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Topic: State of the Union 2025

## INTRODUCTION

Each September, the President of the European Commission delivers the State of the Union address to the European Parliament. This speech outlines her vision for the EU, takes stock of past achievements, and presents major upcoming initiatives. These proposals cover a wide range of areas— from competitiveness, defence, and security to social fairness, quality of life, democracy, values, and Europe’s role in the world. Below, we highlight the key announcements for the battery community.

## BOOSTING COMPETITIVENESS

- Major investments planned in **digital technologies** and **clean tech**, supported by:
  - **European Competitiveness Fund**
  - **Horizon Europe** (doubling funding for R&I)
- Tackling bottlenecks identified in the **Draghi report**: energy, capital, investment, and regulatory simplification.
- Holding strategic dialogues with key industries - from cars to chemicals, steel to pharmaceutical, defence to agriculture.
- Streamlining business conditions: proposed reforms expected to cut **€8 billion/year** in bureaucratic costs for companies. *‘Less paperwork, less overlaps, less complex rules.’*

## SUPPORTING STARTUPS, SCALEUPS AND TECH SOVEREIGNTY

- Launch of a multi-billion euro **Scaleup Europe Fund** to provide equity for **fast-growing startups** in critical technologies such as AI, quantum, biotech, and clean tech.
- **Savings and Investments Union**: more EU-based funding for innovators.
- **28th regime**: simplifying cross-border operations for innovative companies.

*“Europe’s clean tech sector must stay in Europe”*

## CLEAN INDUSTRIAL DEAL AND BATTERY BOOSTER

- Accelerating implementation to create **lead markets** where increased demand drives production and reduces costs.
- **Supply-side measures**:
  - **Battery Booster package**: **€1.8 billion equity funding** to scale up European battery production: crucial for **electric vehicles** and clean energy transition.



The **Battery Booster package** will support the entire battery sector in Europe. Key goals are boosting manufacturing, securing supply chains, and enhancing competitiveness by developing a type of direct support for production (along the lines of the American IRA) and introducing requirements for European content in EV batteries.

*“Batteries are a key enabler of other clean tech – especially electric vehicles. So, this goes to the heart of our independence.”*

- **Demand-side measures:**
  - **“Made in Europe” criterion in public procurement.**
  - Leveraging **Global Gateway** investments to encourage purchasing of European products.

### STRATEGIC AUTONOMY

- **Circular Economy Act** to ensure secure access to **critical materials**.
- **Industrial Accelerator Act** to fast-track support for **key strategic sectors and technologies**.
- **Grids Package** to strengthen the European grid infrastructure and speed up permitting. And to go with that, a new initiative called **Energy Highways** was announced.

*“I believe Europe should have its own E-car. Environmental, Economical, and European. No matter what, the future is electric and Europe will be part of it.”*

### GEOPOLITICAL SITUATION & EUROPEAN DEFENCE CAPABILITIES

The speech pivoted on strengthening European independence mostly through defence and competitiveness. The President announced the frontloading of **EUR 6 billion** from the ERA loan for the creation of a **Drone Alliance with Ukraine**, while highlighting the historic progress made in building a European Defence Union. Earlier this year, the EU launched a programme named **Readiness 2030** that could mobilise up to **EUR 800 billion in defence investment**, including through the SAFE programme, now ready to provide EUR 150 billion for joint procurement. Alongside these initiatives, **new common defence projects are being developed**, and a European Defence Semester will be introduced to coordinate efforts more effectively.

