



EUROPEAN COUNCIL

Brussels, November 20, 2024

From: President Antonio Costa

To: The European Council Member States

Subject: Proposed Agenda for European Council Meeting, 2-5 January 2025

The following annotated agenda is proposed by the President of the European Council for the meetings that are to take place from 2-5 January, 2025 in Antwerp, Belgium. The agenda contains the integral topics to be discussed by the Heads of State and Government during the meeting. The topics are divided into three broad categories: competitiveness and industrial policy, Ukraine and transatlantic relations, and climate policy, including energy costs and plastics.



I. Competitiveness and industrial policy

While economic growth is not more important than safeguarding our environment and ensuring sustainable development for future generations, economic growth is vital to ensure we have the resources necessary to pursue a sustainable future. Competitive industries in strategically important sectors are key, and the EU can ill-afford to fall further behind the US and China in sectors that are driving energy and security innovation, sustainability, and economic growth. In this context, the transatlantic economic relationship is critically important. At this time it is imperative that member states coordinate and come together to promote growth and prosperity that will support and uplift the European Union and its citizens for decades to come.

- The EU productivity gap stems from a lagging innovation ecosystem, which has led to the EU falling behind in high-value-added sectors, particularly in information and communication technology and digital industries. We should discuss boosting the Innovation Fund with €20bn from the EU budget's cohesion policy funds and having the Commission create a new competitiveness fund to support new environmental, infrastructure, automotive, and telecoms innovations using cohesion funds. The EU automotive industry needs increased coordination both vertically and horizontally in the value-chain, while preventing unfair Chinese competition.
- Industrial policy actions. The European Council should propose that the Commission expand the criteria to allow Member States to provide more state aid to firms beyond breakthrough technologies and industries under the Important Projects of Common European Interest (IPCEI) instrument; to include all infrastructure, defense, transport, and information technology sectors.
- Express support for the Commission's plan to counter US tariff measures by adding tariffs on US goods, and supporting EU firms.
- Call on the Commission to present regulations to ease competition rules, including mergers and acquisitions, to take into account international competitiveness not just EU market competitiveness. The EU needs more European industrial champions to compete globally.

II. Ukraine

In light of diminished US support for Ukraine, the EU and its European allies need to ensure that EU defense spending and the defense industry are strong, and that Ukraine has sufficient backing to prevent a Russian annexation of the country.

- Discuss expanding EU financial assistance via an additional €5 bn added to the European Peace Facility, and €2bn in additional joint EU armaments procurement, both for Ukraine's military.
- Support the Commission's idea of allowing Member states to use Cohesion funds for dual-use technology, infrastructure, and information technology that can all support EU defense industries and defense projects.
- Encourage expanding Member States' armament support and joint procurements for Ukraine.
- Discuss whether there is support for an integrated defense procurement market for defense products under an EU industrial policy.
- Discuss ways of ensuring US support and NATO unity against Russian aggression, including raising defense spending in EU NATO states to 3% and continuing current sanctions.

III. Climate policy leadership

We recognize that a well-planned green transition and energy security are not only complementary imperatives but can also present our economies with significant opportunities to achieve both our competitiveness and decarbonization objectives by leveraging inexpensive, sustainable energy and reducing dependence on external sources.

- Call on other countries to do more to address climate change.
- Discuss whether the ongoing negotiations of the international plastics treaty and the Paris Agreement being can be pursued absent the US.
- Discuss whether the Carbon Border Adjustment Mechanism be brought forward and expanded to counter US and Chinese tariffs without hurting EU firms.