



Mr Michael Damianos

Chair of EU Competitiveness Council, Minister of
Energy, Commerce and Industry of Cyprus
6 Andrea Arauzou Street
1421 Nicosia
Cyprus

25 February 2026

Dear Minister,

Key messages to EU Competitiveness Council of 26 February 2026

BusinessEurope notes with interest the upcoming policy debates at the Competitiveness Council to be held on 26 February. You plan to address a very wide agenda spanning from the consumer policy for the coming years to financing competitiveness and discussing emergency plans for industrial resilience in such critical sectors as steel, automotive and chemicals. We are ready to contribute to these debates.

I. Consumer agenda

The new consumer agenda should be a tool that focuses on better enforcement and hence contributes to the wider competitiveness agenda. To that end, it should not focus on new regulation but rather prioritise a public enforcement approach led by authorities and alternative means of dispute resolution. Private enforcement should remain the last resort and the EU should finally close the gap of rules in third party litigation funding which is increasingly setting foot in (and fuelling) the EU litigation landscape. We support reviewing the Consumer Protection Cooperation Regulation (CPC), with the aim of strengthening cross-border enforcement, ensuring strong protection for consumers and a level playing field for all traders serving EU consumers, regardless of where they are located. This is in line with the objectives of the e-commerce communication.

II. European Competitiveness Fund

BusinessEurope strongly supports the creation of the European Competitiveness Fund (ECF), merging 14 existing programmes related to “competitiveness” areas and organizing them under four policy windows. The new fund – with a reinforced budget of €362 billion - would have the potential to support EU competitiveness by introducing a



single rulebook, simplifying procedure for application and disbursement of funding, and sustaining innovation in a “seamless investment journey” from R&I to manufacturing.

To achieve its objectives, the following will be crucial:

- ECF funding is maintained and allocated through open competition, following the criteria of excellence and highest relevance for European competitiveness. In limited cases, exceptions to this principle, with targeted calls, for example, with capacity building or resilience actions, and synergies with cohesion policy, ensuring a minimum degree of geographical balance, would be justified.
- The creation of a Strategic Stakeholders Board with strong industry participation is welcome. However, its responsibilities and application procedures should be clarified. Moreover, a relevant industry representation should be guaranteed also in the governance of the four policy windows, and in the Competitiveness Coordination Tool.
- We welcome many of the new tools proposed in the single rulebook, such as the Accelerated and Targeted Actions for Competitiveness, the EU Tech Frontrunners, and Production Ramp-Up Actions; the possibility to cumulate funding across different programmes and to enable top-ups to IPCEIs; and the strengthened role for InvestEU, with a higher provisioning rate and the intention to make it a more relevant, cross-program instrument for mobilising private investment (although the proposed minimum guarantee appears insufficient compared to EU's investments needs).
- Finally, we welcome the support for SMEs, start-ups, scale-ups, and Small Mid-Caps through dedicated actions, 100% funding rates, advisory services, and simplified access tools to strengthen Europe's innovation ecosystem.

These tools are key to supporting technology deployment and scale-up, provided they deliver fast procedures, legal certainty and predictable conditions for investment; however, more information on the implementation details is needed.

In addition to the ECF itself, we welcome the ambitious MFF proposal to link research and innovation with other relevant aspects of competitiveness, particularly through strong links between the ECF and the 10th Framework Programme for Research and Innovation (Horizon Europe). In the R&I context, the four policy windows of the ECF should be complementary, seamless funding instruments of Horizon Europe that reinforce the innovation–deployment continuum, providing targeted support to accelerate the uptake of research results across sectors.



At the same time, we call for an increased Horizon Europe budget beyond the MFF proposal, in line with the Draghi report, and for a reinforced Pillar II (public-private partnerships). Strengthening collaborative research under Pillar II is essential, with clear links to the ECF and the other pillars of Horizon Europe, particularly with governance structures which reflect the long-term nature of industrial R&I.

Overall, we strongly believe in the ECF's potential to enhance EU competitiveness. To achieve this, co-legislators should preserve the budgetary ambition of the proposal, increasing the dedicated budget for collaborative research and innovation activities, and ensure a clearer structure, governance framework, and implementing rules.

III. **Annual Single Market and Competitiveness Report (ASMCR) 2026**

The European Commission's recent ASMCR confirms a decline in the Single Market integration. Intra-EU trade in goods fell for the second consecutive year, from 23.5% of EU GDP in 2023 to 22% in 2024, while intra-EU trade in services has effectively stagnated. The report also highlights growing delays in industrial standard-setting, with the average time to establish a new standard now reaching four years.

Moreover, BusinessEurope raises concerns about the Commission's enforcement priorities and its commitment to fully exercise its role as the 'guardian of the treaties'. The **proposed Single Market Enforcement Agenda does not reflect a credible enforcement strategy**. Its narrow focus on only two priority areas (late payments and construction and installation services related to the green transition) raises doubts about its ability to effectively strengthen compliance and enforcement across the Single Market. Picking cherries for enforcement action may send wrong signals to both the Member States and the markets.

Taken together, these findings are **yet another signal that the EU has to act on the Single Market immediately and with much stronger political commitment from the European Commission, the Member States, and the European Parliament:**

- remove regulatory barriers and prevent new ones across all policy areas; act fast on the "Terrible 10" barriers to remove them by 2027;
- pursue a bold liberalisation agenda in services, foster labour mobility and modernise the framework for market access of goods, both through legislative and non-legislative measures such as those under Single Market Enforcement Taskforce;



- broaden the Commission's planned agenda on enforcement into a comprehensive mid-term plan covering many more regulatory areas to ensure that freedoms of the Single Market are upheld.

Sufficient resources should be made available in respective services of the European Commission.

IV. **Emergency plans for industrial resilience**

The Clean Industrial Deal and Affordable Energy Action Plan in 2025 mark a change of course and rightly focus on the most pressing challenges such as driving down energy prices or accelerating permitting. However, up until now, the Affordable Energy Action Plan has not led to the intended goal of internationally competitive energy prices.

To close the related competitiveness gap, targeted measures to reduce energy prices in the short term should be reinforced, while preserving the level playing field within the internal market. The policy framework for long-term energy contracts needs to be improved and overall system costs like energy taxes and network charges further reduced.

Furthermore, the arsenal of carbon leakage measures must be reinforced and the upcoming EU ETS reform better account for competitiveness while preserving environmental ambition.¹,

We remain available for any further discussions on these matters.

Yours sincerely,

Markus J. Beyrer
Director General

¹ [BusinessEurope priorities for the EU ETS review.](#)