



TRANSCRIPCIÓN

INTERVENCIÓN DEL PRESIDENTE DE GOBIERNO, PEDRO SÁNCHEZ, EN EL KEY NOTE ADDRESS DE LA 53ª REUNIÓN ANUAL DEL FORO ECONÓMICO MUNDIAL

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INTERVENCIÓN DEL PRESIDENTE DEL GOBIERNO, PEDRO SÁNCHEZ

Thank you, Børge, and good afternoon, everyone.

Coming back to Davos is a sign of a much longed-for return to normalcy, as are the unmasked faces that I can see in the audience. Yet, today does not feel normal at all, does it?

The world is trembling. Many of the certainties that we had just three years ago have now vanished. And the new ones that are supposed to replace them, have not emerged yet. Many citizens feel that something has broken and that the world is heading down a dark path.

There should be no doubt that Putin is the main culprit of this terrible detour. He attacked the rules based international order, when the world was at such a low point, in the midst of a terrible pandemic. An act of cruelty that speaks only to his own weakness.

But perhaps we should put him aside for a moment and ask ourselves: what about us? Haven't we also made mistakes? Are we doing everything that we can to protect that international order based on openness, rules, and collaboration that Putin is trying to undermine and destroy?

Many international alliances have indeed strengthened after covid and the invasion of Ukraine –particularly in the realm of defense. But, are we not also seeing borders become more closed to both people and goods, and support for many multilateral organizations fade?

Are we doing enough to fight inequality and social injustice, and to prevent further autocratic leaders like Putin from emerging?

And, what is equally important, are we doing everything in our hands to tackle climate change, or are we using this crisis as an excuse to slow down the green transition?

I believe this to be right moment, and the right place to ask ourselves these questions. And to realize that, if the answer is “no” to any of them, then it means that we need to wake up.

Because there is much at stake. Much more than the performance of our economies on the next quarter. Our present struggle is not only against Putin or the energy shortage. It is also against fear, mistrust, selfishness, xenophobia, and environmental



disaster. And its outcome will define life in the West and beyond for decades to come.

That is why I think that we should do more. That we should use this opportunity to remake and strengthen our international architecture, to redouble our commitment to our liberal and democratic values, and to craft new rules and new leadership that will allow us to effectively overcome the great challenges of our time, such as climate change and inequality.

If not now, when? If not us, who?

Since I am giving a speech, the only thing I can offer are words. But words can become something powerful. They can become promises. And here is mine: my country Spain will step up to the challenge.

My country, my government, will be standing at the frontline with those nations committed to fight for a world driven by social collaboration and environmental responsibility, and not by fragmentation and short-termism. And Spain will do this by actively engaging in the four main threats that the world is currently facing.

The first, the pandemic, which unfortunately is not over yet. Spain is the fifth country in the world that has donated more Covid vaccines –more than 70 million doses. And we will keep doing so until countries in the Global South have the same access as those in the north.

Second, we will continue to help Ukraine in its struggle for freedom. Last year, Spain created the largest humanitarian aid package in its history for the Ukrainian people, provided military support worth more than 300 million euros, and received more than 150,000 Ukrainians refugees. This support will not stop until Putin withdraws his troops and Ukraine becomes once again the independent and prosperous country that once was. President Zelenski, we have your back.

Third international threat in which Spain will keep its commitment: the energy crisis. Last year my country voluntarily reduced its electricity consumption by 7,5% compared to our historic average, and its consumption of natural gas by 23%, and we have contributed to the European security of supply by increasing exports of electricity and gas to the EU to the limit of our capacity. We did so by doubling our imports of natural gas from overseas. And also by increasing our production of solar energy by 33% compared to the previous year, which makes us the fifth country in the world in wind energy production, and the eighth in renewable energy generation. Now, we will continue to support our European allies. And we will do so by fostering greater interconnectivity, fair regulations, and clean energy, so this crisis serves to accelerate the green transition, and not to delay it.

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In 2023, we will continue increasing our renewable energy production capacity in a significant way, and we will move forward in the construction of the first green hydrogen gas pipeline in the Mediterranean, from Barcelona to Marseille, and we will start building two mega plants of green methanol that will create up to 85,000 jobs and fuel the future vessels of the largest shipping company in the planet.

Spain has outstanding conditions for the development of this kind of energy. That is why we already host 20% of all green hydrogen projects worldwide.

Finally, we will also increase our commitment to food security. As you know, the world faces a global hunger crisis of unprecedented proportions. In just two years, the number of people suffering famine, or living at the brink of it, has increased from 135 million in 53 countries, to 345 million in 82 countries.

In many developing countries, people are close to starvation due to shortages. And in many developed ones, many people are struggling to put good food on their table due to escalating prices. So we need to act.

Despite its size, Spain is one of the largest food producing countries in the world, and the first organic producer in the EU. As such, we will continue to support the food supply chains. We will increase our agricultural production in balance with the environmental sustainability, and we will foster the development of modern agriculture in developing countries through a number of public and private cooperation projects.

But of course there is more we can do.

Dear colleagues,

The best way to make sure that Putin and his allies don't succeed in their attempt to destroy the liberal rules and principles that have driven the international order since the end of the Cold War, is to redouble our support to those very rules and principles. Not only with words, but with actions.

That is why Spain has and will continue to increase its support to multilateralism. In times of uncertainty and difficulty like the one we are living in, countries tend to close themselves; to build walls and cut ties from the rest of the world, in the hope that isolation will protect them. But it never does. It only makes them weaker.



I am certain that the best way to protect Spain and Spanish citizens is to protect the rest of the world's population; that global problems can only be solved with global responses.

For this reason, since I became President, Spanish development aid has doubled, from 2,2 billion to 4,4 billion euros a year. And, in the future, it will continue to do so. Spain will go on to support developing countries and multilateral organizations with even greater strength and conviction than it did before, since now they are more necessary than ever. And let me say that this is not only what my government wants. This is what the Spanish citizens demand. Not in vain, according to the latest surveys, they are the most committed citizens in Europe to solidarity among nations.

For the same reasons, we will also continue to advocate for an open and interconnected economy. It is clear that we need to rethink global trade and supply chains. Recent events have reminded us that production costs should not be the only criteria considered when deciding where to locate production chains. There are others, such as security and environmental sustainability.

I believe that Europe must recover certain strategic capabilities that it shouldn't have lost in the first place. Capabilities in key industries, such as defense, health, energy or food.

And for this reason, this will be one of the main priorities of the Spanish Presidency of the Council of the European Union, which will take place during the second half of this year.

But, for Spain, ensuring Europe's strategic autonomy does not mean fostering a return to autarchy, nationalism or economic fragmentation. On the contrary. Spain is the 16th largest trading nation in the world, and the second-most visited. Our country has prospered by opening up.

And that is what we will continue to do in the future, while we advocate at the same time for an EU more connected with the rest of the world, particularly with our friends in Latin America.

It seems that 2023 won't be a good year for the global economy. It will be marked by uncertainty, high inflation, and the stagnation of some of its largest nations. Spain will inevitably suffer some of the effects of this context, but it is also showing magnificent signs of resilience and strength.

At this moment, Spain has the highest employment level of its history, it continues to *grow above the average* of the eurozone, and it registers the lowest inflation rate of the EU.

In fact, all international organizations agree that Spain will be one of the Western economies that will better navigate this period of uncertainty and economic slowdown. And they predict that it will continue to grow and advance in the path of convergence and progress along which it has been advancing for the last thirty years.

We have:

- a first-class network of physical and digital infrastructures,
 - a well-trained and highly educated work force,
 - a dynamic and cutting-edge private sector,
 - institutional stability,
- and we also have a plan of structural reforms underway, that has already invested more than 43 billion euros from the Next Generation funds.

The global economy needs, today more than ever, reliable partners that can be trusted. And Spain will be one of them.

Supporting economic openness and multilateralism will be crucial to protect the global order that Putin is trying to destroy. But there is one more crucial thing that needs to be done: we have to fight the rotten seeds that Putin has planted in our own countries.

Let's not forget that the Russian autocrat is not alone in his reactionary aspiration of fracturing the world and turning back the clock. He has allies in Europe. Now they hide their sympathies and connections with Putin, but just a year ago they were visiting him and praising his ways. We must prevent these political forces from reaching the institutions and destroying the EU from the inside.

The threat is very real. Especially in those countries where these far-right forces have the support of mainstream conservative parties, which are opening to them the very doors of government.

So we will fight them back. With the same determination that the Ukrainians are fighting the Russian forces. But with different weapons: democracy, transparency and effective policies.

And for me, this is the last point and this point is crucial. Because It is time to deliver.



In most Western countries, inequality is rising and social mobility has stalled. Our citizens are losing purchasing power. They are struggling to find a decent job, to buy a proper house, to provide good education for their kids. To many of them it is impossible to save for a well-deserved vacation, let alone to have a decent retirement or a private health insurance.

Meanwhile, the number of billionaires keeps growing, and large multinational companies keep increasing their benefits, even at the backs of others.

How can we ask our citizens to put up with inflation a little longer, when some big companies pay zero taxes thanks to the fiscal paradises and the holes in the international regulation that we allow to exist?

I am asking you, global elites, to help us change this situation.

A hundred years ago, when the world was still ruled by old aristocracies, it would have been naïve and pointless to do so. But things have changed. Today, many of you come from working- and middle-class backgrounds. You are leaders that have been democratically elected by your citizens; business people that made your own fortune through hard work.

And that is why you know that the system is not fair. That is filled with injustices and inequalities.

That it is time to fix it. It is time that our economy and politics focus again on what really matters: the well-being of the people. Because if they cannot deliver that, what's the point of protecting them.

My government is committed to this goal. Over the past 10 months, we have devoted more than 45 billion euros of public funds to help citizens and companies deal with the inflationary wave and the energy crisis. We have mobilized all the financial and legal resources of the state to protect them; by cutting taxes, fostering free public transport, providing direct aids to SME and households, industries, and acting on the electricity and the housing markets.

These measures have helped us to reduce inflation by five points in five months and to make this crisis a bit more bearable to many. Thus, we will continue to hold and expand them until prices moderate and decent life becomes affordable again.

Dear colleagues,

The world is facing a major peril, whose threat goes beyond the Russian gas supply or the fate of Ukraine. We all must act to the limits of our capacity. Limits that should not be determined by the scale of our GDP or by old rules that we never approved.

It should be set by the needs and rights of our citizens. Their welfare should be the measure of our success. So, let's deliver.

Thank you.

Q.- Prime Minister, thank you for that very interesting overview and congratulations also on the good economic results in Spain. That is not the case all over the world as you have seen, the IMF and the World Bank do fear that one third of the world can go into a recession. But listening to you on the transition that Spain has been going through, the labour reforms, but also some of the other economic reforms has led now to one of the strongest growth in Europe. You are the 16th largest exporter in the world. Are there things in your reform agenda that can be applicable also for other nations where they can learn? Because sometimes, of course, you also hear that the reforms can then make the country less competitive but what you have shown by some of these reforms is that it has led to growth and more people employed, so...

Presidente.- Well, thank you, Børge, most of these reforms, 190 reforms that we have delivered so far during these last three years, by the way, with the coalition government, with a minority support in the parliament, which is something I think remarkable, I mean, the outcome of this coalition government, the first experience at the central level in our democratic history, the recent Democratic history, I mean. But well, both of these reforms have been agreed with the European Commission, has been for many years included in what the Commission calls, or named, the country specific recommendations.

So, you know, it is important that these reforms are delivered, but it is also very important these reforms are delivered with the social recognition and the social agreements of the key actors. So, for instance, labour reform we delivered with the agreement of the business administration and the trade unions, which it never happened over the last 40 years.

Q.- It is like squaring a circle.

President.- Exactly. And we are also doing that in other important reforms, such as the education reform or the vocational training reform and recently the university reform that we are about to end before the national parliament.



Q.- I had looked at unemployment numbers, they've gone quite considerably down. A lot of more people employed. Is the youth unemployment a challenge that you are faced with some years ago. Would you say that is solved or is it now on the European level? Because it used to be much higher.

President.- It is not solved yet, of course, we if you compare our unemployment rates with the rest of the European Union, of course, is high. So it is still unacceptable. But we are on the way to resolve one of our structural problems, which is youth unemployment. But it is not only important, indeed, that we are creating jobs, it is also the quality of those jobs.

Q.-Yeah.

President.- One figure that to me was very, very interesting is that since we implement policies that moved workers from the submerged economy to formal economy, we have reduced by half a million the structural unemployment in Spain in just less than two years.

And this kind of reforms together, or along with the labour reform and all the reforms that we are approving, such as the educational system, the vocational training system, the university system, or the science law or the start up law to attract and retain talent, I think that we are modernizing the Spanish economy in a way that perhaps didn't happen in the last 20 to 30 years.

Q.- Moving up in the value chain, I just saw that you have increased the people on permanent contracts in the labour market to 200%. So what you're saying is that if you want to hire people, you should also be in a situation where you are so profitable that you can pay people decent salaries and have contracts.

President.- One of our major problems, of course, is always productivity, labour productivity. And this also has been linked to temporary and precariousness in our country. So that is why I think it's important that this change, as well as delivering on gender equality regarding salaries and working conditions, minimum wage, as you mentioned before, and of course recognising labour rights for workers in the digital platforms. We were there, we were pioneering this kind of debate within the European Union.

Q.- I also argue from this research that you're still concerned with populist movements in Europe. You mentioned that there are still key players that do not necessarily stick to what is at the core of the values you are complying with and with what you are sticking to. We had elections in France. We had elections in Italy. Do you think this trend has turned due to what we have seen unfolding in the Ukraine or we should not be complacent about this?

President.- I think that we cannot be complacent about it. I think that the main risk is that conservative parties open the doors of governments to these far right parties. And this is something that goes against the European Union.

Q.- Are there examples you would like to share with us? (Risas)

President.- No... But I think it's important to keep the unity. I think the biggest lesson that we can take from the pandemic, and now this terrible war in Ukraine and its implications for the European Union as a whole, is the importance of unity. And unity is not only a word in order to react to things that happens abroad, but unity also in a way to face common challenges.

So, for instance, energy. This energy crisis can be used by some to slow down their climate commitments. But to align our responses to this biggest challenge which is climate change, this is what we are doing in Spain. We have been, as you know quite well, very vocal since the beginning of the war, even before, asking the Commission to reform.

And it was a matter of debate last year in Davos with the Commissioner Timmermans to reform the electricity market. We came out with this Iberian solution that allow us to reduce inflation in the Iberian Peninsula. But we also tabled this idea of central purchase of gas, to use our purchase power, or, of course, we proposed to the rest of Member States and the European Commission, to decouple gas prices from electricity prices. This is the way that we can defend, of course, our households, SMEs and industries and of course competitiveness.

It was really interesting the remarks made by Ursula von der Leyen, the president of the Commission. I completely align with her view.

Q.- This morning?

President.- This morning. I think it's important that we take seriously what the Biden administration is doing with this Inflation Reduction Act. I think that Europe must react and do some homework, review our state rules aid, renew our industrial policy, and for that, I think it is going to be crucial that the Spanish Presidency, second semester of the year, will be very focused on the open, a strategic autonomy.

Q.- Industrial policies are obviously back in the sense that ... Of course it is a positive thing, I guess, that the US is now also trying to take the lead on the decarbonization. The challenge is probably that 300 billion USD go to sectors that want to develop this and also be so attractive that it attracts investments to the US that could have been in Europe. But what is that then the European response? Is it then to match that? Or is it to say that this is state subsidies?



President.- We need to negotiate and to reach an agreement with the US Administration, because politically, I think it's important that, after especially the war, Western countries, Western allies, transatlantic relations get closer, and we do not split and divide ourselves.

Second, because I think that it is important that Europe review its internal industrial policies and competition policy or, as I said earlier, the state aid rules that in a way doesn't fit to the new reality, especially after the pandemic and the war.

So, you know, I think that it is important to reach that agreement with the US administration to get closer this trans-atlantic relation.

But on the other hand, there are some homework to do and we already send our proposals to the Commission regarding the electric market, regarding the review of the estate rules, and we will do as we have been doing over the last few years, being constructive, proposing different measures that at the end of the day what would we want to reach is a stronger Europe and a much more integrated Europe.

Because at the end of the day, these are common challenges that need common responses.

Q.- Because you also mentioned the importance of this strategic autonomy.

But going back to the to the US IRA, a plan that is also passed by the Congress.

So maybe it's hard to see that the administration can walk back on some of this, but it is of course, it's money that is put out there for semiconductors, developments, carbon capture and storage.

It's about hydrogen and etc..

So what you're saying is that Europe can always match that with industry policy if there is a political will.

President.- So take into consideration this figure, only 10% of the chips produced worldwide are produced in Europe.

So we need to take some lessons from the past, mistakes that we committed, as I mentioned earlier in my remarks, and to develop this idea of an open and I remark, open a strategic autonomy because we need that in defense, health, food or this new industry of chips and semiconductors.

Because when you speak with the CEOs of these global companies, what they tell you is that there is an expectation of doubling the demand of semiconductors and chips also in Europe.

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So I think that it's crucial for all of us to have this new industrial policy and to develop this idea of the strategic autonomy.

And by the way, I think it is also very important for Europe to look abroad and to focus, of course, and keep this unity along with the US administration, but also, why not, with Africa and Latin America. And this is this is going to be one of my goals to have this bilateral summit together with Latin American and Caribbean countries and also with the Southern neighbourhood countries in the Mediterranean.

And of course, since the president of Serbia is here, a good friend, we will also host and convene in this very important meeting of the European political community, which I think is a very good idea to to share strategies, reflections and to create synergies among different European countries.

So, you know, I think that Europe has a lot of opportunities in this very difficult moment, but we need to be ambitious and we need to , as I say earlier, to wake up and deliver.

Q.- Now I see President Alexander, which is listening very carefully on the four first row.

Now, thank you very much, Prime Minister, I would have liked the conversation to continue.

You know, my colleagues are sending our view that it has to come to an end and issue always and when people still want it to continue right?

But I think we have still there your answers. Very, very thoughtful.

Thank you for your leadership and very privileged to have you back in.

Thank you, Prime Minister.

*(Transcripción editada por la Secretaría de Estado de Comunicación)
(Intervención original en inglés)*