SPEECH

Europe seen from Normandy

Speech by Christine Lagarde, President of the ECB, at Fête de la Pomme in Épreville-en-Lieuvin, France

Épreville-en-Lieuvin, 12 September 2026

It is a particular pleasure to be here. I grew up between the port of Le Havre and the plateau of the Pays de Caux. And while my career has taken me to many other places, my attachment to Normandy has remained strong.

Maupassant wrote of the “profondes et délicates racines” that bind us to a place. Those words capture something of what it means to return to Normandy.[1]

I have never felt any contradiction in being Norman, French and European at the same time. Each of these is part of who I am, and none of them takes anything from the others.

That is partly a matter of temperament. But it is also something Europe has made possible.

The European Union was built to protect what is particular about each of its regions and to give it a larger stage. It has long preferred to invest in its regions rather than expect people to leave them.

That is why this region is a good place from which to look at Europe. It shows what integration has achieved, the challenges now facing our prosperity and the strengths on which our future can be built.

So today I want to ask two questions.

How is Europe helping Normandy build on its regional strengths to succeed across Europe and globally? And why is building Europe, rather than breaking it, the best chance of protecting what has been built here?

From regional strengths to European success

Let me start with what Europe has made possible. At the Fête de la Pomme, there is an obvious place to begin.

Calvados owes its character to this region: its orchards, the knowledge of its producers and the traditions developed over centuries.

Yet its producers, like many businesses in Normandy, depend on customers far beyond the region. Small businesses based here exported goods worth nearly 10% of the region’s GDP in 2022 – a value above the national average.[2] The United States was their largest export destination.

Europe helps strengthen their livelihoods in three ways.

First, it provides a broad home market.

Last year, around half of all Calvados was sold outside France, and seven in ten exported bottles went to other EU countries.[3] That customer base, free of internal customs duties, gives regional strengths the scale to grow.

Second, it protects the value of what producers sell.

France developed the appellation system. European geographical indications provide protection throughout the Single Market,[4] and international agreements extend that protection further abroad, such as in China.[5]

Consumers can trust the origin of what they buy, while producers can defend the reputation they have earned.

This protection translates directly into economic value. Products with a geographical indication sell, on average, for around twice the price of comparable products without one.[6]

Third, Europe helps ensure regions can continue to develop new strengths, especially through its structural funds.

Normandy has been allocated more than €1 billion in European funding for the period from 2021 to 2027, for projects mainly managed here, by the region.[7]

In Cherbourg, for example, European funds helped extend the quay that now serves the offshore wind industry, and a turbine blade factory and some 800 jobs have followed. [8]

In these ways, European integration helps turn regional strengths, old and new, into global strengths. Producers can reach more customers while preserving what makes their products distinctive, and regions can build the industries of tomorrow.

New challenges in a changing world

But Normandy, like many parts of Europe, is facing new challenges in a changing world.

The world around us has become far more volatile. In the space of a few years we have seen Russia's invasion of Ukraine, the largest energy shock since the 1970s, new US tariffs and conflict in the Middle East.

Europe has gained a great deal from openness. But openness in a more volatile world also means we are more exposed to what happens elsewhere. And regions that trade the most, like this one, feel it first.

Euro area companies have seen exports subject to US tariffs fall by almost a fifth since the start of last year.[9] Households have felt it too, through higher prices for energy and food, which remain among the biggest concerns for people in France.[10]

Those pressures come from outside. Others come from within. New technologies, especially artificial intelligence, are changing how economies grow.

The economy of tomorrow is being built in services, and in digital services above all. That is the part of our economy where our Single Market is least developed.

We have built a Single Market for goods. A bottle of Calvados travels across Europe without any customs duties in its way. But companies trying to sell their services across borders face internal barriers estimated to be equivalent to tariffs of around 100%.[11]

And capital does not move well across borders either. Since 2014, the barriers a saver faces when investing in another euro area country have fallen by half as much as the barriers to investing in the United States.[12]

It is no surprise, then, that many of the people who want to build something new leave Europe altogether.

More than 400 companies based outside Europe, each valued at over a billion dollars, have at least one founder who grew up here. Together, these companies are valued at around USD 1.8 trillion, roughly half of France's annual economic output.[13]

And savings follow them in search of higher returns. When families here put money into an investment fund, a good part of it now ends up in California rather than Europe.[14] Wealth and growth have come apart.

This matters for everyone. If those founders had built their companies here, and our savings had financed them, we would be generating stronger productivity growth. That is the most important factor in driving higher incomes and purchasing power.

Governments and European institutions have recognised this, and they are acting. Our energy supply is becoming more secure. Work to complete the Single Market is under way, and so is work to put our savings to use at home.

But we need to keep up the momentum in two priority areas.

Turning our strengths into a competitive advantage

The first involves combining our local and European strengths to make us less vulnerable to what happens elsewhere.

Energy is the clearest case – and here Normandy is a trailblazer. In 2024 this region produced around two and a half times as much electricity as it consumed, almost all of it low-carbon.[15]

The first new French nuclear reactor in a quarter of a century, Flamanville 3, connected to the grid in December 2024.[16] And in Le Havre, Siemens Gamesa is investing €200 million to build the blades for the largest offshore wind turbines ever made.[17]

The region is generating low-carbon electricity today and building the turbines that will expand supply tomorrow.

But for Normandy to benefit fully, Europe needs to come together.

Having plenty of power is only the start. In 2024 there were around 360 hours when the price of electricity in France fell below zero, which happens when there is more power than anyone nearby can use.[18] At other moments, when supply was tight, prices jumped.

That is where Europe comes in. The links between our countries' grids are still too thin. Completing the connections that are already planned by 2030 would let power flow to wherever it is scarce and make prices in France lower and steadier.

For Normandy, that means a surplus that earns money. For households everywhere, it means bills less exposed to price swings.

The second priority is to bring wealth and growth back together, so that the companies that will create tomorrow's jobs are built here in Europe and financed by our own savings.

Mistral shows it can be done. It is a French company based in Paris that builds artificial intelligence in Europe and helps other businesses put the technology to use. It has just raised €3 billion, the largest sum ever for a private European tech company.

And European money was part of it. The new Scaleup Europe Fund, created precisely so that European companies can grow with European capital, was among the lead investors. If Mistral succeeds, the returns will come back to Europe.

But one fund does not close the gap. Ask Europe's business founders and seven in ten say the rules make it too hard to grow, above all because the market is split along national lines and the capital to scale is not there.[19]

So we must keep working to join up our savings and our markets, so that the gains from new technologies reach everyone.

Our economists estimate that if businesses take up AI quickly the euro area economy could be around €630 billion a year larger within a decade. That amounts to roughly €1,800 for every person in the euro area.

The ECB will continue to play its part for Europe too.

The shocks of the last few years affected people's lives via price increases, above all for energy and food. Keeping inflation at 2% over time is how we make sure that these shocks pass, rather than settle into lasting higher inflation.

The same logic applies to how we pay. Europe learned with energy what it means to depend on others for something essential. Payments are no different.

When someone in Milan buys a bottle of Calvados online, the payment most likely runs through one of two non-European companies, which between them handle around two-thirds of card payments in the euro area.

The digital euro can give you a European means of payment that's yours, accepted everywhere in the euro area, online and offline, alongside cash. Like our energy and our savings, it is a way of keeping in our own hands what matters most.

Conclusion

Let me conclude.

Here at the Fête de la Pomme, we celebrate something distinctly Norman. Europe has helped that regional identity become a greater source of prosperity, opening markets while protecting what makes local products distinctive.

Our task is to build on that achievement. By bringing more of our strengths together, we can give businesses greater scope to invest and households greater security in a more uncertain world.

Alexis de Tocqueville, himself deeply rooted in Normandy, called the art of political association “the mother of action”.[20]

That thought has a powerful resonance throughout Europe today.

Our attachment to this region gives us a reason to act together, and to ensure that what thrives here can flourish far beyond it.

Thank you.

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