

Date: 16 September, 2026

Topic: State of the Union 2026. *From promise to progress: second year in office.*

EXECUTIVE SUMMARY

In her State of the Union speech on 16 September 2026, European Commission President Ursula von der Leyen shared the key priorities and flagship projects for the year to come, building on the progress the EU has made in recent years.

The address places particular emphasis on strengthening European competitiveness and economic resilience, while linking these objectives to broader priorities in security and defence, social inclusion, climate and environmental resilience, and the protection of democracy and the rule of law. Among the initiatives announced are measures concerning the Single Market, regulatory simplification, housing, skills, European security, critical raw materials, climate adaptation and democratic resilience.

Overall, the SOTEU 2026 agenda reflects an attempt to connect economic and industrial policy with the EU's wider objectives of strategic resilience, social cohesion and institutional capacity.

Proposed initiatives

- Tackling unjustified **territorial supply constraints in the Single Market**
- Proposal on permitting acceleration
- Bank competitiveness and simplification package
- Transport simplification package
- Diversification package / DiversifyEU
- **European Corporation on Critical Raw Materials**

1. Social and inclusion

- Housing simplification package
- European Care Deal
- European University Alliances 2.0
- Skills Guarantees

2. Security and defence

- European Security Strategy
- Offshore security and safety for energy installations and operations

- International data exchange for police cooperation (Prüm international)
- European Instrument for Strategic Enablers

3. Climate and resilience

- Review of the heavy-duty vehicles CO2 standards
- Climate Insurance Alliance
- European Heatwave Plan
- European Water Initiative

5. Democracy, rule of law and values

- Congress of Europe
- Emergency Response Framework
- Commission Recommendation on banning conversion practices

President von der Leyen also sent a Letter of Intent to Roberta Metsola, the President of the European Parliament, and the Taoiseach Micheál Martin of Ireland, who holds the Presidency of the Council. In it, she detailed the actions the Commission intended to take in the following year by means of legislation and other initiatives.

Priorities are framed around three broad objectives: strengthening Europe's economy, enhancing security and resilience, and ensuring the EU has the resources and capacity to act.

1. **European competitiveness and the Single Market:** accelerate implementation of the Competitiveness Compass and One Europe, One Market Roadmap; simplify rules, reduce administrative burdens and improve business conditions.
2. **Energy and economic resilience:** address energy prices, strengthen energy security and supply, and diversify critical supply chains and trade relationships.
3. **Critical raw materials:** establish a **European Corporation on Critical Raw Materials** and strengthen diversification and strategic stockpiling.
4. **Banking and financial markets:** further develop the Banking Union and review the EU's financial safety-net architecture.
5. **Security and defence:** increase European defence capabilities, develop a European Security Strategy and strengthen protection of critical infrastructure.
6. **EU budget:** reach agreement on the next **Multiannual Financial Framework (2028–2034)**, including new own resources.

OVERVIEW

1. A stronger Single Market

Cohesion Policy mid-term review 2025	- National and regional partnerships for investment and reform to combine Europe's common priorities with a stronger role for local and regional authorities. - Competitiveness: supporting SMEs, as well as critical technologies and industries, for greater territorial development. - Defence and dual-use investments: encompassing infrastructure robustness, civil preparedness and military - In one year, €34.6 billion in cohesion funds was reallocated to areas such as strengthening competitiveness, enhancing European security, and accelerating the energy transition.
12 simplification packages across multiple sectors (from automotive to chemicals) and 2025 simplification measures Jul 2025/Jun 2026	- Objective to cut administrative burden by the end of the mandate at least 25 % for all businesses and at least 35 % for SMEs - Net administrative savings (12 omnibus packages and 2025 simplification measures) €17 billion - Objective by the end of the mandate: €37.5 billion
EU Inc. Mar 2026	- Establishes a single European company framework with a single harmonised set of rules. - Enables entrepreneurs to establish an EU Inc. company fully online, within 48 hours, from anywhere in Europe, for less than €100.

2. An innovative Union

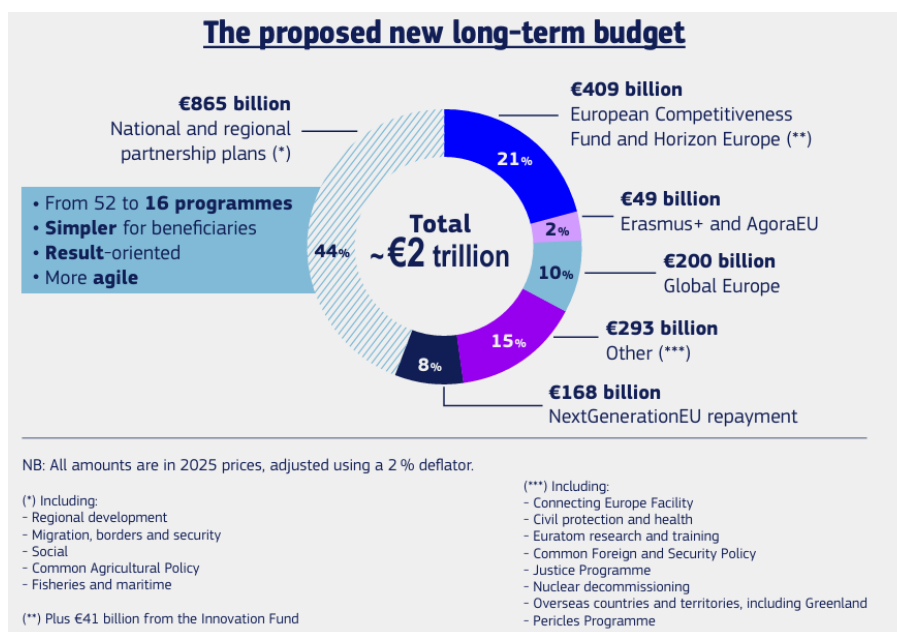
“Europe’s ability to act independently and remain competitive depends on ensuring that these technologies are not only deployed in Europe, but also designed, developed and manufactured here.”

Industrial Accelerator Act Mar 2026	Accelerates permitting and creates lead markets for European industry by introducing ‘made in Europe’ and low-
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	carbon criteria in public procurement across strategic sectors. • Aims to increase the share of EU GDP represented by manufacturing from 14.3 % in 2024 to 20 % by 2035. • Accelerates industrial decarbonisation investment. • Uses public procurement to boost demand for EU clean tech products. • Ensures that foreign investments in critical sectors generate added value for the EU economy.
Scaleup Europe Fund Jun 2026	• Launched by the Commission and partners in the private sector, along with the Savings and Investments Union. • Supports companies developing strategic technologies across the fields of AI, quantum, clean energy and space (target size of €5 billion).
Tech Sovereignty Package Jun 2026	• Aims to boost homegrown industrial capacity and autonomy across the supply chain. • Develops, controls and scales critical technologies, infrastructure, services and data.
Chips Act 2.0 (included in the Tech Sovereignty Package) Jun 2026	• Improves framework conditions: encourage faster permits, reduce the skills shortage and support European regions. • Ensures supply chain resilience by reducing gaps in supply and vulnerabilities in the value chains.
Public Procurement Act Sept 2026	• Aims to make procurement simpler and more accountable. • Enables public authorities to use procurement more strategically to support European suppliers in critical sectors.
European Innovation Act Sept 2026	• Helps close the R&I-to-market gap. • Enables public authorities to support European innovation and allows a better use of intellectual property rights.

Innovation in the next Multiannual Financial Framework 2028-2034

At close to €2 trillion, it is the “most ambitious budget proposal in EU history”, and is designed to strengthen Europe’s capacity to invest more strategically and at greater scale. Central to this are the new European Competitiveness Fund, Horizon Europe and the Innovation Fund, with €451 billion dedicated to supporting research and innovation, strengthening supply chains, reducing dependencies, supporting strategic infrastructure and accelerating investment in technologies critical to Europe’s future competitiveness.



RELEVANCE FOR THE BATTERY SECTOR

The EU faces significant dependencies on third countries for critical raw materials, particularly China. The Commission announced plans to establish a **European Corporation on Critical Raw Materials**. The initiative would aim to facilitate the procurement and stockpiling of key materials needed for sectors including electric vehicles, semiconductors, batteries, clean technologies and defence. The measures are presented as part of broader efforts to strengthen the resilience, competitiveness and strategic autonomy of European industry.

Furthermore, during her speech, von der Leyen also invited **Canada** to become “the first associate member of the European Union”. She called for a new alliance with Ottawa, which would envisage **closer cooperation in manufacturing, technology, energy, critical minerals, and defence**. The economic and security cooperation between both partners is set to be pushed further during a summit in Montreal in October.

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REFERENCES

- (1) [2026 State of the Union Address by President von der Leyen](#)
- (2) [State of the Union 2026 - From promise to progress](#)
- (3) [State of the Union 2026](#)
- (4) [State of the Union 2026 - President von der Leyen's letter of intent](#)
- (5) [Canada EU Associate Membership: Can Canada Really Join the EU?](#)