

Good morning everyone,

Thank you Antonio for bringing us together this morning.

We meet here as the world around us shifts away from all that we have grown familiar with, and shifts at a pace that does not allow us the comfort of time.

Of course, today is about defence but this discussion on our common security cannot take place in a vacuum, without looking at the possible economic and political reality we must also face together. Our people are worried, they are feeling less secure and are less optimistic about the future than we would like them to. There is a growing sense of Euro-pessimism that damages investor confidence and damages confidence in our political process too. We need to push back against that and we can only do that by taking action.

When faced with a flurry of executive decisions in Washington, Europeans contrast this with our process that is too complicated and takes too long. We have our own way and I will always defend that, but we would be wrong to think that everyone around us considers this European Way to be self-evident.

Defence - Trade - Political reality. The expectation on us is high. We must be ready to respond. Effectively, robustly - even drastically.

Nothing should be off the table. Alone we are all small players. Together we are a force to be reckoned with. That mentality may need to start with defence but it must permeate through all our discussions.

I know that means difficult decisions are needed but the cliché that Europe is at a crossroads is no longer valid. There is only one path left for us to take.

Nowhere is this more evident than on defence. We all see the threats that Europe is facing and it is clear that Europe must be responsible for its own security. No one else will do this for us. It has to be us.

We have already taken concrete steps to make this a reality across our European institutions. We have upgraded our Parliamentary Committee on Security and Defence, we have a first-ever European Commissioner for Defence and Poland's Presidency of the Council is prioritising security. This is all positive. We are on the right track, but there is still a long way to go to ensure we are ready for this more uncertain, more dangerous, more competitive global reality. So on behalf of the European Parliament, I would like to make three appeals.

**Number 1: we need to do more to protect Europe.**

Russia's illegal war against Ukraine is entering into its fourth year. From producing ammunition under ASAP (Act in Support of Ammunition Production) to jointly procuring defence equipment under EDIRPA (European Defence Industry Reinforcement through Common Procurement Act), we can be proud of all that we have done to help our industry, and to help Ukraine sustain its defence. We rose to the challenge, and we did it fast.

But if we want Ukraine to better their position at the negotiating table tomorrow, they need to remain strong. Russia can still produce more weapons in three months than we can in twelve. We need to do more, much more, to ramp up defence production and increase our defence industrial readiness. This is not a matter of altruism; it is a matter of realism. And I am convinced that we can do all this in a way that respects the constitutional specificities of Member States. The best investment in European security is investing in the security of Ukraine.

**Number 2: we need to do more to finance this protection.**

Security comes at a cost, and we know it. Because within the past three years, defence investment across the European Union has already risen by 30%. Now I know that when it comes to common financing, we may not all agree on everything, but we need to agree on something. Finding common ground is essential. That means nothing should be off the table.

I do however want to make a couple of concrete points. First, the MFF will soon expire which presents us with a golden opportunity to design a flexible budget that is aligned with the priorities we share, the investments we need, and the security landscape we face.

Defence spending through the budget is currently around 1.5 billion Euro per year. While this is far more than in the past, it remains a drop in the ocean compared to the defence-spending gap of 500 billion Euro over the next decade. And this may require a more immediate solution than the next MFF can provide. Now is the time to have these conversations.

As the budgetary authority, work in the European Parliament has already started. To be clear: we understand the legal limitations we are facing, but when it comes to increasing defence spending it is not only about tanks or helicopters. It is about research and development - about investing in technologies like AI to strengthen cyber resilience and improve our surveillance and situation awareness.

Let us not forget that defence spending has long driven innovation. Some of the most important contemporary advancements like the internet or satellite positioning in fact had military origins. In that sense investing in security, is not just about protection - it is about boosting European competitiveness, driving growth, creating quality high-skilled jobs and powering everyday breakthroughs that improve how we live, work and connect. Security and competitiveness are two sides of the same coin.

Now public funding can take us far but we know it will not be enough. This makes mobilising private capital essential. When it comes to the EIB's mandate, let me just say that the European Parliament has long emphasised the need to maximise its capacity to leverage private funding for the security and defence sector. But in my view, the real incentive lies in addressing fragmentation within our markets. Different rules, standards, and systems are putting up barriers and risk holding us back. It makes no sense for Europe to have 178 different weapons systems, when the United States has 30.

This leads me to my third and last point: **we need to coordinate better.**

While funding is important - and it is - we know that throwing money at the challenge will not solve it if we do not change the way we approach the issue. Fragmentation costs us billions: between 25 and 75 billion Euro are lost due to duplication and inefficiencies. The answer to this is staring us right in the face.

Now is the time to move forward with a single market for defence. This is what will help us put an end to duplication, improve standardisation of critical capabilities, enhance interoperability between member states and identify critical capability gaps. Bringing our defence industries together, just like we successfully did in other manufacturing sectors, is the smart move forward. Of course, that means finding synergies between national security policies but more importantly, it means resisting the temptation of short-term gains in favour of a long-term, strategic approach.

When it comes to our transatlantic cooperation, we need to remember that the United States has been one of Europe's oldest and closest allies. And while it may be true that President Trump is pushing Europe to take greater responsibility for its own defence, I agree with what Donald Tusk said in the European Parliament in Strasbourg two weeks ago, when he said "*only an ally can wish another ally to get stronger.*" That is why I believe we should remain pragmatic, and strengthen our transatlantic relationship in the areas that matter most, including and most especially, in defence.

So in conclusion: **more action, more financing** and **more cooperation**. These must be our goals. It is a challenge - but I am confident that, together with our allies, in cooperation and not in competition with NATO, we can achieve them.

The European Parliament is ready to do its part. Small steps will no longer be an option. It is time for us to take the giant leaps we have so far avoided.

Thank you.