

Opinion **European Union**

## Macron and Scholz: we must strengthen European sovereignty

The EU needs more single market, innovation and investment to secure a common future

**OLAF SCHOLZ**



President Emmanuel Macron, left, at a recent press conference with Chancellor Olaf Scholz. France and Germany are proposing a renewed impetus for competitiveness for the EU's next term © Halil Sagirkaya/Anadolu/Getty Images

## **Emmanuel Macron and Olaf Scholz** YESTERDAY

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*The writers are the president of France and the chancellor of Germany*

In a few weeks, we Europeans will start setting out our agenda for the next term in the EU. Looking back at the challenges over the last five years — be it the pandemic, the ongoing Russian war of aggression against Ukraine or increasing geopolitical shifts — it is clear: Europe is experiencing its *Zeitenwende*. We can't take for granted the foundations on which we have built our European way of living and our role in the world. Our Europe is mortal, and we must rise to the challenge.

Strengthening our global competitiveness and enhancing our resilience while making the Green Deal and the digital transition a success is at the heart of responding to these challenges. To this end, France and Germany are proposing today a renewed impetus for competitiveness for the EU's next term.

Europe must thrive as a strong world-class industrial and technological leader, while implementing our ambition to make the EU the first climate neutral continent. We can harness the potential of the green and digital transitions for developing the markets, industries and good jobs of the future.

To live up to these common ambitions, Germany and France are convinced that the

EU needs more innovation, more single market, more investment, more level playing field and less bureaucracy.

Together, we will advocate to strengthen the EU's sovereignty and reduce our critical dependencies, while building on the successful implementation of the agenda developed since the Versailles summit in March 2022. With an ambitious industrial policy, we can enable the development and rollout of key technologies of tomorrow, such as AI, quantum technologies, space, 5G/6G, biotechnologies, net zero technologies, mobility and chemicals. We have to make full use of and significantly accelerate existing EU instruments, from important projects of common European interest to the role of public procurement, considering a more strategic approach in relevant sectors, and to modernise our competition rules in view of global competitiveness.

We call for strengthening the EU's technological capabilities by promoting cutting-edge research and innovation and necessary infrastructures, including those regarding artificial intelligence and health.

One of Europe's greatest competitive strengths is the single market, allowing businesses to develop innovative products and services, to grow and to compete, while ensuring high standards. We need to reap its full benefits with a modernised single market, reducing fragmentation and barriers, fostering connectivity, enhancing skills, promoting mobility and convergence.

We call for an ambitious bureaucracy reduction agenda to deliver on simpler and faster administrative procedures and cutting bureaucratic burdens for businesses of all sizes. We welcome the European Commission's initiative to reduce reporting obligations for our companies by 25 per cent. This promise has to be implemented with specific legislation. The principles of subsidiarity and proportionality need a fresh start, too.

We will jointly support an ambitious, robust, open and sustainable European trade policy that allows fair trade agreements and promotes EU interests, creates reciprocal market access opportunities and a clear level playing field with our trade partners. The EU should remain an advocate for the rules-based multilateral trading system and act for fair competition.

We will fully decarbonise our energy systems. And we will achieve this in a fully integrated and interconnected market while respecting national choices on the respective energy mix. This is the European way – and it will increase resilience, security of supply and pave the way for more sovereignty.

Finally, our collective investment efforts, both private and public, must match our ambitions. We need to unlock the full potential of our capital markets. Too many companies looking to fund their growth turn to the other side of the Atlantic. Too many European savings are being invested abroad rather than in Europe's most promising start-ups and scale-ups. To mobilise the needed investments we have to get serious about a truly integrated European financial market with the banking and the capital markets union at its core, addressing fragmentation and ensuring global competitiveness of the European financial sector.

In doing so, we will have to relaunch the European securitisation market, improve the convergence and efficiency of the supervision of capital markets across the EU, harmonise relevant aspects of corporate insolvency frameworks and tax law, simplify the regulatory framework and develop a simple and effective cross-border investment and savings product for all. Private and public investments need to go hand in hand. We should make the EU budget fit for the future and further prioritise investments in transformational expenditure and European public goods while working on introducing new "own resources" as agreed in 2020.

Together, we call to put this agenda at the core of the coming term. The EU is our common future.

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