Malmström, N. Mimica, V. Jourová
<b>France</b>	Assemblée nationale	<b>13</b>	J.-C. Juncker, P. Moscovici (5), C. Moedas, M. Šefčovič, D. Avramopoulos, K. Vella, C. Stylianides, A. Ansip (2)
	Sénat	<b>19</b>	J.-C. Juncker, M. Vestager, A. Ansip (3), V. Bulc, J. Hill, P. Moscovici (2), M. Šefčovič (2), N. Mimica, D. Avramopoulos, F. Timmermans (2), J. Katainen, C. Stylianides, P. Hogan, V. Dombrovskis
<b>Croatia</b>	Hrvatski Sabor	<b>7</b>	N. Mimica (3), J. Katainen, C. Stylianides, T. Navracsics, V. Dombrovskis
<b>Italy</b>	Camera dei Deputati	<b>13</b>	J.-C. Juncker, F. Timmermans (2), J. Katainen, C. Malmström, P. Hogan, M. Arias Cañete, M. Vestager, V. Dombrovskis, V. Andriukaitis, A. Ansip, G. Oettinger (2)
	Senato della Repubblica	<b>12</b>	E. Bieňkowska, J. Katainen, C. Malmström, P. Hogan, M. Arias Cañete, M. Vestager, M. Šefčovič, K. Vella, V. Dombrovskis, V. Andriukaitis, A. Ansip

Member State	Chamber	Number	Members of the Commission
<b>Cyprus</b>	Vouli ton Antiprosopon	<b>9</b>	J. Katainen, D. Avramopoulos, C. Stylianides, J-C. Juncker (2), V. Andriukaitis, V. Dombrovskis, M. Šefčovič, F. Mogherini
<b>Latvia</b>	Saeima	<b>9</b>	J-C. Juncker, D. Avramopoulos, A. Ansip (2), M. Thyssen, V. Dombrovskis (2), V. Andriukaitis, P. Hogan
<b>Lithuania</b>	Seimas	<b>14</b>	V. Andriukaitis (7), J. Katainen, F. Mogherini, V. Bulc, P. Hogan, C. Malmström, A. Ansip, V. Dombrovskis
<b>Luxembourg</b>	Chambre des Députés	<b>7</b>	C. Malmström, P. Hogan, J. Katainen, F. Mogherini, V. Dombrovskis, J-C. Juncker, V. Andriukaitis
<b>Hungary</b>	Országgyűlés	<b>7</b>	V. Jourová, J. Katainen, E. Bieńkowska, M. Šefčovič, T. Navracsics (3)
<b>Malta</b>	Kamra tad-Deputati	<b>7</b>	K. Vella (3), J. Katainen, M. Šefčovič, V. Andriukaitis, C. Crețu
<b>Netherlands</b>	Tweede Kamer	<b>12</b>	F. Timmermans (2), V. Andriukaitis, N. Mimica, J. Katainen, V. Jourová, V. Bulc (2), P. Moscovici, C. Malmström, P. Hogan, V. Dombrovskis
	Eerste Kamer	<b>2</b>	V. Andriukaitis, F. Timmermans
<b>Austria</b>	Bundesrat	<b>10</b>	V. Bulc, J. Hahn (2), C. Malmström, J. Katainen, F. Timmermans, M. Šefčovič, V. Andriukaitis, P. Hogan, T. Navracsics
	Nationalrat	<b>10</b>	J. Hahn (2), V. Bulc, C. Malmström, J. Katainen, F. Timmermans, M. Šefčovič, V. Dombrovskis, V. Andriukaitis, V. Jourová
<b>Poland</b>	Sejm	<b>11</b>	V. Bulc, J. Katainen, J. Hahn, M. Šefčovič, C. Crețu, C. Malmström, V. Dombrovskis, V. Andriukaitis, K. Georgieva, P. Hogan, A. Ansip
	Senat		
<b>Portugal</b>	Assembleia da República	<b>12</b>	P. Moscovici, F. Mogherini, P. Hogan, F. Timmermans (2), D. Avramopoulos, V. Dombrovskis, C. Moedas, M. Thyssen, M. Šefčovič, C. Stylianides, V. Andriukaitis
<b>Romania</b>	Camera Deputaților	<b>7</b>	P. Hogan, V. Andriukaitis, M. Šefčovič, C. Malmström, V. Jourová, J. Katainen, V. Dombrovskis
	Senatul	<b>9</b>	P. Hogan, V. Andriukaitis, M. Šefčovič, C. Malmström, V. Jourová (2), V. Bulc, J. Katainen, C. Crețu
<b>Slovenia</b>	Državni zbor	<b>13</b>	V. Bulc (3), V. Dombrovskis, V. Jourová, J. Katainen, M. Šefčovič, E. Bieńkowska, C. Stylianides, C. Malmström, V. Andriukaitis, T. Navracsics, C. Crețu
	Državni svet		
<b>Slovakia</b>	Národná Rada	<b>6</b>	J-C. Juncker, V. Andriukaitis, M. Šefčovič, C. Moedas, J. Katainen, A. Ansip
<b>Finland</b>	Eduskunta	<b>10</b>	A. Ansip, M. Šefčovič, J. Katainen, M. Arias Cañete, C. Crețu, C. Malmström, V. Dombrovskis, K. Georgieva, P. Hogan, F. Mogherini
<b>Sweden</b>	Riksdag	<b>16</b>	C. Malmström (3), J. Katainen, E. Bieńkowska, V. Jourová, M. Šefčovič, N. Mimica (2), M. Arias Cañete, F. Timmermans (2), T. Navracsics, A. Ansip (2), V. Dombrovskis
<b>United Kingdom</b>	House of Commons	<b>12</b>	M. Arias Cañete, C. Moedas, M. Šefčovič, V. Bulc, K. Georgieva, F. Timmermans (3), C. Malmström (2), J. Hill, G. Oettinger
	House of Lords	<b>12</b>	C. Moedas, J. Hill, M. Vestager, P. Hogan, J. Katainen (2), M. Šefčovič, K. Georgieva, V. Bulc, N. Mimica, V. Dombrovskis, A. Ansip
<b>Total</b>		<b>401</b>	





# **STATE OF THE UNION 2016**

CITIZENS' DIALOGUES IN THE MEMBER STATES

(1 NOVEMBER 2014 – 10 SEPTEMBER 2016)

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## STATE OF THE UNION 2016

### CITIZENS' DIALOGUES IN THE MEMBER STATES

(1 November 2014 – 10 September 2016)

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Member State	Total Citizens' Dialogues	City	Number	Members of the Commission
<b>Belgium</b>	<b>5</b>	Eupen	<b>1</b>	M. Thyssen
		Brussels	<b>4</b>	J. Katainen + M. Thyssen, J-C. Juncker, C. Moedas, M. Šefčovič + J. Katainen
<b>Bulgaria</b>	<b>3</b>	Sofia	<b>2</b>	A. Ansip, T. Navracsics
		Ruse	<b>1</b>	F. Timmermans
<b>Czech Republic</b>	<b>4</b>	Prague	<b>4</b>	F. Mogherini, V. Andriukaitis, V. Jourová, C. Malmström
<b>Denmark</b>	<b>5</b>	Copenhagen	<b>3</b>	F. Timmermans, V. Andriukaitis, V. Bulc
		Aarhus	<b>1</b>	P. Hogan
		Roskilde	<b>1</b>	M. Vestager
<b>Germany</b>	<b>3</b>	Berlin	<b>2</b>	A. Ansip, D. Avramopoulos
		München	<b>1</b>	A. Ansip
<b>Estonia</b>	<b>2</b>	Tallinn	<b>2</b>	F. Timmermans, J. Katainen
<b>Ireland</b>	<b>1</b>	Dublin	<b>1</b>	J. Katainen
<b>Greece</b>	<b>1</b>	Athens	<b>1</b>	J. Katainen
<b>Spain</b>	<b>2</b>	Bilbao	<b>1</b>	J. Katainen
		Madrid	<b>1</b>	N. Mimica
<b>France</b>	<b>6</b>	Dunkerque	<b>1</b>	M. Šefčovič
		Marseille	<b>1</b>	P. Moscovici
		Paris	<b>4</b>	M. Vestager, F. Timmermans, C. Malmström
<b>Croatia</b>	<b>1</b>	Dubrovnik	<b>1</b>	M. Šefčovič
<b>Italy</b>	<b>7</b>	Roma	<b>3</b>	T. Navracsics, M. Šefčovič, F. Mogherini
		Matera	<b>1</b>	C. Crețu
		Siracusa	<b>1</b>	F. Timmermans
		Milan	<b>2</b>	F. Mogherini, V. Andriukaitis
<b>Cyprus</b>	<b>2</b>	Nicosia	<b>2</b>	J. Katainen, M. Šefčovič
<b>Latvia</b>	<b>5</b>	Riga	<b>5</b>	J. Katainen, F. Timmermans + V. Dombrovskis + C. Crețu, V. Bulc, V. Andriukaitis
<b>Lithuania</b>	<b>2</b>	Vilnius	<b>1</b>	C. Malmström

Member State	Total Citizens' Dialogues	City	Number	Members of the Commission
		Kaunas	1	V. Andriukaitis
<b>Luxembourg</b>	1	Luxembourg	1	M. Šefčovič
<b>Hungary</b>	3	Debrecen	1	T. Navracsics
		Szeged	1	T. Navracsics
		Kapolcs	1	T. Navracsics
<b>Malta</b>	2	La Valletta	1	K. Vella + C. Crețu
		Naxxar	1	V. Andriukaitis
<b>Netherlands</b>	4	Amsterdam	2	C. Malmström, K. Georgieva
		Den Haag	1	F. Timmermans
		Eindhoven	1	V. Andriukaitis
<b>Austria</b>	2	Vienna	2	F. Timmermans, K. Vella
<b>Poland</b>	2	Warsaw	1	C. Malmström
		Wrocław	1	E. Bieńkowska
<b>Portugal</b>	3	Lisbon	3	M. Šefčovič, V. Andriukaitis, F. Timmermans
<b>Romania</b>	2	Bucharest	2	V. Andriukaitis, J. Katainen
<b>Slovenia</b>	4	Ljubljana	3	V. Bulc, C. Malmström, K. Vella + V. Bulc
		Maribor	1	V. Bulc
<b>Slovakia</b>	6	Bratislava	4	J. Katainen, V. Dombrovskis, M. Šefčovič (3x)
		Košice	1	T. Navracsics
		Žilina	1	V. Bulc
<b>Finland</b>	6	Helsinki	3	C. Moedas, V. Andriukaitis, C. Malmström
		Vaasa	1	M. Šefčovič
		Rovaniemi	1	C. Crețu
		Tampere	1	J. Katainen
<b>Sweden</b>	4	Stockholm	2	J. Katainen + C. Malmström, F. Timmermans
		Lund	1	C. Malmström
		Göteborg	1	C. Malmström
<b>United Kingdom</b>				
<b>TOTAL</b>	<b>88</b>		<b>53</b>	<b>23 (President and 22 Commissioners)</b> Commissioners not yet participated in CD: M. Arias Cañete, J. Hahn, J. King (J. Hill), G. Oettinger and C. Stylianides



**STATE OF THE UNION 2016**  
TOWARDS A BETTER EUROPE —  
A EUROPE THAT PROTECTS, EMPOWERS AND DEFENDS

TRANSCRIPT OF THE SPEECH DELIVERED BEFORE  
THE EUROPEAN PARLIAMENT ON 14 SEPTEMBER 2016

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# STATE OF THE UNION 2016

TRANSCRIPT OF THE SPEECH DELIVERED BEFORE  
THE EUROPEAN PARLIAMENT ON 14 SEPTEMBER 2016

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## INTRODUCTION

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Mr President,

Honourable Members,

President of the Council,

Dear colleagues,

A year ago, in September 2015, during my speech on the State of the European Union, I noted that the State of the Union left something to be desired. I said at the time that in our Union there was neither enough Europe nor enough union.

A year later, this is still true despite the progress achieved. Currently, the European Union is not in the best of shape.

Much has not changed for the better. Some things suggest that we have an existential crisis in the European Union on our hands.

There are too many areas where we fail to agree, whether immediately or after deliberation, and too few where we cooperate in a spirit of solidarity.

All too often, priority is given to exclusively national interests. Let us be clear: European integration cannot be forced through at the expense of nation states. The crowbar is no tool for unifying Europe. Europe must not become a melting pot — a colourless, uniform magma of integration. Diversity is Europe's life-blood. Despite what is often said, it is not the Commission's aim to steamroll nation states. We are not nihilists — nor anti-religious for that matter — nor are we wreckers or destroyers. We are constructive and looking not for more Europe but, where needed, for a better Europe.

Europe is not heading towards nationalisation. Europe will not and must never become a single state.

All too often, however, cracks and rifts appear, the easy path of fragmentation is pursued where the demanding effort of union is needed. This creates an opening for rampant populism, where cooperation is impossible. Populism solves no problems. On the contrary, it creates them. We must guard against this.

It is high time we took an honest look at where we are.

Unemployment in Europe is still too high despite the creation of 8 million new jobs since 2013 and a constant rise in employment. However, there is still social injustice. For this reason, we must work quickly on the fundamental European Pillar of Social Rights. And this we will do — with energy and determination.

There is not enough social Europe. This we must change.



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Public debt in the Union is still too high although we have managed to bring the deficit down to 1.9 % from an average of 6.3 % in 2009. The Stability Pact is having an effect. However, it must not become a ‘flexibility pact’ but must be applied in an intelligent, flexible way that neither slows nor prevents growth.

Taking stock of where we are also means facing those watching us from afar.

Our friends and partners throughout the world, who all deeply regret Brexit, are asking with concern whether the decision taken by the United Kingdom marks the start of the unravelling of the European Union. Let me say here and now: we respect and, at the same time, regret Britain’s decision. However, the continued existence of the European Union is not under threat. We would appreciate the British making their move to leave as soon as possible so as to put an end to the steadily growing uncertainties and so that we can restructure our relationship with the United Kingdom, which must remain friendly. Part of this restructured relationship will involve allowing free access to the internal market only to those committed to the free movement of people and workers. There will be no internal market à la carte.

Our partners are increasingly asking us whether the European Union is still willing and able to strike trade agreements with the rest of the world.

We are the largest trading power in the world. We have trade agreements in place with over 140 countries across the globe. I am not a blind fanatical free trader but I am in favour of not disregarding the impact of trade agreements on employment. Trade means more work. And more jobs. 30 million jobs in Europe are dependent on exports. One in seven jobs in Europe depends on our exports to other parts of the world. An extra one billion euros in the volume of export trade creates an additional 14 000 jobs in Europe. This is, above all, why I am pushing for the trade deal with Canada. It is the best, most forward-looking trade agreement we have ever negotiated.

The guarantees we need can be specified and any concerns alleviated in the various parliamentary ratification procedures. However, there can be no renegotiation with Canada.

Our international partners — currently the USA and China in particular, but in the near future also India and Japan — are taking us to task on climate change. The Paris Agreement on climate change is a legally binding global agreement and would not have been reached were it not for the European Union. We were at the forefront, the instigators, calling on others, at times rather high-handedly, to take action. And now? The Americans and Chinese are ratifying the agreement. And where are we? I must insist that we have to ratify the Paris Agreement, for only a few EU countries have done this so far.

Delaying, let alone drawing out the ratification process makes us a laughing stock and damages our international credibility.

Our partners on the outside and millions of Europeans here at home no longer understand our decision-making processes and how we work with one another.

We are not the United States of Europe. The speech I am giving here can in no way be compared to the State of the Union speech given by the American President. Europe is more complex and multidimensional.

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## STATE OF THE UNION 2016

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mensional than any political entities of a similar size — which is also why many people do not properly understand it.

It is because of Europe's past — its dreadful past — that we have become what we are.

But that is no reason to make things more complicated or incomprehensible than they already are.

Giving a speech committed to Europe here at the European Parliament takes little courage. It is in your national parliaments that committed speeches on Europe are needed from everyone. Saying 'yes' out loud in Brussels, but acting at home as if you were not at the table where joint decisions were taken is incomprehensible, illogical and inconsistent. European citizens must no longer be taken for fools. They must be looked in the eye. People are tired of the feuding between the institutions, they are put off by the ludicrous, petty jealousies between the Member States and the institutions, and they hate the constantly repeated misrepresentations, half-truths and lies. People expect tangible results from Europe and expect them to be implemented promptly.

Mr President, dear colleagues,

I am therefore proposing a positive agenda of concrete European actions for the next 12 months.

Because I believe the next 12 months are decisive if we want to reunite our Union. If we want to overcome the divisions between East and West which have opened up in recent months. If we want to show that we can be fast and decisive on the things that really matter. If we want to show to the world that Europe is still a force capable of joint action.

We have to get to work.

I sent a letter with this message to President Schulz and Prime Minister Fico this morning.

The next 12 months are the crucial time to deliver a better Europe:

a Europe that protects and preserves the European way of life; that empowers our citizens, and defends at home and abroad; and a Europe that takes responsibility.

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### **A EUROPE THAT PRESERVES OUR WAY OF LIFE**

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I am convinced the European way of life is something worth preserving.

I have the impression that many seem to have forgotten what being European means.

What it means to be part of this European Union, of this Union of Europeans.

To remember why European nations chose to work together.

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To remember why crowds celebrated solidarity in the streets of Warsaw on 1 May 2004, the date of accession of this great Polish nation. Because Poland is a great nation.

To remember why the European flag waved proudly in Lisboa, Oporto, Madrid and Sevilla, welcoming the young democracies of Spain and Portugal in our sphere of solidarity and freedom.

To remember that Europe is a driving force that can help bring about the unification of Cyprus — something I am supporting the two leaders of Cyprus in. It has to be done and it has to be done now.

Above all, Europe means peace. It is no coincidence that the longest period of peace in written history in Europe started with the formation of the European Communities.

70 years of lasting peace in Europe. In a world with 40 active armed conflicts, which claim the lives of 200 000 people year after year.

Of course we still have our differences. Sometimes we fight. But we fight with words. And we settle our conflicts around the table, not in trenches.

An integral part of our European way of life is our values.

The values of freedom, democracy, the rule of law.

We Europeans can never accept — never — Polish workers being harassed, beaten up or even murdered on the streets of Essex.

We Europeans stand firmly against the death penalty.

And we Europeans also believe in independent, effective justice systems. Effective justice systems support economic growth and defend fundamental rights. That is why Europe promotes and defends the rule of law everywhere in Europe.

Being European means the right to have your personal data protected by strong, European laws. Because Europeans do not like drones overhead recording their every move, or companies stockpiling their every mouse click. This is why Parliament, Council and Commission agreed in May this year a common European data protection regulation. In Europe, privacy matters.

Being European also means a fair playing field.

This means that workers should get the same pay for the same work in the same place. And this is why the Commission stands behind our proposal on the posting of workers directive. The internal market is not a place where workers can be exploited or subjected to lower social standards than others. Europe is not the Wild West, but a social market economy without social dumping.

A fair playing field also means that in Europe, consumers are protected against cartels and abuses by powerful companies. And that every company, no matter how big or small, has to pay its taxes where it makes its profits.

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I promised you that my Commission would fight against tax evasion. And many of you didn't believe me but that is what we are doing. We are delivering. This Commission is delivering on the fight against tax evasion.

Being European also means standing up for our steel industry. We already have 37 anti-dumping and anti-subsidy measures in place to protect our steel industry from unfair competition. But we need to do more, as overproduction in some parts of the world is putting European producers out of business and the noble European steelworkers out of work. This is why I was in China twice this year to address the issue of overcapacity. This is also why the Commission has proposed to change the lesser duty rule.

We call on all Member States and on this Parliament to support the Commission in strengthening our defence instruments.

We should not be naive free traders, but be able to respond as forcefully to dumping as the United States of America are doing.

A strong part of the European way of life that I want to preserve is our agricultural sector. The Commission will always stand by our farmers, particularly when they go through difficult moments as is the case today. Last year, the dairy sector was hit with a ban imposed by Russia. This is why the Commission mobilised €1 billion in support of milk farmers to help them get back on their feet. Because I will not accept that milk is cheaper than water.

Being European, for most of us, also means the euro. During the global financial crisis, the euro stayed strong and protected us from even worse instability. The euro is a leading world currency, and it brings huge, often invisible economic benefits. Euro area countries saved €50 billion this year in interest payments, thanks to the European Central Bank's monetary policy. €50 billion extra that governments can and should invest into the economy, €50 billion that can be used for debt reduction. By the way: the 'Five presidents' report' on the deepening of the euro area describes an ambition the Commission is still sticking to.

I wish all this was recalled more often — everywhere in Europe where elected politicians take the floor.

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## A EUROPE THAT EMPOWERS

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The European Union should not only preserve our European way of life but empower those living it.

We need to work for a Europe that empowers our citizens and our economy. And today, both have gone digital.

Digital technologies and digital communications are going into every aspect of life.

All they require is access to high-speed internet. We need to be connected. Our economy needs it. People need it.

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And we have to invest in that connectivity now.

That is why today, the Commission is proposing a reform for our European telecommunications markets. We want to create a new legal framework that attracts and enables investments in connectivity.

Businesses should be able to plan their investments in Europe for the next 20 years. Because if Europeans invest in new networks and services, that is at least 1.3 million new jobs over the next decade.

And connectivity should benefit everyone.

That is why the Commission is proposing to fully deploy 5G across the European Union by 2025. This has the potential to create a further 2 million jobs in the European Union.

Everyone benefiting from connectivity means that it should not matter where you live and how much you earn.

So we propose today to equip every European village and every city with free wireless internet access around the main centres of public life by 2020.

As the world goes digital, we also have to empower our artists and creators and protect their works. Artists and creators are our crown jewels. The creation of content is not a hobby. It is a profession.

I want journalists, publishers and authors to be paid fairly for their work, whether it is made in studios or living rooms, whether it is disseminated offline or online, whether it is published via a copying machine or hyperlinked on the web.

The overhaul of Europe's copyright rules we are proposing today does exactly that.

Empowering our European economy means investing not just in connectivity, but in job creation.

The €315 billion investment plan for Europe, which we agreed here, has already raised €116 billion in investments in its first year of operation.

Over 200 000 small firms and start-ups across Europe got loans. Thanks to the European Fund for Strategic Investments.

And now we will take it further. Today, we propose to double the duration of the fund and to double its financial capacity.

With your support, we will make sure that our European Investment Fund will provide a total of at least €500 billion — half a trillion — of investments by 2020. And we will work beyond that to reach €630 billion by 2022. Of course, with Member States contributing, we can get there even faster.

Alongside these efforts to attract private investment, we also need to create the right environment to invest in.

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European banks are in much better shape than 2 years ago, thanks to our joint European efforts. Europe needs its banks. But an economy almost entirely dependent on bank credit is bad for financial stability. And it is bad for business, as we saw during the financial crisis. That is why it is now urgent we accelerate our work on the capital markets union. The Commission is putting a concrete roadmap for this on your table today.

A capital markets union will make our financial system by far more resilient. It will give companies easier and more diversified access to finance. Imagine you run a start-up and your bank refuses you a loan. Right now, the options are very limited. The capital markets union will offer alternative, vital sources of funding to help start-ups get started — business angels, venture capital, market financing.

To just mention one example — our proposal on securitisation has been on the table of the co-legislators for almost a year now. It has the potential of freeing up €100 billion of additional finance for European businesses. So let us please speed up its adoption.

Our investment plan worked better than anyone expected inside Europe, and now we are going to take it global.

Today we are launching an ambitious investment plan for Africa and the neighbourhood which has the potential to raise €44 billion in investments. It can go up to €88 billion if Member States pitch in.

This will complement our development aid and help address one of the root causes of migration. With economic growth in developing countries at its lowest level since 2003, this is crucial. The new plan will offer lifelines for those who would otherwise be pushed to take dangerous journeys in search of a better life. It has to be done.

As much as we invest in improving conditions abroad, we also need to invest in responding to humanitarian crises back home. And, more than anything, we need to invest in our young people.

I cannot and will not accept that Europe is and remains the continent of youth unemployment.

I cannot and will not accept that the millennials, Generation Y, might be the first generation in 70 years to be poorer than their parents.

Of course, this is mainly a task of national governments. But the European Union can support this effort and their efforts. We are doing this with the EU youth guarantee that was launched 3 years ago. The Commission enhanced the effectiveness and sped up delivery of the youth guarantee. More than 9 million young people got a job, traineeship or apprenticeship because of the EU. And we will continue to roll out the youth guarantee across Europe, mainly as far as apprentices are concerned, improving the skillset of Europeans and reaching out to the regions and young people most in need.

The European Union can also contribute to helping create opportunities for young people. There are many young, socially minded people in Europe willing to make a meaningful contribution to society and help show solidarity.

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The word ‘solidarity’ appears 16 times in the treaties. Our European budget is living proof of financial solidarity.

The euro is an expression of solidarity.

Our development policy is a strong external sign of solidarity.

And when it comes to managing the refugee crisis, we have started to see solidarity. I am convinced much more solidarity is needed. But I also know that solidarity must be voluntarily. It must come from the heart. It cannot be forced. It cannot be imposed.

I am urging the Slovak Presidency to bridge the divergences and differences between those who are reluctant to integrate refugees in their societies and those who are convinced — as I am — that a fair share in relocation and resettlement is of the essence.

I am asking for a strong and immediate action both from Greece and the European Union to protect unaccompanied minors. Without protection of these children, the European Union is betraying its historic values.

In the same spirit, the Commission is proposing today to set up a European Solidarity Corps. Young people across the European Union will be able to volunteer their help where it is needed most, to respond to crisis situations, like the refugee crisis or the recent earthquakes in Italy.

I want this European Solidarity Corps up and running as soon as possible.

And by 2020, to see the first 100 000 young Europeans taking part.

By voluntarily joining the European Solidarity Corps, these young people will be able to develop their skills and get not only work but also invaluable human experience.

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## A EUROPE THAT DEFENDS

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Mr President,

Ladies and Gentlemen,

President of the Council,

A Europe that protects is a Europe that defends itself. At home and abroad.

We must first defend ourselves — and this is an absolute priority — against terrorism.

Since 2004, Europe has seen more than 30 terrorist attacks, 14 of them in the last year alone.

Just as we have stood shoulder to shoulder in grief, so must we stand united in our response.



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In the face of the worst of humanity, we have to stay true to ourselves, to our values and to our democratic, plural, open and tolerant societies. We must show terrorists that they stand no chance when they try to attack those values.

But this tolerance of ours cannot come at the price of our security.

That is why the Commission has prioritised security from day one. We have criminalised terrorism and the return of foreign fighters across the EU, we have cracked down on the use of firearms and on terrorist financing, we have worked with internet companies to get terrorist propaganda offline and we have fought radicalisation in Europe's schools and prisons.

But more needs to be done.

We need to know who is crossing our borders.

That is why we will defend our borders with the new European Border and Coast Guard Agency.

Frontex already has over 600 officers on the ground in Greece at its borders with Turkey, and over 100 in Bulgaria. The EU institutions and the Member States should now work very closely together to quickly help set up the new agency. I want to see at least 200 extra border guards and 50 extra vehicles deployed at Bulgaria's external borders by October.

We will defend our borders, as well, with strict controls, adopted by the end of the year, on everyone crossing them. Every time someone enters or exits the EU, there will be a record of when, where and why.

By November we will propose a European travel information system — an automated system to determine who will be allowed to travel to Europe. That way we will know who is travelling to Europe before they even get here.

Border security also means that information and intelligence exchange must be prioritised. To that end, we will reinforce Europol — our European agency supporting national law enforcement — by giving it better access to databases and the additional resources it needs. Here too, we need to equip ourselves with the means to achieve our goals.

A Europe that protects also defends its own interests beyond our borders.

The facts are plain: the world is getting bigger. Every day. And every day Europe's population and economy are getting smaller.

If we wish to maintain our status and influence in the world, we need to be clear that it is only together that we are, and will remain, a force to be reckoned with.

Still, even though Europe is proud to be a soft power, this is not enough in our complex and increasingly dangerous part of the world.

Take the conflict raging in Syria. It has immediate consequences for Europe.

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## STATE OF THE UNION 2016

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THE EUROPEAN PARLIAMENT ON 14 SEPTEMBER 2016

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But where are the Union and its Member States in the negotiations on a settlement?

Federica Mogherini, our High Representative and Commission Vice-President, is doing a fantastic job — and I am not the only one who thinks so.

But she needs to become a true European foreign minister; a focal point for all diplomatic services to pool their forces in order to achieve leverage in international negotiations. That is why I am calling today for a European strategy for Syria. Federica should have a seat at the table when the future of Syria is being discussed.

Ladies and gentlemen, Europe needs to toughen up. Nowhere is this truer than in our defence policy.

Europe can no longer afford to piggyback on the military might of individual countries.

Together we have to take responsibility for protecting our interests.

Over the last decade we have engaged in over 30 civilian and military EU missions. But without a permanent structure we cannot act effectively. We now need a single EU headquarters.

We should also move towards common military assets — in some cases owned by the EU — in full complementarity with NATO. More European defence does not mean less transatlantic defence and solidarity.

From a purely economic point of view, pooling our military resources is clearly justified. The lack of co-operation in defence matters costs Europe between €20 billion and €100 billion per year, depending on the areas concerned.

Shouldn't we do something about this? It is time to act.

For European defence to be strong, the European defence industry needs to innovate. That is why before the end of the year we will propose a European defence fund, to turbo-boost research and innovation.

The Lisbon Treaty enables those Member States who so wish to pool their defence capabilities in the form of permanent structured cooperation. I think the time has come to make use of this possibility.

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## A EUROPE THAT TAKES RESPONSIBILITY

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Mr President,

The last point I want to make is about our collective responsibility.

I call on all EU institutions and on all of our Member States to shoulder more responsibility.

We have to stop repeating the same old refrain that success is national, and failure European. Otherwise, our common project will not survive.

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Europe needs to be explained better. I have asked each of the Commissioners to visit national parliaments over the coming weeks to discuss the state of our Union.

Since the beginning of my mandate, the Commissioners have made over 350 visits to national parliaments. And I want them to do this even more now. Because Europe can only be built if it is properly understood and thus better explained. It can only be built with the Member States, never against them.

The Commission which I have the honour to lead seeks to be a political Commission — something which raises doubts of all kinds.

This means that, first and foremost, it must be a Commission which listens to the people, to the European Parliament and to the Member States.

And we do listen to our fellow citizens and want to listen even more closely. I have sometimes read that I am imprisoned in the Berlaymont building and never talk to those we claim to govern. Those who think I sit there, overpaid, and neither see nor listen to anyone, could not be more wrong. In the course of a long political life, I have talked to the people every day, and I continue to do so. It is the duty of all of us.

As I told you, the Commission has withdrawn 100 proposals in its first 2 years of office, has reduced the number of initiatives it has put forward by 80 % compared with the past 5 years and has launched a thorough review of all existing legislation.

Because it is only by focusing on areas where Europe can provide real added value that we will be able to make Europe a place where subsidiarity and solidarity are in harmony.

A political Commission is also one that corrects technocratic mistakes as soon as they are made.

The Commission, the Parliament and the Council have jointly decided to abolish mobile roaming charges. It is a promise we will keep. That is why I have withdrawn the draft proposal produced this summer by our departments.

It was clearly well intentioned and was not technically wrong. But it missed the point of what was promised. And you will see a new, better draft over the coming weeks. When you roam in Europe, you should feel at home.

Finally, taking responsibility also means being accountable to voters. That is why I will propose to change the — in my view ridiculous — rule that Commissioners must step down when they wish to run in European elections.

Prime ministers and ministers in our Member States do not stop doing their job when they run for re-election. Nor should Commissioners.

If we want a responsible Commission which is close to the people, we should encourage Commissioners to make a date with democracy and universal suffrage.

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### CONCLUSION

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Mr President,

I am as young as the European project, which turns 60 next March — actually slightly older.

I have lived this project. I have dedicated my life to it.

Out of conviction and without wavering.

My father believed in Europe because he believed in the stability of the continent, workers' rights and social progress.

As someone who was forced to go to war against his will — and against the will of his country — he understood only too well that peace in Europe was precious — and fragile.

I believe in Europe because my father taught me those values.

But what are we teaching our children now? What will they inherit from us? A Union that is unravelling in disunity? A Union that has forgotten its past and has no vision for the future?

Our children deserve better, ladies and gentlemen.

They deserve a Europe that preserves their way of life, defends them and protects them.

It is time that we — citizens, institutions and governments — all took responsibility for building that Europe together.

I know all too well that, when it comes to the future of Europe, there is sometimes a struggle between naive optimists and out-and-out pessimists.

I would say that Europe has a mission at home and abroad. But somewhere between the pessimism that sees only problems and decline and the rose-tinted optimism, there lies will. The will of those who do not give up or bemoan their lot, but focus on the fate of those who will follow us.

I call on this will, which was shown by our predecessors.

I call on our will to overcome differences and disagreements.

History will not remember our names. But we will be judged according to the strength of our will. And the strength of our convictions. Both must be absolute.

History will not remember us. But it will remember our mistakes. Let us not be guilty of mistakes that would destroy the European dream.

Obrigado. Bedankt. Mille grazie.

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### **CLOSING REMARKS GIVEN BY PRESIDENT JUNCKER IN RESPONSE TO THE INTERVENTIONS BY THE MEMBERS OF THE EUROPEAN PARLIAMENT**

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Mr President, ladies and gentlemen,

Thank you very much for the debate and also for the positive things that have been said about the Commission. As for the negative things, I have heard those too. Owing to time constraints, I cannot now address all the points made, some of which were not always arguments. I am grateful for the wide support from the major groups of this House.

I would like to say maybe just a few words about Turkey given that I was unable to do so in my speech. We are still involved in intense negotiations with Turkey over the visa issue. I would like to again be clear on the fact that visa liberalisation will only happen once all the preconditions spelled out have been met by Turkey. In this regard, I would urge us to be more patient over certain aspects, as some very difficult issues in Turkey have to be resolved. I am convinced that this will be done although it may not necessarily be possible within the planned timeframe. However, until there has been a reform, for example of the terrorism law, no concrete date for visa liberalisation with Turkey can be seriously envisaged.

I am happy that nearly everybody here expressed their support for strengthening social rights in the European Union. As you know, consultation is underway regarding the basic pillar of social labour rights. We are awaiting the results of the consultation before we present our proposals.

I am also pleased that our reference to the need to double resources for the European Investment Fund was met with broad support. The Council and the Parliament will need to play their parts so that decisions are reached in this regard. The same is also true for everything related to the digital agenda. On this issue, it is also important for us to work together shoulder to shoulder.

Thank you again, Mr President, for the debate.

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