

To: Public Affairs & Communications Committee
From: Insurance Europe secretariat
General Insurance Committee, Personal Insurance Committee, Conduct of Business Committee, Economics &
CC: Finance Committee
Date: 11-09-2025
Reference: PAC-25-150
Subject: State of the European Union 2025

Summary

On 10 September, European Commission (EC) President Ursula von der Leyen delivered her [2025 State of the Union \(STEU\)](#) address before the European Parliament Plenary in Strasbourg. This marked her first speech since the start of her second mandate, and it outlined a strategic, multifaceted agenda aimed at reinforcing Europe's competitiveness, security, social cohesion, and global influence.

President VdL emphasised several core themes, including defending Europe, cutting dependencies, boosting competitiveness, and delivering tangible benefits to citizens. Below is a more detailed overview of key areas that may be of particular interest:

■ **Ukraine, security & defence**

- The Ukraine reparations loan will be financed from cash balances of immobilised Russian assets. The EC will work urgently on this financing solution and continue working on the 19th sanctions package.
- EU will enter a Drone Alliance with Ukraine and propose in the future a "Qualitative Military Edge" programme.
- EC will prepare a Readiness 2030 defence plan. This will include the Security Action for Europe (SAFE) loan instrument launched earlier this year, and a Defence Semester the EC will present to leaders with 2030 targets. Among others, this will focus on an Eastern Flank Watch, real-time space surveillance and a drone wall.

■ **Competitiveness, simplification & capital for the transitions**

- EC will continue tackling bottlenecks as identified in Draghi report, on energy, capital, investment and need for simplification.
- Several 'Regulatory Omnibuses' have been put on the table already, with the goal to cut €8bn/yr in administrative burden, while additional Omnibuses are on the way (including military mobility, digital).
- EC will present a Single Market Roadmap to 2028 focusing on capital, services, energy, telecoms, the 28th regime and the newly coined fifth freedom for knowledge & innovation.
- EC will speed up its work on the Savings and Investments Union (SIU) while preparing its 28th regime proposal.

■ **Digital, AI, clean tech & energy**

- EC will focus on the Cloud & AI Development Act and Quantum Sandbox, as first building blocks.
- EC will also continue to call for massive EU investments in AI Gigafactories.

- Following the Clean Industrial Deal, which identified hurdles, EC will launch the Battery Booster (€1.8bn equity), introduce a “*Made in Europe*” procurement criterion, fast-track the Circular Economy Act, and will propose an Industrial Accelerator Act.
- EC will propose a European Grids Package to modernise networks and speed permitting.

■ **Climate & resilience**

- EC is firmly on track to achieve the 2030 target to cut emissions by at least 55%.
- EC will continue stressing the need to radically step up climate adaptation and nature-based solutions to boost resilience.
- EC will propose a European firefighting hub in Cyprus to coordinate rapid cross-border responses

■ **Trade & external economic strategy**

- President VdL defended the EU-US trade deal as the *best possible* to avoid tariff shocks and protect jobs;
- EC will propose a long-term instrument to counter unfair competition and support decarbonisation, following existing steel safeguards.

■ **People, jobs, housing, food & cars**

- EC will propose a Quality Jobs Act and will lay out a European Anti-Poverty Strategy to 2050, strengthening the Child Guarantee.
- EC will present this year an Affordable Housing Plan, propose a legal initiative on short-term rentals, organise an EU Housing Summit and revise State-aid rules to enable housing support.
- EC will propose to work with industry on a Small Affordable Cars initiative and is preparing the 2035 review to respect technology neutrality.
- Following the simplification of the Common Agricultural Policy (CAP), EC will also review the unfair trading practices law’s implementation and will boost the promotion budget for a “Buy European food” campaign.