

Press statement by President Costa following the meeting with Chancellor of Germany, Friedrich Merz

Mr Chancellor, dear Friedrich, guten Abend. Let me begin by thanking you very much for your time and your warm welcome here in Berlin, and for the very useful exchange that we had today.

Meeting you in Berlin, as with every leader in their own capital, allows me to better understand each national perspective on our common challenges. It helps me and my team to prepare the upcoming European Council meetings. I am on a “Tour des Capitales” with many stops, but one single destination: our unity. Our unity matters now more than ever, as we face a stark new geopolitical reality, with attempts to intimidate and divide Europe.

Across our continent we have seen numerous “hybrid” activities and attacks – drones, sabotage, cut cables, attacks on infrastructure. And Germany has been at the front line of this new reality, with the attempted Russian drone attack at Leipzig and other recent foiled attempts. And I want to express here, dear Friedrich, once again, the European Union’s full solidarity with Germany. I am proud of Europe’s response. We have remained united – in solidarity with each other, most recently with Germany.

Russia must understand that these threats will not change the European Union’s position on Russia’s war of aggression against Ukraine. They only strengthen our unity and our commitment to peace, and to the respect of international law.

It is time for Russia to end this war, not to escalate or extend it. And the European Union will continue to support Ukraine for as long as it is needed, during the war, in any negotiations, in reconstruction and on its path to the European Union.

Dear Friedrich, thank you for Germany’s historical investments in security and defence. Germany plays a fundamental part in Europe’s growing efforts to shoulder its own common defence – a collective effort that member states must pursue jointly. That is the best way to reach our common goal on new European defence readiness. This new geopolitical reality also requires us to accelerate our work for a safe, prosperous and competitive Europe.

That is why we need a new approach to our next long-term European budget, with a new structure and a new way of allocating our resources. More efficient, more focused on delivering results where it matters the most our collective defence and security, but also our competitiveness, innovation and resilience

In a nutshell, a budget for the future. A budget that reinforces trust in Europe’s economy and security. A budget that addresses the concerns and expectations of our citizens.

Let me be clear – the budget we are discussing is not business as usual. Cohesion and agricultural policy remain essential for regional development and food security across our continent. But we need a modernised budget focused on:

- boosting our industry
- supporting our innovators
- protecting our citizens
- defending our borders

In short, a budget that is fully aligned with and supportive of your government’s ambitious economic reform agenda.

As we do with each member state’s national budget, in deciding on our European budget, we must make choices. That means, just like in any budget, meeting our priorities within limited and finite resources. National contributions must be kept at a reasonable level. That is why it is so important to find an agreement on a realistic overall level of the budget. That is also why finding new ‘own resources’, new revenue streams for the European Union, will be an essential part of an overall agreement. And we need an agreement by the end of 2026, as you said.

Indeed, in a world of instability and unpredictability, the European Union must remain a source of stability and responsibility. Our citizens, our companies, our farmers, our researchers need predictability. So, thank you, Friedrich, for your strong support for reaching an agreement this year.

Our strategic autonomy depends on a competitive economy. To make our economy stronger, we need more than a modernised budget. We need to create the conditions for European industries and businesses to innovate, thrive, grow, and generate quality jobs for our citizens. The 'One Europe, One Market' agenda sets out an ambitious timeline to achieve decisive progress in 2026 and 2027 towards:

- simplifying our rules and cutting red tape
- completing the single market
- ensuring affordable energy
- supporting innovation, and
- reducing our strategic dependencies

This work is under way; but we need to stay on track and even accelerate. To keep up the momentum, the European Council will return to competitiveness in October. And I want to thank you once again for your tireless efforts to push the competitiveness and simplification agenda forward at European level.

Dear Friedrich, I look forward to continuing our work together in the European Council.

Thank you very much.

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