



European Parliament
Rue Wiertz 60
B-1047 Brussels
BELGIUM

19 May 2026

Dear Member of the European Parliament,

Europe's competitiveness challenge is no longer theoretical - it is immediate and global. Against the backdrop of the current geopolitical uncertainty and intensifying technological competition, the EU must translate ambition into decisive action. A strong and effective Horizon Europe is central to that effort.

As the European Parliament moves towards discussions on possible compromise amendments in view of the Committee vote, BusinessEurope urges MEPs to secure the following priorities:

1. Keep Horizon Europe attractive for industry of all sizes

Europe will not close its innovation gap without strong, sustained industry engagement across all company sizes. Having industry from all sizes participating in calls and projects is essential to bridge research results into the market. Thus, both funding rates and European partnerships must remain attractive for all companies. More specifically, we urge that the value of in-kind contributions from industry to European partnerships – fundamental to the collaborative nature of Horizon Europe – is recognized, both in terms of operational costs (so-called IKOP), and additional activities (so-called IKAA). In addition, funding rates must be attractive in order to ensure high industry participation even in high-risk, low technology readiness levels (TRL). Thus, we call on the European Parliament to keep these attractive for all for-profit entities, at a minimum maintaining the same conditions of FP9. In this regard, we note positively amendments 505, 506, 978, 979, 993, 994, 1002, 1003, 1004, 1005, 1408 and 1409, which support these objectives.

2. Deliver real simplification - without removing flexibility

Simplification must work for beneficiaries, not against them. A one-size-fits-all approach will undermine participation. We therefore call for a balanced framework that preserves flexibility in reimbursement models: combining lump sums with cost-based options, including personnel unit costs and actual cost methodologies where appropriate. This flexibility is critical to ensure that beneficiaries from all sizes and types can participate efficiently without unjustified discrimination. In this regard, we note positively amendments 937, 938, 941.

3. Match ambition with a strong budget for collaborative research and industry representation

Competitiveness requires scale. A reinforced Horizon Europe budget, aligned with the direction of Mario Draghi's recommendations, is essential to deliver on Europe's



technological and industrial ambitions. Within this, a significant allocation of the budget to Pillar II must be secured to send the right signal that Europe is serious about transferring knowledge into industrial applications and thus strengthening competitiveness. Europe's innovation gap can only be closed efficiently and effectively if investments in R&I are coordinated accordingly. Equally important to this objective is to ensure industry is well represented at all levels of the governance bodies that will play a role in designing the future of research and innovation in Europe, both at the strategic and expert-led implementation level. In this sense, we note positively amendments 777 and 778.

4. Link collaborative research and the European Competitiveness Fund

The Commission's proposal for integrated work programmes for each ECF policy window, including the collaborative part of Horizon Europe's Pillar II, is meant to help deploy innovations in the market and is key to enhancing European competitiveness from knowledge to market. We recognise the point made in MEP Ehler's report that the nature of collaborative research programming is different and requires specific expertise and mindset. At the same time, we believe this distinction can work better through an integrated work programme that links input from innovation experts with deployment actions. This must involve industry experts and their understanding of the potential of R&I on new technologies on the one hand, and the realities of markets and competitiveness on the other. We also welcome key parts of the report, especially amendments 5 and 132 on three-year work programmes and expert-led implementation, as they ensure agility and speed on the path to competitiveness.

The EU can only be as strong as its economy. We count on the European Parliament to understand this urgency in the discussions towards possible compromise amendments in view of the Committee vote and to send a clear signal: Europe is serious about being a competitive place to innovate, invest, and scale.

Yours sincerely,

Markus J. Beyrer
Director General