



THE GOVERNMENT
OF THE GRAND DUCHY OF LUXEMBOURG
The Prime Minister

Autonomy with Purpose: **Europe in a shifting world**

Singapore Lecture Series

by

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Ladies and Gentlemen,

Europe is not America. Europe is not China. And we shouldn't want to be. Europe is unique, original, one-of-a-kind. And it should remain so. We should remain true to ourselves. The European Union has been, and remains, a project for peace, freedom and prosperity – based on international law and shared values:

- it has brought countries together in a common purpose, without eliminating their national identities and cultures,
- it has turned a continent marred by centuries of war into the largest area of free movement in the world,
- it has brought about the highest and most widely shared levels of wealth and welfare in human history, and
- it has carried the torch of human rights and democratic self-governance.

Now, that does not mean that all is perfect, and that we face no challenges.

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On the contrary, our challenges are clear, complex, and considerable. But facing them begins with a recognition that we must, and that we can, deal with them. That task falls on us, and us alone. That is our responsibility. But that is also our opportunity. Those are two sides of the same coin – the coin of sovereignty.

Being sovereign means being responsible for one's own future and being free to make one's own choices about that future. It is a responsibility and an opportunity. It is time that, we as Europeans, exercise our sovereignty and become the sole authors of our future. Sovereignty, in this sense, is the purest expression of freedom. That has become a shared assessment among European leaders. But that isn't enough. If sovereignty is the ability to choose which path to take, it still needs a destination, a sense of direction, a moral purpose.

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We need an autonomy with purpose – a Europe that frees itself of dependencies in critical areas, while remaining true to its own values of peace, freedom and democracy. Because Europe has become more than a continent. Forged by its history, Europe today is a symbol – a symbol for a distinct set of values: the rule of law, equality between men and women, social safety nets, freedom of speech, thought and religion.

Just like the American way of life, there is a European way of life. European societies combine dynamism with solidarity. European innovation combines ambition with responsibility. European economies combine growth with social fairness and ecological commitment. For Europe, sovereignty and values must go hand in hand. Because we need both in this new period of international instability.

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The geopolitical situation is complex and serious – for every country, but even more so for open, highly connected countries like Singapore and Luxembourg. Just when we thought that a new kind of international rules-based system had been established, the age-old maxim of “the strong do what they want, and the weak suffer what they must” rings true once again.

The United States is reshaping economic, military and political relationships through the pressures it places on the multilateral system – be it the United Nations, the World Trade Organization, the Paris Treaty, or the International Criminal Court. Meanwhile, China is entering a new phase of its rapid economic development, establishing dominant positions in raw materials and critical technologies, including batteries, green power and artificial intelligence. And the rivalry and mutual mistrust between these two superpowers is likely to continue.

Even so, developments in other regions of the world are equally worrying. On my own continent, we are now in the fourth year of Russia's unlawful invasion of Ukraine, in brazen disregard of international law. In the Middle East, the conflicts in Gaza, in Iran, in Lebanon continue with little end in sight – despite repeated announcements of ceasefire agreements. In Africa, despite an extraordinary untapped potential, millions suffer from the wars and unrest in the Sahel, Sudan and Congo. And you know all about the geopolitical challenges in your own region – on the Korean peninsula, in the South China Sea, or the Taiwan Strait.

On top of all those political developments, our world is undergoing deep, structural changes – artificial intelligence, climate change, population ageing, migration flows, disinformation campaigns. These will fundamentally transform our world and change the way our societies function. None of these challenges – whether geopolitical, technological, social, economic – can be solved by one country alone. At the same time, the global rules-based order is currently unable to deal with them.

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And yet, our countries – Luxembourg and Singapore – are neither unaffected, nor powerless, even if many of those challenges are beyond our direct control. We can, and we must, use the tools at our disposal – such as we already do in the Global Governance Group. Throughout our respective histories, we have understood that smaller countries can have a lasting impact when they play the role of connectors. Because we understood – as Lee Kuan Yew did – that a nation's greatness is measured not by its wealth, but by its ability to act – to shape its environment, not be shaped by it.

For Luxembourg, that ability to act is primarily shaped within the European Union. And that is precisely why I am calling for a more sovereign Europe. Over the past decade, crisis after crisis – from COVID to Russia's weaponization of gas and the closure of the Strait of Hormuz – has taught us the same lesson: dependence has a price. A more sovereign Europe will reduce that price.

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But above all, it will put us into a better position to face the challenges ahead – because if we do not shape them, they will end up shaping us. At the same time, reclaiming our sovereignty cannot call into question our commitment to peace, human rights, freedom and democracy – lest we give up our identity. When others attack international law, we must defend it. And a sovereign Europe cannot become a “Fortress Europe”.

Our openness to the world and our commitment to working with others are central parts of that identity. Sovereignty should not be mistaken as isolation, but rather as the ability to shape our future and choose our partners. That is precisely why I chose to use the generous invitation to give a Singapore Lecture to speak about a sovereign Europe. A sovereign Europe is strengthened through partnerships with like-minded countries, such as Singapore. And I am sure that your country will put a closer collaboration with Europe at the heart of its ASEAN presidency.

With those values of freedom, democracy and human rights, of international law and collaboration, building a sovereign Europe is neither “more of the same”, nor an abandonment of our identity. It is a reimagination through a recommitment. It is a renewal of our values in a different world. Or, to respond to a theme used by President Macron: if Europe can die, it can also be reborn. For me, that rebirth needs to begin in three areas that I believe will be fundamental to Europe’s ability to decide its own future on its own terms.

"If Europe wants to remain a force for peace, we need to strengthen our deterrence."

The first is the one most directly linked to the traditional understanding of sovereignty: the ability to defend yourself and your allies. Russia’s unjustified war of aggression against Ukraine and the new US administration’s position regarding European defence have been a wake-up call. If Europe wants to remain a force for peace, we need to strengthen our deterrence. In response, European countries have increased their security spending and will continue to do so.

Defence has never been cheap in human history. But neither has any country ever defended itself just with money. Our priority must now be to channel that money into a truly integrated European industry that produces the capabilities needed for our defence and contributes to greater interoperability between our Armies.

Luxembourg has led the way, together with Canada, to establish a new multilateral bank with a specific mandate: the Defence, Security and Resilience Bank. This can provide an additional means of financing both for governments and small- and medium-sized companies, which are essential to building up European-wide production lines and supply chains.

A second priority for a sovereign European defence lies in space. To be truly sovereign and resilient, Europe needs a multi-orbit satellite infrastructure, backed by an industrial basis and ground infrastructure. Because modern defence relies heavily on secure communications and imagery, which can only be provided by dedicated satellite infrastructure. Today, Europe relies on non-European partners and companies for essential parts of that infrastructure, notably the capacity to launch rockets.

Luxembourg has proven, world-class expertise in this area and we want to put that in service of all of Europe and like-minded allies. In that way, we can make a very tangible contribution to a more sovereign Europe. Because strengthening our ability to defend ourselves will turn us from a potential target to a credible obstacle. That will deter others from believing they can dictate their terms to us. And that will ensure that we can remain a force for peace in the twenty-first century.

"Energy is more than a commodity – it is the difference between autonomy and dependence.

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The second area critical to a more sovereign Europe is energy. We have seen in Ukraine how energy can be weaponized against us. And we have seen in the Middle East how vulnerable we remain to developments beyond our border. Energy is essential to every aspect of modern life, especially our economy – from classical industry to modern data centers. That makes energy more than a commodity – it is the difference between autonomy and dependence.

If we rely on others, we are vulnerable to pressure and risk our ability to remain economically competitive. The silver lining is that recent experience shows that we can make change happen, and quickly – if we make it a priority. Our dependence on Russian gas has been drastically reduced within months, even in countries where it represented the primary source of energy. Now, we need to put that same effort into increasing our own production capacity.

And this too needs to be aligned with our values of justice, fairness and prosperity. That is why we are focusing on renewables – because fairness towards future generations means leaving them both a competitive economy and a healthy environment. Many countries, including my own, are moving in that direction. Renewables have already become the primary electricity source in Denmark, Austria or Portugal. What we now need is energy that flows freely between Member States. A truly integrated energy network across all of Europe is a win-win, reducing prices and strengthening our sovereignty.

Because energy will be the defining factor of sovereignty in the twenty-first century, not least because every industrial revolution needs an abundant source of energy – the first was powered by coal, the second by oil, the next will be driven by renewables.

"When I say we need an AI of Europe, by Europe and for Europe, I do so because I want to avoid that others make that choice for us."

That brings me to the third area: technology, especially artificial intelligence. Because AI is here to stay and it won't just reshape economies. It has the potential to power major improvements in human welfare – healthcare, education, labor, environment.

The choice is not between progress and caution. It is between leading on our terms or letting others shape the future. When I say we need an AI of Europe, by Europe and for Europe, I do so because I want to avoid that others make that choice for us. We must do so on our terms and based on our values – freedom, democracy, the rule of law.

Because for all its positive potential, the misuse or poor design of AI tools risk undermining those values. AI *can* unite. But it can also be a tool for division, by reinforcing self-confirming echo chambers or supercharging disinformation campaigns. And Singapore is leading on those questions, with the Singapore Consensus on Global AI Safety Research. More and more news stories show that unchecked AI isn't science fiction – from tests in which AI drones turn on their operators, to models turning rogue to hack real companies.

That is why Europe has set in place guardrails for the use of AI, not to stifle but to steer – not to regulate until there is no room left for innovation, but to keep AI within a space that is aligned with our values – to make sure AI keeps a human touch. But this is a race against time and Europe's odds depend on three things: we need AI to be developed by European researchers and universities, adopted by European citizens and companies at scale, and financed by European capital from public and private actors.

And we need to do so across the entire AI stack – from hardware and data, to models and applications. If we get this right, we won't just enter the AI age, we will have a shot at defining it and reaping the potential of this new industrial revolution. It's not about controlling AI, it's about controlling our own destiny.

"We need to double down on our efforts to strengthen Europe's competitiveness."

Defence, energy, and AI are three key pillars of a Europe that combines autonomy with purpose. All three of them will need massive amounts of investment. And any long-term commitment to high public investment will require economic growth. No growth, no tax income. No tax income, no public investment.

We need to double down on our efforts to strengthen Europe's competitiveness – first and foremost by truly completing the Single Market through a clever mix of harmonization and mutual recognition. That must be a central part of the broader simplification agenda in Europe. Most regulations make individual sense, but taken together they become overwhelming for entrepreneurs, skilled talents and investors – precisely the people we need to drive growth in all economic sectors.

To drive growth, we also need to mobilize private investment and ensure the free flow of capital. Luxembourg is at the forefront of efforts to establish a truly integrated capital market, calling for a lean common European framework and a relentless elimination of national laws that hinder it.

A strong economy is the bedrock for a more sovereign Europe. Ensuring our economic sovereignty is not an option, it is a necessity. And we can establish a virtuous circle in which the economy, defence, energy and technology all contribute to each other, boosting economic growth and strengthening Europe's sovereignty.

"That is the sovereignty Europe needs – an autonomy with purpose. Not to retreat from the world, but to find our place within it."

Now, why choose a speech here in Singapore to set out a vision for a European autonomy with purpose? Because Singapore is a country that has never had the luxury of standing still. You have adapted, innovated, looked beyond your borders and turned constraints into opportunities. And you did so without giving up your identity. Luxembourg knows something about that too. And now Europe needs some of that same spirit.

Because the European project has always been a human creation – it was imagined and built by people. European leaders looked at a continent emerging from war and did not accept the world as it was. As did Singaporean leaders, who turned a small island into a global powerhouse. They imagined what Europe and Singapore could become.

Our generation faces a different world. And so, our task must be to carry their ambition forward:

- to have the courage to change what must change and the conviction to protect what must endure,
- to do so with confidence in our own strength and openness to others,
- to be more sovereign and remain true to our values.

That is the sovereignty Europe needs – an autonomy with purpose. Not to retreat from the world, but to find our place within it. Not to become like America or China, but to be confidently European. That will be a Europe capable of shaping its own future, built on its promises of peace, freedom and prosperity.