

**BUSINESSEUROPE REFORM BAROMETER QUESTIONNAIRE 2025**

**ASSESSMENT BY EACH MEMBER FEDERATION**

**Austria**

**1. EU Competitiveness**

<b>Question 1</b>	To what extent do you consider the European Commission's overall policy stance supportive of competitiveness and growth compared to 12 months ago?	Slightly better
<b>Question 2</b>	What are your expectations of the new commission from the point of view of regulatory burden (will the EC President deliver on her promises)?	Unchanged
<b>Question 3</b>	What are your overall expectations about the next European Commission	Slightly better
<b>Question 4</b>	How do you think the EU investment environment is seen by global firms compared to 12 months ago?	Unchanged
<b>Question 5</b>	What does your federation see as the main challenges threatening the attractiveness of the EU as an investment environment vis-à-vis international competitors?	<ol style="list-style-type: none"> <li>1. Availability of labour</li> <li>2. Energy prices</li> <li>3. Regulatory Environment</li> </ol>
<b>Question 6</b>	What do you think will the consequences for investment in Europe from the next U.S. administration?	Negative

<b>Question 7</b>	What do you think will be consequences for the regulatory environment in Europe from the next US administration	Negative
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## **2. National Recovery and Resilience Plans**

<b>Question 8</b>	How satisfied or dissatisfied are you with the way your country is implementing the national recovery and resilience plan in the past year?	Neutral
<b>Question 9</b>	How satisfied or dissatisfied are you with the involvement of social partners in the implementation so far of your national recovery and resilience plan?	Dissatisfied
<b>Question 10</b>	How effective do you think the European Commission is being in ensuring strong implementation of the reforms in the national recovery and resilience plans across the EU?	Somewhat confident
<b>Question 11</b>	If you are dissatisfied with the implementation so far of your national recovery and resilience plan, why?	<ol style="list-style-type: none"> <li>1. Bureaucracy</li> <li>2. Time of authorities to take decisions</li> <li>3. Capacity of projects to change profile of the Economy</li> </ol>
<b>Question 12</b>	Open question : Which best practices from the RRP could be leveraged for future programmes, and which pitfalls should be avoided?	---

### 3. Assessment of Country Specific recommendations 2024 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	<p>Submit the medium-term fiscal-structural plan in a timely manner. In line with the requirements of the reformed Stability and Growth Pact, limit the growth in net expenditure<sup>21</sup> in 2025 to a rate consistent with putting the general government debt on a plausibly downward trajectory over the medium term and respecting the 3% of GDP deficit Treaty reference value. Improve the fiscal sustainability of the healthcare system and the long-term care system. Simplify and rationalise fiscal relationships and responsibilities across layers of government and align financing and spending responsibilities. Further improve the tax mix to reduce the tax wedge and support inclusive and sustainable growth.</p>	Important	Unsatisfactory	Former Finance Minister Brunner played down the importance of budget consolidation
CSR 2	<p>Address emerging delays to allow for continued, swift and effective implementation of the recovery and resilience plan, including the REPowerEU chapter, ensuring completion of reforms and investments by August 2026. Accelerate the implementation of cohesion policy programmes. In the context of their mid-term review, continue focusing on the agreed priorities, while considering the opportunities provided by the Strategic Technologies for Europe Platform initiative to improve competitiveness.</p>	Important	Satisfactory	

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 3	Boost the labour market participation of women, including by improving quality childcare services, and of older workers. Improve labour market outcomes for disadvantaged groups, such as low-skilled jobseekers and people with a migrant background, and raise the levels of basic skills, starting at school level. Promote business dynamism, creation and growth of young companies, including through better access to risk capital.	Important	Mixed	
CSR 4	Improve energy security by accelerating the diversification of gas supply towards non-Russian sources. Further reduce emissions, in particular in the transport sector.	Important	Mixed	

#### 4. Reform Progress in your Member State in 2024

How would you assess reform progress in 2024, for the following broad areas:

Taxation and Public Finances	Mixed
Business environment (regulation/access to markets)	Unsatisfactory
Labour market	Unsatisfactory
Innovation and skills	Unsatisfactory
Access to finance and Financial stability	Mixed

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2025 Reform Barometer?

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## 5. Reform priorities for 2025

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
<b>Priority 1</b>	Budgetary framework and fiscal governance	Budget consolidation	yes
<b>Priority 2</b>	Pension systems and active ageing	Reform of old age pension system	?
<b>Priority 3</b>	Early childhood education & care		?
<b>Priority 4</b>	Taxation policy	Reduce high level of payroll taxes	?
<b>Priority 5</b>	Single market, competition & state aid	To much red tape in the EU	?

## Belgium

### 1. EU Competitiveness

<b>Question 1</b>	To what extent do you consider the European Commission's overall policy stance supportive of competitiveness and growth compared to 12 months ago?	Slightly better
<b>Question 2</b>	What are your expectations of the new commission from the point of view of regulatory burden (will the EC President deliver on her promises)?	Increased slightly
<b>Question 3</b>	What are your overall expectations about the next European Commission	Slightly better
<b>Question 4</b>	How do you think the EU investment environment is seen by global firms compared to 12 months ago?	Slightly worse
<b>Question 5</b>	What does your federation see as the main challenges threatening the attractiveness of the EU as an investment environment vis-à-vis international competitors?	<ol style="list-style-type: none"> <li>1. Regulatory Environment</li> <li>2. Energy prices</li> <li>3. Tax regime</li> <li>4. Demographic change</li> <li>5. Access to raw materials</li> </ol>
<b>Question 6</b>	What do you think will the consequences for investment in Europe from the next U.S. administration?	Negative
<b>Question 7</b>	What do you think will be consequences for the regulatory environment in Europe from the next US administration	Positive

## 2. National Recovery and Resilience Plans

<b>Question 8</b>	How satisfied or dissatisfied are you with the way your country is implementing the national recovery and resilience plan in the past year?	Neutral
<b>Question 9</b>	How satisfied or dissatisfied are you with the involvement of social partners in the implementation so far of your national recovery and resilience plan?	Neutral
<b>Question 10</b>	How effective do you think the European Commission is being in ensuring strong implementation of the reforms in the national recovery and resilience plans across the EU?	Somewhat confident
<b>Question 11</b>	If you are dissatisfied with the implementation so far of your national recovery and resilience plan, why?	<ol style="list-style-type: none"> <li>1. Projects not designed for the private sector</li> <li>2. Difficulty in forming consortia</li> <li>3. Capacity of projects to change profile of the economy</li> </ol>
<b>Question 12</b>	Open question : Which best practices from the RRP could be leveraged for future programmes, and which pitfalls should be avoided?	Comment: good communication to social partners about the entire RRF, but little concrete participation (neither on social nor digital) and little cooperation with the private sector (despite many investment proposals in connection with the twin transitions)

### 3. Assessment of Country Specific recommendations 2024 in detail

	Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
<p><b>CSR 1</b></p> <p><b>Official recommendation</b> : Submit the medium-term fiscal-structural plan in a timely manner. In line with the requirements of the reformed Stability and Growth Pact, limit the growth in net expenditure<sup>29</sup> in 2025 to a rate consistent with putting the general government debt on a plausibly downward trajectory over the medium term and reducing the general government deficit towards the 3% of GDP Treaty reference value. Address the expected increase in age-related expenditure, including by making the long-term care system more cost-effective. Reform the tax and benefits system to strengthen incentives to work by shifting the tax burden away from labour and by reviewing the design of benefits. Finance the labour tax reduction, including by reducing tax expenditure. In particular, take steps to phase out fossil fuel subsidies, including by shifting excise duties from electricity to fossil fuels.</p> <p><b>FEB input</b> : Wind down the emergency energy support measures in force, using the related savings to reduce the government deficit, as soon as possible in 2023 and 2024. Should renewed energy price increases necessitate new or continued support measures, ensure that these are targeted at protecting vulnerable households and firms, fiscally affordable, and preserve incentives for energy savings.</p> <p>Ensure prudent fiscal policy, in particular by limiting the nominal increase in nationally financed net primary expenditure in 2024 to not more than 2%. Preserve nationally financed public investment and ensure the effective absorption of RRF grants and other EU funds, in particular to foster the green and digital transitions.</p> <p>For the period beyond 2024, continue to pursue a medium-term fiscal strategy of gradual and sustainable consolidation, combined with investments and reforms conducive to higher sustainable growth, to achieve a prudent medium-term fiscal position.</p> <p>Strengthen efforts to improve the efficiency of long-term care.</p> <p>Pursue the reform of the taxation and benefits system to reduce disincentives to work by shifting the tax burden away from labour and by simplifying the tax and benefits system.</p> <p>Review tax expenditures to reduce their economic, social and environmental harmful impact.</p>	<p>Extremely important</p>	<p>Mixed</p>	<p>The mostly non-targeted energy support measures were mostly wound down end 2023, yet it has done little to close the deficit, which stood at 4,6% of GDP last year.</p> <p>Government negotiations have been underway since the elections in June of 2024. The scale of the undertaking in order to meet the Commission's demands and diverse mix of parties at the table have made the process slow.</p>

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 2	<p><b>Official recommendation</b> :Significantly accelerate the implementation of the recovery and resilience plan, including the REPowerEU chapter, ensuring completion of reforms and investments by August 2026, by ensuring effective governance. Accelerate the implementation of cohesion policy programmes. In the context of their mid-term review, continue focusing on the agreed priorities, while considering the opportunities provided by the Strategic Technologies for Europe Platform initiative to improve competitiveness.</p> <p><b>FEB input</b> : Ensure an effective governance to allow for a swift and steady implementation of its recovery and resilience plan. Swiftly finalise the REPowerEU chapter with a view to rapidly starting its implementation. Proceed with the speedy implementation of cohesion policy programmes, in close complementarity and synergy with the recovery and resilience plan.</p>	Helpful (but not a priority)	Satisfactory	The REPowerEU Chapter was finalised at the end of 2023 and integrated in the Belgium recovery and resilience plan.

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 3	<p><b>Official recommendation</b> : Address labour shortages and skills mismatches, including for the green transition, and strengthen activation policies to further integrate disadvantaged groups into the labour market. Improve the performance and equity of the education and training systems and continue reforms to strengthen the teaching profession.</p> <p><b>FEB input</b> : Address labour shortages and skills mismatches, in particular by strengthening activation policies (including guidance) to integrate disadvantaged groups into the labour market. Improve the performance and equity of the education and training systems and continue reforms to strengthen the teaching profession.</p>	Important	Unsatisfactory	<p>Concerning the labour market, our general assessment is that the so-called Jobs Deal will unfortunately not help to solve the labour shortages or increase the employment rate, which remains too low in Belgium (72,1% in 2023, compared with the government's overall target of 80% by 2030). These measures do not activate inactive people who have the potential to work (e.g. low skilled, migrant women, stay-at-home parents, the long-term sick, etc.). There are still too many disincentives to work in our country (unemployment and inactivity traps are high). There is a need to make work pay in relation to non-employment situations. This should be part of an overall tax reform. In addition, social security benefits should be more activating, instead of being a burden to (returning to) work.</p>

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 4	<p><b>Official recommendation</b> :Improve the business environment and business dynamics by reducing regulatory burden and complexity, and by easing the restrictions in the service sector.</p> <p><b>FEB input</b> : Reduce overall reliance on fossil fuels by stepping up energy efficiency improvements and the reduction of fossil fuel use in buildings, by further stimulating the decarbonisation of industry and by promoting the use and supply of public transport as well as soft mobility. Accelerate the deployment of renewable energies and related grid infrastructure by further streamlining the permitting procedures, including by reducing the length of appeal procedures, and by adopting legal frameworks to further boost investments in renewable energy installations and facilitate energy sharing. Step up policy efforts aimed at the provision and acquisition of skills and competences needed for the green transition.</p>	Important	Mixed	Businesses are doing a lot of efforts to decarbonise. The deployment of renewable energies however is hampered by slow permitting procedures and strong NIMBY-effects in our small and crowded country. This shows most for the two electricity infrastructure projects (Ventilus and Boucle De Hainaut) that should make sure the electricity generated by the windmill parks in the North Sea can move smoothly to the whole of the country. These projects are heavily delayed due to action committees and legal procedures.

#### **4. Reform Progress in your Member State in 2024**

How would you assess reform progress in 2024, for the following broad areas:

<b>Taxation and Public Finances</b>	Unsatisfactory
<b>Business environment (regulation/access to markets)</b>	Unsatisfactory
<b>Labour market</b>	Unsatisfactory
<b>Innovation and skills</b>	Mixed
<b>Access to finance and Financial stability</b>	Satisfactory

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2025 Reform Barometer?

No

## 5. Reform priorities for 2025

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
<b>Priority 1</b>	Wages & wage setting	Reform the automatic indexation mechanism to avoid competitiveness loss in period of high inflation as we have seen since the energy crisis.	no
<b>Priority 2</b>	Active labour market policies, incentives to work & labour market participation	<p>There is a shortage of skilled labour. Investing in upskilling and/or reskilling is therefore essential. This can increase employability and prevent people from falling into unemployment or inactivity.</p> <p>Preventive and early measures to avoid long-term (or permanent) incapacity to work are needed.</p> <p>Delimiting unemployment benefits; degressive federal benefits limited to two years.</p>	yes
<b>Priority 3</b>	Taxation policy	Our country needs a global tax reform. The labour costs are very high partly due to an enormous tax wedge. We need to remove disincentives to work and to make work-pay for all categories of employees.	yes
<b>Priority 4</b>	Budgetary framework and fiscal governance	Consolidate public finances to avoid the risks of insolvency, adverse consequences for companies and citizens, and guarantee the long-term sustainability of public finances	yes
<b>Priority 5</b>	Anti-money laundering	Sustained by a solid mix of direct and indirect support, R&D expenses in Belgium are thriving. However coherent policy measures should be taken to increase deep innovation collaboration and implementation (incl. build-up intellectual property assets).	no

## Bulgaria

### 1. EU Competitiveness

<b>Question 1</b>	To what extent do you consider the European Commission's overall policy stance supportive of competitiveness and growth compared to 12 months ago?	Unchanged
<b>Question 2</b>	What are your expectations of the new commission from the point of view of regulatory burden (will the EC President deliver on her promises)?	Increased slightly
<b>Question 3</b>	What are your overall expectations about the next European Commission	Unchanged
<b>Question 4</b>	How do you think the EU investment environment is seen by global firms compared to 12 months ago?	Unchanged
<b>Question 5</b>	What does your federation see as the main challenges threatening the attractiveness of the EU as an investment environment vis-à-vis international competitors?	<ol style="list-style-type: none"> <li>1. Regulatory Environment</li> <li>2. Energy prices</li> <li>3. Environmental policies</li> <li>4. Lack of infrastructure, incl. digital</li> <li>5. Fragmentation of the Single Market</li> </ol>
<b>Question 6</b>	What do you think will the consequences for investment in Europe from the next U.S. administration?	Unchanged
<b>Question 7</b>	What do you think will be consequences for the regulatory environment in Europe from the next US administration	Unchanged

## 2. National Recovery and Resilience Plans

<b>Question 8</b>	How satisfied or dissatisfied are you with the way your country is implementing the national recovery and resilience plan in the past year?	Very dissatisfied
<b>Question 9</b>	How satisfied or dissatisfied are you with the involvement of social partners in the implementation so far of your national recovery and resilience plan?	Dissatisfied
<b>Question 10</b>	How effective do you think the European Commission is being in ensuring strong implementation of the reforms in the national recovery and resilience plans across the EU?	Somewhat confident
<b>Question 11</b>	If you are dissatisfied with the implementation so far of your national recovery and resilience plan, why?	<ol style="list-style-type: none"> <li>1. Time of authorities to take decisions</li> <li>2. Bureaucracy</li> <li>3. Inadequate sectoral targeting (digital, energy, not the relevant sectors)</li> <li>4. Other : structural problems of the plan (incl. reforms and investments), lack of regular government that prevents implementation of sensitive reforms, delays in implementation</li> </ol>
<b>Question 12</b>	Open question : Which best practices from the RRP could be leveraged for future programmes, and which pitfalls should be avoided?	A good practice is the targeting of important reforms with concrete deadlines and this fact allows flexible financing; A disadvantage is the implementation of many projects, which are in most cases not relevant to the separate sectors (for example energy and transport);

### 3. Assessment of Country Specific recommendations 2024 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	<p><b>Official recommendation</b> :Submit the medium-term fiscal-structural plan in a timely manner. In line with the requirements of the reformed Stability and Growth Pact, limit the growth in net expenditure<sup>21</sup> in 2025 to a rate consistent with maintaining the general government deficit below the 3% of GDP Treaty reference value and keeping the general government debt at a prudent level over the medium term.</p> <p><b>BIA input</b> : Submit the medium-term fiscal-structural plan in a timely manner. In line with the requirements of the reformed Stability and Growth Pact, limit the growth in net expenditure<sup>21</sup> in 2025 to a rate consistent with maintaining the general government deficit below the 3% of GDP Treaty reference value and keeping the general government debt at a prudent level over the medium term.</p>	Important	Mixed	<p>The medium-term fiscal structural plan is prepared and implemented by the Council of Ministers.</p> <p>In this plan it is envisaged to be limited the increase of net expenditures in 2025 to a rate consistent with maintaining the deficit of the consolidated government debt below the 3% of GDP Treaty reference and keeping the consolidated government debt level at a prudent level in the medium term.</p>

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 2	<p><b>Official recommendation</b> : Significantly accelerate the implementation of cohesion policy programmes and the recovery and resilience plan, ensuring completion of reforms and investments by August 2026, by improving the functioning and boosting the capacity of the public administration, including at the regional level, increasing the quality of procurement procedures and strengthening the independence and functioning of regulators. Rapidly finalise the REPowerEU chapter. In the context of the mid-term review of cohesion policy programmes, continue focusing on the agreed priorities, while considering the opportunities provided by the Strategic Technologies for Europe Platform initiative to improve competitiveness.</p> <p><b>BIA input</b> : Significantly accelerate the implementation of cohesion policy programmes and the recovery and resilience plan, ensuring completion of reforms and investments by August 2026, by improving the functioning and boosting the capacity of the public administration, including at the regional level, increasing the quality of procurement procedures and strengthening the independence and functioning of regulators. Rapidly finalise the REPowerEU chapter. In the context of the mid-term review of cohesion policy programmes, continue focusing on the agreed priorities, while considering the opportunities provided by the Strategic Technologies for Europe Platform initiative to improve competitiveness.</p>	Important	Unsatisfactory	<p>Unefficient absorption of the funding through the Recovery and resilience mechanism.</p> <p>The NRRP of Bulgaria is going to be a subject of renegotiation with the European Commission because of objective circumstances that hinder the implementation of the envisaged reforms and investment projects in the plan, as well as the introduction of the REPowerEU section.</p>

	Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
<p><b>CSR 3</b></p> <p><b>Official recommendation</b> : Improve education and training, including for disadvantaged groups, by enhancing teacher training and implementing competence-based teaching and learning. Address labour shortages and improve workers’ skills to boost competitiveness and support the green transition.</p> <p><b>BIA input</b> : Improve education and training, including for disadvantaged groups, by enhancing teacher training and implementing competence-based teaching and learning. Address labour shortages and improve workers’ skills to boost competitiveness and support the green transition.</p>	<p>Important</p>	<p>Mixed</p>	<p>BIA proposes holistic approach to problems in education – secondary, vocational and higher, with a view to ensuring quality education and adequate consideration of the needs of the labour market and the trends of economic transformation and the introduction of new technologies.</p> <p>BIA supports also the following proposals:</p> <ul style="list-style-type: none"> <li>• Introduction of an individual E-education and qualification profile of Bulgarian citizens, covering the system of preschool, school, higher education and professional qualification;</li> <li>• Implementation of a system for managing curricula and programs in accordance with learning outcomes and labour market requirements in partnership with social partners. Regular updating of curricula and assessments. Widespread penetration of STEM education, formation of financial literacy, social skills;</li> <li>• Creation and implementation of an effective quality management system in general and vocational education, including a module for external evaluation of the quality of the general and professional with feedback from students and employers;</li> <li>• Strengthen the role of local authorities and local stakeholders in governing the vocational high schools;</li> </ul>

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 3 continued				<ul style="list-style-type: none"> <li>• Provide opportunity for teachers to annually take short courses (from 2 to 5 days) on new skills in their general or professional field. Introduce a regulation on mandatory periodic qualification of teachers in the vocational education system;</li> <li>• Ensure inclusion for illiterate persons in courses for acquiring new skills and competences at the lower secondary and upper secondary levels of secondary education;</li> <li>• Reducing the administrative burden when conducting qualification courses;</li> <li>• Changes in the organization of higher education, accreditation and financing of higher education institutions, acquiring higher academic occupations and improvement of the quality of teaching, aimed at improving the quality of education, overcoming the mismatches between the skills sought and offered at the labor market, and the realization of students on the labor market;</li> <li>• Development and implementation of partnership models between higher education institutions, business and vocational high schools in updating the knowledge of teachers in the field of engineering and modern technologies;</li> <li>• Incentives for employers (e.g. financial, tax discounts, subsequent subsidized employment, etc.) that enable students and adult learners to conduct practice and internships in enterprises - financing the establishment of classrooms for practical training in enterprises; tax incentives for financing training and concluding scholarship contracts with employers.</li> </ul>

	Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
<p><b>CSR 4</b></p> <p><b>Official recommendation :</b> Reduce reliance on fossil fuels and accelerate the clean energy transition, particularly by shifting to renewable energy in district heating and deploying wind installations. Ensure sufficient storage capacities to increase the flexibility of the energy system. Strengthen the electricity grid infrastructure by introducing smart grid elements and increasing interconnection with neighbouring countries. Address energy poverty by implementing targeted measures to reduce the share of population unable to keep their homes adequately warm. Promote the deployment and uptake of sustainable urban and railway transport, including by accelerating the development of the necessary infrastructure.</p> <p><b>BIA input :</b> Reduce reliance on fossil fuels and accelerate the clean energy transition, particularly by shifting to renewable energy in district heating and deploying wind installations. Ensure sufficient storage capacities to increase the flexibility of the energy system. Strengthen the electricity grid infrastructure by introducing smart grid elements and increasing interconnection with neighbouring countries. Address energy poverty by implementing targeted measures to reduce the share of population unable to keep their homes adequately warm. Promote the deployment and uptake of sustainable urban and railway transport, including by accelerating the development of the necessary infrastructure.</p>			<p>The government works on all sub-recommendations: 1) On January 15 2025 Bulgaria submitted updated NECP 2021-2030; 2) An extensive number of projects addressing these issues are included in the Partnership Agreement and 2021-2027 Programmes; 3) One of the main obstacles is that the number of projects are part of the RRF and because of the difficulties with the executions should seek other sources of funding.</p> <p>Last year an Ordinance on the connection of energy facilities to the electricity networks was promulgated in the State Gazette. It reduces the administrative burden of connecting electricity consumption, production, and storage facilities, which will contribute to the introduction of renewable energy sources. The Ministry of Energy has presented a draft project for the revision of the Renewable Energy Sources Act, which is still under public discussion. The proposed amendments in this draft project fully meet and transpose the requirements of Directive (EC) 2023/2413 since 18 October 2023. The Bulgarian government explores the opportunities to access EU funds to finance the construction of energy interconnections.</p>

#### **4. Reform Progress in your Member State in 2024**

How would you assess reform progress in 2024, for the following broad areas:

<b>Taxation and Public Finances</b>	Mixed
<b>Business environment (regulation/access to markets)</b>	Unsatisfactory
<b>Labour market</b>	Unsatisfactory
<b>Innovation and skills</b>	Mixed
<b>Access to finance and Financial stability</b>	Mixed

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2025 Reform Barometer?

On 1 January 2025, Romania and Bulgaria became full members of the Schengen Area.

## 5. Reform priorities for 2025

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
<b>Priority 1</b>	Active labour market policies, incentives to work & labour market participation	Attracting 1 million people of the working age population who are outside the labor market	yes
<b>Priority 2</b>	Business environment (incl. SME policies)	Reducing the administrative burden for the business	yes
<b>Priority 3</b>	Budgetary framework and fiscal governance	Achieving fiscal consolidation	yes
<b>Priority 4</b>	Pension systems and active ageing	Increasing the efficiency of the pension system	yes
<b>Priority 5</b>	Wages & wage setting	Transposition of the Directive (EU) 2022/2041	yes

## Croatia

### 1. EU Competitiveness

<b>Question 1</b>	To what extent do you consider the European Commission's overall policy stance supportive of competitiveness and growth compared to 12 months ago?	Slightly worse
<b>Question 2</b>	What are your expectations of the new commission from the point of view of regulatory burden (will the EC President deliver on her promises)?	Increased slightly
<b>Question 3</b>	What are your overall expectations about the next European Commission	Slightly better
<b>Question 4</b>	How do you think the EU investment environment is seen by global firms compared to 12 months ago?	Slightly better
<b>Question 5</b>	What does your federation see as the main challenges threatening the attractiveness of the EU as an investment environment vis-à-vis international competitors?	<ol style="list-style-type: none"> <li>1. Availability of labour</li> <li>2. Regulatory environment</li> <li>3. Tax regime</li> <li>4. Energy prices</li> <li>5. Innovation capacity</li> </ol>
<b>Question 6</b>	What do you think will the consequences for investment in Europe from the next U.S. administration?	Negative
<b>Question 7</b>	What do you think will be consequences for the regulatory environment in Europe from the next US administration	Negative

## 2. National Recovery and Resilience Plans

<b>Question 8</b>	How satisfied or dissatisfied are you with the way your country is implementing the national recovery and resilience plan in the past year?	Neutral
<b>Question 9</b>	How satisfied or dissatisfied are you with the involvement of social partners in the implementation so far of your national recovery and resilience plan?	Dissatisfied
<b>Question 10</b>	How effective do you think the European Commission is being in ensuring strong implementation of the reforms in the national recovery and resilience plans across the EU?	Somewhat confident
<b>Question 11</b>	If you are dissatisfied with the implementation so far of your national recovery and resilience plan, why?	<ol style="list-style-type: none"> <li>1. Projects not designed for the private sector</li> <li>2. Capacity of projects to change profile of the economy</li> <li>3. Time of authorities to take decisions</li> </ol>
<b>Question 12</b>	Open question : Which best practices from the RRP could be leveraged for future programmes, and which pitfalls should be avoided?	---

### 3. Assessment of Country Specific recommendations 2024 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Submit the medium-term fiscal-structural plan in a timely manner. In line with the requirements of the reformed Stability and Growth Pact, limit the growth in net expenditure <sup>21</sup> in 2025 to a rate consistent with maintaining the general government deficit below the 3% of GDP Treaty reference value and keeping the general government debt at a prudent level over the medium term	Important	Mixed	While the growth of net expenditure ensures compliance to the 3% target for consolidated budget deficit, we have more than a few concerns. The government has again planned stronger wage bill growth (+7.4%) than nominal GDP growth (6-6.5%) even after 46.8% explosion of these outlays in 2024. That said, Croatia has the second highest wage bill in the EU at 13% of GDP. The government is also increasing healthcare expenditure by 7.4% after a 41.6% surge in 2024. without offering reform proposals in one of the most inefficient sector of the domestic economy. Croatia already has one of the most generous sick-leave payment models (42 days at 70-100% employers' cost). The planned tax revenue growth rests on too ambitious assumptions including 8% gross wage and 3% employment growth in the domestic economy, plus 3.7% GDP deflator growth, a full percentage point above CPI forecast.

	Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
<p>CSR 2</p> <p>Strengthen administrative capacity to manage EU funds, accelerate investments and maintain momentum in the implementation of reforms. Address emerging delays to allow for continued, swift and effective implementation of the recovery and resilience plan, including the REPowerEU chapter, ensuring completion of reforms and investments by August 2026. Accelerate the implementation of cohesion policy programmes. In the context of their mid-term review, continue focusing on the agreed priorities while considering the opportunities provided by the Strategic Technologies for Europe Platform initiative to improve competitiveness.</p>	<p>Important</p>	<p>Mixed</p>	<p>It would be extremely useful to have precise information on the stage of each RRP-financed investment, given that a large number of projects must be implemented by 30 June 2026. The exact statuses and action plan for achieving the goals over the next two years should be regularly published, as well as how many end users there are per project, when their procurement and execution of activities are planned, and which user contributes how much to each investment goal. The statuses of project implementation should be regularly published on the website of the MinFin. This website was last updated in 2022 (<a href="https://planoporavka.gov.hr/">https://planoporavka.gov.hr/</a>). Given that allocations from EU funds generated almost 2pp of real GDP growth in the last two years, and in 2024 could potentially bring an even greater impact on the short-term potential growth rate of 3-3.5%, the interest of the business community in the implementation of investments financed through this instrument is obviously high. Moreover, we agree with the EC recommendations it is necessary to strengthen the capacity of expert services for EU funds, especially for the preparation of tenders and the evaluation of projects. Namely, in the period ahead, when grants are mainly intended for innovative projects, the 18-month wait from the announcement of the tender to the contracting of the project reduces the very factor of innovation that we want to encourage. Namely, accelerated technological changes during the 18 months will easily make the initial idea of patenting an innovation obsolete during that period. Likewise, the administration managing EU funds needs to cooperate more actively with previous and potential beneficiaries in the preparation of tenders. Entrepreneurs (and all other beneficiaries of EU funds) need timely and precise information about which tenders will be published in the next 12 months and for which types of investments. The business sector is interested both as an investor and as a supplier of goods, works and services in projects from EU funds and the RRP, but for its more active participation it is necessary to ensure timely information. We are asking for analysis of the status of implementation of all planned investments with implementation deadlines in August 2026. These are strategic public investments that cannot be implemented in less than two years if the public procurement process has not already been completed. Considering that more than 70% of public investments in Croatia are financed by EU funds, potential suppliers should have a single point of information on future infrastructure investments of public institutions and establishments (so that they can anticipate related public procurement). For illustration, projects such as the planned reform to increase the number of students in single-shift classes from 40% to as much as 70% are extremely important, and there are less than two years left for its implementation, given that it must be completed by June 30, 2026.</p> <p>We believe that the public should know how many more schools need to be built and/or reconstructed, as well as the dynamics and how many schools will obtain occupancy permits with readiness for single-shift classes.</p> <p>A public procurement was conducted for the planned investments in the network of electric charging stations on highways, but not a single charging station had been installed by the end of last year.</p>

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 3	<p>To strengthen competitiveness: (i) boost access to diverse sources of financing and promote capital markets facilitating the participation of retail investors in the bond market, and addressing barriers to listing and strengthening corporate governance to improve the attractiveness of the stock market; (ii) reduce labour and skills shortages by strengthening basic skills, enhancing upskilling and reskilling, and improving access to formal home- and community-based long-term care; and (iii) address the fragmentation of public institutions that carry out research, development and innovation activities by ensuring a comprehensive and binding approach to merging various support functions, bolstering the financial incentives for mergers, and ensuring the promotion of relevant strategic goals under the performance agreements between the Ministry of Science and Education and public research and higher education institutions.</p>	---	---	---

#### **4. Reform Progress in your Member State in 2024**

How would you assess reform progress in 2024, for the following broad areas:

<b>Taxation and Public Finances</b>	Mixed
<b>Business environment (regulation/access to markets)</b>	Mixed
<b>Labour market</b>	Unsatisfactory
<b>Innovation and skills</b>	Mixed
<b>Access to finance and Financial stability</b>	Satisfactory

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2025 Reform Barometer?

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## 5. Reform priorities for 2025

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
<b>Priority 1</b>	Taxation policy	Continue reduction of the overall labour tax burden (including healthcare contributions) and para-fiscal fees, funded by broadening tax base including raising taxes on income from assets and rental activity	yes
<b>Priority 2</b>	Functioning of the labour market, including framework for labour contracts & undeclared work	Flexibilize Aliens Act further through prolongation of working permits to 3 years, targeted immigration policy, easier and digital administrative procedures easier procedures for non-EU students and family reunification and transfer of workers from non-EU countries between affiliated companies. Labour law amendments aimed at strengthening hiring opportunities, mobility, flexible forms of employment (easier job change, simultaneous employment with more than one employer), simpler regulations and the abolition of protective clauses. Introducing transparent minimum wage formula based on inflation and productivity	yes
<b>Priority 3</b>	Active labour market policies, incentives to work & labour market participation	Enhance re/upskilling strategies via co-financing education programs to acquire green and digital knowledge and skills; Education programmes' adjustment according to labour market needs and smart specialization strategy. Reduce absenteeism through financial disincentive of unjustified use of sick leave;	yes

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
<b>Priority 4</b>	Public administration	Reduce the number of local government units by merging financially unsustainable units; Reduce medium-term cost in healthcare through overly generous entitlement reforms	no
<b>Priority 5</b>	Renewable energy, energy infrastructure & networks	Unblock 2,600 MWh capx in renewable capacity for electricity generation. Scrap the difference between electricity prices paid by corporates and citizens, final electricity market design according to main trading partners' best practice	no

## Cyprus

### 1. EU Competitiveness

<b>Question 1</b>	To what extent do you consider the European Commission's overall policy stance supportive of competitiveness and growth compared to 12 months ago?	Slightly better
<b>Question 2</b>	What are your expectations of the new commission from the point of view of regulatory burden (will the EC President deliver on her promises)?	Increased slightly
<b>Question 3</b>	What are your overall expectations about the next European Commission	Slightly better
<b>Question 4</b>	How do you think the EU investment environment is seen by global firms compared to 12 months ago?	Unchanged
<b>Question 5</b>	What does your federation see as the main challenges threatening the attractiveness of the EU as an investment environment vis-à-vis international competitors?	<ol style="list-style-type: none"> <li>1. Regulatory environment</li> <li>2. Energy prices</li> <li>3. Skills gap</li> <li>4. Availability of labour</li> <li>5. Environmental policies</li> </ol>
<b>Question 6</b>	What do you think will the consequences for investment in Europe from the next U.S. administration?	Negative
<b>Question 7</b>	What do you think will be consequences for the regulatory environment in Europe from the next US administration	Unchanged

## 2. National Recovery and Resilience Plans

<b>Question 8</b>	How satisfied or dissatisfied are you with the way your country is implementing the national recovery and resilience plan in the past year?	Very satisfied
<b>Question 9</b>	How satisfied or dissatisfied are you with the involvement of social partners in the implementation so far of your national recovery and resilience plan?	Satisfied
<b>Question 10</b>	How effective do you think the European Commission is being in ensuring strong implementation of the reforms in the national recovery and resilience plans across the EU?	Completely confident
<b>Question 11</b>	If you are dissatisfied with the implementation so far of your national recovery and resilience plan, why?	
<b>Question 12</b>	Open question : Which best practices from the RRP could be leveraged for future programmes, and which pitfalls should be avoided?	Best Practices: Set measurable goals and timelines, ensuring efficient implementation. Prioritized green energy, digital transformation, and economic resilience so future initiatives should continue investing in high-impact sectors. Pitfalls to be avoided: Bureaucracy, inadequate fund allocation.

### 1. Assessment of Country Specific recommendations 2024 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Submit the medium-term fiscal-structural plan in a timely manner. In line with the requirements of the reformed Stability and Growth Pact, limit the growth in net expenditure <sup>20</sup> in 2025 to a rate consistent with putting the general government debt on a plausibly downward trajectory over the medium term and respecting the 3% of GDP deficit Treaty reference value.	Extremely important	Satisfactory	---
CSR 2	<p><b>Official recommendation</b> : Strengthen administrative capacity to manage the recovery and resilience plan, accelerate investments and maintain momentum in the implementation of reforms. Address emerging delays to allow for continued, swift and effective implementation of the recovery and resilience plan, including the REPowerEU chapter, ensuring completion of reforms and investments by August 2026. Accelerate the implementation of the cohesion policy programme. In the context of its mid-term review, continue focusing on the agreed priorities, taking action to better address the needs in the area of prevention and preparedness against climate change-related risks, while considering the opportunities provided by the Strategic Technologies for Europe Platform initiative to improve competitiveness.</p> <p><b>OEB input</b> : Accelerate the implementation of its recovery and resilience plan, also by ensuring an adequate administrative capacity, and swiftly finalise the REPowerEU chapter with a view to rapidly starting its implementation. Proceed with the speedy implementation of cohesion policy programmes, in close complementarity and synergy with the recovery and resilience plan.</p>	Extremely important	Satisfactory	---

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 3	<p><b>Official recommendation</b> : Strengthen the competitiveness of the economy by accelerating efforts to improve the governance of state-owned enterprises in line with international standards and further improving skill levels and educational outcomes. Strengthen continuous teacher training and address the imbalances between labour supply and demand by further increasing the capacity and attractiveness of Vocational Education and Training programmes as well as fostering adult learning.</p> <p><b>OEB input</b> : Strengthen the competitiveness of the economy by accelerating efforts to improve the governance of state-owned enterprises in line with international standards and further improving skill levels and educational outcomes.</p>	Important	Mixed	---
CSR 4	<p><b>Official recommendation</b> : Upgrade and expand the grid and storage to accommodate an increasing share of renewables. Improve the implementation of climate adaptation measures, by focusing on fostering the institutional framework governing climate adaptation and implementing sustainable water management practices in agriculture.</p> <p><b>OEB input</b> : Reduce reliance on fossil fuels and diversify the energy supply. To better exploit all untapped potential for renewable energy generation, accelerate renewables deployment by using suitable economic instruments and making further investments to upgrade and modernise the electricity grid, including energy storage facilities. Speed up the development of electricity interconnections. Extend and accelerate energy efficiency measures, also to address energy poverty, as well as the shift towards sustainable transport. Step up policy efforts aimed at the provision and acquisition of the skills needed for the green transition.</p>	Extremely important	Mixed	---

#### **4. Reform Progress in your Member State in 2024**

How would you assess reform progress in 2024, for the following broad areas:

<b>Taxation and Public Finances</b>	Mixed
<b>Business environment (regulation/access to markets)</b>	Satisfactory
<b>Labour market</b>	Mixed
<b>Innovation and skills</b>	Mixed
<b>Access to finance and Financial stability</b>	Satisfactory

**Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2025 Reform Barometer?**

A Tax Reform is on its way after 22 years since the last tax reform. This reform aims to make the tax system fairer, more efficient, and more competitive while strengthening the trust of citizens and businesses in the state. A new tax policy is essential to adapt to global economic changes and bolster Cyprus' position as an attractive investment destination.

## 5. Reform priorities for 2025

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
<b>Priority 1</b>	Taxation policy	Tax reform is a necessity. The goal will be to strengthen the competitiveness of the Cypriot economy and Cyprus as a business center, to reduce tax inequality, to enhance the transparency and simplification of the tax system and to reduce the administrative burden.	yes
<b>Priority 2</b>	Renewable energy, energy infrastructure & networks	With rising energy costs and a reliance on imported fossil fuels, we have to invest in clean energy, smart grids, and regional energy connections, as to achieve energy security, lower costs, and build a sustainable economy.	yes
<b>Priority 3</b>	Wages & wage setting	In June 2025, the transitional agreement that defines the method of payment for the Cost of Living Allowance (COLA) will expire. The consultation for a new agreement is expected to be completed within 2025. Also, the next adjustment of the consultation on the National Minimum Wage must be completed within 2025.	yes
<b>Priority 4</b>	Digital connectivity, infrastructure & market functioning	For Cyprus, a strong digital infrastructure and an open market are key to economic growth, innovation, and global competitiveness. Investing in high-speed networks, cybersecurity, and digital services, the island can position itself as a tech-driven economy, ready for the future.	yes
<b>Priority 5</b>	Justice system	The Justice Reform is in the pipeline and must be eventually completed in order for Cyprus to regain its trust from local businesses and foreign investors.	

## Czech Republic

### 1. EU Competitiveness

<b>Question 1</b>	To what extent do you consider the European Commission's overall policy stance supportive of competitiveness and growth compared to 12 months ago?	Unchanged
<b>Question 2</b>	What are your expectations of the new commission from the point of view of regulatory burden (will the EC President deliver on her promises)?	Unchanged
<b>Question 3</b>	What are your overall expectations about the next European Commission	Slightly better
<b>Question 4</b>	How do you think the EU investment environment is seen by global firms compared to 12 months ago?	Significantly worse
<b>Question 5</b>	What does your federation see as the main challenges threatening the attractiveness of the EU as an investment environment vis-à-vis international competitors?	<ol style="list-style-type: none"> <li>1. Energy prices</li> <li>2. Regulatory Environment</li> <li>3. Skills gap</li> </ol>
<b>Question 6</b>	What do you think will the consequences for investment in Europe from the next U.S. administration?	Negative
<b>Question 7</b>	What do you think will be consequences for the regulatory environment in Europe from the next US administration	Unchanged Europe should reflect it.

## 2. National Recovery and Resilience Plans

<b>Question 8</b>	How satisfied or dissatisfied are you with the way your country is implementing the national recovery and resilience plan in the past year?	Neutral
<b>Question 9</b>	How satisfied or dissatisfied are you with the involvement of social partners in the implementation so far of your national recovery and resilience plan?	Neutral
<b>Question 10</b>	How effective do you think the European Commission is being in ensuring strong implementation of the reforms in the national recovery and resilience plans across the EU?	Somewhat confident
<b>Question 11</b>	If you are dissatisfied with the implementation so far of your national recovery and resilience plan, why?	<ol style="list-style-type: none"> <li>1. Projects not designed for the private sector</li> <li>2. Capacity of projects to change profile of the economy</li> <li>3. Inadequate sectoral targeting (digital energy, not the relevant sectors)</li> </ol>
<b>Question 12</b>	Open question : Which best practices from the RRP could be leveraged for future programmes, and which pitfalls should be avoided?	---

### 3. Assessment of Country Specific recommendations 2024 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	<p><b>Official recommendation</b> : Submit the medium-term fiscal-structural plan in a timely manner. In line with the requirements of the reformed Stability and Growth Pact, limit the growth in net expenditure<sup>24</sup> in 2025 to a rate consistent with maintaining the general government deficit below the 3% of GDP Treaty reference value and keeping the general government debt at a prudent level over the medium term. Take measures to ensure the long-term fiscal sustainability of the pension system. Lower tax and benefit disincentives for parents to return to work to promote higher female labour market participation. Improve incentives for people close to retirement to continue working. Take steps to increase revenue from recurrent property taxes.</p> <p><b>SPCR input</b> : Submit the medium-term fiscal-structural plan in a timely manner (maintaining general government deficit below 3 % of GDP, long-term fiscal sustainability to pension system, lower tax and benefit disincentives for parents to return to work)</p>	Important	Mixed	<p>The government has reduced the state budget deficit and its amount should be below 3% of GDP this year, however, the pace of reducing the state budget deficit is unsatisfactory and concerns are especially about the long-term sustainability of the pension and healthcare systems.</p>

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 2	<p><b>Official recommendation</b> : Strengthen administrative capacity to manage the recovery and resilience plan, accelerate investments and maintain momentum in the implementation of reforms. Address emerging delays to allow for continued, swift and effective implementation of the recovery and resilience plan, including the REPowerEU chapter, ensuring completion of reforms and investments by August 2026. Accelerate the implementation of cohesion policy programmes. In the context of their mid-term review, continue focusing on the agreed priorities, taking action to better mobilise private sector resources, including through the use of innovative financial instruments, while considering the opportunities provided by the Strategic Technologies for Europe Platform initiative to improve competitiveness.</p> <p><b>SPCR input</b> : Strengthen administrative capacity to manage the recovery and resilience plan, accelerate investments and maintain momentum in the implementation of reforms.</p>	Important	Unsatisfactory	---
CSR 3	<p><b>Official recommendation</b> : Strengthen the capacity of Czechia's public administration to attract, retain and develop talent, particularly those with analytical, managerial and IT skills. Reduce departmentalism and strengthen strategic steering capacities to improve consistency across policies. Support cooperation among municipal administrations, including by providing support for administrative capacity building targeted to structurally affected regions.</p> <p><b>SPCR input</b> : Strengthen the capacity of Czechia's public administration to attract, retain and develop talent, particularly those with analytical, managerial and IT skills.</p>	Extremely important	Unsatisfactory	The labor market is struggling with a long-term shortage of qualified labor. The labor market is experiencing a high shortage of specialists, for example in technological fields, which is exacerbated by the low interest of applicants in technical fields at universities. However, attracting qualified labor from abroad is encountering administrative barriers from the state, for example.

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 4	<p><b>Official recommendation</b> : Boost innovation by improving technology transfer from academia to businesses, supporting the creation of spin-offs and start-ups, and increasing participation in tertiary education. Strengthen the competitiveness of the economy by addressing skills mismatches, simplifying the recognition of foreign qualifications, and by increasing the labour market participation of underrepresented groups.</p> <p><b>SPCR input:</b> Boost innovation by improving technology transfer from academia to businesses, supporting the creation of spin-offs and start-ups, and increasing participation in tertiary education. S</p>	Extremely important	unsatisfactory	<p>The environment for start-ups in the Czech Republic could be made more attractive, for example by more favorable tax treatment of employee share programs (a key way of attracting qualified workers for a young company with a lack of finances).In the Czech Republic, there is a perceived lack of support for innovation, especially for applied industrial research (low allocation, unstable support outlook), which has a high potential for application in practice. Companies that want to use tax deductions for research and development also face high administrative burdens and uncertainties.</p> <p>In the Czech Republic, there is also a perceived lack of support for research and development, especially for applied industrial research (low allocation, unstable outlook for support), which has a high potential for application in practice. Companies that want to use tax deductions for research and development also face a high administrative burden and uncertainties.</p>

#### **4. Reform Progress in your Member State in 2024**

How would you assess reform progress in 2024, for the following broad areas:

<b>Taxation and Public Finances</b>	Unsatisfactory
<b>Business environment (regulation/access to markets)</b>	Unsatisfactory
<b>Labour market</b>	Mixed
<b>Innovation and skills</b>	Unsatisfactory
<b>Access to finance and Financial stability</b>	No progress

**Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2025 Reform Barometer?**

We appreciate the government for having the courage to take certain steps forward, including, for example, the tender for nuclear resources or facilitating the recruitment of foreign workers. At the same time, we expected more significant reforms on the part of the state towards a friendlier business environment, which did not happen. From reducing the bureaucratic burden on companies, a more attractive environment for research to a more conceptual solution to energy prices. Czech companies are struggling with high energy prices not only within other regions, but also compared to neighboring countries, which significantly reduces their competitiveness. And unfortunately, the government has only worsened this situation by abolishing tax exemptions for metallurgical and mineralogical processes and increasing mandatory payments for some companies for renewable energy sources. We also do not see any steps that would lead to greater efficiency of state administration. As far as digitalization is concerned, first of all, the systematic increase in the number of civil servants.

## 5. Reform priorities for 2025

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
<b>Priority 1</b>	Renewable energy, energy infrastructure & networks	Reduction of high energy prices, which are higher internationally and compared to neighboring countries. In our economic policy vision, we want the final energy price to not exceed the EU average and the prices of the most industrialized EU countries, including, for example, Germany, Slovakia, or Poland.	no
<b>Priority 2</b>	Research & innovation	Improve conditions for research and development (attractive tax deductions, sufficient and stable allocation of funds for industrial applied research)	yes
<b>Priority 3</b>	Active labour market policies, incentives to work & labour market participation	Attracting qualified foreign workers, alleviating the shortage of qualified labor	yes
<b>Priority 4</b>	Business environment (incl. SME policies)	Overall reduction of the administrative burden on business (e.g. permitting processes, everyday practice in the corporate environment)	yes
<b>Priority 5</b>	Public administration	Improving the function of the public sector (digitalisation, process optimization)	no

## Denmark

### 1. EU Competitiveness

<b>Question 1</b>	To what extent do you consider the European Commission's overall policy stance supportive of competitiveness and growth compared to 12 months ago?	Slightly better
<b>Question 2</b>	What are your expectations of the new commission from the point of view of regulatory burden (will the EC President deliver on her promises)?	Increased slightly
<b>Question 3</b>	What are your overall expectations about the next European Commission	Slightly better
<b>Question 4</b>	How do you think the EU investment environment is seen by global firms compared to 12 months ago?	Slightly worse
<b>Question 5</b>	What does your federation see as the main challenges threatening the attractiveness of the EU as an investment environment vis-à-vis international competitors?	6. Regulatory environment 7. Availability of labour 8. Innovation capacity 9. Energy prices 10. Access to raw materials
<b>Question 6</b>	What do you think will the consequences for investment in Europe from the next U.S. administration?	Very negative
<b>Question 7</b>	What do you think will be consequences for the regulatory environment in Europe from the next US administration	Positive

## 2. National Recovery and Resilience Plans

<b>Question 8</b>	How satisfied or dissatisfied are you with the way your country is implementing the national recovery and resilience plan in the past year?	Neutral
<b>Question 9</b>	How satisfied or dissatisfied are you with the involvement of social partners in the implementation so far of your national recovery and resilience plan?	Neutral
<b>Question 10</b>	How effective do you think the European Commission is being in ensuring strong implementation of the reforms in the national recovery and resilience plans across the EU?	Somewhat confident
<b>Question 11</b>	If you are dissatisfied with the implementation so far of your national recovery and resilience plan, why?	<ol style="list-style-type: none"> <li>1. Time of authorities to take decisions</li> <li>2. Projects not designed for the private sector</li> </ol>
<b>Question 12</b>	Open question : Which best practices from the RRP could be leveraged for future programmes, and which pitfalls should be avoided?	Implementing could be improved by focusing on streamlining the time it takes for authorities to take decisions and to design projects better for the private sector. Funds should generally clearly be linked to specific reforms and investments and be transparent in their criteria and evaluations.

### 3. Assessment of Country Specific recommendations 2024 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Submit the medium-term fiscal-structural plan in a timely manner.	Extremely important	Satisfactory	The government has presented a 2030 plan. The government is focusing on reforms where there is room for both tax reductions and welfare. But there needs to be more focus on competitiveness and access to labour.
CSR 2	<b>Official recommendation</b> : Continue with the swift and effective implementation of the recovery and resilience plan, including the REPowerEU chapter, ensuring completion of reforms and investments by August 2026. Accelerate the implementation of cohesion policy programmes. In the context of their mid-term review, continue focusing on the agreed priorities, while considering the opportunities provided by the Strategic Technologies for Europe Platform initiative to improve competitiveness.	Extremely Important	No progress	No comment
CSR 3	<b>Official recommendation</b> : Take further efforts for sustainable agriculture by stepping up decarbonisation measures and action to reduce nutrient losses.	Important	Satisfactory	A green agreement has been negotiated for agriculture, which must now be dealt with politically. The agreement provides concrete answers to agriculture's climate and nature challenges, and it also sets the stage for a historic restructuring of Denmark's land.

#### **4. Reform Progress in your Member State in 2024**

How would you assess reform progress in 2024, for the following broad areas:

<b>Taxation and Public Finances</b>	Mixed
<b>Business environment (regulation/access to markets)</b>	Mixed
<b>Labour market</b>	Unsatisfactory
<b>Innovation and skills</b>	Mixed
<b>Access to finance and Financial stability</b>	No progress

**Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2025 Reform Barometer?**

In order to address the present and future labour shortage, also in light of the demographic change, the assessment of the government of the necessity to enhance opportunities for TCN's to live and work in Denmark was correct. Consequently, the government's subsequent continuing missing action on the area is unsatisfactory.

## 5. Reform priorities for 2025

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
<b>Priority 1</b>	Active labour market policies, incentives to work & labour market participation	Reform of the present scheme for admittance of labour from third countries, including the abolishment of the salary amount limit requirement for third country nationals. It would provide easier access for TCN's as well as easier access for companies for the labour they need. Later retirement, more young people in work and faster routes through the education system.	yes
<b>Priority 2</b>	Public administration	Streamlining the public sector. Unlock the potential of Gen-AI in the public sector, and follow the concrete administrative recommendations from social partners in order to reduce the number of employees in the public sector. Streamlining the public sector and increased competition for public services. Reform of the job center system. Reduce number of part-time employed in the public sector.	yes
<b>Priority 3</b>	Research and Innovation	Preserve the 130 pct. R&D deduction without ceiling. Increase public R&D to 1½ % of GDP	(yes)
<b>Priority 4</b>	Taxation policy	Competitive corporation tax (15 per cent in 2030). Further restructuring of taxes and charges, including excise duties.  No withholding tax on dividends to institutional investors in the EU's internal market	no
<b>Priority 5</b>	Skills, Vocational Education and Training & adult learning	Focus on more skilled workers. More practical content in education programs.	(yes)

## Estonia

### 1. EU Competitiveness

<b>Question 1</b>	To what extent do you consider the European Commission's overall policy stance supportive of competitiveness and growth compared to 12 months ago?	Slightly better
<b>Question 2</b>	What are your expectations of the new commission from the point of view of regulatory burden (will the EC President deliver on her promises)?	Increased slightly
<b>Question 3</b>	What are your overall expectations about the next European Commission	Slightly better
<b>Question 4</b>	How do you think the EU investment environment is seen by global firms compared to 12 months ago?	Slightly worse
<b>Question 5</b>	What does your federation see as the main challenges threatening the attractiveness of the EU as an investment environment vis-à-vis international competitors?	<ol style="list-style-type: none"> <li>1. Other : overall input price levels</li> <li>2. Energy prices</li> <li>3. Fragmentation of the Single Market</li> </ol>
<b>Question 6</b>	What do you think will the consequences for investment in Europe from the next U.S. administration?	Unchanged
<b>Question 7</b>	What do you think will be consequences for the regulatory environment in Europe from the next US administration	Negative

## 2. National Recovery and Resilience Plans

<b>Question 8</b>	How satisfied or dissatisfied are you with the way your country is implementing the national recovery and resilience plan in the past year?	Neutral
<b>Question 9</b>	How satisfied or dissatisfied are you with the involvement of social partners in the implementation so far of your national recovery and resilience plan?	Satisfied
<b>Question 10</b>	How effective do you think the European Commission is being in ensuring strong implementation of the reforms in the national recovery and resilience plans across the EU?	Not confident
<b>Question 11</b>	If you are dissatisfied with the implementation so far of your national recovery and resilience plan, why?	<ol style="list-style-type: none"> <li>1. Projects not designed for the private sector</li> <li>2. Time of authorities to take decisions</li> <li>3. Capacity of projects to change the profile of the economy</li> </ol>
<b>Question 12</b>	Open question : Which best practices from the RRP could be leveraged for future programmes, and which pitfalls should be avoided?	RRP was implemented too slowly, should address incremental innovation and investments more.

### 3. Assessment of Country Specific recommendations 2024 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Submit the medium-term fiscal-structural plan in a timely manner. In line with the requirements of the reformed Stability and Growth Pact, limit the growth in net expenditure <sup>16</sup> in 2025 to a rate consistent with reducing the general government deficit below the 3% of GDP Treaty reference value and keeping the general government debt at a prudent level over the medium term. Broaden the tax base and improve access to and financing of healthcare and long-term care.	Extremely important	Unsatisfactory	Tax revenues have grown more than 10% annually for the last 3-4 ys. Government is still lending 1,4 bln eur, e.g 2,8% and raising tax burden to the highest level in Baltics. Need more aggressive cut in spending.
CSR 2	Continue with the swift and effective implementation of the recovery and resilience plan, including the REPowerEU chapter, ensuring completion of reforms and investments by August 2026. Accelerate the implementation of the cohesion policy programme. In the context of the mid-term review, continue focusing on the agreed priorities, taking action to better address the needs in the long-term care sector, while considering the opportunities provided by the Strategic Technologies for Europe Platform initiative to improve competitiveness.	Important	Satisfactory	---
CSR 3	Strengthen social protection, inter alia to address old-age poverty and by extending the coverage of unemployment benefits, in particular to those with short work spells and in non-standard forms of work.	Contrary to federation advice	Unsatisfactory	Material deprivation is one of the lowest in EU. Material deprivation has decreased among retired last couple of years. Social benefits are decreasing work stimulus in some regions/house-holds already.

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 4	Reduce the share of oil shale in the energy mix and raise resource productivity through bio-based innovation. Improve labour productivity and skills supply through reskilling and upskilling, and by better attracting and retaining talent.	Extremely important	Mixed	Two very different recommendations: Oil shale energy is critical at the moment as Russia is sabotaging grid. Share of renewable energy is already one of the highest in EU. Labour and skill supply shortages are extremely important issues to address and we've seen some progress. OSKA labour and skills' supply analysis is being accepted as an input for educational policy more and more each year. The quota for labour immigration is still too strict.

#### 4. Reform Progress in your Member State in 2024

How would you assess reform progress in 2024, for the following broad areas:

Taxation and Public Finances	Unsatisfactory
Business environment (regulation/access to markets)	Unsatisfactory
Labour market	Mixed
Innovation and skills	Mixed
Access to finance and Financial stability	No progress

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2025 Reform Barometer?

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## 5. Reform priorities for 2025

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 1	Taxation policy	Budget cuts and increasing flexibility, so that every new spending wouldn't increase tax burden	No
Priority 2	Single market, competition & state aid	---	No
Priority 3	Skills, Vocational Education and Training & adult learning	OSKA forecasts of the need for Estonian labour force and skills should be made a systematic input for publicly financed education on every level.	Yes
Priority 4	Renewable energy, energy infrastructure & networks	1) Strategic plan must be developed in order to reach competitive energy prices (around 100 eur/MWh) compared to neighboring countries and 2) Managed power capacities must be developed to provide electricity when the renewables and international grid aren't available.	Yes
Priority 5	Digitalisation of businesses	---	Yes

## Finland

### 1. EU Competitiveness

<b>Question 1</b>	To what extent do you consider the European Commission's overall policy stance supportive of competitiveness and growth compared to 12 months ago?	Slightly better
<b>Question 2</b>	What are your expectations of the new commission from the point of view of regulatory burden (will the EC President deliver on her promises)?	Decreased slightly
<b>Question 3</b>	What are your overall expectations about the next European Commission	Slightly better
<b>Question 4</b>	How do you think the EU investment environment is seen by global firms compared to 12 months ago?	Unchanged
<b>Question 5</b>	What does your federation see as the main challenges threatening the attractiveness of the EU as an investment environment vis-à-vis international competitors?	<ol style="list-style-type: none"> <li>1. Regulatory environment</li> <li>2. Access to finance</li> <li>3. Fragmentation of the Single Market</li> <li>4. Innovation capacity</li> <li>5. Tax regime</li> </ol>
<b>Question 6</b>	What do you think will the consequences for investment in Europe from the next U.S. administration?	Negative
<b>Question 7</b>	What do you think will be consequences for the regulatory environment in Europe from the next US administration	Unchanged

## 2. National Recovery and Resilience Plans

<b>Question 8</b>	How satisfied or dissatisfied are you with the way your country is implementing the national recovery and resilience plan in the past year?	Satisfied
<b>Question 9</b>	How satisfied or dissatisfied are you with the involvement of social partners in the implementation so far of your national recovery and resilience plan?	Satisfied
<b>Question 10</b>	How effective do you think the European Commission is being in ensuring strong implementation of the reforms in the national recovery and resilience plans across the EU?	Somewhat confident
<b>Question 11</b>	If you are dissatisfied with the implementation so far of your national recovery and resilience plan, why?	<ol style="list-style-type: none"> <li>1. Capacity of projects to change profile of the economy</li> <li>2. Inadequate sectoral targeting (digital, energy, not the relevant sectors)</li> <li>3. Other : Projects have been very spread out across the country and economic sectors. Very little critical mass achieved</li> </ol>
<b>Question 12</b>	Open question : Which best practices from the RRP could be leveraged for future programmes, and which pitfalls should be avoided?	Projects have been very spread out across the country and economic sectors.

### 3. Assessment of Country Specific recommendations 2024 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Submit the medium-term fiscal-structural plan in a timely manner. In line with the requirements of the reformed Stability and Growth Pact, limit the growth in net expenditure <sup>22</sup> in 2025 to a rate consistent with putting the general government debt on a plausibly downward trajectory over the medium term and reducing the general government deficit below the 3% of GDP Treaty reference value. Pursue the reform of the social security system in order to increase the efficiency of the social benefits system, which would improve incentives to work and support the long-term sustainability of public finances.	Extremely important	Mixed	Finnish government has consolidated public finances with large savings and to a lesser extent tax increases. However, according to latest forecasts, public debt will not turn on a downward trajectory in medium term.
CSR 2	Address emerging delays to allow for continued, swift and effective implementation of the recovery and resilience plan, including the REPowerEU chapter, ensuring completion of reforms and investments by August 2026. Accelerate the implementation of cohesion policy programmes. In the context of the mid-term review continue focusing on the agreed priorities, while considering the opportunities provided by the Strategic Technologies for Europe Platform initiative to improve competitiveness.	Helpful (but not a priority)	Satisfactory	
CSR 3	Address labour and skills shortages by reskilling and upskilling the workforce and widening the higher education offer, in particular for the study fields most in demand in the labour market. Ensure that the reform of social and healthcare services improves access to and delivery of services and tackles inefficiencies.	Important	Mixed	

#### **4. Reform Progress in your Member State in 2024**

How would you assess reform progress in 2024, for the following broad areas:

<b>Taxation and Public Finances</b>	Mixed
<b>Business environment (regulation/access to markets)</b>	Satisfactory
<b>Labour market</b>	Excellent
<b>Innovation and skills</b>	Mixed
<b>Access to finance and Financial stability</b>	Mixed

**Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2025 Reform Barometer?**

Thorough reforms of labour market legislation which has partly been very outdated and not anymore matching the needs of modern businesses. Limitations on political strikes as well as support strikes between trade unions were imposed and a stricter framework for the National Mediator's office were implemented. Local bargaining was enhanced.

## 5. Reform priorities for 2025

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 1	Taxation policy	Growth-enhancing tax reforms would be very crucial. Especially the top marginal tax rates are very high in an international comparison and Finland has lost some of its competitiveness also in other tax areas (i.e. CIT).	no
Priority 2	Education	Share of people with tertiary education has stagnated in Finland. Government should pursue active policies to increase the supply of education and the pass-through of students (decrease the drop-out rate).	yes
Priority 3	Healthcare And Long term care	Performance of the new counties responsible for health and social services should be evaluated thoroughly and further operational reforms be implemented in order to achieve better cost efficiency and a good quality of services. This is very important for consolidation of public finances.	yes
Priority 4	Functioning of the labour market, including framework for labour contracts & undeclared work	Finland should have a more active immigration policy to attract qualified immigrants. Labour force shortages will limit growth in medium and long term without additional measures.	no
Priority 5	Research & innovation	There is a broad-based agreement in the Finnish Parliament to increase public R&D funding and leverage private R&D spending (target: R&D spending 4 % of GDP in 2030). It is crucial to implement well-designed instruments which would have the desired leveraging effect.	yes

## France

### 1. EU Competitiveness

<b>Question 1</b>	To what extent do you consider the European Commission's overall policy stance supportive of competitiveness and growth compared to 12 months ago?	Slightly better
<b>Question 2</b>	What are your expectations of the new commission from the point of view of regulatory burden (will the EC President deliver on her promises)?	Increased slightly
<b>Question 3</b>	What are your overall expectations about the next European Commission	Slightly better
<b>Question 4</b>	How do you think the EU investment environment is seen by global firms compared to 12 months ago?	Slightly worse
<b>Question 5</b>	What does your federation see as the main challenges threatening the attractiveness of the EU as an investment environment vis-à-vis international competitors?	<ol style="list-style-type: none"> <li>1. Regulatory environment</li> <li>2. Tax Regime</li> <li>3. Energy prices</li> </ol>
<b>Question 6</b>	What do you think will the consequences for investment in Europe from the next U.S. administration?	Very negative
<b>Question 7</b>	What do you think will be consequences for the regulatory environment in Europe from the next US administration	Negative

## 2. National Recovery and Resilience Plans

<b>Question 8</b>	How satisfied or dissatisfied are you with the way your country is implementing the national recovery and resilience plan in the past year?	Neutral
<b>Question 9</b>	How satisfied or dissatisfied are you with the involvement of social partners in the implementation so far of your national recovery and resilience plan?	Neutral
<b>Question 10</b>	How effective do you think the European Commission is being in ensuring strong implementation of the reforms in the national recovery and resilience plans across the EU?	Not confident
<b>Question 11</b>	If you are dissatisfied with the implementation so far of your national recovery and resilience plan, why?	<ol style="list-style-type: none"> <li>1. Time of authorities to take decisions</li> <li>2. Bureaucracy</li> </ol>
<b>Question 12</b>	Open question : Which best practices from the RRP could be leveraged for future programmes, and which pitfalls should be avoided?	

### 3. Assessment of Country Specific recommendations 2024 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Submit the medium-term fiscal-structural plan in a timely manner. In line with the requirements of the reformed Stability and Growth Pact, limit the growth in net expenditure in 2025 to a rate consistent with putting the general government debt on a plausibly downward trajectory over the medium term and reducing the general government deficit towards the 3% of GDP Treaty reference value. Reduce the complexity of the tax system by better targeting tax expenditures, removing the least efficient ones and limiting their overall budgetary impact. Continue the efforts to enhance the quality of budgetary measures, including by setting up quantitative targets for expenditure savings in budgetary planning within the established framework for spending reviews.	Important	Unsatisfactory	
CSR 2	Continue with the swift and effective implementation of the recovery and resilience plan, including the REPowerEU chapter, ensuring completion of reforms and investments by August 2026. Accelerate the implementation of cohesion policy programmes. In the context of their mid-term review, continue focusing on the agreed priorities, while considering the opportunities provided by the Strategic Technologies for Europe Platform initiative to improve competitiveness.	Helpful (but not a priority)	No progress	
CSR 3	Further address skills shortages, including in green transition occupations, and foster participation in training, in particular among the low-skilled. Improve the performance and equity of the education system. Strengthen the teaching profession, including by improving working conditions and training.	Important	Unsatisfactory	
CSR 4	Improve the business environment by reducing the administrative burden. Foster business R&D intensity, including by better targeting public support schemes. Accelerate the energy transition by deploying renewable energies faster, including by adopting secondary legislation, setting up the 'renewables acceleration areas' and promoting storage technologies.	Important	Mixed	

#### **4. Reform Progress in your Member State in 2024**

How would you assess reform progress in 2024, for the following broad areas:

<b>Taxation and Public Finances</b>	Unsatisfactory
<b>Business environment (regulation/access to markets)</b>	Unsatisfactory
<b>Labour market</b>	Mixed
<b>Innovation and skills</b>	Unsatisfactory
<b>Access to finance and Financial stability</b>	No progress

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2025 Reform Barometer?

## 5. Reform priorities for 2025

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
<b>Priority 1</b>	Budgetary framework and fiscal governance	To decrease public spending (especially cut public servants)	no
<b>Priority 2</b>	Taxation policy	To lower business tax	no
<b>Priority 3</b>	Education	To improve the level, especially in sciences	no
<b>Priority 4</b>	Housing	To facilitate residential construction	no
<b>Priority 5</b>	Pension systems and active ageing	To keep the pension reform	yes

## Germany

### 1. EU Competitiveness

<b>Question 1</b>	To what extent do you consider the European Commission's overall policy stance supportive of competitiveness and growth compared to 12 months ago?	Slightly better
<b>Question 2</b>	What are your expectations of the new commission from the point of view of regulatory burden (will the EC President deliver on her promises)?	Increased slightly
<b>Question 3</b>	What are your overall expectations about the next European Commission	Slightly better
<b>Question 4</b>	How do you think the EU investment environment is seen by global firms compared to 12 months ago?	Slightly worse
<b>Question 5</b>	What does your federation see as the main challenges threatening the attractiveness of the EU as an investment environment vis-à-vis international competitors?	<ol style="list-style-type: none"> <li>1. Regulatory Environment</li> <li>2. Tax regime</li> <li>3. Fragmentation of the Single Market</li> <li>4. Energy prices</li> <li>5. Availability of labour</li> </ol>
<b>Question 6</b>	What do you think will the consequences for investment in Europe from the next U.S. administration?	Very negative
<b>Question 7</b>	What do you think will be consequences for the regulatory environment in Europe from the next US administration	Positive

## 2. National Recovery and Resilience Plans

<b>Question 8</b>	How satisfied or dissatisfied are you with the way your country is implementing the national recovery and resilience plan in the past year?	Dissatisfied
<b>Question 9</b>	How satisfied or dissatisfied are you with the involvement of social partners in the implementation so far of your national recovery and resilience plan?	Very dissatisfied
<b>Question 10</b>	How effective do you think the European Commission is being in ensuring strong implementation of the reforms in the national recovery and resilience plans across the EU?	Somewhat confident
<b>Question 11</b>	If you are dissatisfied with the implementation so far of your national recovery and resilience plan, why?	<ol style="list-style-type: none"> <li>1. Time of authorities to take decisions</li> <li>2. Capacity of projects to change profile of the economy</li> <li>3. Bureaucracy</li> </ol>
<b>Question 12</b>	Open question : Which best practices from the RRP could be leveraged for future programmes, and which pitfalls should be avoided?	Practices should always be tailored to the specific (crisis)-situation. In general, clear milestones should be set, after the consultation of relevant stakeholders, and later monitored and regularly communicated in a transparent manner.

### 3 Assessment of Country Specific recommendations 2024 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Submit the medium-term fiscal-structural plan in a timely manner. In line with the requirements of the reformed Stability and Growth Pact, limit the growth in net expenditure <sup>24</sup> in 2025 to a rate consistent with putting the general government debt on a plausibly downward trajectory over the medium term and maintaining the general government deficit below the 3% of GDP Treaty reference value. Strengthen public investment and remove obstacles to private investment to boost competitiveness. Enhance the fiscal space for productive spending including by reforming the financing side of the first pillar pension system. Improve the tax mix for more inclusive growth and sustainable competitiveness, also by reducing disincentives to increase hours worked, in particular for second earners.	Extremely important	No progress	The plan has not yet been submitted by the German governments. Germany's public finances are in decent shape, but its investment needs are huge. The reorganisation of Germany as an industrial location will require one of the biggest transformation efforts since the post-war period - with additional investment needs totaling around €1.4 trillion by 2030 (BDI study "Transformation paths").
CSR 2	Significantly accelerate the implementation of the recovery and resilience plan, including the REPowerEU chapter once adopted, ensuring completion of reforms and investments by August 2026, and speed up the implementation of cohesion policy programmes, including by allocating sufficient resources to the management of the recovery and resilience plan and cohesion policy programmes. In the context of the mid-term review of cohesion policy programmes continue focusing on the agreed priorities, while considering the opportunities provided by the Strategic Technologies for Europe Platform initiative to improve competitiveness.	Important	Mixed	Accelerating the Recovery and Resilience Plan has the potential to support Germany's green and digital transitions, while ensuring timely use of EU funds. The government faces challenges in speeding up project approvals.

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 3	<p>Address the shortage of skilled workers, particularly by strengthening basic and digital skills, and improving education outcomes, including by providing targeted support to disadvantaged groups. Speed up the digitalisation of public administration including by increasing the geographic coverage of digital public services. Further boost the deployment of very high-capacity digital communication networks, including by facilitating the necessary implementation of private investment projects and mobilising public resources where needed.</p>	Extremely important	Unsatisfactory	<p>Tackling the skills shortage and improving educational outcomes are crucial for Germany. According to various indicators such as the OECD, Germany is still lagging behind in terms of digital skills and the digitalisation of its public administration, while the roll-out of high-capacity networks remains uneven.</p>
CSR 4	<p>Accelerate the decarbonisation of the transport sector, including by upgrading the rail network.</p>	Extremely important	Unsatisfactory	<p>Accelerating the decarbonisation of Germany's transport sector is crucial for meeting climate change targets and reducing dependence on fossil fuels, while improving rail infrastructure supports sustainable mobility and economic competitiveness. Limited progress has been made in increasing investment in rail modernisation and electrification projects. Challenges remain in streamlining project timelines and achieving modal shift from road to rail.</p>

#### **4. Reform Progress in your Member State in 2024**

How would you assess reform progress in 2024, for the following broad areas:

<b>Taxation and Public Finances</b>	Unsatisfactory
<b>Business environment (regulation/access to markets)</b>	Unsatisfactory
<b>Labour market</b>	Unsatisfactory
<b>Innovation and skills</b>	Unsatisfactory
<b>Access to finance and Financial stability</b>	Mixed

**Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2025 Reform Barometer?**

- 1) Bureaucracy Reduction Act (Bürokratieentlastungsgesetz, BEG IV): This law is an important measure to reduce the regulatory burden on companies, especially SMEs. However, it is not as far-reaching as we had hoped. The small measures will hardly bring any noticeable relief.
- 2) Growth Opportunities Act: With an annual volume of around seven billion euros, the law provides targeted tax measures for companies, creates important investment incentives and supports corporate liquidity, but only makes a half-hearted effort to improve the overall tax framework for companies. It should serve as a starting point for further steps to reduce excessive compliance obligations, lower the corporate tax burden to an internationally competitive level of 25% and include a reduction in electricity taxes. Following infighting within the "traffic light coalition" and the coalition break in autumn 2024, the adoption of the law is in limbo.
- 3) The Skilled Immigration Act is a positive step in the right direction. The following points came into force in 2023/24: Lowering of the salary threshold for the Blue Card, regulation for people with practical work experience, waiver of the priority check for trainees, introduction of the opportunity card with points system, more opportunities for helper jobs by extending the so-called Western Balkans regulation & short-term contingent employment.

## 5. Reform priorities for 2025

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
<b>Priority 1</b>	Business environment (incl. SME policies)	Significantly reduce bureaucracy and cut red tape. In particular, assess the cumulative burden of regulations and implement a strict "one in, one out" rule for new regulations. Accelerate planning and permitting procedures and fully digitise administrative processes. Promote a more competitive and innovation-friendly business environment.	
<b>Priority 2</b>	Digitalisation of public administration and public services	Promote the digitalisation of administrative services at all levels and further simplify and improve planning and licensing procedures to reduce red tape and boost competitiveness.	
<b>Priority 3</b>	Taxation policy	Improve the general tax environment, reduce the effective tax burden on companies, improve depreciation rules, introduce a higher allowance for research and development expenditure, further strengthen the provision of venture capital, especially for technology start-ups, and provide greater support for construction activity for affordable housing and climate protection.	
<b>Priority 4</b>	Skills, Vocational Education and Training & adult learning	Reduce skills mismatches; improve early vocational guidance and market-driven traineeship placements; improve job counselling, transfer and placement; facilitate the employment of skilled third-country workers.	
<b>Priority 5</b>	Pension systems and active ageing	Remove incentives for early retirement; introduce mandatory retirement schemes for the self-employed; cost-cutting reforms needed.	

## Greece

### 1. EU Competitiveness

<b>Question 1</b>	To what extent do you consider the European Commission's overall policy stance supportive of competitiveness and growth compared to 12 months ago?	Unchanged
<b>Question 2</b>	What are your expectations of the new commission from the point of view of regulatory burden (will the EC President deliver on her promises)?	Unchanged
<b>Question 3</b>	What are your overall expectations about the next European Commission	Unchanged
<b>Question 4</b>	How do you think the EU investment environment is seen by global firms compared to 12 months ago?	Slightly worse
<b>Question 5</b>	What does your federation see as the main challenges threatening the attractiveness of the EU as an investment environment vis-à-vis international competitors?	<ol style="list-style-type: none"> <li>1. Energy prices</li> <li>2. Regulatory Environment</li> <li>3. Availability of labour</li> <li>4. Environmental policies</li> <li>5. Tax regime</li> </ol>
<b>Question 6</b>	What do you think will the consequences for investment in Europe from the next U.S. administration?	Negative
<b>Question 7</b>	What do you think will be consequences for the regulatory environment in Europe from the next US administration	Negative

## 2. National Recovery and Resilience Plans

<b>Question 8</b>	How satisfied or dissatisfied are you with the way your country is implementing the national recovery and resilience plan in the past year?	Neutral
<b>Question 9</b>	How satisfied or dissatisfied are you with the involvement of social partners in the implementation so far of your national recovery and resilience plan?	Dissatisfied
<b>Question 10</b>	How effective do you think the European Commission is being in ensuring strong implementation of the reforms in the national recovery and resilience plans across the EU?	Somewhat confident
<b>Question 11</b>	If you are dissatisfied with the implementation so far of your national recovery and resilience plan, why?	
<b>Question 12</b>	Open question : Which best practices from the RRP could be leveraged for future programmes, and which pitfalls should be avoided?	

### 3 Assessment of Country Specific recommendations 2024 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	<p>Submit the medium-term fiscal-structural plan in a timely manner. In line with the requirements of the reformed Stability and Growth Pact, limit the growth in net expenditure<sup>23</sup> in 2025 to a rate consistent with putting the general government debt on a plausibly downward trajectory over the medium term and maintaining the general government deficit below the 3% of GDP Treaty reference value. Continue improving the investment friendliness of the taxation system by reinforcing its legal certainty and continue increasing the operational autonomy of the tax authority to manage and develop its human resources. Safeguard the efficiency of public administration while ensuring that it can attract the right skills and preserving consistency with the unified wage grid, and operationalising the multi-level governance framework. Ensure that external balances continue on a steadily improving path by promoting balanced growth and supporting productive domestic investment. Pursue the ongoing reduction of the stock of non-performing loans held by banks and credit servicers, including by further improving the e-auction processes to reduce the ratio of unsuccessful auctions.</p>	Extremely important	Mixed	<p>Continued improvement of tax framework for business builds on the important progress made. But especially in the area of certainty, more can be done. In addition, the rationalization closer to EU averages of the tax wedge for employees in the 30-100K yearly cost of employer bracket should receive more attention. It is also important to ensure that agencies that deal with key interactions of business with the administration, like licencing, audits etc. are staffed in adequate numbers and skills, especially given the low replacement rate of departures due to retreat in the past decade that has left key agencies understaffed at a now critical level.</p>

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 2	<p>Strengthen administrative capacity to manage EU funds, accelerate investments and maintain momentum in the implementation of reforms. Address emerging delays to allow for continued, swift and effective implementation of the recovery and resilience plan, including the REPowerEU chapter, ensuring completion of reforms and investments by August 2026. Accelerate the implementation of cohesion policy programmes. In the context of their mid-term review, continue focusing on the agreed priorities, taking action to better address the needs in the area of prevention and preparedness against climate change-related risks, while considering the opportunities provided by the Strategic Technologies for Europe Platform initiative to improve competitiveness.</p>	Extremely important	Mixed	RRF reforms should be substantial, and not "tick the box"
CSR 3	<p>Boost competitiveness through tackling underachievement in basic skills, reinforcing the management of state assets and completing the regulatory framework for environmental licencing.</p>	Extremely important	Mixed	<p>Completion of environmental licencing, building on the significant reforms of the past years for manufacturing (new categorization, standardized requirements) should now include the registers for auditors, expanding the simplification to other activities (eg recycling, RWE), specialized issues (industries with access to sea shore, licencing in Attica, SEVESO activities etc). Also, an ongoing completion of the spatial planning in Greece should provide for adequate guidelines and provisions to ensure sufficient land for industry, especially in view of the new European priorities.</p>

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 4	Reduce reliance on fossil fuels by accelerating the decarbonisation of the transport sector. Strengthen management of natural disasters by putting in place an effective early warning and risk prevention system.	Important	Mixed	Decarbonization should focus more on ensuring adequate cheap and green energy for industry, and ensure that licencing & spatial planning restrictions on RWEs do not impede the development of sufficient RWE supply to achieve this target. Also, the national targets for the abolition of internal combustion engines, especially in transport, should take into account the absence of developed cargo rail transport and the impact on the cost of transport, that will also impact inflation. Also, the maturity of the charging network has to be taken into account. The same consideration on costs should apply in the case of taxation of non-ETS sectors.

#### **4. Reform Progress in your Member State in 2024**

How would you assess reform progress in 2024, for the following broad areas:

<b>Taxation and Public Finances</b>	Mixed
<b>Business environment (regulation/access to markets)</b>	Mixed
<b>Labour market</b>	Satisfactory
<b>Innovation and skills</b>	Mixed
<b>Access to finance and Financial stability</b>	Mixed

**Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2025 Reform Barometer?**

The completion of the simplified environmental licencing framework for manufacturing, with the publication in 2024 of the modernized standardized requirement for undertakings that do not need an environmental impact study. Also examples of labour market reforms to highlight include:

- A new framework for overtime work
- The implementation of a 6-Day workweek
- The expansion of sectors allowing work on Sundays/Holidays
- The unilateral work time arrangement by Employers
- Incentives for converting part-time to full-time contracts
- The overall reduction of non-wage labor costs by 5.4 percentage points in the period 2020 – 2025 (main and supplementary social security contributions)

## 5. Reform priorities for 2025

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 1	Wages and wage setting	<ul style="list-style-type: none"> <li>- abolish the current compulsory arbitration system and restrict the unilateral recourse to compulsory arbitration in the event of critical labour disputes in essential services</li> <li>- sectoral collective agreements prevail over company-level agreements regarding wage-related terms</li> <li>- company-level agreements to prevail in all other terms (e.g., organization of work and flexibility of working time, shifts, annual leave planning, adjustment of job specializations, etc.).</li> <li>- further improve flexibility in the organization of work (working time arrangements, overtime, telework)</li> <li>- incentives to promote investments aimed at improving labor productivity</li> </ul>	no
Priority 2	Public administration	Ensure that departments that deliver key services and design policies that are critical for business are staffed adequately in quantity and quality and that they deliver quality services and reform proposals.	no
Priority 3	Environmental policy & resource management	Ensure that targets for biodiversity are set and pursued based on science and proper surveys, and that they are balanced with climate targets and especially ability to install RWEs to achieve clean energy targets.	yes

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
<b>Priority 4</b>	Taxation policy	Reducing tax wedge for employees in the 30-100K annual employer cost bracket	yes
<b>Priority 5</b>	Skills, Vocational Education and Training & adult learning	Modern labour markets needs are better and more efficiently met when educational programs are planned with the active participation of enterprises at a sectoral or local level. Upskilling and reskilling policies and programs, aiming especially at the integration of vulnerable people or at the reintegration of workers into the labour market, have undoubtedly better results when they are specifically targeted and cover the very real needs of businesses.	yes
<b>Priority 6</b>	Tax administration, tax evasion & tax avoidance	Digilization of tax control in order to reduce tax evasion	yes

## Hungary

### 1. EU Competitiveness

<b>Question 1</b>	To what extent do you consider the European Commission's overall policy stance supportive of competitiveness and growth compared to 12 months ago?	Slightly better
<b>Question 2</b>	What are your expectations of the new commission from the point of view of regulatory burden (will the EC President deliver on her promises)?	Increased slightly
<b>Question 3</b>	What are your overall expectations about the next European Commission	Slightly better
<b>Question 4</b>	How do you think the EU investment environment is seen by global firms compared to 12 months ago?	Slightly better
<b>Question 5</b>	What does your federation see as the main challenges threatening the attractiveness of the EU as an investment environment vis-à-vis international competitors?	<ol style="list-style-type: none"> <li>1. Energy prices</li> <li>2. Regulatory environment</li> <li>3. Fragmentation of the Single Market</li> <li>4. Availability of labour</li> <li>5. Demographic change</li> </ol>
<b>Question 6</b>	What do you think will the consequences for investment in Europe from the next U.S. administration?	Negative
<b>Question 7</b>	What do you think will be consequences for the regulatory environment in Europe from the next US administration	Negative

## 2. National Recovery and Resilience Plans

<b>Question 8</b>	How satisfied or dissatisfied are you with the way your country is implementing the national recovery and resilience plan in the past year?	Very dissatisfied
<b>Question 9</b>	How satisfied or dissatisfied are you with the involvement of social partners in the implementation so far of your national recovery and resilience plan?	Very dissatisfied
<b>Question 10</b>	How effective do you think the European Commission is being in ensuring strong implementation of the reforms in the national recovery and resilience plans across the EU?	Not confident
<b>Question 11</b>	If you are dissatisfied with the implementation so far of your national recovery and resilience plan, why?	<ol style="list-style-type: none"> <li>1. Projects not designed for the private sector</li> <li>2. Bureaucracy</li> <li>3. Capacity of projects to change profile of the economy</li> </ol>
<b>Question 12</b>	Open question : Which best practices from the RRP could be leveraged for future programmes, and which pitfalls should be avoided?	Hungary do not have access to the funds of the RRF, due to the conditionality procedure. (We don't know the state of play.) So as we cannot mention any best practice.

### 3 Assessment of Country Specific recommendations 2024 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	<p>Submit the medium-term fiscal-structural plan in a timely manner. In line with the requirements of the reformed Stability and Growth Pact, limit the growth in net expenditure<sup>26</sup> in 2025 to a rate consistent with putting the general government debt on a plausibly downward trajectory over the medium term and reducing the general government deficit towards the 3% of GDP Treaty reference value. Wind down the emergency energy support measures before the 2024/2025 heating season. Pursue effective coordination and clear demarcation of macroeconomic policies to ensure fiscal and external sustainability. Phase out remaining price and interest rate caps to reduce distortive effects and facilitate the smooth transmission of monetary policy. Target support measures in the housing sector to low-income households. Strengthen the medium-term budgetary framework, align the preparation of annual budgets with the budgetary year and limit discretion in the implementation of annual budgets.</p>	Extremely important	No progress	
CSR 2	<p>In light of prolonged delays, significantly accelerate the implementation of cohesion policy programmes and the recovery and resilience plan, including the REPowerEU chapter, ensuring completion of reforms and investments by August 2026, by swiftly implementing the necessary measures to ensure the protection of the EU’s financial interests and resolving pending issues on enabling conditions. In the context of the mid-term review of cohesion policy programmes, continue focusing on the agreed priorities, taking action to better address poverty, focusing on energy poverty and the least developed districts and municipalities, and improve the smart specialisation strategy, while considering the opportunities provided by the Strategic Technologies for Europe Platform initiative to improve competitiveness.</p>	Extremely important	No progress	

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 3	Improve the regulatory framework and enhance competition in product markets and services by avoiding arbitrary administrative interventions and the selective use of tailor-made legislation providing undue advantage or disadvantage to specific companies, by applying competition scrutiny systematically to business transactions and by reducing the use of emergency measures to what is strictly necessary, in line with the principles of the single market and the rule of law. Improve the adequacy of the social protection system, including unemployment benefits. Improve educational attainment levels as well as access to effective active labour market measures, in particular upskilling and reskilling opportunities for the most disadvantaged groups, and ensure effective social dialogue.	Extremely important	No progress	
CSR 4	Reduce overall reliance on fossil fuels, accelerate the diversification of gas supply towards non-Russian sources, and take steps to phase out fossil fuel subsidies.	Extremely important	No progress	

#### **4. Reform Progress in your Member State in 2024**

How would you assess reform progress in 2024, for the following broad areas:

<b>Taxation and Public Finances</b>	Unsatisfactory
<b>Business environment (regulation/access to markets)</b>	Unsatisfactory
<b>Labour market</b>	Unsatisfactory
<b>Innovation and skills</b>	Unsatisfactory
<b>Access to finance and Financial stability</b>	Unsatisfactory

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2025 Reform Barometer?

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### **5. Reform priorities for 2025**

	<b>I. Policy Area</b>	<b>II. Concrete Recommendations</b>	<b>III. Are the proposed recommendations already in the agenda of your Government?</b>
<b>Priority 1</b>	Corruption	Fighting against corruption	no
<b>Priority 2</b>	Education	Overall and inclusive education reform with VET angle	no
<b>Priority 3</b>	Taxation	Get rid of extra taxes	no
<b>Priority 4</b>	Healthcare	Health care reform	no
<b>Priority 5</b>	Business environment	Improving predictability in the economy	no

Explanation:

Extra taxes:

At least 32 so-called sectoral extra taxes exist, which significantly burden the concerned sectors and the economy overall. (Examples: telecom, banks and financial institutions, health care contribution of tobacco traders, etc.) The amount has tripled since 2021, which is passed on to customers, increasing prices and harming competitiveness.

The government uses these taxes to fill budgetary gaps, which increases the unpredictability of the economy.

But taxation is just one part of this unpredictability. The lack of transparency in legislation (one-night legislative procedure, the parliament being set aside because of the continuous state of emergency caused by the war in Ukraine, and the lack of social dialogue and stakeholders' involvement—which are generally the key concerns in the EU conditionality procedure) also contributes to significant economic uncertainty.

We think this latter is the question of the business environment, but please feel free to classify where you think they're a better fit.

## Ireland

### 1. EU Competitiveness

<b>Question 1</b>	To what extent do you consider the European Commission's overall policy stance supportive of competitiveness and growth compared to 12 months ago?	Unchanged
<b>Question 2</b>	What are your expectations of the new commission from the point of view of regulatory burden (will the EC President deliver on her promises)?	Increased slightly
<b>Question 3</b>	What are your overall expectations about the next European Commission	Unchanged
<b>Question 4</b>	How do you think the EU investment environment is seen by global firms compared to 12 months ago?	Unchanged
<b>Question 5</b>	What does your federation see as the main challenges threatening the attractiveness of the EU as an investment environment vis-à-vis international competitors?	<ol style="list-style-type: none"> <li>1. Lack of infrastructure, incl. digital</li> <li>2. Regulatory environment</li> <li>3. Fragmentation of the Single Market</li> <li>4. Skills gap</li> <li>5. Availability of Labour</li> </ol>
<b>Question 6</b>	What do you think will the consequences for investment in Europe from the next U.S. administration?	Negative
<b>Question 7</b>	What do you think will be consequences for the regulatory environment in Europe from the next US administration	Unchanged



## 2. National Recovery and Resilience Plans

<b>Question 8</b>	How satisfied or dissatisfied are you with the way your country is implementing the national recovery and resilience plan in the past year?	Neutral
<b>Question 9</b>	How satisfied or dissatisfied are you with the involvement of social partners in the implementation so far of your national recovery and resilience plan?	Neutral
<b>Question 10</b>	How effective do you think the European Commission is being in ensuring strong implementation of the reforms in the national recovery and resilience plans across the EU?	Somewhat confident
<b>Question 11</b>	If you are dissatisfied with the implementation so far of your national recovery and resilience plan, why?	---
<b>Question 12</b>	Open question : Which best practices from the RRP could be leveraged for future programmes, and which pitfalls should be avoided?	

### 3 Assessment of Country Specific recommendations 2024 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Submit the medium-term fiscal-structural plan in a timely manner. Address the expected increase in age-related expenditure by making the healthcare system more cost-effective.	Extremely important	Satisfactory	Government has offered reduced but needed supports to individuals and businesses in the face of higher energy costs. However, the untargeted nature of these payments are of concern
CSR 2	Address emerging delays to allow for continued, swift and effective implementation of the recovery and resilience plan, including the REPowerEU chapter once adopted, ensuring completion of reforms and investments by August 2026. Accelerate the implementation of cohesion policy programmes. In the context of their mid-term review, continue focusing on the agreed priorities, while considering the opportunities provided by the Strategic Technologies for Europe Platform initiative to improve competitiveness.	Helpful (but not a priority)	Mixed	

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 3	Increase investments in drinking water and wastewater infrastructure to improve water quality and reduce leakages.	Important	Mixed	Government has taken steps in conjunction with business in the rolling out of plastic bottle return schemes in order to ensure a higher level of recycling. The broader circular economy implementation should follow this template of a combined effort between business and government
CSR 4	Increase efforts to improve the flexibility of the electricity system and modernise and expand grid capacity. Develop and implement a strategy to promote demand-side response and streamline planning and permitting for storage facilities and grid connectors. Increase efforts to improve energy performance of private buildings to reduce energy bills and energy system costs.	Extremely important	Satisfactory	The diversification of energy remains are priority in lowering costs while ensuring security. Government is taking steps to invest in the national grid and connectivity via interconnectors. However, many of these investments are overdue and Ireland continues to have elevated energy costs relative to the EU

#### **4. Reform Progress in your Member State in 2024**

How would you assess reform progress in 2024, for the following broad areas:

<b>Taxation and Public Finances</b>	Unsatisfactory
<b>Business environment (regulation/access to markets)</b>	Mixed
<b>Labour market</b>	Satisfactory
<b>Innovation and skills</b>	Satisfactory
<b>Access to finance and Financial stability</b>	Excellent

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2025 Reform Barometer?

The regulatory burden and how it can be modernised/streamlined

### 5. Reform priorities for 2025

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
<b>Priority 1</b>	Digital connectivity, infrastructure & market functioning	Further investment in infrastructure to relieve investment bottlenecks	yes
<b>Priority 2</b>	Functioning of the labour market, including framework for labour contracts & undeclared work	offering relief to businesses in the face of higher labour costs/ social security increases	yes
<b>Priority 3</b>	Active labour market policies, incentives to work & labour market participation	Ensuring the labour supply continues to grow via the social policies that allow for workforce participation i.e. childcare	yes
<b>Priority 4</b>	Skills, Vocational Education and Training & adult learning	Unlocking the dedicated National Training Fund to address key skills gaps that employers have identified in the workforce and training	yes
<b>Priority 5</b>	Housing	Addressing housing shortages throughout the country by delivering 300k new homes by 2030	yes

## Italy

### 1. EU Competitiveness

<b>Question 1</b>	To what extent do you consider the European Commission's overall policy stance supportive of competitiveness and growth compared to 12 months ago?	Unchanged
<b>Question 2</b>	What are your expectations of the new commission from the point of view of regulatory burden (will the EC President deliver on her promises)?	Decreased slightly
<b>Question 3</b>	What are your overall expectations about the next European Commission	Unchanged
<b>Question 4</b>	How do you think the EU investment environment is seen by global firms compared to 12 months ago?	Slightly better
<b>Question 5</b>	What does your federation see as the main challenges threatening the attractiveness of the EU as an investment environment vis-à-vis international competitors?	<ol style="list-style-type: none"> <li>1. Energy prices</li> <li>2. Regulatory Environment</li> <li>3. Access to finance</li> <li>4. Environmental policies</li> <li>5. Access to raw materials</li> </ol>
<b>Question 6</b>	What do you think will be the consequences for investment in Europe from the next U.S. administration?	Negative
<b>Question 7</b>	What do you think will be consequences for the regulatory environment in Europe from the next US administration	Positive

## 2. National Recovery and Resilience Plans

<b>Question 8</b>	How satisfied or dissatisfied are you with the way your country is implementing the national recovery and resilience plan in the past year?	Satisfied
<b>Question 9</b>	How satisfied or dissatisfied are you with the involvement of social partners in the implementation so far of your national recovery and resilience plan?	Neutral
<b>Question 10</b>	How effective do you think the European Commission is being in ensuring strong implementation of the reforms in the national recovery and resilience plans across the EU?	Not confident
<b>Question 11</b>	If you are dissatisfied with the implementation so far of your national recovery and resilience plan, why?	1.
<b>Question 12</b>	Open question : Which best practices from the RRP could be leveraged for future programmes, and which pitfalls should be avoided?	Positive: performance-based approach; milestones & targets. Negative: the DNSH approach could reduce the impact of NRRP.

### 3 Assessment of Country Specific recommendations 2024 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1a	Submit the medium-term fiscal-structural plan in a timely manner. In line with the requirements of the reformed Stability and Growth Pact, limit the growth in net expenditure <sup>27</sup> in 2025 to a rate consistent with putting the general government debt on a plausibly downward trajectory over the medium term and reducing the general government deficit towards the 3% of GDP Treaty reference value.	Important	Excellent/no further progress needed	The Italian government was one of the first major countries to submit the plan, which is consistent with the provisions of the renewed SGP and envisages a reduction to a deficit lower than 3% of GDP by 2027.
CSR 1b	Make the tax system more supportive to growth, with a focus on reducing the tax wedge on labour and in line with fiscal sustainability objectives, including by reducing tax expenditures and updating cadastral values, while ensuring fairness and progressivity and supporting the green transition.	Important	Mixed	<p>The public finance plan consists of a set of measures: the Budget Law for 2025-2027 and several legislative decrees implementing the enabling act on tax reform. In the Budget Law the reductions on PIT (Personal Income Tax, lower rates) are no longer temporary, but on a permanent basis. A temporary measure is introduced for reducing CIT rate (Corporate Income Tax, from 24% to 20%), however under certain specific circumstances. Instead, the procedural measures adopted are welcome because they introduce improvements in terms of simplification of tax obligations and in terms of the relationship between tax administration and taxpayers.</p> <p>The tax wedge remains a key issue for employment and labour market in Italy. Positive steps have been undertaken aiming at permanently reducing the tax wedge on labour in the context of a structural reform of the tax system.</p>

	Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
<p>CSR 2</p> <p>Strengthen administrative capacity to manage EU funds, accelerate investments and maintain momentum in the implementation of reforms. Address emerging delays to allow for continued, swift and effective implementation of the recovery and resilience plan, including the REPowerEU chapter, ensuring completion of reforms and investments by August 2026. Accelerate the implementation of cohesion policy programmes. In the context of their mid-term review continue focusing on the agreed priorities, while considering the opportunities provided by the Strategic Technologies for Europe Platform initiative to improve competitiveness.</p>	<p>Extremely important</p>	<p>Mixed</p>	<p>The Government has continued to strengthen the governance of the National Recovery and Resilience Plan (PNRR), enhancing the role of the Mission Structure within the Presidency of the Council of Ministers focusing on improving administrative efficiency and speeding up implementation. Particular attention has been given to local coordination through the creation of Prefectural Coordination Units in order to monitor more closely peripheral critical issues and to ensure timely actions.</p> <p>The actions taken have followed the path of previous regulatory progress, further strengthening the integration between the PNRR and cohesion policies. However, significant obstacles persist, particularly regarding the advancement of newer cohesion programs and the accurate reporting of expenditures, both of which remain pivotal for the Plan's success. To address these challenges, implementing entities are now required to update procedural and financial timelines on the ReGIS platform, a key step in enhancing transparency and promptly identifying potential critical issues.</p> <p>Significant progress has been made in key reform areas such as justice, public procurement, digitalization, and social inclusion. While the legislative framework for many reforms has been completed, 2024 marked the beginning of the implementation phase, essential for translating legislative provisions into tangible results.</p> <p>These initiatives aimed not only to meet European targets but also to strengthen administrative capacity, reduce judicial backlogs, and to simplify procedures for public works. Despite the progress challenges persist, such as administrative fragmentation and delays in project execution.</p> <p>At the operational level, adherence to European deadlines has been ensured by achieving semestral targets, thereby securing additional funding. Nonetheless, challenges persist in actual expenditure, with a significant portion of resources concentrated in the last years of the Plan, and this could lead the risks of operational overload and inefficiencies.</p> <p>Energy continues to be a strategic priority, supported by the REPowerEU addendum to boost independence and security. However, certain measures, such as "Transizione 5.0," have experienced delays due to regulatory and procedural complexities, particularly the strict application of the "Do No Significant Harm" (DNSH) principle, which has limited access to funds for some strategic sectors. Similarly, the infrastructure sector has shown irregular progress, with advanced projects alongside initiatives still in their early stages.</p>

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 2 (continued)				<p>Legislative Decree 60/2024 contains “Further urgent provisions on cohesion policies”</p> <p>It must be read in conjunction with:</p> <ul style="list-style-type: none"> <li>• the PNRR reform, which provides for an intervention aimed at accelerating the implementation and increasing the efficiency of the European cohesion policy for the period 2021-2027;</li> <li>• the Legislative Decree "Sud" (124/2023), which already contained provisions on cohesion and the South of Italy</li> </ul> <p>The new provision, therefore, intends to implement the reform envisaged in the PNRR, moving within the framework outlined by the DL "Sud". To do so, it moves along three lines: i) cohesion reform; ii) development; iii) work.</p> <p>On the cohesion reform, shared measures are introduced, aimed at:</p> <ul style="list-style-type: none"> <li>• improving the efficiency of spending</li> <li>• increasing the coherence of use between the various available funding sources,</li> </ul> <p>The objective is to arrive at a framework in which all cohesion resources - European and national - and the PNRR, are used synergistically, avoiding overlaps and delays.</p> <p>The opportunities provided by the STEP Platform can help improve the competitiveness of European industry. However, it is necessary that the instrument is appropriate with the objectives to be pursued ((for example, real support for productive investments by large companies throughout the country)</p>

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 3	In order to mitigate the effects on potential growth, tackle negative demographic trends including by attracting and retaining high-skilled workers and by addressing labour market challenges, in particular with regards to women, young people and inwork poverty, notably of workers with non-standard contracts.	Important	Satisfactory	<p>Demographic trends remain a challenge for the Italian labour market, together with low employment levels of women and young people.</p> <p>Positive actions have been undertaken to encourage immigration of third-country-nationals with adequate skills and the reshoring of talents to Italy, and to support skills development and employment of disadvantaged groups, also in the framework of NRRP.</p> <p>A comprehensive strategy to strengthen active labour market policies and to support transitions remains to be implemented.</p>
CSR 4	Define an industrial and development strategy to reduce the territorial divide by streamlining current policy measures and by taking into account key infrastructure projects as well as strategic value chains. Address restrictions to competition, in particular in the retail sector, regulated professions and railways	Extremely important	Mixed	<p>Regarding to an industrial and development strategy, important news has been made regarding the ZES in 2024: at the beginning of August, the Strategic Plan drawn up by the Mission Structure was presented, an important guideline document for the development policy of the South for the coming years, as well as the basis for the functioning of the Single Authorization system.</p> <p>Regarding to restrictions to competition, in particular in the field of regulated professions, in terms of fair compensation for professional services, it is appropriate to introduce elements of better balance in the current national legislation (law 21 April 2023, n. 49), safeguarding the underlying logic of strengthening the protection of the professional but in situations of actual contractual imbalance and economical compared to the client.</p>

#### 4. Reform Progress in your Member State in 2024

How would you assess reform progress in 2024, for the following broad areas:

<b>Taxation and Public Finances</b>	Mixed
<b>Business environment (regulation/access to markets)</b>	Satisfactory
<b>Labour market</b>	Satisfactory
<b>Innovation and skills</b>	Satisfactory
<b>Access to finance and Financial stability</b>	Mixed

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2025 Reform Barometer?

1. On 18 December 2024, the Annual Market and Competition Law 2023 (Law No. 193/2024) entered into force. As in previous year, the Law represents a milestone for Italy in the implementation of the National Recovery and Resilience Plan (NRRP), which provides for the adoption of competition measures yearly; in addition, some provisions are a specific target of NRRP implementation. In particular, the Law contains provisions on i) highways (regulation on concessions, regulatory model of electric vehicle recharging stations, users' rights, outsourcing of construction works), shrinkflation, insurance (data portability for car black boxes and antifraud provisions), entrepreneurial initiatives (start-ups, innovative SMEs and venture capital).
2. With reference to the energy sector, in 2024 the structural measure "Energy Release" was implemented in Italy to deal with the energy crisis, contain energy prices and guarantee the security of supplies. Italy still misses the implementation of the structural measure "Gas Release", extremely important in order to guarantee to the Italian energy and gas-intensive industrial system access to electricity and gas at controlled prices. The Gas Release measure also aims to relaunch national gas production, in line with what is required in the REPowerEU.
3. Law 121/2024 introduced the so-called "4+2 experimentation" for the technical-professional schools. This allows students to enroll directly in the ITS Academy (as well as universities) after completing a four-year technical-professional high school program, which would typically last five years. In addition to schools, the "4+2" system includes a four-year pathway with direct access to ITS for IeFP (Regional Vocational Education and Training) programs, particularly Salesian training courses. More generally, this initiative represents the first coordinated attempt to create VET (Vocational Education and Training) pathways that effectively connect education and the labor market across Europe. To support this initiative, €124 million has been allocated for the "campuses" of vocational schools in various regions. The reform introduced specific tools for enhancing the partnership between enterprises and schools.

4. The Budget Law for 2025 has extended the reform of the Guarantee Fund for SMEs introduced in 2024 by one year. The measure is positive but unsatisfactory because the 2024 Reform had to be made structural so as not to create uncertainties for lending banks and businesses. In addition, the coverage percentages on liquidity transactions have been reduced and a provision has been introduced that provides for an additional fee for banks that exceed a certain level of guaranteed funding. The amount of this additional premium will be determined by a subsequent Implementing Decree. This last provision will strongly discourage the use of guarantees after the achievement of the criteria that will be set by the Decree and will penalize access to credit for companies. On the other hand, the extension of the tax credit on the listing costs of SMEs on the capital markets is positive.
5. On 27 September 2024, the third Legislative Decree no. 136/2024, amending the new Insolvency Code (Legislative Decree no. 14/2019) entered into force. The provision is aimed both at rationalizing and better coordinating several rules introduced in recent years and at providing explanations about interpretative problems emerged during the first application of the Code. Relevant changes concerned the so-called "composizione negoziata per la crisi d'impresa" (an early warning mechanism) and Settlement with creditors and Debt restructuring agreement in order to ensure a quick adoption of the more suitable/appropriate remedies for the distress situation of the company.
6. With Legislative Decree 103/2024, the rules for administrative controls on economic activities have been simplified. The decree outlines a reform that, unfortunately, does not fully satisfy the expectations of companies. Firstly, because the decree defers to subsequent implementing measures the recognition and effective simplification of the specific control procedures. Secondly, because the decree doesn't give adequate value to the virtuous behaviors of companies in compliance activities (e.g. possession of certifications; adoption of organizational models), proposing systems (Certification Report) that are burdensome for operators.
7. To resolve the application difficulties and interpretative conflicts that arose in the first phase of application of the recent civil trial reform, the Government approved Legislative Decree 164 of 31 October 2024. The aim of the intervention was to clarify, simplify and efficiently some new steps of the procedures, in particular for mediation and assisted negotiation, as well as complete the digitalisation of the civil process. With regard to the achievement of the PNRR objectives on the efficiency of justice, the results developed by the Ministry of Justice were positive: compared to the reduction of the backlog for 2024 of -95%, at the end of October the Court of Appeal exceeded the target, reaching -99%, the Court is at -91%; on disposal time (target 2026 - 40% in civil and -25% in criminal) the reduction is consistent in civil -22% but not yet in line, already exceeded in criminal with -32%. The Office of the Trial proved to be the real success of the reform as an effective tool to resolve backlog and pending matters. The Government has committed to stabilizing 6,000 units and operational models are being outlined from which the most effective one can be chosen.

## 5. Reform priorities for 2025

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
<b>Priority 1</b>	Business environment (incl. SME policies) Single market, competition & state aid	According to the NRRP, the new Annual Market and Competition Law should be approved by Dec. 31, 2025. In addition, all secondary regulation should also be approved by the aforementioned date.	yes
<b>Priority 2</b>	Active labour market policies, incentives to work & labour market participation	A comprehensive strategy for active labour market policies to support the transitions (green, digital and demographic transitions)	yes
<b>Priority 3</b>	Digital connectivity, infrastructure & market functioning Digitalisation of public administration and public services Digitalisation of businesses	Accelerating the digital transformation of businesses and public administration and achieving the goals of the Digital Compass, by encouraging the adoption of new enabling digital technologies (AI, cybersecurity, cloud) through support for public and private investments	
<b>Priority 4</b>	Renewable energy, energy infrastructure & networks Single market, competition & state aid Digital connectivity, infrastructure & market functioning	Promote a new regulation of the European energy market, so as to encourage the creation of a single and integrated market for natural gas, hydrogen and all other low carbon emission gases (e.g. biomethane); promote a better integration of renewables into the European markets and the modernization and digitalization of the European energy infrastructure network (TEN-E) by using all modern technologies and techniques, including A.I. Investing in ICT from an energy point of view means improving the efficiency and security of the entire European energy system, in particular for the network and infrastructure system, so as to guarantee the digitalisation of the networks and the integration of the different energy sources	yes

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
<b>Priority 5</b>	Taxation policy	The Tax Reform needs to be finalized. More in detail, from a CIT perspective, the reduction of the CIT rate provided by the Budget Law 2025 - 2027 is temporary and subject to specific and binding conditions, thus a permanent reduction of the CIT rate - as provided by the Enabling law on the Tax Reform - should be implemented on a permanent basis. In addition, the revision process should finally be completed by implementing the changes to the VAT system with focus to the VAT rates, exemptions and special schemes, VAT deduction rules, and the VAT Group.	yes
<b>Priority 6</b>	Healthcare	Healthcare is strategic for social stability and national security, demographic development and economic growth. It is necessary that public health policies, in Italy and also in EU, will be oriented to consider the entire Life Science industrial chain as a fundamental asset on which focus new reforms and investments, especially to guaranteeing greater sustainability of the health systems and also to incentivate research and development. To do this, it is necessary also to encourage the secondary use of health data by companies for research purposes.	no
<b>Priority 7</b>	Corruption	The reform of the regulatory framework on the administrative liability of entities pursuant to Legislative Decree no. 231/2001. In particular, among others, it is necessary to: rethink its application for smaller companies, increase the rewarding effectiveness of organizational models; fill the gaps relating to the indications relating to the contents of these models; review the procedural rules and sanctioning provisions, especially with reference to precautionary measures.	yes

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
<b>Priority 8</b>	Justice system	In the medium-term structural budget plan (2025-2029) drawn up by the Governmentm (pursuant to the economic regulations of the European Union (EU) which recently came into force) regarding justice, Confindustria appreciated the expressed desire to extend and strengthen interventions to reduce the duration of proceedings and the backlog until 2029. The data are encouraging, but highlight a worrying territorial disparity between the North and South of the country.	yes
<b>Priority 9</b>	Access to finance & growth financing (incl. CMU) Financial services and financial stability	<p>Strengthening the competitiveness of the European economy requires completing the Banking Union and relying on the integration of capital markets, overcoming the fragmentation that prevents intermediaries from operating effectively across the euro area and facilitating the movement of capital. The creation of a genuine Capital Markets Union – which cannot be separated from unambiguous supervisory rules and practices – is now necessary to promote an efficient allocation of citizens' savings and to attract capital from abroad to be used also to finance smaller companies.</p> <p>It is necessary to assess whether banking and financial regulation is calibrated, also in the light of the implementation of the Basel III reform. It is necessary to remove the obstacles represented by excessively stringent rules, in order to pursue both the objective of protecting the stability of the financial system and that of allowing this system (and in particular banks) to adequately support the development of the real economy.</p> <p>It is necessary to introduce flexibility in the EBA's provisions on the definition of default in the case of distressed restructuring, which set at 1% the threshold above which the reduced obligation resulting from the concession measure is to be considered in default. In order to facilitate the renegotiation and extension of loans, it is necessary to exceed this limit by 1%, either through an increase in the threshold or through the introduction of some exceptions that allow banks to assess the possibility of restructuring debt on a case-by-case basis.</p>	

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
<p><b>Priority 9 (continued)</b></p>		<p>The revision of the EBA provisions on distressed restructuring should also take into account the needs of companies facing systemic crises and catastrophic events, allowing more scope to avoid automatic classifications in default that could further aggravate their financial situation.</p> <p>In Italy it is of paramount importance that the 2024 Reform of the SME Guarantee Fund is made structural in order to facilitate access to credit for SMEs.</p> <p>The announcement of the new European Commission to consolidate the Corporate Sustainability Reporting Directive (CSRD), Taxonomy and Corporate Sustainability Due Diligence Directive (CS3D) disciplines into an Omnibus regulation is positive, simplifying the regulatory framework on sustainable finance. Such simplification should also be accompanied by a coherent and coordinated review of banking rules on ESG risk assessment, which must not add disproportionate disclosure requirements for companies, in particular SMEs, and limit the supply of transition finance.</p>	
<p><b>Priority 10</b></p>	<p>Public administration</p>	<p>In 2025, the Public Administration will be at the center of crucial initiatives aimed at simplifying and digitizing processes, improving efficiency, and ensuring optimal resource management. Key priorities include the implementation of specific procedures for citizens (such as civil registry services, digital identity, access to online services and disability-related services) with operational rules expected by June 2025. Additionally, the ongoing efforts started in 2024 to simplify and digitalize procedures will continue in areas such as environmental permits, construction, digital infrastructure, and public procurement.</p> <p>No later than the first quarter of 2025, administrations must eliminate payment delays, setting the average payment time at 30 days, through measures to address organizational inefficiencies. Meanwhile, a report from the Ministry of Finance is expected by June 2025, which will evaluate the impact of actions aimed at improving planning capacity as well as the management of capital expenditures.</p>	<p>yes</p>

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
<b>Priority 11</b>	Research & Innovation	<p>Within the PNRR, create the conditions for the sustainability of R&amp;D interventions (national centers, partnerships, infrastructures, innovation ecosystems, Innovative PHDs) through the implementation of KPIs.</p> <p>Ensuring certainty and structurality of automatic R&amp;D tools: through the certification system.</p>	yes
<b>Priority 12</b>	Research & Innovation	<p>Promote research, innovation and development (R&amp;D) in the energy sector as much as possible, so as to develop increasingly efficient ways of generating and storing energy (e.g. R&amp;D to improve the efficiency of the electrolysis process) and encourage technological modernization as well and modernization of the European energy infrastructural system European and industrial system.</p>	yes
<b>Priority 13</b>	Energy efficiency	<p>It is necessary to incentivize energy efficiency also on a voluntary basis and through the development of adequate financial instruments, aimed at stimulating investments. The current bonuses already target energy efficiency but we believe it is important to proceed with the review and reorganization of incentives by developing measures capable of identifying priorities for intervention (less performing buildings, management of energy poverty, priorities for the less well-off or for public administration buildings, etc.) and the effectiveness of improving the energy performance of the building. It is necessary to have a stable and long-lasting framework of rules that allows the market and economic operators to structure and organize themselves, starting from resource planning (both in economic terms and in terms of workforce) and avoid market distortions.</p>	yes

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
<b>Priority 14</b>	Wages & wage setting	The Temporary Framework on State aid for the Transition will expire at the end of 2025. The framework provides a temporary derogation from the prohibition on aid for investments in decarbonisation process, in the achievement of the RepowerEU objectives, or in strategic sectors for the green transition. A new State aid instrument is needed to adequately support companies involved in the long and challenging processes of the green transition.	no
<b>Priority 15</b>	Regional development & local public services	<p>Within the actions of the 2021-2027 cycle programs, certain strategic sectors are identified, within which the Authorities in charge of the programs will then have to identify some "priority" interventions to be implemented according to a defined timetable.</p> <p>The strategic sectors are:</p> <ul style="list-style-type: none"> <li>• water resources;</li> <li>• infrastructure for hydrogeological risk and environmental protection;</li> <li>• waste;</li> <li>• research and innovation;</li> <li>• transport and sustainable mobility;</li> <li>• energy;</li> <li>• support for sustainable development and the attractiveness of businesses, including for the digital and green transitions.</li> </ul>	yes

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
<b>Priority 16</b>	Wages & wage setting	Internal market - The General Product Safety Regulation (Regulation (EU) 2023/988), entered into force on June 12, 2023 and applied from December 13, 2024. Despite this timeframe, neither the European Commission nor national institutions have provided the necessary clarifications for its proper application, resulting in great uncertainty for European companies to the detriment of the harmonization of rules in the single market. There is an urgent need to clarify interpretative doubts on the application of the Regulation as soon as possible in a uniform manner throughout the European Union.	no
<b>Priority 17</b>	Wages & wage setting	Internal Market - In relation to the topic of Intellectual Property, it is necessary to preserve the European patent system from legislative interventions that would have the effect of weakening investment in innovation in the single market. These include:  1) the proposal for a Regulation on Compulsory Licensing for Crisis Management in the Internal Market (COM 224/2023), which risks fragmenting the internationally oriented regulatory framework.  2) the Proposals for a Regulation on the unitary supplementary protection certificate for plant protection products (COM 221/2023) and for medicinal products (COM 222/2023). In the proposals, the Commission intends to give EUIPO, instead of the EPO, the power to evaluate unitary supplementary protection certificates, leading to discontinuity and uncertainty with respect to the underlying patent.	yes

I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
<p><b>Priority 18</b></p> <p>Environmental policy &amp; resource management</p>	<p>Accelerating the transition to a circular economy for a cleaner and more competitive Europe, overcoming current obstacles, technological and infrastructural, non-technological, economic and political barriers. To accelerate the transition to a circular economy and foster a cleaner, more competitive Europe, it is crucial to overcome various obstacles. These include technological and infrastructural challenges, such as insufficient investments in research and innovation, as well as non-technological barriers like excessive bureaucracy. Economic hurdles, including limited access to energy at competitive prices and a lack of demand for circular products or services, also pose significant challenges. Furthermore, political barriers, such as divergent national requirements, complicate efforts to create a unified approach. To address these issues and drive the green transition, it is essential to promote the full harmonization of the extensive European regulations on the circular economy. This entails aligning new regulatory measures with the existing framework to avoid unnecessary duplication of bureaucratic and economic burdens. Key areas requiring coordinated action include, for example, ecodesign standards, green claims, packaging and packaging waste regulations, and broader waste management policies. By streamlining these efforts, Europe can accelerate the shift towards sustainability while maintaining economic competitiveness.</p>	<p>yes</p>
<p><b>Priority 19</b></p> <p>Environmental policy &amp; resource management</p>	<p>Coordinate policies on energy transition, with those for the circular economy and promote the synergy between secure material sourcing and sustainability drivers, first and foremost the circular economy. We believe it is necessary to coordinate energy transition policies with those for the circular economy, based on the obvious cross-cutting nature of the two policy areas. Promoting a more rational use of resources - the basis of circular economy principles - has, in fact, impacts also on the promotion of renewable energy, as well as on energy efficiency policies, which are also central to the logistics and transport sectors. The two transitions, should, therefore, move on parallel tracks. In addition, it is important to promote the synergy between secure material supply and sustainability drivers, first and foremost the circular economy, by coordinating policies on critical and strategic raw materials with those for the circular economy, in order to ensure the country's and the EU's increasing independence.</p>	<p>yes</p>

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
<p><b>Priority 20</b></p>	<p>Business environment (incl. SME policies)</p>	<p>To improve the business environment, it's necessary to promptly adopt "zero-cost" regulatory and administrative simplification measures (detailed, free of financial charges, immediately implementable, inspired by a logic of proportionality in relation to the size of the business and the risk of the activity carried out) capable of reducing the bureaucratic burden of businesses and removing some of the main obstacles to investment. Confindustria has published the document "Costo Zero", containing 80 proposals of this type, which intervenes in some crucial areas for the business world (e.g. corporate criminal law, tax, cohesion, labor, environment, energy, research and development, investments, digital, public contracts, transport, privacy and internationalization), offering concrete answers and solutions to the difficulties encountered daily by businesses.</p>	<p>no</p>
<p><b>Priority 21</b></p>	<p>Quality of law making</p>	<p>Pay particular attention to the quality of regulation. More than a specific reform, this requires a new approach to regulation and a new methodology, aimed at guaranteeing businesses a stable, clear and predictable regulatory framework. In this regard, it's necessary to strengthen the regulatory impact assessment tools, involve stakeholders more promptly, choose the most appropriate regulatory instrument, opting mainly for immediately operational regulation. This would allow managing regulatory proliferation, avoiding inconsistencies and overlaps between regulations and ensuring proportionate, fair and transparent regulation for businesses, with particular attention to SMEs.</p>	<p>no</p>

I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
<b>Priority 22</b> Digital connectivity, infrastructure & market functioning Single market, competition & state aid Transport	<p>Addressing the critical issues of the Alpine crossings at a European level, therefore not only at a regional or national scale. The border crossings are crucial to ensure the transit of Italian goods to the European markets. In this context, a targeted European investment plan is needed, with a reliable timeline and the implementation of structural solutions for restoring the competitiveness of the area and ensuring the continuity of trade and tourism flows across the Alpine border crossings.</p>	yes
<b>Priority 23</b> Digital connectivity, infrastructure & market functioning Research & Innovation Transport	<p>Accelerating the revision of the EU Directives on Combined Transport and on Weights and Dimensions, in order to define a clear and up-to-date regulatory framework that is able to support the development of multimodal transport, which is essential to promote sustainable mobility and to achieve the objectives of the European Green Deal, which aims to reduce CO2 emissions by 90% by 2050. To bring about a systemic change, and to drive a gradual transition compatible with the industry's potential, it is also necessary to make all modes of freight transport more sustainable, making green alternatives widely available in a multimodal transport system. Finally, there is a need to improve infrastructure planning and the quality of projects and works to be carried out. In this context, the timely implementation of the Trans-European Transport Network (TEN-T) is a priority.</p>	yes

## Latvia

### 1. EU Competitiveness

<b>Question 1</b>	To what extent do you consider the European Commission's overall policy stance supportive of competitiveness and growth compared to 12 months ago?	Slightly better
<b>Question 2</b>	What are your expectations of the new commission from the point of view of regulatory burden (will the EC President deliver on her promises)?	Increased slightly
<b>Question 3</b>	What are your overall expectations about the next European Commission	Unchanged
<b>Question 4</b>	How do you think the EU investment environment is seen by global firms compared to 12 months ago?	Unchanged
<b>Question 5</b>	What does your federation see as the main challenges threatening the attractiveness of the EU as an investment environment vis-à-vis international competitors?	<ol style="list-style-type: none"> <li>1. Regulatory environment</li> <li>2. Access to finance</li> <li>3. Availability of labour</li> <li>4. Labour costs (f.e. sick leaves, overtime pay)</li> <li>5. Demographic change</li> </ol>
<b>LQuestion 6</b>	What do you think will the consequences for investment in Europe from the next U.S. administration?	Unchanged
<b>Question 7</b>	What do you think will be consequences for the regulatory environment in Europe from the next US administration	Unchanged

## 2. National Recovery and Resilience Plans

<b>Question 8</b>	How satisfied or dissatisfied are you with the way your country is implementing the national recovery and resilience plan in the past year?	Very dissatisfied
<b>Question 9</b>	How satisfied or dissatisfied are you with the involvement of social partners in the implementation so far of your national recovery and resilience plan?	Very dissatisfied
<b>Question 10</b>	How effective do you think the European Commission is being in ensuring strong implementation of the reforms in the national recovery and resilience plans across the EU?	Somewhat confident
<b>Question 11</b>	If you are dissatisfied with the implementation so far of your national recovery and resilience plan, why?	<ol style="list-style-type: none"> <li>1. Time of authorities to take decisions</li> <li>2. Bureaucracy</li> <li>3. Capacity of projects to change profile of the economy</li> </ol>

<p><b>Question 12</b></p>	<p>Open question : Which best practices from the RRP could be leveraged for future programmes, and which pitfalls should be avoided?</p>	<p>Projects related to infrastructure modernization and digitalization. In some sectors, the "last mile" has not been addressed - issues related to critical infrastructure and the need to invest in the digital transformation of SMEs.</p> <p>Infrastructure modernization can include upgrading transportation, energy, and communication systems.</p> <p>Digitalization can include implementing new technologies to improve efficiency and productivity.</p> <p>Critical infrastructure is essential to the functioning of a society and includes things like power grids, water systems, and transportation networks.</p> <p>Investing in the digital transformation of SMEs is important because it can help them to:</p> <ul style="list-style-type: none"> <li>Improve their competitiveness</li> <li>Increase their productivity</li> <li>Access new markets</li> <li>Create new jobs</li> </ul> <p>There are a number of challenges that need to be addressed in order to promote infrastructure modernization and digitalization, including:</p> <ul style="list-style-type: none"> <li>The high cost of investment</li> <li>The need for skilled workers</li> <li>The need for regulatory frameworks that support innovation</li> </ul> <p>Despite these challenges, the potential benefits of infrastructure modernization and digitalization are significant. By working together, governments, businesses, and individuals can create a more modern and prosperous society.</p>
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### 3 Assessment of Country Specific recommendations 2024 in detail

	Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
<p><b>CSR 1</b></p> <p><b>Official recommendation :</b> Submit the medium-term fiscal-structural plan in a timely manner. In line with the requirements of the reformed Stability and Growth Pact, limit the growth in net expenditure<sup>21</sup> in 2025 to a rate consistent with maintaining the general government deficit below the 3% of GDP Treaty reference value and keeping the general government debt at a prudent level over the medium term. Broaden taxation, including of capital and property, and strengthen the adequacy of healthcare and social protection.</p> <p><b>LDDK input :</b> Submit a medium-term fiscal-structural plan on time and limit net expenditure growth in 2025 to ensure the government's budget deficit remains below 3% of GDP and that the government debt remains at a cautious level. It is also recommended to expand the tax base, including taxes on capital and property, and to strengthen the adequacy of healthcare and social protections.</p>	Extremely important	Unsatisfactory	

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 2	<p><b>Official recommendation</b> Continue with the swift and effective implementation of the recovery and resilience plan, including the REPowerEU chapter, ensuring completion of reforms and investments by August 2026. Accelerate the implementation of cohesion policy programmes. In the context of the mid-term review continue focusing on the agreed priorities, taking action to better address persistent regional disparities and inequalities while considering the opportunities provided by the Strategic Technologies for Europe Platform initiative to improve competitiveness.</p> <p><b>LDDK recommendation</b> Continue the swift and effective implementation of the Recovery and Resilience Plan, including the REPowerEU chapter, ensuring that reforms and investments are completed by August 2026. Also, accelerate the implementation of cohesion policy programs and focus on agreed-upon priorities while addressing regional disparities and inequality, taking into account the opportunities offered by the European Strategic Technology Platform to enhance competitiveness.</p>	Important	Unsatisfactory	

	Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
<p><b>CSR 3</b></p> <p><b>Official recommendation :</b>            Improve the business environment by reducing the administrative and regulatory burden for companies and improving access to finance for small and medium-sized enterprises, including through public lending and guarantee schemes aimed at facilitating investments of strategic importance and boosting competition in the financial markets. Address labour and skills shortages, in particular in STEM, and in other specialisations needed for the green and digital transition, as well as in the social and healthcare sectors, including through targeted upskilling and reskilling.</p> <p><b>LDDK input:</b>            Improve the business environment by reducing administrative and regulatory burdens on businesses and by improving access to finance for small and medium-sized enterprises (SMEs), including through public lending and guarantee schemes that facilitate strategic investments and boost competition in financial markets. Additionally, address labor and skills shortages, particularly in STEM fields and other areas necessary for the green and digital transitions, as well as in social and healthcare, through targeted upskilling, reskilling and better working conditions.</p>	<p>Extremely important</p>	<p>Unsatisfactory</p>	
<p><b>CSR 4</b></p> <p><b>Official recommendation :</b>            Accelerate the deployment of wind and solar energy by improving permitting procedures and promoting demand-side flexibility. Foster the transition to a circular economy through eco-innovation and sustainable resource management practices.</p> <p><b>LDDK input:</b>            Accelerate the deployment of wind and solar energy by improving permitting procedures and promoting demand-side flexibility. Also, promote the transition to a circular economy by focusing on eco-innovation and sustainable resource management practices.</p>	<p>Important</p>	<p>Mixed</p>	

#### **4. Reform Progress in your Member State in 2024**

How would you assess reform progress in 2024, for the following broad areas:

<b>Taxation and Public Finances</b>	Unsatisfactory
<b>Business environment (regulation/access to markets)</b>	Mixed
<b>Labour market</b>	Unsatisfactory
<b>Innovation and skills</b>	Mixed
<b>Access to finance and Financial stability</b>	Unsatisfactory

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2025 Reform Barometer?

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## 5. Reform priorities for 2025

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
<b>Priority 1</b>	Public administration/ Budgetary framework and fiscal governance	cutting government spending, Reducing bureaucracy	no
<b>Priority 2</b>	Active labour market policies, incentives to work & labour market participation		no
<b>Priority 3</b>	Digital connectivity, infrastructure & market functioning		yes
<b>Priority 4</b>	Skills, Vocational Education and Training & adult learning		yes
<b>Priority 5</b>	Quality of law making		no

## Lithuania

### 1. EU Competitiveness

<b>Question 1</b>	To what extent do you consider the European Commission's overall policy stance supportive of competitiveness and growth compared to 12 months ago?	Unchanged
<b>Question 2</b>	What are your expectations of the new commission from the point of view of regulatory burden (will the EC President deliver on her promises)?	Increased slightly
<b>Question 3</b>	What are your overall expectations about the next European Commission	Slightly better
<b>Question 4</b>	How do you think the EU investment environment is seen by global firms compared to 12 months ago?	Significantly worse
<b>Question 5</b>	What does your federation see as the main challenges threatening the attractiveness of the EU as an investment environment vis-à-vis international competitors?	<ol style="list-style-type: none"> <li>1. Regularory environment</li> <li>2. Access to finance</li> <li>3. Energy prices</li> <li>4. Availability of labour</li> <li>5. Access to raw materials</li> </ol>
<b>LQuestion 6</b>	What do you think will the consequences for investment in Europe from the next U.S. administration?	Negative
<b>Question 7</b>	What do you think will be consequences for the regulatory environment in Europe from the next US administration	Positive

## 2. National Recovery and Resilience Plans

<b>Question 8</b>	How satisfied or dissatisfied are you with the way your country is implementing the national recovery and resilience plan in the past year?	Dissatisfied
<b>Question 9</b>	How satisfied or dissatisfied are you with the involvement of social partners in the implementation so far of your national recovery and resilience plan?	Dissatisfied
<b>Question 10</b>	How effective do you think the European Commission is being in ensuring strong implementation of the reforms in the national recovery and resilience plans across the EU?	Somewhat confident
<b>Question 11</b>	If you are dissatisfied with the implementation so far of your national recovery and resilience plan, why?	<ol style="list-style-type: none"> <li>1. Time of authorities to take decisions</li> <li>2. Difficulty in forming consortia</li> <li>3. Projects not designed for the private sector</li> </ol>
<b>Question 12</b>	Open question : Which best practices from the RRP could be leveraged for future programmes, and which pitfalls should be avoided?	Long planning at the beginning what leads even to totally changes situations and challenges to be coped with. And long and complicated administrative procedures.

### 3 Assessment of Country Specific recommendations 2024 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Submit the medium-term fiscal-structural plan in a timely manner. In line with the requirements of the reformed Stability and Growth Pact, limit the growth in net expenditure in 2025 to a rate consistent with maintaining the general government deficit below the 3% of GDP Treaty reference value and keeping the general government debt at a prudent level over the medium term. Provide adequate financing for healthcare, social protection and general public services.	Important	Satisfactory	Lithuania's planned budget deficit for next year reaches 3.0 percent. GDP. This meets the Maastricht criteria, but this is already the limit and the country cannot assume any more obligations. It will be very difficult to increase or improve the financing of public services without an additional increase in taxes or a significant redistribution of the budget and an increase in the efficiency of public administration. The approved Government in Lithuania seems committed to complying with the requirements of the Maastricht budget.
CSR 2	Address emerging delays to allow for continued swift and effective implementation of the recovery and resilience plan, including the REPowerEU chapter, ensuring completion of reforms and investments by August 2026. Accelerate the implementation of cohesion policy programmes. In the context of their mid-term review continue focusing on the agreed priorities, while considering the opportunities provided by the Strategic Technologies for Europe Platform initiative to improve competitiveness.	Extremely important	Satisfactory	When it comes to the implementation of the RRF and other EU financial instruments in Lithuania, the problems of slowness of administration and administrative burden for those who use the support are always relevant. In 2020, when the Government changed, the RRF plan was rewritten. Now the Government is changing in Lithuania, which has already expressed its intentions to adjust the RRF plan. At the moment, many applications have been submitted, they are still being evaluated, the money has not been poured into the economy, so it is very important that the change of government does not lead to the stopping and slowing down of the processes, because the money needs to be absorbed by 2026.

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 3	<p>Improve health outcomes and the resilience of the health system by strengthening primary care and expanding preventive care. Increase the adequacy of old-age pensions, while maintaining the sustainability of the pension system. Address regional disparities by promoting cooperation among municipalities in improving access to public services, including public transport.</p>	Extremely important	Satisfactory	<p>Greater coordination is needed to solve many problems of public sector services: from education to the health system. For now, fragmentation at the municipal level is quite high and this does not allow to solve these problems in the most efficient way. Here, the government's contribution should be greater and more active. Therefore, the desire to pay more attention to regional politics, perhaps thanks to the additional portfolio of the minister, is very important.</p>
CSR 4	<p>Address skills mismatches by improving the labour market relevance of higher education. Facilitate private investment in research and innovation. Step up resource productivity to progress towards a circular economy.</p>	Extremely important	Unsatisfactory	<p>It seems that the education reforms carried out so far have not been very successful after all. Disparities between skills and market needs remain large, and the quality of education is disappointing. In this way, the labor market loses potential employees, loses abilities. then employers, having once paid taxes to maintain the education system, must then allocate additional funds to train young people in skills that are really needed in the market. In this way, skills are lost (in time, because it takes longer to prepare them) and it costs more, because the return on investment in education (in terms of skills) is small.</p>

#### **4. Reform Progress in your Member State in 2024**

How would you assess reform progress in 2024, for the following broad areas:

<b>Taxation and Public Finances</b>	Satisfactory
<b>Business environment (regulation/access to markets)</b>	Mixed
<b>Labour market</b>	Mixed
<b>Innovation and skills</b>	Mixed
<b>Access to finance and Financial stability</b>	Unsatisfactory

**Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2025 Reform Barometer?**

In 2024, a decision was made to increase the ordinary profit tax from 15% or 16%, and this is informally called the additional contribution of the business community to defense financing. At the same time, the business community believes that tax reform has already been implemented in Lithuania. However, the newly appointed Government included in its program the goal of increasing Lithuania's defense budget to 3.5% of GDP (instead of the 3.0% achieved in 2024). This will require finding additional tax revenue that can be generated, and it is not yet clear which taxpayer will be targeted.

## 5. Reform priorities for 2025

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 1	Access to finance & growth financing (incl. CMU)	<ol style="list-style-type: none"> <li>1. Support European level incentives and action in order to develop single capital market in European Union.</li> <li>2. Increase competition in the local business credit market (inviting more credit market players).</li> </ol>	yes
Priority 2	Active labour market policies, incentives to work & labour market participation	<ol style="list-style-type: none"> <li>1. In Lithuania incentives to work are lowering (the low income trap risk is high). They need to be increased especially for new commers in the labor market.</li> <li>2. Implement strategic immigraiton policy in order to provide needed employees for companies ensuring state security concerns and immigrant rights and obligations.</li> </ol>	no
Priority 3	Energy efficiency	<ol style="list-style-type: none"> <li>1. Even if Lithuania is fast increasing its generation of eneryg from renewable resources, the better coordination of projects is needed and well and to ensure the competitive price within the whole energy suply chain, including the final consumers (business and private persons).</li> <li>2. The continuation is needed in investments into energy infrastructure and energy efficiency at every level of the suply chains.</li> </ol>	yes

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
<b>Priority 4</b>	Public administration	<p>1. Increasing challenges of ageing society, geopolitical risks, the need to prioritise the defence financing and decrease administrative burden for business, the public administration effectiveness should be in focus. The decrease of public administrative expenditures, after the in depth audit of expenditures and public functions, should be envisaged.</p> <p>2. In Lithuania around a quarter of all employees work in public sector. That rate is much higher than on average in all OECD countries. The up to 30% of decrease in public employees in some 5-7 years could be a target.</p>	No (not at such extent as proposed)
<b>Priority 5</b>	Regional development & local public services	<p>1. The separate minister (within the same ministry) could be a solution in order to move up the importance and attention given to regional policy. 2. The availability of employees in regions is an issue to investors. That problem should be solved while treating it as employees ecosystem's problem (including the accessibility and quality of social, health, education services in regions).</p>	yes

## Malta

### 1. EU Competitiveness

<b>Question 1</b>	To what extent do you consider the European Commission's overall policy stance supportive of competitiveness and growth compared to 12 months ago?	Slightly better
<b>Question 2</b>	What are your expectations of the new commission from the point of view of regulatory burden (will the EC President deliver on her promises)?	Increased slightly
<b>Question 3</b>	What are your overall expectations about the next European Commission	Slightly better
<b>Question 4</b>	How do you think the EU investment environment is seen by global firms compared to 12 months ago?	Slightly better
<b>Question 5</b>	What does your federation see as the main challenges threatening the attractiveness of the EU as an investment environment vis-à-vis international competitors?	<ol style="list-style-type: none"> <li>1. Regulatory environment</li> <li>2. Skills gap</li> <li>3. Availability of labour</li> <li>4. Fragmentation of the Single Market</li> <li>5. Innovation capacity</li> </ol>
<b>Question 6</b>	What do you think will the consequences for investment in Europe from the next U.S. administration?	Negative
<b>Question 7</b>	What do you think will be consequences for the regulatory environment in Europe from the next US administration	Negative

## 2. National Recovery and Resilience Plans

<b>Question 8</b>	How satisfied or dissatisfied are you with the way your country is implementing the national recovery and resilience plan in the past year?	Neutral
<b>Question 9</b>	How satisfied or dissatisfied are you with the involvement of social partners in the implementation so far of your national recovery and resilience plan?	Dissatisfied
<b>Question 10</b>	How effective do you think the European Commission is being in ensuring strong implementation of the reforms in the national recovery and resilience plans across the EU?	Somewhat confident
<b>Question 11</b>	If you are dissatisfied with the implementation so far of your national recovery and resilience plan, why?	<ol style="list-style-type: none"> <li>1. Projects not designed for the private sector</li> <li>2. Other : not involved</li> </ol>
<b>Question 12</b>	Open question : Which best practices from the RRP could be leveraged for future programmes, and which pitfalls should be avoided?	None in terms of best practices. Avoid kneejerk populist changes which lack clearly motivated justifications, such as the reallocation of funds for EV buses which were re-routed for private EV grants.

### 3 Assessment of Country Specific recommendations 2024 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Submit the medium-term fiscal-structural plan in a timely manner. In line with the requirements of the reformed Stability and Growth Pact, limit the growth in net expenditure in 2025 to a rate consistent with reducing the general government deficit towards the 3% of GDP Treaty reference value and keeping the general government debt at a prudent level over the medium term. Wind down the emergency energy support measures by the 2024/2025 winter. To address remaining aggressive tax planning risks, introduce a withholding tax on outbound payments or equivalent defensive measures, and amend rules on non-domiciled companies.	Important	Satisfactory	1) Reducing the general deficit to 3% is important and the Government is so far on track to achieving this on a multiyear plan. 2) MCCEI agrees that Malta should gradually reduce energy subsidies by giving a 6-month advance notice for each reduction, and shift focus on education, energy frugality, and sufficiency. At current levels of energy subsidization it is likely that excessive consumption is also being subsidised. Government has however committed to retain the same level of subsidies for the short term. 3) MCCEI considers tax policy as a national competence and an important fiscal tool to neutralise permanent disadvantages of being a micro-economy at the periphery of the continent.
CSR 2	Continue with the swift and effective implementation of the recovery and resilience plan, including the REPowerEU chapter, ensuring completion of reforms and investments by August 2026. Accelerate the implementation of cohesion policy programmes. In the context of their mid-term review, continue focusing on the agreed priorities, while considering the opportunities provided by the Strategic Technologies for Europe Platform initiative to improve competitiveness.	Important	Mixed	MCCEI does not have enough visibility on the proceedings of the expenditure, adjustments to the budgets and timeframes and input therein.

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 3	Strengthen the quality and labour market relevance of education and training to address low educational outcomes as well as the severe shortage and mismatch of skills, in particular by fostering basic skills of students and the professional development of teachers.	Extremely important	Mixed	During the past decade, Malta has registered one of the largest drops in the share of early leavers from education and training (ELET) in the EU. Although the ELET rate (10%) is still slightly above the EU average (9.5%), the share of people aged 18-24 leaving education prematurely decreased by 7.1 pps between 2013 and 2023. (Eurostat). Labour shortages and skills mismatches however remain persistent in the labour market which continues to rely on excessive importation of labour particularly from third countries.
CSR 4	Accelerate the deployment of renewable energy through large-scale projects as well as small-scale investments in direct energy production and consumption. Address traffic congestion by improved quality and efficiency of public transport and step up investments in 'soft mobility' infrastructure.	Extremely important	Mixed	1) Malta is in the early stages of tendering process to launch the country's first offshore wind farm which will substantially boost renewable energy production from the island. Renewable energy power generation is expected to increase to 25% by 2030. 2) Despite substantial investment and upgrading of the road network and the introduction of free public transport, traffic congestion remains a huge challenge. MCCEI has made several recommendations to Government including on improving public transport and the introduction of a Company Green Travel Plan initiative.

#### **4. Reform Progress in your Member State in 2024**

How would you assess reform progress in 2024, for the following broad areas:

<b>Taxation and Public Finances</b>	Mixed
<b>Business environment (regulation/access to markets)</b>	Mixed
<b>Labour market</b>	Mixed
<b>Innovation and skills</b>	Unsatisfactory
<b>Access to finance and Financial stability</b>	Satisfactory

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2025 Reform Barometer?

There are 3 major ongoing consultations which are worth mentioning - 1) Malta Vision 2050, 2) Labour Migration Policy and 3) Traffic mitigation.

## 5. Reform priorities for 2025

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
<b>Priority 1</b>	Corruption & Justice System	Adhere more strictly to Good Governance practices, Ethics in Public and Electoral Reform, ensuring a fair, swift and efficient justice system for everyone, including business by setting up Commercial Court.	yes
<b>Priority 2</b>	Digitisation of Business & Business Environment (incl. SME policies)	Roll-out of better ROI schemes with change management operational support for business take-up with better Gov digitalisation to avoid cost of administration	yes
<b>Priority 3</b>	Transport	Implementation of measures within 1st phase of the published strategy	yes
<b>Priority 4</b>	Education	Implementation of measures within 1st phase of the published strategy	yes
<b>Priority 5</b>	Environmental Policy and Resource Management	Revision of the Development Zones with alignment	yes

## Netherlands

### 1. EU Competitiveness

<b>Question 1</b>	To what extent do you consider the European Commission's overall policy stance supportive of competitiveness and growth compared to 12 months ago?	Significantly better
<b>Question 2</b>	What are your expectations of the new commission from the point of view of regulatory burden (will the EC President deliver on her promises)?	Increased slightly
<b>Question 3</b>	What are your overall expectations about the next European Commission	Significantly better
<b>Question 4</b>	How do you think the EU investment environment is seen by global firms compared to 12 months ago?	Slightly better
<b>Question 5</b>	What does your federation see as the main challenges threatening the attractiveness of the EU as an investment environment vis-à-vis international competitors?	<ol style="list-style-type: none"> <li>1. Regulatory environment</li> <li>2. Access to finance</li> <li>3. Availability of labour</li> <li>4. Tax regime</li> <li>5. Energy prices</li> </ol>
<b>Question 6</b>	What do you think will the consequences for investment in Europe from the next U.S. administration?	Negative
<b>Question 7</b>	What do you think will be consequences for the regulatory environment in Europe from the next US administration	Positive

## 2. National Recovery and Resilience Plans

<b>Question 8</b>	How satisfied or dissatisfied are you with the way your country is implementing the national recovery and resilience plan in the past year?	Dissatisfied
<b>Question 9</b>	How satisfied or dissatisfied are you with the involvement of social partners in the implementation so far of your national recovery and resilience plan?	Very dissatisfied
<b>Question 10</b>	How effective do you think the European Commission is being in ensuring strong implementation of the reforms in the national recovery and resilience plans across the EU?	Somewhat confident
<b>Question 11</b>	If you are dissatisfied with the implementation so far of your national recovery and resilience plan, why?	<ol style="list-style-type: none"> <li>1. Time of authorities to take decisions</li> <li>2. Bureaucracy</li> <li>3. Inadequate sectoral targeting (digital, energy, not the relevant sectors)</li> </ol>
<b>Question 12</b>	Open question : Which best practices from the RRP could be leveraged for future programmes, and which pitfalls should be avoided?	Everything on Digitalisation

### 3 Assessment of Country Specific recommendations 2024 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Submit the medium-term fiscal-structural plan in a timely manner. In line with the requirements of the reformed Stability and Growth Pact, limit the growth in net expenditure in 2025 to a rate consistent with maintaining the general government deficit below the 3% of GDP Treaty reference value and keeping the general government debt at a prudent level over the medium term. Align the taxation of different types of income from wealth, amongst others, to reduce the household debt bias. Remove obstacles to the construction of new dwellings, and ensure the affordability and availability of housing in the private rental market. Address the expected increase in age-related expenditure by making the long-term care system more cost-effective.	Helpful (but not a priority)	Mixed	
CSR 2	Significantly accelerate the implementation of the recovery and resilience plan, including the REPowerEU chapter, ensuring completion of reforms and investments by August 2026. Accelerate the implementation of cohesion policy programmes. In the context of their mid-term review, continue focusing on the agreed priorities and promote testing and piloting solutions to help reduce the congestion of the electricity grid, while considering the opportunities provided by the Strategic Technologies for Europe Platform initiative to improve competitiveness.	Helpful (but not a priority)	Mixed	
CSR 3	Implement measures to reduce incentives to use flexible or temporary contracts. Address structural and sector-specific labour and skills shortages, including by tapping into underutilised labour potential, and by encouraging mobility to high- -productivity sectors and sectors related to societal challenges. Improve basic skills, including by addressing teacher shortages and tailored support to disadvantaged schools.	Important	Unsatisfactory	
CSR 4	Improve framework conditions to boost investment in the electricity transmission and distribution grids, in particular to accelerate the deployment of renewables and improve competitiveness. Take further efforts for sustainable agriculture.	Helpful (but not a priority)	Mixed	

#### **4. Reform Progress in your Member State in 2024**

How would you assess reform progress in 2024, for the following broad areas:

<b>Taxation and Public Finances</b>	Satisfactory
<b>Business environment (regulation/access to markets)</b>	Satisfactory
<b>Labour market</b>	Mixed
<b>Innovation and skills</b>	Mixed
<b>Access to finance and Financial stability</b>	Mixed

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2025 Reform Barometer?

Yes, Dutch cabinet is doing good work in providing more room for the financial industry, leading to a better financial infrastructure.

### 5. Reform priorities for 2025

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
<b>Priority 1</b>	Active labour market policies, incentives to work & labour market participation	more activities labour market policy	yes
<b>Priority 2</b>	Energy efficiency	reduce energy prices, lower energy taxes	no
<b>Priority 3</b>	Public administration	reduce regulatory burden	yes
<b>Priority 4</b>	Taxation policy	simplification + no additional tax burdens	no
<b>Priority 5</b>	Financial services and financial stability	'liberate' so that financial industry can play its role vis a vis society and business	yes

## Poland

### 1. EU Competitiveness

<b>Question 1</b>	To what extent do you consider the European Commission's overall policy stance supportive of competitiveness and growth compared to 12 months ago?	Unchanged
<b>Question 2</b>	What are your expectations of the new commission from the point of view of regulatory burden (will the EC President deliver on her promises)?	Increased slightly
<b>Question 3</b>	What are your overall expectations about the next European Commission	Slightly better
<b>Question 4</b>	How do you think the EU investment environment is seen by global firms compared to 12 months ago?	Unchanged
<b>Question 5</b>	What does your federation see as the main challenges threatening the attractiveness of the EU as an investment environment vis-à-vis international competitors?	<ol style="list-style-type: none"> <li>1. Energy prices</li> <li>2. Regulatory environment</li> <li>3. Environmental policies</li> <li>4. Availability of labour</li> <li>5. Access to finance</li> </ol>
<b>Question 6</b>	What do you think will the consequences for investment in Europe from the next U.S. administration?	Very negative
<b>Question 7</b>	What do you think will be consequences for the regulatory environment in Europe from the next US administration	Positive

## 2. National Recovery and Resilience Plans

<b>Question 8</b>	How satisfied or dissatisfied are you with the way your country is implementing the national recovery and resilience plan in the past year?	Dissatisfied
<b>Question 9</b>	How satisfied or dissatisfied are you with the involvement of social partners in the implementation so far of your national recovery and resilience plan?	dissatisfied
<b>Question 10</b>	How effective do you think the European Commission is being in ensuring strong implementation of the reforms in the national recovery and resilience plans across the EU?	Not confident
<b>Question 11</b>	If you are dissatisfied with the implementation so far of your national recovery and resilience plan, why?	<ol style="list-style-type: none"> <li>1. Bureaucracy</li> <li>2. Time of authorities to take decisions</li> <li>3. Capacity to change profile of the economy</li> </ol>

<p><b>Question 12</b></p>	<p>Open question : Which best practices from the RRP could be leveraged for future programmes, and which pitfalls should be avoided?</p>	<p>to avoid</p> <ol style="list-style-type: none"> <li>1. Lack of horizontal (central?) rules or principles in regards to social partners' participation at different stages of NRPR's implementation. In practice it means that if we are invited to consult investments (and sometimes reforms) it happens in a chaotic manner and depends on the practice and openness of a given institution, usually at the very final stages of the process.</li> <li>2. Lack of basic standards on how the selection of investments/ projects is organized that , which would protect beneficiaries, e.g. by specifying the minimum time for submitting a project (ca. 6 weeks) under open call.</li> <li>3. Too much time pressure. Time to implement NRPR, taking into account all the new rules, including acceptance of milestones and indicators or disbursement of resources is simply too short</li> </ol> <p>to leverage</p> <ol style="list-style-type: none"> <li>1. Link between investemnts and reforms at the operation level (e.g. within each payment application submitted by MS)</li> </ol>
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### 3 Assessment of Country Specific recommendations 2024 in detail

	Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
<p><b>CSR 1</b></p> <p>Submit the medium-term fiscal-structural plan in a timely manner. In line with the requirements of the reformed Stability and Growth Pact, limit the growth in net expenditure in 2025 to a rate consistent with reducing the general government deficit towards the 3% of GDP Treaty reference value and keeping the general government debt at a prudent level over the medium term. Improve the efficiency of public spending, including through better targeting of social benefits as well as more transparency in investment planning and wider use of standardised procedures for project assessment and selection. Ensure the adequacy of future pension benefits and the sustainability of the pension system, including by taking measures on effective retirement age and reforming preferential pension schemes.</p>	Important	unsatisfactory	Electricity price were regulated for 2024
<p><b>CSR 2</b></p> <p>Strengthen administrative capacity to manage the recovery and resilience plan, accelerate investments and maintain momentum in the implementation of reforms. Address emerging delays to allow for continued, swift and effective implementation of the recovery and resilience plan, including the REPowerEU chapter, ensuring completion of reforms and investments by August 2026. Accelerate the implementation of cohesion policy programmes. In the context of the mid-term review continue focusing on the agreed priorities, taking action to better support and integrate non-EU nationals, while considering the opportunities provided by the Strategic Technologies for Europe Platform initiative to improve competitiveness.</p>	Important	Mixed	Dialogue between the government and EU Commission allowed the funds to be launched
<p><b>CSR 3</b></p> <p>Take steps to increase labour market participation of disadvantaged groups, including by improving quality of and access to formal home- and community-based long-term care. Foster competition in public procurement processes, making these more efficient and less cumbersome, especially for SMEs. Support private investments by fostering digitisation of companies.</p>	Important	No progress	No progress in this area.

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 4	Take measures to accelerate the phase-out of fossil fuels in the district heating sector by shifting to renewable energy. Improve policies related to the protection and sustainable use of water resources to ensure the long-term sustainability of sectors that rely on ecosystem services.	Extremely important	unsatisfactory	New government didn't deliver and significant regulatory milestone in 2024 although it declares more concrete steps in 2025.

#### 4. Reform Progress in your Member State in 2024

How would you assess reform progress in 2024, for the following broad areas:

Taxation and Public Finances	Mixed
Business environment (regulation/access to markets)	Mixed
Labour market	Unsatisfactory
Innovation and skills	Unsatisfactory
Access to finance and Financial stability	Unsatisfactory

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2025 Reform Barometer?

Cash PIT - allows you to pay personal income tax only after receiving payment from the contractor. Taxpayers who use this solution will not have to pay tax at the time of providing a service, delivering goods or issuing an invoice. This method can be used by entrepreneurs running a sole proprietorship

if the operating revenues in the year preceding the tax year did not exceed PLN 1 million.



## 5. Reform priorities for 2025

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 1	Renewable energy, energy infrastructure & networks	ambitious RES development policy followed by regulations and financial programmes; improving grid development and energy storage capacity	yes
Priority 2	Energy efficiency	Widening the scope of the activities that can be awarded with a tradable certificate	no
Priority 3	Environmental policy & resource management	Introducing extended producer responsibility and deposit return scheme for waste	yes
Priority 4	Taxation policy	removing interpretation discrepancies and unifying the application of legal provisions	no
Priority 5	Business environment (incl. SME policies)	Improving business environment	yes

## Portugal

### 1. EU Competitiveness

<b>Question 1</b>	To what extent do you consider the European Commission's overall policy stance supportive of competitiveness and growth compared to 12 months ago?	Slightly better
<b>Question 2</b>	What are your expectations of the new commission from the point of view of regulatory burden (will the EC President deliver on her promises)?	Increased slightly
<b>Question 3</b>	What are your overall expectations about the next European Commission	Slightly better
<b>Question 4</b>	How do you think the EU investment environment is seen by global firms compared to 12 months ago?	Unchanged
<b>Question 5</b>	What does your federation see as the main challenges threatening the attractiveness of the EU as an investment environment vis-à-vis international competitors?	<ol style="list-style-type: none"> <li>1. Regulatory environment</li> <li>2. Energy prices</li> <li>3. Tax regime</li> <li>4. Access to finance</li> <li>5. Availability of labour</li> </ol>
<b>Question 6</b>	What do you think will the consequences for investment in Europe from the next U.S. administration?	Negative
<b>Question 7</b>	What do you think will be consequences for the regulatory environment in Europe from the next US administration	Unchanged

## 2. National Recovery and Resilience Plans

<b>Question 8</b>	How satisfied or dissatisfied are you with the way your country is implementing the national recovery and resilience plan in the past year?	Dissatisfied
<b>Question 9</b>	How satisfied or dissatisfied are you with the involvement of social partners in the implementation so far of your national recovery and resilience plan?	Dissatisfied
<b>Question 10</b>	How effective do you think the European Commission is being in ensuring strong implementation of the reforms in the national recovery and resilience plans across the EU?	Somewhat confident
<b>Question 11</b>	If you are dissatisfied with the implementation so far of your national recovery and resilience plan, why?	<ol style="list-style-type: none"> <li>1. Bureaucracy</li> <li>2. Time of authorities to take decisions</li> <li>3. Projects not designed for the private sector</li> </ol>
<b>Question 12</b>	Open question : Which best practices from the RRP could be leveraged for future programmes, and which pitfalls should be avoided?	

### 3 Assessment of Country Specific recommendations 2024 in detail

	Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
<p><b>Official recommendation :</b> Submit the medium-term fiscal-structural plan in a timely manner. In line with the requirements of the reformed Stability and Growth Pact, limit the growth in net expenditure<sup>22</sup> in 2025 to a rate consistent with putting the general government debt on a plausibly downward trajectory over the medium term and respecting the 3% of GDP deficit Treaty reference value. Wind down the emergency energy support measures before the 2024/2025 heating season. Improve the effectiveness of the tax system, in particular by strengthening the efficiency of its administration and reducing the associated administrative burden. Take action to ensure the medium-term fiscal sustainability of the pension system.</p> <p><b>CIP input:</b> Wind down the energy support measures in force by the end of 2023, using the related savings to reduce the government deficit. Should renewed energy price increases necessitate support measures, ensure that these are targeted at protecting vulnerable households and firms, fiscally affordable, and preserve incentives for energy savings. Ensure prudent fiscal policy, in particular by limiting the nominal increase in nationally financed net primary expenditure in 2024 to not more than 1.8%. Preserve nationally financed public investment and ensure the effective absorption of RRF grants and other EU funds, in particular to foster the green and digital transitions. For the period beyond 2024, continue to pursue a medium-term fiscal strategy of gradual and sustainable consolidation, combined with investments and reforms conducive to higher sustainable growth, to achieve a prudent medium-term fiscal position. Improve the effectiveness of the tax and social protection systems, in particular by prioritising the simplification of both frameworks, strengthening the efficiency of their respective administrations, and reducing the associated administrative burden.</p>	Important	Mixed	<p>In 2024, Portuguese general government balance is expected to be 0,4% of GDP. It compares with surplus of 1,2% in 2023 and a surplus of 0,2% of GDP predicted in 2024 budget. The decrease of the surplus was due mainly to the increase of current expenditure. Tax burden on labour has decreased but no progress in the reduction of corporate taxes. Some but insufficient progresses in the execution of public investment. No progress regarding the effectiveness of the tax and social protection systems.</p>

	Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
<p><b>CSR 2</b></p> <p><b>Official recommendation:</b> Strengthen administrative capacity to manage EU funds, accelerate investments and maintain momentum in the implementation of reforms. Address emerging delays to allow for continued, swift and effective implementation of the recovery and resilience plan, including the REPowerEU chapter, ensuring completion of reforms and investments by August 2026. Accelerate the implementation of cohesion policy programmes. In the context of their mid-term review, continue focusing on the agreed priorities, taking action to better address the needs in the area of prevention of and preparedness for climate change-related risks, while considering the opportunities provided by the Strategic Technologies for Europe Platform initiative to improve competitiveness.</p> <p><b>CIP input</b> Accelerate the implementation of its recovery and resilience plan, also by ensuring an adequate administrative capacity, and swiftly finalise the REPowerEU chapter, with a view to rapidly starting its implementation. Proceed with the speedy implementation of cohesion policy programmes, in close complementarity and synergy with the recovery and resilience plan.</p>	Extremely important	Unsatisfactory	Insufficient progresses in the execution of the national recovery and resilience plan, as well as in the cohesion programs.
<p><b>CSR 3</b></p> <p><b>Official recommendation :</b> Improve water management to strengthen adaptation to the effects of climate change and ensure long-term economic and environmental resilience, by putting in place a strategy for integrated and sustainable water management, developing its governance structure, promoting investments in wastewater collection and treatment, leaks reduction and water monitoring, while developing nature-based solutions and water body rehabilitation, and improving water efficiency and water reuse.</p> <p><b>CIP input:</b> Improve the conditions for the transition towards a circular economy, in particular by increasing waste prevention, recycling and reuse, to divert waste away from landfills and incinerators.</p>	Extremely important	Unsatisfactory	Legislation is complex, incomplete and burdensome. Legislative processes are not very clear, there is not always a clear assessment of impacts (positive or negative), and obligations come in place without being regulated

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 4	<p><b>Official recommendation:</b> Strengthen the capacity of the electricity transmission and distribution grid, in particular by improving connection procedures and increasing their transparency to incentivise investments in the national network and increase energy storage capacities.</p> <p><b>CIP input:</b> Reduce overall reliance on fossil fuels. Further accelerate the deployment of renewables by further simplifying and digitalising permitting to allow for additional wind particularly offshore and solar electricity production, as well as promoting selfconsumption and renewable energy communities. Increase electricity interconnection capacity and upgrade the electricity transmission and distribution grids, enabling investment in electricity storage and digitalisation of the grid, including the faster roll-out of smart meters. Accelerate investment in energy efficiency by promoting financial schemes to attract private investment and supporting households in need Step up policy efforts aimed at the provision and acquisition of the skills needed for the green transition.</p>	Important	Mixed	Some progresses on the deployment of renewables. Solar electricity is growing fast. Some progresses on simplifying of permitting.

#### **4. Reform Progress in your Member State in 2024**

How would you assess reform progress in 2024, for the following broad areas:

<b>Taxation and Public Finances</b>	Mixed
<b>Business environment (regulation/access to markets)</b>	Mixed
<b>Labour market</b>	Unsatisfactory
<b>Innovation and skills</b>	Mixed
<b>Access to finance and Financial stability</b>	Unsatisfactory

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2025 Reform Barometer?

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## 5. Reform priorities for 2025

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
<b>Priority 1</b>	Taxation policy	Reduce the tax burden on companies and on labour	yes
<b>Priority 2</b>	Business environment (incl. SME policies)	Reduce regulatory and administrative burdens	yes
<b>Priority 3</b>	Access to finance & growth financing (incl. CMU)	Address the need for business to strengthen their financial structure and recapitalize, through appropriate financial instruments	yes
<b>Priority 4</b>	Skills, Vocational Education and Training & adult learning	Prioritize vocational training, linking it with the labour market needs, deeply involving business associations and companies.	yes
<b>Priority 5</b>	Functioning of the labour market, including framework for labour contracts & undeclared work	Recent changes in labor legislation went in the wrong direction. They should be abandoned.	yes

## Romania

### 1. EU Competitiveness

<b>Question 1</b>	To what extent do you consider the European Commission's overall policy stance supportive of competitiveness and growth compared to 12 months ago?	Slightly better
<b>Question 2</b>	What are your expectations of the new commission from the point of view of regulatory burden (will the EC President deliver on her promises)?	Increased slightly
<b>Question 3</b>	What are your overall expectations about the next European Commission	Slightly better
<b>Question 4</b>	How do you think the EU investment environment is seen by global firms compared to 12 months ago?	Slightly worse
<b>Question 5</b>	What does your federation see as the main challenges threatening the attractiveness of the EU as an investment environment vis-à-vis international competitors?	<ol style="list-style-type: none"> <li>1. Skills gap</li> <li>2. Innovation capacity</li> <li>3. Energy prices</li> <li>4. Regulatory environment</li> <li>5. Lack of infrastructure, incl. digital</li> </ol>
<b>Question 6</b>	What do you think will the consequences for investment in Europe from the next U.S. administration?	Negative
<b>Question 7</b>	What do you think will be consequences for the regulatory environment in Europe from the next US administration	unchanged

## 2. National Recovery and Resilience Plans

<b>Question 8</b>	How satisfied or dissatisfied are you with the way your country is implementing the national recovery and resilience plan in the past year?	Dissatisfied
<b>Question 9</b>	How satisfied or dissatisfied are you with the involvement of social partners in the implementation so far of your national recovery and resilience plan?	dissatisfied
<b>Question 10</b>	How effective do you think the European Commission is being in ensuring strong implementation of the reforms in the national recovery and resilience plans across the EU?	Somewhat confident
<b>Question 11</b>	If you are dissatisfied with the implementation so far of your national recovery and resilience plan, why?	<ol style="list-style-type: none"> <li>1. Capacity of projects to change profile of the economy</li> <li>2. Projects not designed for the private sector</li> <li>3. Other 2 - delayed reforms 3 - reduced administrative capacity</li> </ol>
<b>Question 12</b>	Open question : Which best practices from the RRP could be leveraged for future programmes, and which pitfalls should be avoided?	<p>Positive: One of the best practices from the RRP that could be leveraged in future programs is the partnership with the banking system to implement the digitalization scheme for SMEs. This collaboration significantly streamlined the implementation process and could serve as a model for efficient program delivery.</p> <p>Negative (areas for improvement): Future programs should focus on ensuring greater accessibility and support for the private sector. In the current iteration, funding was predominantly directed toward the public sector. To maximize impact, we should prioritize the leverage effect, especially in the private sector, where major investments could yield more substantial economic benefits. Additionally, promoting and further developing public-private partnerships (PPP) could play a crucial role in achieving this balance and fostering sustainable growth.</p>

### 3 Assessment of Country Specific recommendations 2024 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Submit the medium-term fiscal-structural plan in a timely manner. Tighten fiscal policy in order to achieve a fiscal adjustment for 2024 as a whole. In 2025, in line with the requirements of the reformed Stability and Growth Pact, limit the growth in net expenditure to a rate consistent with reducing the general government deficit towards the 3% of GDP Treaty reference value and keeping the general government debt at a prudent level over the medium term.	Extremely important	Unsatisfactory	<p>The recommendation to reduce Romania's fiscal deficit is indeed urgent, especially given the projected deficit for 2024, which exceeds 8% of GDP—a level that poses significant risks to macroeconomic stability and undermines investor confidence. Immediate and decisive action is required to bring the deficit under control. However, we must highlight that the government has been notably slow in implementing measures aimed at cost-cutting and optimizing public expenditure. While the recently announced fiscal measures are a step in the right direction, the credibility of these measures remains to be proven. Clear, consistent, and transparent implementation will be crucial for achieving the fiscal adjustment objectives.</p> <p>Moreover, we express strong concern regarding the lack of consultation with social partners in the formulation and implementation of fiscal measures. A notable example is the sudden removal of fiscal facilities, which was applied without any adjustment timeframe. This abrupt decision creates significant challenges for businesses and undermines trust in the government’s policy process.</p> <p>The decisions to limit or freeze certain public expenditures are more than welcome, considering that the year ends with a deficit approaching 9% of GDP. This is enormous and not attributable to the private sector, which has made additional contributions this year, but rather to public expenditures spiraling out of control. While we were prepared to welcome these measures, their impact was overshadowed by the lack of transparency</p>

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1 conti nued				<p>regarding new taxes. We had been repeatedly assured that we would be consulted when the government considered raising budget revenues in line with obligations under the PNRR and the seven-year adjustment plan agreed with the European Commission.</p> <p>To ensure the success of the fiscal consolidation effort, it is imperative for the government to adhere to transparent and inclusive policymaking, involving all relevant stakeholders in the process. Trust, consistency, and a clear timeline for implementation are critical to regaining economic stability and aligning with the recommendations of the Stability and Growth Pact.</p>
CSR 2	Significantly accelerate the implementation of cohesion policy programmes and the recovery and resilience plan, including the REPowerEU chapter, ensuring completion of reforms and investments by August 2026, by guaranteeing effective governance and strengthening administrative capacity. In the context of the mid-term review, continue focusing on the agreed priorities, taking action to better address the needs regarding social housing, the related social services and the development of smaller urban areas, while considering the opportunities provided by the Strategic Technologies for Europe Platform initiative to improve competitiveness.	Extremely important	Unsatisfactory	<p>A critical aspect to consider when addressing the priority of accelerating the implementation of cohesion policy programs and the NRRP is ensuring transparency throughout the process. One major challenge has been the lack of transparency in implementing the NRRP and cohesion policy. For instance, the monitoring committee has not convened as expected, leaving stakeholders uncertain about the current stage of progress and the status of reforms and investments.</p> <p>To achieve the Commission's goal of effective governance and strengthened administrative capacity, it is essential to establish clear and regular reporting mechanisms, ensuring that all relevant stakeholders are informed and engaged. This approach would not only build trust but also enhance the efficiency and accountability of program implementation.</p>

#### **4. Reform Progress in your Member State in 2024**

How would you assess reform progress in 2024, for the following broad areas:

<b>Taxation and Public Finances</b>	Unsatisfactory
<b>Business environment (regulation/access to markets)</b>	Mixed
<b>Labour market</b>	Mixed
<b>Innovation and skills</b>	No progress
<b>Access to finance and Financial stability</b>	No progress

**Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2025 Reform Barometer?**

In 2024, Romania continued to implement price controls on certain goods and services to combat inflation, a measure that distorts market dynamics and discourages investment. These controls address symptoms rather than underlying structural issues, such as inefficiencies in public spending or insufficient competition and capacity in key sectors.

## 5. Reform priorities for 2025

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
<b>Priority 1</b>	Taxation Policy (including Tax administration, tax evasion & tax avoidance)	<ol style="list-style-type: none"> <li>1. Maintaining the flat tax system: Continuing this fiscal policy, which remains a competitive advantage for Romania, supporting both citizens and businesses.</li> <li>2. Eliminating over-taxation of part-time contracts: Ensuring fair distribution of the tax burden for all types of work, facilitating access to the labor market for inactive categories.</li> <li>3. Returning to a predictable fiscal system: The government must permanently present the impact of the measures adopted to reduce the public deficit. The government must ensure economic stability and ensure the measures produce the desired effect without further impacting the private sector.</li> </ol>	yes
<b>Priority 2</b>	Skills, Vocational Education and Training & adult learning	<ol style="list-style-type: none"> <li>1. Training vouchers: Massive investments from European funds (ESF+ national allocation) to develop skills and facilitate access to better jobs.</li> <li>2. Simplified access to European funds for employers and employees: Transparent and efficient processes to increase employment rates and support human resource development.</li> <li>3. Reform the sectoral committees on a legitimate and functional bi-partite manner and the institutional governance for competences (adult learning).</li> </ol>	yes

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 3	State-owned enterprises	<ol style="list-style-type: none"> <li>1. Efficient corporate governance: Implementing performance-based principles in the management of state-owned companies, including separating administrative and regulatory functions.</li> <li>2. Evaluating and adjusting remuneration packages: Ensuring alignment between compensation and the economic performance of companies.</li> <li>3. Reducing unjustified costs: Eliminating inefficient spending and focusing on optimal economic outcomes.</li> </ol>	yes
Priority 4	Research and innovation	<ol style="list-style-type: none"> <li>1. Fiscal credit for research and development: Introducing this mechanism to stimulate investments and maintain Romania's economic competitiveness.</li> <li>2. Simplified access to European funding for innovation: Reducing bureaucracy to quickly attract funds for research and development.</li> <li>3. Developing innovative skills: Investing in professional training to support economic transformation through technology and innovation, including digital skills.</li> </ol>	yes
Priority 5	Budgetary framework and fiscal governance	<ol style="list-style-type: none"> <li>1. Reducing unjustified public spending: Implementing a plan to eliminate privileges and allocate public resources efficiently.</li> <li>2. Predictability of payments to the private sector: Respecting deadlines for VAT reimbursements and other types of payments for public debt to private companies.</li> <li>3. Adopting a fair fiscal control system: Limiting repeated audits for compliant taxpayers and focusing inspections on areas with high risk of tax evasion.</li> </ol>	yes

## Slovakia

### 1. EU Competitiveness

<b>Question 1</b>	To what extent do you consider the European Commission's overall policy stance supportive of competitiveness and growth compared to 12 months ago?	Slightly worse
<b>Question 2</b>	What are your expectations of the new commission from the point of view of regulatory burden (will the EC President deliver on her promises)?	Unchanged
<b>Question 3</b>	What are your overall expectations about the next European Commission	Unchanged
<b>Question 4</b>	How do you think the EU investment environment is seen by global firms compared to 12 months ago?	Significantly worse
<b>Question 5</b>	What does your federation see as the main challenges threatening the attractiveness of the EU as an investment environment vis-à-vis international competitors?	<ol style="list-style-type: none"> <li>1. Regulatory Environment</li> <li>2. Energy prices</li> <li>3. Environmental policies</li> <li>4. Tax regime</li> <li>5. Access to raw materials</li> </ol>
<b>Question 6</b>	What do you think will be the consequences for investment in Europe from the next U.S. administration?	Negative
<b>Question 7</b>	What do you think will be consequences for the regulatory environment in Europe from the next US administration	Negative

## 2. National Recovery and Resilience Plans

<b>Question 8</b>	How satisfied or dissatisfied are you with the way your country is implementing the national recovery and resilience plan in the past year?	Dissatisfied
<b>Question 9</b>	How satisfied or dissatisfied are you with the involvement of social partners in the implementation so far of your national recovery and resilience plan?	Dissatisfied
<b>Question 10</b>	How effective do you think the European Commission is being in ensuring strong implementation of the reforms in the national recovery and resilience plans across the EU?	Somewhat confident
<b>Question 11</b>	If you are dissatisfied with the implementation so far of your national recovery and resilience plan, why?	<ol style="list-style-type: none"> <li>1. Bureaucracy</li> <li>2. Time of authorities to take decisions</li> <li>3. Difficulty in forming consortia</li> </ol>
<b>Question 12</b>	Open question : Which best practices from the RRP could be leveraged for future programmes, and which pitfalls should be avoided?	avoid: protracted permitting processes; excessively long feedback on call progress and information on project evaluation deadlines; keep: project calls focused on the digital and green transformation of industry

### 3 Assessment of Country Specific recommendations 2024 in detail

	Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
<p><b>CSR 1</b></p> <p><b>Official recommendation</b>            Submit the medium-term fiscal-structural plan in a timely manner. In line with the requirements of the reformed Stability and Growth Pact, limit the growth in net expenditure in 2025 to a rate consistent with reducing the general government deficit towards the 3% of GDP Treaty reference value and keeping the general government debt at a prudent level over the medium term. Make the tax mix more efficient, including by reducing disincentives on the labour market, and making a stronger use of environmental and recurrent property taxation. Reduce costly spending measures, also by implementing spending reviews. Continue to strengthen tax compliance, including by further digitalising tax administration. Reduce the risks related to household debt by supporting housing supply and the expansion of the rental market.</p> <p><b>RUZ-NUE input:</b>            Access to finance &amp; growth financing (incl. CMU)</p>	<p>Important</p>	<p>No progress</p>	<p>The instability and ambiguity of regulations still constitutes prominent barrier to running a business in Slovakia. Improving access to financing in terms of loans and equity for entrepreneurs, especially SMEs, remains a challenge for Slovakia. Reducing the share of late payments and improving access to finance would benefit the business environment.</p>

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 2	<p><b>Official recommendation:</b> Ensure effective governance, strengthen administrative capacity to manage EU funds, accelerate investments and maintain momentum in the implementation of reforms. Address emerging delays to allow for continued, swift and effective implementation of the recovery and resilience plan, including the REPowerEU chapter, ensuring completion of reforms and investments by August 2026. Accelerate the implementation of the cohesion policy programme. In the context of its mid-term review, continue focusing on the agreed priorities, taking action to better address the investment needs in the sustainable use of natural resources, while considering the opportunities provided by the Strategic Technologies for Europe Platform initiative to improve competitiveness.</p> <p><b>RUZ-NUE input:</b> Budgetary framework and fiscal governance</p>	Extremely important	Unsatisfactory	<p>This area is extremely important for the Slovak economy. However, the government's reforms in this area have primarily focused on substantially increasing state revenue by increasing the tax burden. As part of the consolidation measures, the government should place greater emphasis on savings on the expenditure side.</p>

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 3	<p><b>Official recommendation :</b> Strengthen the effectiveness, independence and integrity of the judicial and anti-corruption system, including by ensuring that adequate safeguards for the effective investigation and prosecution of high-level corruption cases are in place. Improve competitiveness and productivity, including by ensuring transparency and competition in public procurement processes, to promote good governance and improve the effectiveness of public spending. Strengthen the teaching of basic skills, including for children from disadvantaged backgrounds such as from marginalised Roma communities, and increase the availability and use of affordable high-quality early childhood education and care for children under the age of 3. Strengthen resource waste management and reuse of municipal and packaging waste, and the conservation of natural resources by mainstreaming nature-based solutions and finalising zonation of nature-protected areas.</p> <p><b>RUZ-NUE input:</b> Business environment (incl. SME policies)</p>	Extremely important	unsatisfactory	The government has not adopted any specific reforms to support small and medium-sized enterprises and their competitiveness. On the contrary, the administrative burden and the speed of change in the legislative environment are increasing. It is necessary to support the development and diffusion of innovative technologies and solutions across the economy, in particular to SMEs, is of crucial importance for diversifying the economy and improving the competitiveness of Slovak businesses.

#### **4. Reform Progress in your Member State in 2024**

How would you assess reform progress in 2024, for the following broad areas:

<b>Taxation and Public Finances</b>	Unsatisfactory
<b>Business environment (regulation/access to markets)</b>	Unsatisfactory
<b>Labour market</b>	No progress
<b>Innovation and skills</b>	No progress
<b>Access to finance and Financial stability</b>	No progress

**Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2025 Reform Barometer?**

The introduction of a financial transaction tax (following the Hungarian model), which was not discussed with all social partners. This tax will have a significantly negative impact on the entire Slovak economy, while significantly reducing the attractiveness of Slovakia for foreign investors. At the same time, it is absurd to re-burden income with an additional tax on already taxed income that is only transferred between bank accounts. It is absolutely inappropriate to adopt such a measure at a time when the Slovak economy is losing in the global battle due to the unattractive business environment, high tax and contribution burden and energy prices.

## 5. Reform priorities for 2025

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
<b>Priority 1</b>	Budgetary framework and fiscal governance	Increase the efficiency of tax collection while reducing the tax and administrative burden on taxpayers. Reduce value added tax to the maximum possible level. To strengthen the partnership between taxpayers and tax administrations.	no
<b>Priority 2</b>	Business environment (incl. SME policies)	Advocate for the establishment of a fair, stable and predictable regulatory framework for business. Significantly reduce the payroll tax paid by employers. Support responsible enterprises through incentives such as lower tax burdens, better access to financing for business activities, etc.	no
<b>Priority 3</b>	Digital connectivity, infrastructure & market functioning	Help for entrepreneurs and their employees to digitalise their businesses and operations. Support of projects based on partnerships between research institutions and industry. Support of innovations aimed at improved competitiveness of the Slovak Republic's industry on European and global markets, as well as to the introduction of technological and product innovations.	yes
<b>Priority 4</b>	Skills, Vocational Education and Training & adult learning	Introduce systematic and professional forecasting of labour market needs necessary for the adjustment of the output of secondary and tertiary education institutions. Reform the system and content of study fields, including the addition of teaching digital and financial literacy. Complete the building of a functional dual-education system in the context of current labour market requirements. Build a functional system of lifelong learning and strengthen career counselling.	yes
<b>Priority 5</b>	Renewable energy, energy infrastructure & networks	Promote reforms of gas and electricity market at the EU level to reduce energy prices. Provide support for green energy production and availability while maintaining competitive prices. Focus investment on the green and digital transition, sustainable public transport and waste management. Remove administrative barriers in obtaining resources for green projects.	yes

## Slovenia

### 1. EU Competitiveness

<b>Question 1</b>	To what extent do you consider the European Commission's overall policy stance supportive of competitiveness and growth compared to 12 months ago?	Unchanged
<b>Question 2</b>	What are your expectations of the new commission from the point of view of regulatory burden (will the EC President deliver on her promises)?	Decreased slightly
<b>Question 3</b>	What are your overall expectations about the next European Commission	Unchanged
<b>Question 4</b>	How do you think the EU investment environment is seen by global firms compared to 12 months ago?	Slightly worse
<b>Question 5</b>	What does your federation see as the main challenges threatening the attractiveness of the EU as an investment environment vis-à-vis international competitors?	<ol style="list-style-type: none"> <li>1. Availability of labour</li> <li>2. Regulatory environment</li> <li>3. Environmental policies</li> <li>4. Tax regime</li> <li>5. Skills gap</li> </ol>
<b>Question 6</b>	What do you think will the consequences for investment in Europe from the next U.S. administration?	Negative
<b>Question 7</b>	What do you think will be consequences for the regulatory environment in Europe from the next US administration	Unchanged

## 2. National Recovery and Resilience Plans

<b>Question 8</b>	How satisfied or dissatisfied are you with the way your country is implementing the national recovery and resilience plan in the past year?	Neutral
<b>Question 9</b>	How satisfied or dissatisfied are you with the involvement of social partners in the implementation so far of your national recovery and resilience plan?	Neutral
<b>Question 10</b>	How effective do you think the European Commission is being in ensuring strong implementation of the reforms in the national recovery and resilience plans across the EU?	Not confident
<b>Question 11</b>	If you are dissatisfied with the implementation so far of your national recovery and resilience plan, why?	---
<b>Question 12</b>	Open question : Which best practices from the RRP could be leveraged for future programmes, and which pitfalls should be avoided?	

### 3 Assessment of Country Specific recommendations 2024 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	<p><b>Submit the medium-term fiscal-structural plan</b> in a timely manner. In line with the requirements of the reformed Stability and Growth Pact, limit the growth in net expenditure in 2025 to a rate consistent with putting the general government debt on a plausibly downward trajectory over the medium term and maintaining the general government deficit below the 3% of GDP Treaty reference value. <b>Ensure the fiscal sustainability of social protection</b> and rebalance tax revenues towards more growth-friendly and sustainable sources. <b>Improve the efficiency of public spending</b> by carrying out spending reviews and through better management of public investment.</p>	Important	Unsatisfactory	
CSR 2	<p><b>Strengthen administrative capacity to manage EU funds</b>, accelerate investments and maintain momentum in the implementation of reforms. <b>Address emerging delays</b> to allow for continued, swift and effective implementation of the recovery and resilience plan, including the REPowerEU chapter, ensuring completion of reforms and investments by August 2026. <b>Accelerate the implementation of the cohesion policy programmes</b>. In the context of their mid-term review, continue focusing on the agreed priorities, while considering the opportunities provided by the Strategic Technologies for Europe Platform initiative to <b>improve competitiveness</b>.</p>	Important	Mixed	
CSR 3	<p><b>Strengthen competitiveness</b> by boosting skills levels further, ensuring that the ongoing curricula reform also helps strengthen basic skills, by addressing labour shortages, and by promoting business dynamism and the creation of high-growth companies by improving the conditions for venture capital investment and institutional investors as well as investments in research, development and innovation.</p>	Extremely important	Unsatisfactory	

#### **4. Reform Progress in your Member State in 2024**

How would you assess reform progress in 2024, for the following broad areas:

<b>Taxation and Public Finances</b>	Unsatisfactory
<b>Business environment (regulation/access to markets)</b>	Mixed
<b>Labour market</b>	Unsatisfactory
<b>Innovation and skills</b>	Unsatisfactory
<b>Access to finance and Financial stability</b>	Satisfactory

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2025 Reform Barometer?

No

## 5. Reform priorities for 2025

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
<b>Priority 1</b>	Functioning of the labour market, including framework for labour contracts & undeclared work	Proposed changes by the Government are going in the wrong direction - to less flexible framework and more rigid forms of work/employment.	yes
<b>Priority 2</b>	Digitalisation of businesses		yes
<b>Priority 3</b>	Taxation policy	To make the tax environment more predictable and simplified. Labour taxes and contributions must be reduced not more increased (additional social contributions are planned for long-term care) as wages are already highly burdened with income tax and social contributions.	yes
<b>Priority 4</b>	Skills, Vocational Education and Training & adult learning	Better connection between the private sector and the school system.	no
<b>Priority 5</b>	Wages & wage setting		yes

## Spain

### 1. EU Competitiveness

<b>Question 1</b>	To what extent do you consider the European Commission's overall policy stance supportive of competitiveness and growth compared to 12 months ago?	Slightly better
<b>Question 2</b>	What are your expectations of the new commission from the point of view of regulatory burden (will the EC President deliver on her promises)?	Unchanged
<b>Question 3</b>	What are your overall expectations about the next European Commission	Unchanged
<b>Question 4</b>	How do you think the EU investment environment is seen by global firms compared to 12 months ago?	Slightly worse
<b>Question 5</b>	What does your federation see as the main challenges threatening the attractiveness of the EU as an investment environment vis-à-vis international competitors?	<ol style="list-style-type: none"> <li>1. Tax regime</li> <li>2. Regulatory environment</li> <li>3. Environmental policies</li> <li>4. Energy prices</li> <li>5. Fragmentation of the Single Market</li> </ol>
<b>Question 6</b>	What do you think will the consequences for investment in Europe from the next U.S. administration?	Negative
<b>Question 7</b>	What do you think will be consequences for the regulatory environment in Europe from the next US administration	Negative

## 2. National Recovery and Resilience Plans

<b>Question 8</b>	How satisfied or dissatisfied are you with the way your country is implementing the national recovery and resilience plan in the past year?	Dissatisfied
<b>Question 9</b>	How satisfied or dissatisfied are you with the involvement of social partners in the implementation so far of your national recovery and resilience plan?	Dissatisfied
<b>Question 10</b>	How effective do you think the European Commission is being in ensuring strong implementation of the reforms in the national recovery and resilience plans across the EU?	Somewhat confident
<b>Question 11</b>	If you are dissatisfied with the implementation so far of your national recovery and resilience plan, why?	<ol style="list-style-type: none"> <li>1. Bureaucracy</li> <li>2. Projects not designed for the private sector</li> <li>3. Time of authorities to take decisions</li> </ol>
<b>Question 12</b>	Open question : Which best practices from the RRP could be leveraged for future programmes, and which pitfalls should be avoided?	Leverage: SME digitalisation programmes, public-private collaboration as well as structural reforms that improve competitiveness

### 3 Assessment of Country Specific recommendations 2024 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Submit the medium-term fiscal-structural plan in a timely manner. In line with the requirements of the reformed Stability and Growth Pact, limit the growth in net expenditure in 2025 to a rate consistent with putting the general government debt on a plausibly downward trajectory over the medium term and reducing the general government deficit below the 3% of GDP Treaty reference value. Ensure fiscal sustainability including by: (i) reviewing and simplifying the tax system to support economic growth and employment, cohesion and the green transition; and (ii) improving the quality, efficiency and equity of public spending.	Extremely important	Unsatisfactory	
CSR 2	Strengthen administrative capacity to manage EU funds, accelerate investments and maintain momentum in the implementation of reforms. Address emerging delays to allow for a continued, swift and effective implementation of the recovery and resilience plan, including the REPowerEU chapter, ensuring completion of reforms and investments by August 2026. Accelerate the implementation of cohesion policy programmes. In the context of their mid-term review, continue focusing on the agreed priorities, while considering the opportunities provided by the Strategic Technologies for Europe Platform initiative to improve competitiveness.	Important	Mixed	
CSR 3	Improve water management to better address the adaptation to present and future effects of climate change and ensure long-term economic, social and environmental resilience, by improving coordination among all levels of government and administration and scaling up existing solutions for sustainable water management in agriculture, water efficiency and infrastructure investments, and by supporting the development of nature-based solutions.	Helpful (but not a priority)	Mixed	

#### **4. Reform Progress in your Member State in 2024**

How would you assess reform progress in 2024, for the following broad areas:

<b>Taxation and Public Finances</b>	Unsatisfactory
<b>Business environment (regulation/access to markets)</b>	Unsatisfactory
<b>Labour market</b>	Unsatisfactory
<b>Innovation and skills</b>	Mixed
<b>Access to finance and Financial stability</b>	Satisfactory

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2025 Reform Barometer?

## 5. Reform priorities for 2025

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
<b>Priority 1</b>	Business environment (incl. SME policies)	Business environment: There is a need to improve the business climate in Spain, reducing excessive and changing regulation, higher tax and labor burdens.	yes
<b>Priority 2</b>	Taxation policy	Taxation policy: tax burden in Spain has risen sharply in recent years. In addition, there is a problem of excessive taxes on the business sector and on savings that compromises the competitiveness of our companies. A new tax policy that favors business activity and investment is needed.	yes
<b>Priority 3</b>	Budgetary framework and fiscal governance	Budgetary framework and fiscal governance: In line with AIREF's recommendations, the Spanish government should make a greater fiscal consolidation effort to reduce the high level of public debt. Spending efficiency should be the main measure.	yes
<b>Priority 4</b>	Housing	Budgetary framework and fiscal governance: In line with AIREF's recommendations, the Spanish government should make a greater fiscal consolidation effort to reduce the high level of public debt. Spending efficiency should be the main measure.	yes
<b>Priority 5</b>	Pension systems and active ageing	Pensions system and active ageing: In a context of population ageing, the pensions system must include mechanisms to control the expenditure growth. The adjustment should not come from a increase in social contributions (especially those paid by companies), which raises labour costs. In any case, revenues for the pension system should be increased by rising the contributor base, through the boost of job creation.	yes

## Sweden

### 1. EU Competitiveness

<b>Question 1</b>	To what extent do you consider the European Commission's overall policy stance supportive of competitiveness and growth compared to 12 months ago?	Unchanged
<b>Question 2</b>	What are your expectations of the new commission from the point of view of regulatory burden (will the EC President deliver on her promises)?	Unchanged
<b>Question 3</b>	What are your overall expectations about the next European Commission	Unchanged
<b>Question 4</b>	How do you think the EU investment environment is seen by global firms compared to 12 months ago?	Slightly worse
<b>Question 5</b>	What does your federation see as the main challenges threatening the attractiveness of the EU as an investment environment vis-à-vis international competitors?	<ol style="list-style-type: none"> <li>1. Regulatory environment</li> <li>2. Energy prices</li> <li>3. Availability of labour</li> </ol>
<b>Question 6</b>	What do you think will the consequences for investment in Europe from the next U.S. administration?	Negative
<b>Question 7</b>	What do you think will be consequences for the regulatory environment in Europe from the next US administration	Negative

## 2. National Recovery and Resilience Plans

<b>Question 8</b>	How satisfied or dissatisfied are you with the way your country is implementing the national recovery and resilience plan in the past year?	Neutral
<b>Question 9</b>	How satisfied or dissatisfied are you with the involvement of social partners in the implementation so far of your national recovery and resilience plan?	Neutral
<b>Question 10</b>	How effective do you think the European Commission is being in ensuring strong implementation of the reforms in the national recovery and resilience plans across the EU?	Not confident
<b>Question 11</b>	If you are dissatisfied with the implementation so far of your national recovery and resilience plan, why?	<ol style="list-style-type: none"> <li>1. Bureaucracy</li> <li>2. Capacity of projects to change profile of the economy in Member states</li> <li>3. Time for authorities to make decisions</li> </ol>
<b>Question 12</b>	Open question : Which best practices from the RRP could be leveraged for future programmes, and which pitfalls should be avoided?	The RRF and the relaxed state-aid rules due to the pandemic has disrupted fair competition in the single market. This has been very negative for Swedish companies. The conditionality in the RRF may, however, be a way to increase Member states to willingness to undertake structural reforms. In the long-run it may increase EU's competitiveness and make the EU-budget become more efficient and add value to EU firms and citizens.

### 3 Assessment of Country Specific recommendations 2024 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	<p><b>Official recommendation</b> : Submit the medium-term fiscal-structural plan in a timely manner. Reduce risks related to high household debt and housing market imbalances by reducing the tax deductibility of mortgage interest payments and increasing recurrent property taxes, while developing appropriate tools for better policy assessment and targeting. Stimulate investment in residential construction to ease the most urgent shortages, in particular by removing structural obstacles to construction. Improve the efficiency of the housing market, including by introducing reforms in the rental market.</p> <p><b>SN input</b>: Wind down the emergency energy support measures in force, as soon as possible in 2023 and 2024.</p>	Helpful (but not a priority)	Satisfactory	
CSR 2	<p><b>Official recommendation</b> : In light of prolonged delays, significantly accelerate the implementation of the recovery and resilience plan, including the REPowerEU chapter, ensuring completion of reforms and investments by August 2026. Accelerate the implementation of cohesion policy programmes. In the context of their mid-term review continue focusing on the agreed priorities, while considering the opportunities provided by the Strategic Technologies for Europe Platform initiative to improve competitiveness.</p> <p><b>SN input</b> : Proceed with the steady implementation of its recovery and resilience plans</p>	Irrelevant	Satisfactory	

	Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
<p><b>CSR 3</b></p> <p><b>Official recommendation</b> : Improve educational performance, including of students with disadvantaged socioeconomic and migrant backgrounds, by addressing the persistent shortage of qualified teachers, by ensuring equal access opportunities to the schooling system and by further supporting the transition of students to upper secondary school. Develop the skills of the labour force, particularly those from disadvantaged socioeconomic and migrant backgrounds, through targeted policy measures and resources, to improve their integration into the labour market.</p> <p><b>SN input</b> : Improve educational outcomes for pupils with disadvantaged socio-economic and migrant backgrounds by ensuring equal access opportunities in the schooling system and addressing the shortages of qualified teachers.</p>	Extremely important	Unsatisfactory	
<p><b>CSR 4</b></p> <p><b>Official recommendation</b> : Ensure the achievement of greenhouse gas emissions reduction targets by reducing in particular emissions from road transport, and accelerate and streamline permitting procedures for deploying renewables, in particular for offshore and onshore wind energy.</p> <p><b>SN input</b> : Reduce reliance on fossil fuels by accelerating the deployment of renewables, including by expanding and upgrading energy transmission networks, introducing reforms to simplify and speed up administrative and permitting procedures, improving energy efficiency and stepping up policy efforts aimed at the provision and acquisition of skills and competences needed for the green transition.</p>	Important	Mixed	<p>This recommendation touches on many topics. We think that reducing recillience on fossil fuel is very important, but we do not like to name renewables as the only solution to achieve this (as it does not leave room for the market to decide this). Upgrading and expanding transmission networks are important. Speed-up administrative and permitting procedures are very important. But improving energy efficiency should be motivated by firms themselves, hence Government intervention is not necessary.</p>

#### **4. Reform Progress in your Member State in 2024**

How would you assess reform progress in 2024, for the following broad areas:

<b>Taxation and Public Finances</b>	Satisfactory
<b>Business environment (regulation/access to markets)</b>	Mixed
<b>Labour market</b>	Mixed
<b>Innovation and skills</b>	Mixed
<b>Access to finance and Financial stability</b>	Excellent

**Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2025 Reform Barometer?**

First a comment to the areas mentioned above. Access to finance is not a matter for our government as such it has over a long time-period changes policies to increase the attractiveness of investing in the stock market for example. A decreased income tax on labour to increase to incentivise people to work. Increased financial support for vocational training programmes to decrease long-term unemployment, which is a very large problem in Sweden. A higher turnover threshold for VAT on small companies it was raised from 80 000 SEK to 120 000 SEK. Modernizing Permitting Processes: The government has proposed changes to the Environmental Code to make permitting processes for energy projects more efficient, predictable, and modern. To support fossil-free electricity production, the government is removing obstacles for new nuclear power projects.

## 5. Reform priorities for 2025

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
<b>Priority 1</b>	Business environment (incl. SME policies)	Regulations	yes
<b>Priority 2</b>	Renewable energy, energy infrastructure & networks	Energy supply and energy infrastructure	yes
<b>Priority 3</b>	Skills, Vocational Education and Training & adult learning	Companies have difficulties finding the right labour	no
<b>Priority 4</b>	Active labour market policies, incentives to work & labour market participation	Incentivise long-term unemployed to work	yes
<b>Priority 5</b>	Single market, competition & state aid	The loosened state-aid rules has hurt Sweden. Get back to level-playing field	yes

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