

**FESI report of the State of the Union (STOE)**  
***Europe's call to action for strategic autonomy,  
competitiveness and democratic resilience in geopolitical  
tensions***

**10 Sept 2025**

**Introduction**

President von der Leyen framed 2025-26 as Europe's "independence moment", anchoring her second-term agenda in defence, competitiveness and social fairness, while keeping the Green Deal as a core industrial strategy. Notable new moves include a "Made in Europe" criterion in public procurement, an Industrial Accelerator Act, a European Grids Package + "Energy Highways" push, a Battery Booster, a Scale-up Europe Fund, and a suite of social measures (Affordable Housing Plan, Quality Jobs Act, anti-poverty strategy). Geopolitically, she proposed sanctions and a partial trade suspension targeting Israel, tougher Russia sanctions, and defended the contentious **EU-US trade deal**. **What was announced (high level):**

**1. Competitiveness & industrial policy**

- Industrial Accelerator Act, Single Market Roadmap to 2028, EU Cloud & AI Development Act to speed up deployment and scale-ups in strategic tech. A new Scale-up Europe Fund will back fast-growing firms. A "Made in Europe" procurement criterion will steer demand toward EU-made products.
- Battery Booster to expand European cell/pack manufacturing capacity.

**2. Energy security & infrastructure**

- European Grids Package to modernise electricity networks and speed connections; a complementary "**Energy Highways**" initiative to tackle eight critical bottlenecks.

**3. Green Deal, circularity & resilience**

- Renewed push on the circular economy and lead markets for clean, innovative products; a European Climate Adaptation Plan to boost resilience. Ocean protection via a forthcoming Ocean Act.

**4. Social & skills**

- Affordable Housing Plan, Quality Jobs Act, European Anti-Poverty Strategy, a Skills portability initiative; measures for outermost regions and cities.

**5. Agriculture & food**

- Generational Renewal of Farming, a Livestock strategy (incl. animal-welfare elements), an Omnibus Food package—and a new "Buy European Food" promotion campaign.

## 6. Security, defence & foreign policy

- Eastern Flank Watch and a stronger European Defence framework; additional Russia sanctions; support for Ukraine (incl. measures flagged in the debate).
- Israel/Gaza: the Commission will freeze bilateral support (with carve-outs), propose sanctions on extremist ministers/settlers, and seek a partial suspension of the EU–Israel Association Agreement (trade parts).

## 7. Trade

- Von der Leyen **defended the EU–US trade deal** amid criticism (US side levies broad 15% tariffs on EU exports under the framework). She also flagged a **long-term instrument to replace expiring steel safeguards** by 2026.

### How Parliament reacted (debate highlights):

- **EPP (Weber)**: back to basics: cut red tape, realistic climate policy, support the US and Mercosur deals.
- **S&D (García)**: attacked the US deal as “unfair”, said Israel measures are too late.
- **PfE (Bardella)**: slammed the US deal and Green Deal costs.
- **ECR**: supports the US tariff arrangement as better than a trade war; wants a leaner Green Deal.
- **Renew (Hayer)**: called for a stronger, more federal EU and faster action on the Democracy Shield/competitiveness.
- **Greens (Eickhout)**: push for climate action as security policy; invest in renewables, workers, and green innovation.  
These came in a plenary that focused on security (Ukraine/Poland airspace incident), Gaza, competitiveness, and the US deal.

### What’s next (process cues):

The [Letter of Intent](#) ( lists the 2025–26 legislative initiatives). Some of the key new initiatives are:

- Single Market Roadmap to 2028
- Industrial Accelerator Act
- More Omnibus packages
- 28th Regime and European Innovation Act
- EU Cloud and AI Development Act

Expect proposals to land through 2025/early 2026 and feed the **2026 Work Programme**.

### More information:

[Click here](#) to consult the SOTEU website.

[Click here](#) to read the full speech.

[Click here](#) to read the letter of intent.

[Click here](#) to read the timeline of the first year of the vdl II Commission.