

EUROPE IS OUR BUSINESS

EESC Employers' Group priorities



European Economic
and Social Committee

Employers'
Group

'EUROPE IS OUR BUSINESS'

Europe's best answer to a more conflict-ridden and unpredictable world is not retreat, it is moving from strategy to delivery.

Competitiveness and resilience are not abstract goals, they are Europe's most powerful instruments to **create prosperity and security**, foster our way of life and project strength and leadership globally.

If we want to reverse Europe's competitiveness gap, we must turn ambition into action. The problem is not a lack of strategies; it is a lack of execution.

The world around us is shifting fast and volatility is the new normal. Europe must be well prepared for the complex web of external risks. But it must not simply adapt or respond to change, it must shape it.

Our businesses are ready. They operate in global markets defined by fierce competition and rapid transformation. What they need is a business-friendly European environment: one that matches their ambition, rewards innovation and offers certainty, enabling firms to invest and grow. One that helps them compete successfully with foreign rivals and cooperate with reliable partners.

The good news is that the EU has a wide range of strengths to build on. We have world-class companies and dynamic entrepreneurs who innovate, create jobs and invest for the

future. We lead in cleantech innovation, our workforce is highly skilled, our Single Market unmatched in potential. Our values and institutions foster legal certainty, openness, trust and cooperation. The engagement of our organised civil society strengthens democracy and cohesion.

And yet, too often, the EU is holding back.

Its weaknesses are obvious: regulatory complexity, single market barriers, high energy prices, bottlenecks in access to finance, and persistent gaps in the infrastructure and skills that the AI era demands. At the same time, the EU is too dependent on imported energy and raw materials and on foreign technologies and defence resources.

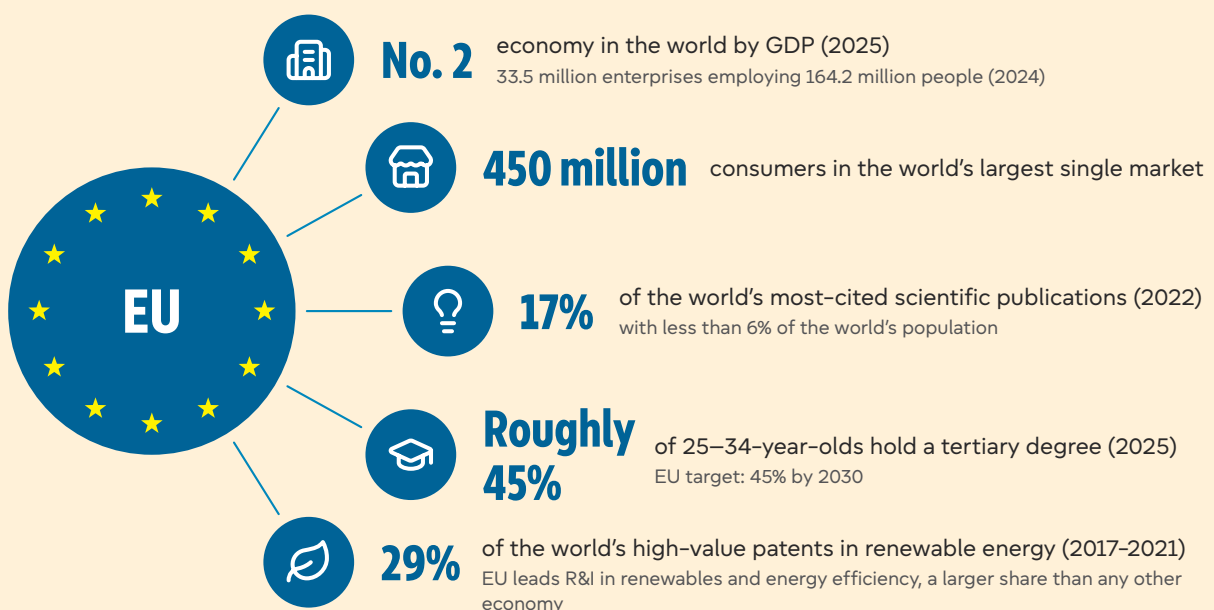
These disadvantages must be eliminated. Competitiveness, resilience and security are not optional; they are conditions for sovereignty.

The truth is simple: Europe has the strengths. It has the plans. Now it's time to deliver.

Europe is our own business – not to be left to someone else!

THE EU IN THE WORLD

Europe has the strengths to build on



Sources: World Bank (GDP); Eurostat (enterprises, population, education and consumers) 2026; Eurostat (education); European Commission, Science, Research and Innovation Performance of the EU Report 2026 (publications, patents).

POLICY DIRECTION

A BUSINESS-FRIENDLY EU FOR PROSPERITY AND SECURITY

A strong Europe depends on strong and thriving companies and entrepreneurs who generate growth, sustain our social model and underpin our security.

Business serves people and people sustain it: entrepreneurs and owners who shoulder risk, dedicated staff who bring plans to life, and customers whose choices guide its course.

In a world of fierce competition, and uncertainty, the EU must act with urgency and determination to improve its **competitiveness** as a business environment, strengthen its **resilience** and reinforce its **economic security**, including its industrial **defence** capacity.

Competitiveness must be built on talent and innovation and on favourable business conditions in relation to foreign rivals. Resilience relies on economic diversity based on a full range of businesses: from SMEs to large companies, from farming to industry and services, from local ecosystems to global value chains – every part of Europe's economy matters.

Public policy must back all of them. We need a coherent entrepreneurship policy that makes it easier to start, grow, transfer and restart business. And we need policy that fosters ecosystems and positive spillovers across businesses.

Regulation should be well justified, coherent and innovation-friendly. It must not seek to micromanage

businesses nor overburden them. Public finances must be strategic, crowding in private investment, strengthening security and infrastructure, and supporting long-term growth. Taxation should reward work, investment and entrepreneurship.

Europe also needs more investment in future-proof excellence: in cutting-edge technologies, skills and transformation of business. Artificial intelligence, clean technologies and digital infrastructure must become drivers of European leadership, not missed opportunities.

Completing the EU internal market is a strategic cornerstone for the free movement of goods, services, capital, people, and data. Removing the huge number of barriers to the Single Market must become the EU's flagship project of effective execution.

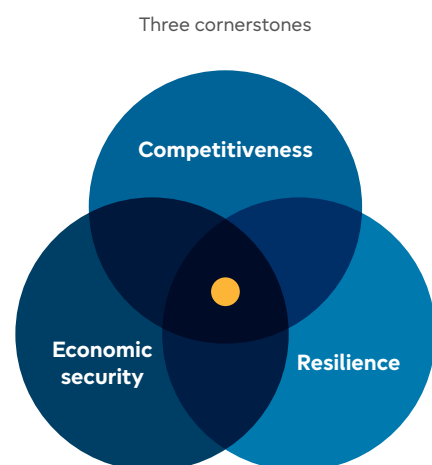
To be able to scale across borders, businesses need EU-wide infrastructure that supports reliable access to clean and affordable energy, an efficient and sustainable materials economy, and well-functioning logistics and supply chains.

Last but not least, the EU must remain open to the world, building beneficial and reliable partnerships beyond the EU, expanding trade and promoting fair competition on a global level. To be a powerful global player, the EU must be effective in making decisions and showcase its collective weight.

EXPECTATIONS

What do employers expect?

-  Less regulatory burden and quicker permitting
-  Real tangible progress on the Single Market
-  Faster deployment of AI and other key technologies & alignment of skills with labour market needs
-  Lower energy costs & easier access to raw materials
-  Deeper capital markets
-  More trade agreements, faster implementation and better access to diversified supply chains



POLICY ACTIONS

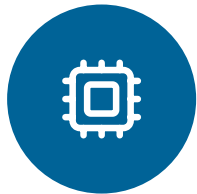
Competitiveness, resilience and security should not be promoted in silos, given the many interlinkages between them. The following five priority areas lay a common foundation for all of them and frame the individual policy actions that are urgently needed.



PRIORITY 1 · PAGE 5

Simplification and the Single Market

One Single Market, one simple rulebook



PRIORITY 2 · PAGE 6

Innovation, technology, and skills

Innovation and skills for tech leadership



PRIORITY 3 · PAGE 7

Energy, materials, and transport

Powering Europe's production and supply chains



PRIORITY 4 · PAGE 8

Private and public finance

Finance that fuels growth and security



PRIORITY 5 · PAGE 9

Trade and partnerships

Open trade, fair competition, trusted partners

1. ONE SINGLE MARKET, ONE SIMPLE RULEBOOK

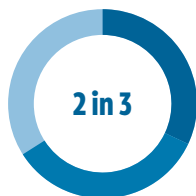
Simplify regulation, focus on implementation, and remove remaining barriers. A true Single Market must function seamlessly across all Member States.

ACTIONS

- 1** Strictly implement the better regulation principles to ensure that any new initiative is necessary, proportional and fit for purpose, and make simplification an integral part of the principles.
- 2** Streamline existing rules and facilitate their implementation by profoundly reducing their complex and cumulative burden and ensuring their consistent enforcement across Member States without 'gold-plating'.
- 3** Implement the competitiveness check, including solid impact assessment at all stages of legislative processes, and prioritise competitiveness in decision-making.
- 4** Quickly remove the regulatory single market barriers by realising the Single Market Roadmap.

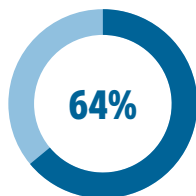
REGULATION AND THE SINGLE MARKET

Red tape and fragmented rules hold businesses back

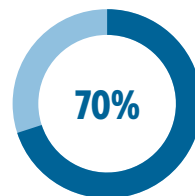


EU firms see business regulation as an obstacle to investment

- 32% major obstacle
- 34% minor obstacle



of SMEs see regulatory or administrative burden as a problem



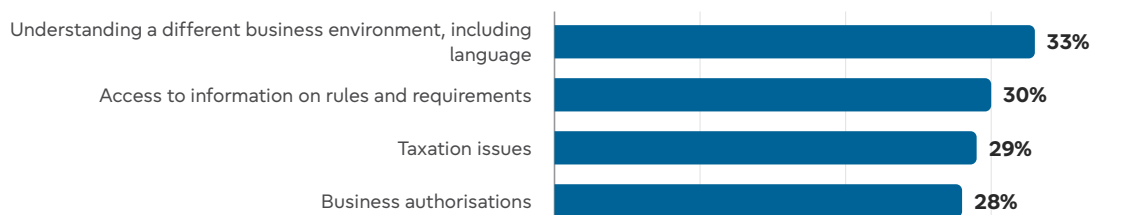
of SMEs still operate only in their domestic market



of SMEs planning to grow aim to do so in other EU countries

Biggest problems for SMEs selling to other EU countries

% of SMEs selling to other EU countries



Note: SMEs selling to other EU countries could name up to three problems. Survey fieldwork: February–March 2025.
Sources: EIB Investment Survey 2024; Flash Eurobarometer 559 (2025).

2. INNOVATION AND SKILLS FOR TECH LEADERSHIP

Invest in strategic technologies, strengthen innovation ecosystems, and equip Europeans with the skills needed for a rapidly changing economy.

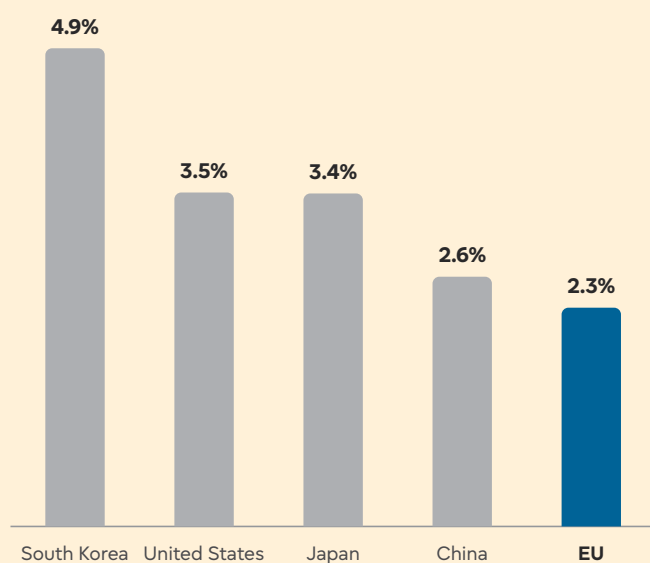
ACTIONS

- 1 Accelerate public and private investment in EU-based supply of advanced digital technologies and infrastructure, particularly in AI, quantum, cloud and high-speed networks.
- 2 Strengthen European capacity in defence technologies and position in value chains through innovation, single market cooperation and public procurement.
- 3 Foster European leadership in cleantech and biotech solutions, and support business ecosystems in adopting clean and digital technologies across businesses.
- 4 Invest in skills and lifelong learning, to equip people for technological transformations and new ways of working – and facilitate talent and labour mobility within the EU and with third countries.

RESEARCH AND TECHNOLOGY

The EU invests less in R&D than its main competitors

R&D expenditure, % of GDP, 2023



Note: AI: enterprises with 10 or more employees.
Sources: World Bank (R&D); Eurostat (AI).

Enterprises using AI in the EU, 2025

% of enterprises

All enterprises

20%

Small

17%

Medium-sized

30%

Large

55%

3. POWERING EUROPE'S PRODUCTION AND SUPPLY CHAINS

Secure affordable and clean energy, ensure access to raw materials, and build resilient infrastructure for transport and logistics.

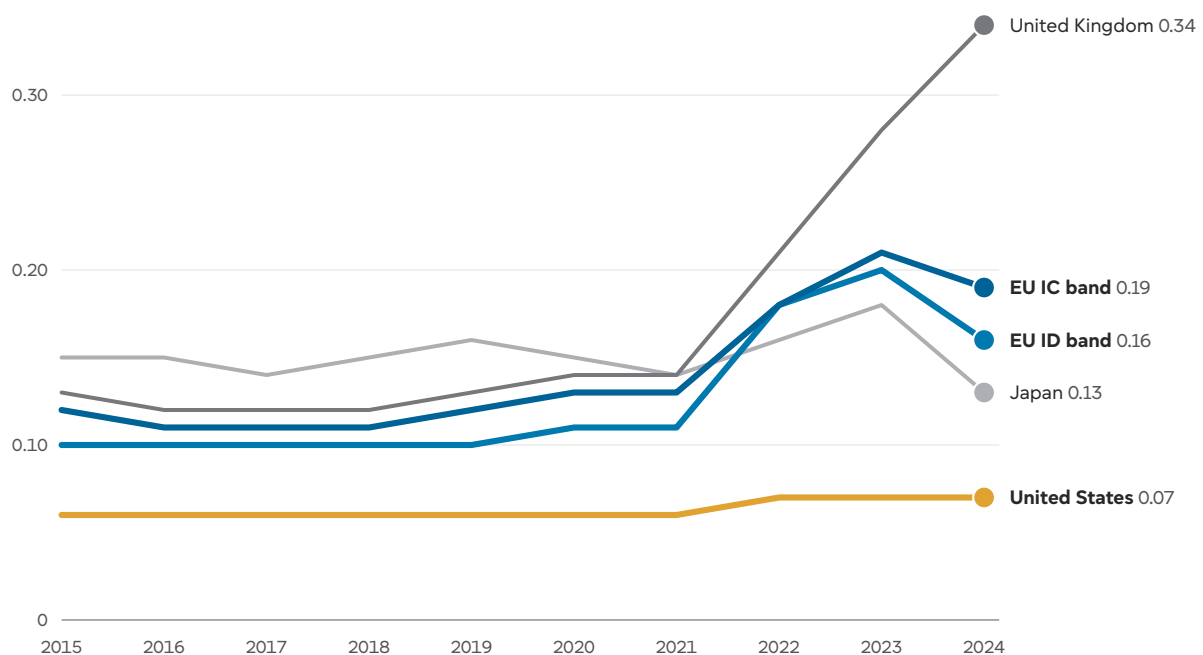
ACTIONS

- 1** Accelerate investment in secure, affordable and low-carbon energy supply, including nuclear energy, and in future-proof energy networks such as smart electricity grids, energy storage and hydrogen infrastructure.
- 2** Improve access to domestic and imported raw materials, through faster permit procedures and diverse resource partnerships, and develop a competitive single market for recycled materials and sustainable products.
- 3** Accelerate investment in transport infrastructure to enable secure and effective logistics – throughout and across essential supply chains, even during multiple crises – and remove the barriers to military mobility.
- 4** Increase the resilience and security of critical infrastructure against various kinds of threats and risks.

ENERGY PRICES

EU industry pays more than twice the US price for electricity

Electricity prices for companies, EUR per kWh



Note: IC band: medium-sized industrial consumers using 500–2 000 MWh a year. ID band: large industrial consumers using 2 000–20 000 MWh a year. Excluding recoverable taxes and levies.

Source: European Commission, Annual Single Market and Competitiveness Report 2025, based on Eurostat, US EIA, UK DESNZ and IEA.

4. FINANCE THAT FUELS GROWTH AND SECURITY

Mobilise private capital, complete the Savings and Investments Union, and use public funds strategically to unlock investment.

ACTIONS

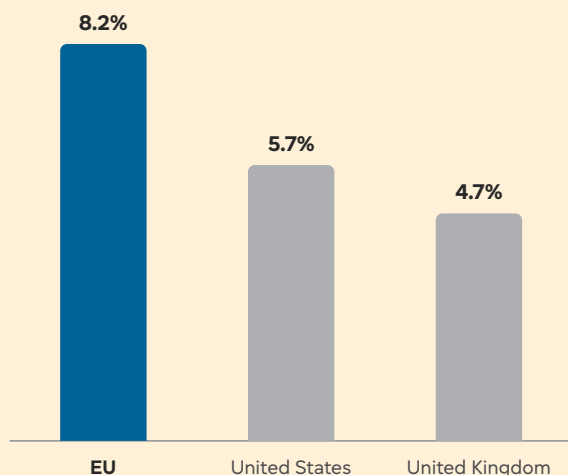
- 1 Complete the Savings and Investments Union, including a more integrated internal market for banking, to mobilise diverse private capital for investment in EU businesses, for example in startups and scaleups and industrial transformation.
- 2 Use EU and national public finances strategically to crowd in private investment in transport, energy and digital infrastructure, industrial defence capacity, and clean and digital transitions.
- 3 Ensure sound and sustainable public finances that create confidence, safeguard macroeconomic stability and preserve fiscal space for future investment and responses to crises.
- 4 Promote competitive, predictable and internationally coherent taxation, supportive of business, entrepreneurship, investment and work, and avoid burdening EU companies with additional corporate taxes.

SAVINGS AND INVESTMENT

Europeans save more, but invest far less in venture capital

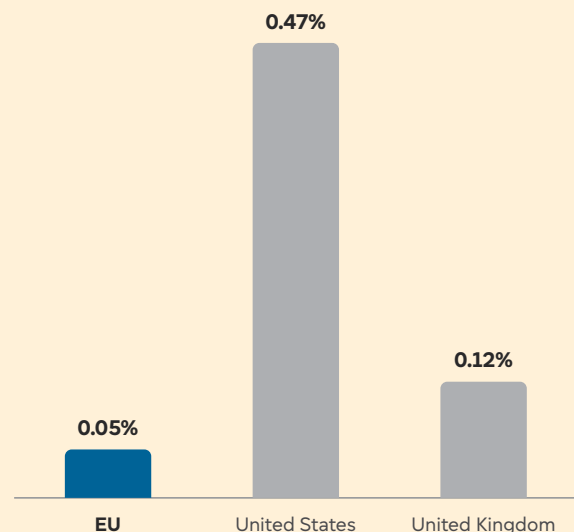
Household savings

% of household net disposable income, 2024



Venture capital investment

% of GDP, 2023



Sources: OECD (household savings); European Commission, Annual Single Market and Competitiveness Report 2025 (venture capital).

5. OPEN TRADE, FAIR COMPETITION, TRUSTED PARTNERS

Expand and diversify partnerships, promote fair competition, and reinforce Europe's position in global trade.

ACTIONS

- 1** Accelerate the conclusion, ratification and implementation of trade and investment agreements and launch new negotiations, to expand and diversify markets and to strengthen supply chains and beneficial partnerships.
- 2** Promote open and rules-based international trade but also strengthen the deterrence of trade defence measures against unfair competition and economic security risks.
- 3** Ensure that rules and their enforcement are equal for domestic and foreign companies in the Single Market, with due attention to online sales from third countries.
- 4** Advance EU enlargement in a way that contributes to a stronger EU economy and security, in full compliance with EU acquis.

TRADE

A global trade power with strategic dependencies

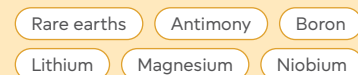
Trade leadership



Economic security challenges

 **100%**

import reliance for several critical raw materials used in batteries, defence, digital and clean technologies (2021)



 **Nearly 60%**

of the EU's energy needs were met by net imports (2024)



Note: Raw materials: 100% import reliance for extracted rare earths, antimony and boron, and for processed lithium, magnesium and niobium, among others.
Sources: European Commission (trade agreements, customs duties, trading partners); Access2Markets (services); Eurostat (pharmaceuticals, high-tech, energy); EPRS (raw materials).

THE TIME FOR CHURNING OUT STRATEGIES HAS PASSED.

Now is the time for urgent delivery – showing that Europe can turn its ambition into reality.



**IN TODAY'S WORLD,
COMPETITIVENESS IS POWER,
RESILIENCE IS SECURITY,
AND DELIVERY IS CREDIBILITY.**

Europe cannot just watch this from the sidelines.



**European Economic
and Social Committee**

Employers' Group

The EESC Employers' Group brings together entrepreneurs and representatives of entrepreneur associations working in a vast array of business sectors, from industry to retail and from agriculture to services, representing all enterprises from SMEs to large businesses. Our members are active in the business world and bring the day-to-day reality of business in all EU Member States to the European level. They are genuinely committed to putting their own experience to good use to further the European venture. Altogether, we represent over 20 million businesses at European level. We are part of the European Economic and Social Committee and thus have a formal consultative role in the EU.

www.eesc.europa.eu/gr1



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