

Courtesy translation

**Opening Address Delivered by János Latorcai, Deputy Speaker of the
Hungarian National Assembly
at the Interparliamentary Conference on Stability, Economic
Coordination and Governance in the European Union**
(Budapest, building of the Hungarian National Assembly, 3 October 2024)

Distinguished Chairs,
Honourable Members of Parliaments,
Dear Colleagues,
Ladies and Gentlemen,

As the Deputy Speaker of the Hungarian National Assembly, I welcome you to the third parliamentary event of the Hungarian Presidency of the Council of the European Union, the Interparliamentary Conference on Stability, Economic Coordination and Governance in the European Union.

During this inter-parliamentary conference, we will have the opportunity to exchange views on three thematic agendas on prominent topics such as the emergence of electric cars, the reform of the EU economic governance framework and the future of cohesion policy. While interlinked in many respects, these three issues are worth highlighting because they have a decisive impact on Europe's competitiveness, which is the key to our shared future. This is why adopting the New European Competitiveness Deal is a top priority of the Hungarian Presidency.

Unfortunately, Europe's competitiveness has been in decline for some time. What is more, the events of recent years, such as the COVID epidemic and the global fragmentation it has caused, and then the Russian-Ukrainian war and the economic difficulties it created, have accelerated this process. Mario Draghi said less than a month ago that the competitiveness of the European Union is rapidly deteriorating and that, unless effective reforms are undertaken, the economic and political relevance of the Union could be fatally weakened.

Geopolitical tensions, technological revolution acceleration, and trade wars exacerbate our competitive disadvantage. I believe there are areas - such as the development of internet search engines - where Europe's position is now beyond repair. However, there are many sectors where we still have a chance to regain our position at the top of the world rankings through collective action.

I include the European automotive industry, and the technological change associated with it. The car industry, which still accounts for 7% of GDP and directly or indirectly employs 13 million people, was in an enviable position ten years ago. However, the growing role of information technology and electric switchover has severely affected the sector. The fact that everyone agrees that the problem exists is a cause for hope, but the Commission, the Draghi report, the decision-makers in the Member States concerned and the heads of the major car manufacturers themselves have quite different views on the way out.

The Draghi report approaches the problem from a regulatory rather than a concrete and direct financial support perspective. It would save the sector mainly through a

lateral approach by promoting labour and energy costs and innovation. It proposes higher tariffs to keep Chinese competitors out of the EU market. The Hungarian government's 11-point e-mobility proposal contains partly different solutions, which we believe are closer to the needs of the sector's market players on several issues and which you will hear more about soon.

Another priority for the Hungarian Presidency will be to apply the new rules of the reformed economic governance framework and to launch the next cycle of the European Semester in line with the latest regulations. The Spanish presidency at the end of last year accelerated the reform of the economic governance framework. The constructive atmosphere during the debate on the draft was exemplary and shows that we can make the necessary compromises to achieve a common goal, in this case, the coordination of economic policies and their disciplining.

It is essential that we fully clarify the issues raised by the functioning of the regulatory framework as soon as possible so that the reform of the framework can help to deliver EU priorities as soon as possible while at the same time enhancing the EU's competitiveness and support for strategic autonomy. We will discuss the comments on the reform tomorrow under the second agenda item of the conference.

Our conference's third and final item will provide an opportunity to examine the current situation, challenges and future development of cohesion policy. As we all know, cohesion policy is the second-largest expenditure item in the EU's multiannual financial framework. It is a competitiveness-enhancing instrument for the benefit of Europe as a whole. The Hungarian Presidency stresses the need for a cohesion policy that supports future-oriented investments, considering the specificities and challenges of the regions and addresses demographic challenges as one of its priorities.

To be successful, cohesion policy must have an adequate long-term budget, including the costs of future enlargement.

This makes it essential to have a professional debate on all these issues, which we have prepared for a multilateral and in-depth discussion with presentations by high-level governmental and prominent international actors and thematic background papers prepared by the Office of the National Assembly.

I am confident that, in addition to the substantive and forward-looking discussions, you will have the opportunity to discover Budapest's beauty and the Hungarian people's hospitality! As a first step, I cordially invite you all to take a walk through the Parliament building after the official part of the conference, which will not only introduce you to the building but also to some of the peculiarities of Hungarian history and I hope will help you to understand why we Hungarians are so attached to our national sovereignty.

With these thoughts, I thank you on behalf of the Speaker of the House, László Kövér, for accepting our invitation.

Welcome to Hungary, and welcome to the House of Parliament!

Thank you for your attention!