

RESILIENT EU2030

EXECUTIVE SUMMARY



This non-paper was written by the Spanish Presidency of the Council of the European Union in close consultation with officials of the 27 Member States, the European Commission, the Secretariat of the Council of the EU, and several academics and private sector representatives. Its purpose is to contribute to the design of **a comprehensive, balanced and forward-looking approach to ensure the EU's Open Strategic Autonomy and global leadership by 2030.**

The introductory section provides an overview of some of the changes experienced in the international order in recent years. It acknowledges an increase in geopolitical frictions driven by the growing assertiveness of Russia and China and the search for greater self-reliance of the American and the Chinese economies. However, it also challenges the idea that a major breakdown of the multilateral order and inevitable economic fragmentation are looming. Based on this diagnosis, it suggests that the EU should respond to the current context by working simultaneously and evenly in two directions. On the one hand, doing all it can to enhance and protect the international order and prevent the world's fragmentation. On the other, to reduce its external dependencies and strengthen its position as a technological powerhouse and global actor.

Furthermore, this section identifies a number of concrete strategic vulnerabilities that the EU should address in this decade, based on the combined analysis of current economic trends, the long-term strategies approved by the European Commission and the forecasts provided by Member States, academics and private sector representatives. The list includes key present and future enabling technologies, digital services, and raw materials and semi-processed goods in four critical sectors: energy, digital-tech, health and food.

The following sections propose **nine lines of action to tackle the vulnerabilities identified in a systemic and realistic way,** aligned with the European principles of competitiveness and cohesion as well as with the EU's main economic, social and environmental goals and values.

Section one examines how to bolster and secure the EU's internal production capacities. It suggests a list of goods and technologies for which European production should be fostered or scaled-up to ensure its future economic security and prosperity. Moreover, it proposes a number of measures that could help achieve this goal by acting in the fields of innovation, industrial policy, Single Market integration and human capital. Finally, it examines some of the economic, social and environmental trade-offs that these measures could have in the future.

Section two discusses the need to monitor and limit foreign ownership or control over certain strategic sectors and critical infrastructures. It reflects on the challenges that the dominant presence of foreign companies in the EU's digital and green sectors poses in terms of security and national industrial development. It also reflects on the enormous benefits that they bring to European economies and citizens. Accordingly, it recommends preserving and encouraging the presence of foreign companies from like-minded countries, while working to gradually limit the dominance of those with links to non-like-minded countries through the use of competition and regulation.

Section three explores the possibility of setting new contingency plans to respond to future shortages. It advocates the establishment of common strategic reserves accessible to all Member States, the creation of minimum production capacities to ensure a basic supply in times of crisis, and the identification and development of production capacities that could be transformed or scaled upon demand, if needed. To design and coordinate these measures, it is recommended to reinforce strategic foresight capabilities, anticipatory governance mechanisms and real-time monitoring systems of Member States and EU institutions.

Section four touches on the need to achieve the EU's open strategic autonomy in full alignment with the environmental emergency that is gripping the planet. To this end, it suggests different measures to enhance the efficiency of our current production processes, and to reduce waste generation by using already competitive and available European technologies and methods.

Section five discusses how to reuse unavoidable waste by fostering circularity in the EU's economy and society. It showcases the enormous contributions that this line of work could provide to European resilience and proposes a number of cross-sectoral actions to pursue it. Among others, the development of mechanisms to recycle green technologies and installations that already exist in Europe, the exploitation of alternative and non-conventional sources of critical raw materials and the use of agricultural left-overs and livestock.

Section six explains how the replacement of many of the raw materials and components currently used in our industry by more accessible and sustainable alternatives could reduce the EU's foreign dependencies. A number of examples are analysed – from solid-state and sodium-ion batteries to the domestic production of algae, insects and microbes as ways to substitute a share of plant proteins brought in from abroad.

Section seven argues that, as much as the EU develops its internal capabilities and enhances its circularity and resource efficiency, it will always depend on the global economy to thrive. Thus, it recommends that the EU seizes the current window of opportunity to launch a new trade expansion aimed at securing and diversifying its sources of supply by revamping existing relationships and the establishment of new ones. The primary focus of this trade expansion should be like-minded countries, it should leverage the competitive edge of Member States, and it should focus on those raw materials, goods and services identified as strategic for the EU. Nevertheless, it should also provide more horizontal and mutually-beneficial deals to its foreign partners in order to build long-lasting and resilient relationships.

Section eight highlights the need to rebalance economic relations with China. It acknowledges that China is an essential trading partner for the EU, and the fact that decoupling from its economy is neither a viable nor a desirable option. However, it also argues in favour of maintaining and reinforcing the various mechanisms deployed by the Commission to de-risk and

reduce the EU's dependence on Chinese imports, protect the integrity of the Single Market and achieve a more level playing field.

Section nine claims that the EU should promote and lead the reform of the multilateral system as an effective way to mitigate its foreign vulnerabilities and defend its interests around the world. To that end, it recommends that the EU should advocate greater inclusivity and representativity in the system, along with targeted reforms that would enhance the performance of international institutions and an increased multi-stakeholder and multi-level approach.

The concluding section of the non-paper reflects on the real capacity of the EU to adopt all the afore-mentioned measures and overcome the challenges of this time. Building on data, it shows that, despite its many weaknesses and vulnerabilities, the EU remains one of the most socially-advanced regions in the world and one of its economic and geopolitical powerhouses. Accordingly, the section argues that imagining an EU in 2030 with top-tier technological companies, non-polluting and cheap energy, high quality and affordable services and higher living standards is an empirically-based, reasonable forecast. And it states that the future of the EU is not to prevent its decline but to lead a new era of global prosperity.