



Speech FEDIL 2026 – 16.01.26

Prime Minister Luc Frieden

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As a host country of SES, you make us proud. And you can count on us as a shareholder, as a host country, and as a customer. Because like what you said, it is that especially in the new world, where defense plays a key role, your strategy will help us to have a foot in this world and making our world better and safer. Yes, I do believe in this multi-orbit strategy that you just explained, maybe because you said it so convincingly. But I think the world needs satellite capacity. There will be competition in space. You see it in Ukraine, you see it elsewhere, where we need this capacity. And therefore, in the old world of satellites and in the new world of satellites, the model SES is one that we support. And I would say, it is the same for all the other companies that have an ambition for this country.

This was not what I planned to say first, but as I spoke after you Adel, I wanted to thank you and your team, for what you are doing in Luxembourg. I will come back to that, because it fits well into what our ambition for this year is.

Georges, I haven't forgotten your speech. Because you said quite number of things. But first, this is a New Year's Reception, so, let me first of all wish you a happy New Year, and I think we all need it. Happiness, a little bit of optimism, a little bit of dreams, and of course, good health. So, that is what I wish to all of you, to all of us, tonight.

The world in which we are living is quite different from the one I discovered, like many of you, when we started our professional life. By the way Adel, I think we started the same year. It was a world just after, well we started working after the end of the Cold War. It was a world in which the international rules-based order played a role. International Law was what we believed in. That borders could not be changed by force. That the sovereignty of the nations in Europe and elsewhere, and for us in Europe, would be respected at all times. This world has been changed, and we as a Luxembourg government, we don't like that, and we will not accept it.



It was also a world after the end of the Cold War, where we believed in a globalized economy, in capitalism that would bring prosperity to the entire World, that we would share with the world, how we will build our economy, that we would split between those who do certain things better than others. This world is challenged by protectionist measures, by decisions to shield off some of the regions. It's a world that we don't like, because we believe in free trade.

And third, we thought after the end of the Cold War, that it would be a world in which there would be universal interpretation of human rights. And there again, I have the impression that the interpretation of some of the fundamental rights in which we believe, are being challenged. And we continue to think that they should be universal, and that freedom of expression has its limits, but that we have decided in the Universal Declaration of Human Rights, in the European Convention of Human Rights, and as it has been interpreted also by the European Court of Human Rights, still is what we believe in and what we will fight for.

All that has changed, or is it about to change, and it makes it much more difficult for companies, for you to navigate, to prepare the future. In this changing world, it is our duty to make sure that our continent grows, that our country grows, that we keep the jobs that we have, and that we create new ones.

Now the figures are not as good as we would like them to be. If you look at the growth rates in Europe, they are extremely low. We have a growth rate of between 0.5 and 1.5 in the Eurozone. And Luxembourg also has a low growth, but we have growth. When my government started in 2023, at the end of 2023, 2023 was a year where there was no growth, and 2022 was a negative growth. Now, in 2024 and 2025, we have a low growth: 0.4 or 0.9 and hopefully this year, we will come again to 1.5 to 2%. This is less than what we used to have in the past, which raises a lot of questions about our organization, including our social model. But at least we are again at a growth rate which comes close to what we had prior to the Covid crisis.

We in this world that is changing, need to believe in the future of Europe. We need to be more self-confident. We need to be more autonomous, not protectionist, but we need to become less dependent on others. And yes, this continent has a lot to offer. Adel mentioned the talents at the universities. We need to draw to our continent those around the world who believe in the European model, and at the same time, we need to make sure that those who are going to our schools and universities are prepared for the challenges of tomorrow. And you saw in the example of SES, how fast the technology evolves.



So, we need to prepare our kids, our students, so that they have the jobs that they need for tomorrow. So that we can innovate in our companies, and we can make our continent grow.

And what I believe for Europe is true also, of course, for Luxembourg, where we have the responsibility first. We also have a responsibility in Europe. And for me, therefore, our prime target, our priority in 2026 must be competitiveness. I would say let's make 2026 the year of competitiveness in this country.

Now, what does that mean? Competitiveness is not about only making profits and distributing profits to shareholders. Competitiveness is about surviving in an environment that is changing dramatically with competitors in Asia, in America, and elsewhere. Competitiveness is about jobs, and I would like to thank you, all of you, who are creating jobs every day, who are maintaining jobs, who are making sure that families in this country can live with the money they bring home, because that is what the economy is all about.

So, we need competitiveness, and we will work hard on that, together with you. Competitiveness means, and I listen carefully to what the Chairman of Fedil said, and Adel also spoke about it, there is too much of regulation. I've been leading the government for quite a while. I saw it also when I was out of government. Each and every piece of legislation is done with good intentions. But when all that regulation comes together, or when it is diverging, especially for global companies, like in the case of the satellite companies, then it becomes a burden that hampers economic development and competitiveness.

So, what I would like to propose to you for this year is that we sit together, as Prime Minister, together with the relevant colleagues in government, that we go through the list of simplification, of overregulation, that you have submitted to us through various organizations. Maybe there are too many on that list of issues that we have to deal with. But that we give us a target, in my former life I would have said, a KPI, to reduce a number of those measures that we consider today to be too complicated, too complex, and either take them away or we replace them, where necessary, with something, that is easier to be done.

Some of these measures were already taken by my government in various ministries over the past weeks. But much more (is needed), and I agree on that, and we agree on what needs to be done in light of what's going on. Because we need growth, we need competitiveness.



So, less regulation. We need to do that in Luxembourg and in Europe. And we tried to do that. And we encouraged us a Luxembourg government, the European Commission, to come up with proposals to reduce the burden coming out of some of the legislation that we had, or that had been adopted in the past. But democracy is something complicated. And a European democracy is even more complicated.

When I look at the Omnibus texts that have been presented so far, and if I look at the difficulty that such texts, especially the CSDDD... the due diligence directive had, that small changes that were introduced to go through the European Parliament, the long discussions that we had in the Council and then in the Parliament, then I must say we need to talk more about that topic, to explain what it means if we keep that legislation, if we keep many other legislations, because at the end of the day, those jobs will simply move to other continents. And that is what is at stake.

I would like to come back to the figures. In 2008, when I served as Finance Minister, that's why I had the figure still in mind, the GDP of the US and the GDP of Europe was almost equal. After the financial crisis, and over the past 15 years, the US evolved much faster, because, due to a number of elements, one is innovation, one is capital, one is regulation. And today, the GDP of the US is twice the GDP of Europe. And the GDP per capita in the US, even in the states in the US where prosperity is the least high, is higher than in all European countries, except Luxembourg.

So that means, that if Europe wants to keep up in this race for talents, in this race for innovation, in this race for producing xx, in this race for keeping jobs, we need to review the regulations. So, competitiveness is my priority for this year. Simplification, regulation, let's look at it together. Taxation, yes. Thank you for selling the measures we introduced to attract talents. But obviously, there is more in that.

We reduced already once the corporate tax in this government. We will again do it, in 2027, but that might not be applicable for all of your companies. But it's certainly important for some of the global companies, in particular in the financial services sector. And then we need to continue to work on the simplification of the rules and making it faster to build housing.

We have proposed a wide number of routes, they now have to be implemented, have to go to the parliament, have to be applied by the municipalities, some of them depend on us, some of them depend on the municipalities, and the same is true for producing more renewable energy. Also, we have a big program of simplifying the routes that we can build faster, both houses and the infrastructure for renewable energy. So that is our big priority in this year, and it will help us all and it will keep the jobs in Luxembourg.



Secondly, we need innovation. Innovation is key, and again, the example of SES is the same in all of your companies. If you don't innovate, you fall back. And so, we will encourage you to do that.

I also believe in that context that the data economy and AI is a key. We see that in the present. We see it in a lot of companies. We see it in medicine. So, this is a growth sector. It's a sector where we need to keep up. And therefore, the strategies that we adopted, the AI strategy, the data strategy, the quantum strategy, and they go hand in hand, we need to put that into effect. The strategy is there. We work with you to make it a success. For that, again, we need also to work with other continents. That's why we have embarked on a close cooperation with American companies as well. I visited, like some of my colleagues recently, the west coast of the United States. Europe cannot be independent in these areas, will not be independent in the short term, so I think we need to work with the technology that others provide to us, but at the same time, we need to develop our own skills and our own technology.

So, innovation is a second element, on which we will continue to work, in particular in the data economy, making sure that the use of data, which we all know is so important, will be completely at the disposal of our economy, of our ecosystem.

And my third point is about open markets. If the world around us is getting more complicated, we as Luxembourg, we as the European Union, we need open markets. And for Luxembourg, that means two things: One is that we need to work hard to make sure that the single market really is a single Market. It is not yet a single Market. Yes, a lot of progress has been done, since it was created in 1992 and thereafter, but in many sectors, and you know that, in many sectors the fact that there are so many regulations in 27 countries, that it makes it very difficult still to work cross-border, to do M&A cross-border, etc.

So, there again, we need to push the Commission to implement the Letta Report on other measures. But again, it will take time, because democracy and law are not that easy, but we know what to do as we need to work on that. But at the same time, outside of Europe, we need to open new markets for our companies. And that requires free trade agreements. Yes, we can complain about this or that provision of free trade agreements, but without FTAs that have an objective to have a fair and balanced trade between different places, we will not succeed as European companies and Luxembourg. A lot of your companies are subcontractors to bigger companies in the neighboring countries. And that is why Free Trade Agreements, with those who still want to do Free Trade Agreements with us, are so important.



Competitiveness, innovation and data, open markets and the single market, and last but not least, stability.

We are in a country that has stability, that has stability through dialogue. And I believe that it is possible, despite all the difficulties that we had on one or the other issue, last year. But even that dialogue was made, and we will continue, and I encourage the social partners also to talk to each other. It's not only a discussion between the social partners and the government, it's also a discussion between the social partners. And my wish is that both realize that the world is changing. And in a changing world, you need to adapt some of the rules.

Now, changes, especially structural changes are difficult. We managed to do some structural changes. Last year, some considered that they did not go far enough. Others considered that they went too far. Those who did them, pay the high price in popularity.

But that's not the most important, but I just say that to Georges Rasser, because after what happened last year, the next two or three governments will have the courage to do major reforms on pensions, but that was just, a remark on the side.

I believe that stability is very important. This is a country that has a stable democracy. This is a country that has a social dialogue. This is a country where we have a budget, unlike some of our neighbors, and we have a predictable future. The companies that are in this country know that the policies that we decide today will be there tomorrow. It's not every morning where you need to check on the news whether there's a change. We believe that this country is a good place to do business. It's a good place to create jobs. And you can count on all support to make this a success.

Happy New Year and I look forward to working with you in 2026.