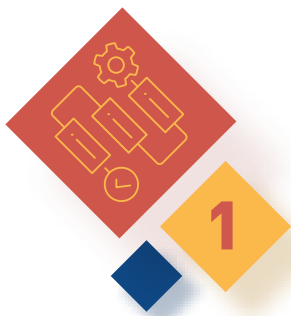




STOCKTAKING JUNE 2026

FROM AMBITION T DELIVERY

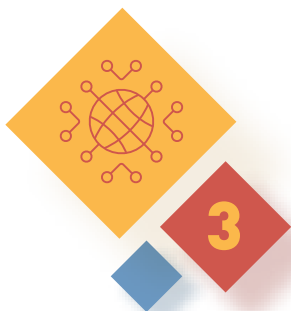
An urgent call to act on competitiveness



Deepen the **Single Market**
and reduce **regulatory burden**



Bring down **energy prices**
and create a **business case**
for decarbonisation



Mitigate geopolitical risk,
diversify and secure
market access



Boost **investments**
and **innovation** to regain
technological leadership



Boost **employment**
and **skills**

FROM AMBITION TO DELIVERY

Since the beginning of the new legislative cycle, the operating environment for European companies has changed significantly. Geopolitical tensions are escalating, security risks are increasing, and economic headwinds are intensifying, adding further pressure on the competitiveness of businesses across Europe. Against this backdrop, determined and forward-looking action by policymakers to strengthen Europe's competitiveness as a foundation for prosperity, security, and resilience is more urgent than ever.

Companies on the ground do not yet feel the difference

European businesses acknowledge the efforts undertaken by the European Commission and the continued commitment of European policymakers to enhance competitiveness and reduce regulatory burdens. However, these efforts have yet to translate into tangible improvements for companies on the ground. Alarming, a majority of BusinessEurope's members report that the business climate has deteriorated compared to six months ago.

Volatile energy prices and the persistent energy cost gap with major global competitors remain a significant concern. Complex and burdensome regulation continues to constrain investment, innovation, and growth. Barriers within the Single Market still hinder the expansion and cross-border operations of companies of all sizes, particularly SMEs. At the same time, international relations continue to deteriorate, the global technology race is accelerating, and labour market challenges are becoming more acute.

Rapid delivery on Europe's competitiveness agenda is essential

To put the European economy back on a path to growth, the EU must focus on the areas within its control: reducing regulatory burdens, deepening the Single Market, and removing barriers to cross-border trade, investment, and labour mobility.

What is needed now is unity, determination, and rapid delivery on the ambitions already announced. European businesses are counting on policymakers at both EU and Member State level to work together and swiftly translate commitments into tangible results. Europe's economic success is essential to strengthening its position in the world and safeguarding its long-term prosperity and security.

This document takes stock of the European Commission's recent initiatives and sets out priorities for the second half of 2026. It identifies further actions needed to reduce regulatory burdens, improve the business environment, and strengthen Europe's economic competitiveness.



Ambition initiated



Progress felt by companies

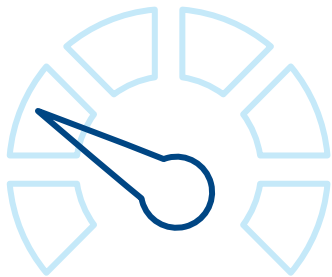
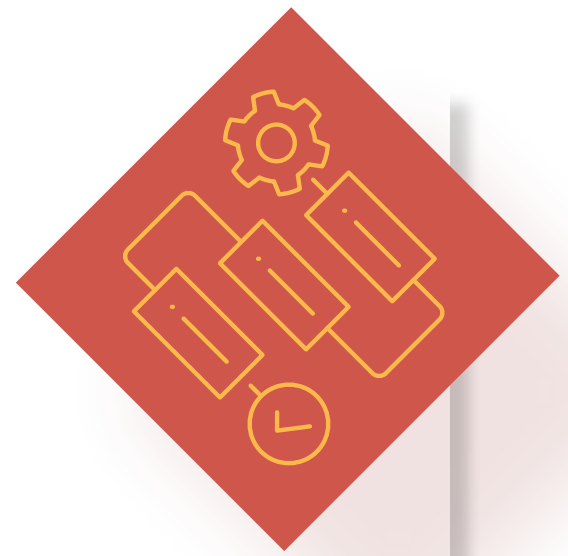


Business sentiment



1

Deepen the Single Market and reduce regulatory burden



AMBITION INITIATED

What progress have we seen?

- ◆ The “**One Europe, one Market**” roadmap, shows important efforts have been made. However, much more needs to be done, as progress on further opening the markets, on a stronger governance framework and on the actual removal of the “terrible ten” Single Market barriers, remains very limited.
- ◆ The proposed and ongoing **Omnibus initiatives**, as well as initiatives such as the **Action Plan for Regulatory Deep Cleaning**, are steps in the right direction, but should place a stronger focus on delivering a measurable and tangible reduction in burdens for businesses of at least 25%. So far, the adopted or proposed Omnibuses for simplification addressed only approximately 7% of the issues outlined in the BusinessEurope Omnibook to reduce regulatory burdens.
- ◆ The proposed **European Business Wallet** is welcome and could provide an opportunity to facilitate business operations, streamlining compliance and facilitate cross-border activities for businesses, whilst remaining in line with the simplification agenda.
- ◆ The **Cloud and AI Development Act** is an important signal to accelerate permitting and strengthen Europe’s computing infrastructure across Europe’s Single Market, provided it remains practical and avoids creating additional administrative burdens. At the same time, the real precondition for digital transformation and AI roll-out is the ability of businesses to use data efficiently. There are serious concerns that current debates on strategic initiatives like the **Digital Omnibus** undermine tangible simplification and targeted improvements to the General Data Protection Regulation framework for European companies developing and deploying data-driven technologies.



ACTION REQUIRED

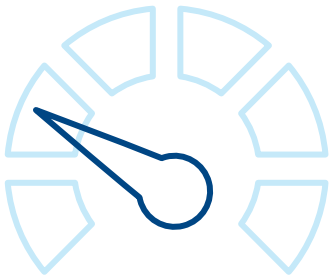
What further steps need to be taken in 2026?

- ◆ **Address remaining barriers to cross-border business operations in the Single Market**, through an effective and ambitious set of measures, starting with the “terrible ten” barriers and avoiding creation of new ones.
- ◆ **Urgently propose the missing Omnibus packages and add a continuous stream of additional burden reduction measures**, to significantly reduce regulatory burden and compliance costs for companies. Such burden reduction measures on top of the already tabled ones are most urgently needed in the areas of social, consumer protection, digital, circular economy, taxation and public procurement policy.
- ◆ **Develop a holistic and cross-cutting approach to simplify and accelerate industrial permitting procedures** in a way that companies on the ground feel a difference, going beyond the proposed improvements in the Environmental Omnibus with regards to the environmental assessment.
- ◆ **Implement an immediate moratorium on new regulatory burden** including secondary legislation, withdraw pending burdensome proposals such as the Green Claims Directive and Late Payment Regulation, and conduct in-depth review of all EU legislation.
- ◆ **Ensure that the announced European Product Act creates more coherent, predictable requirements** for placing goods on the Single Market, while not adding compliance costs and complexity, and addresses the absence of a strong “New Legislative Framework” (NLF) governance, e.g. by introducing an ‘NLF Check’.
- ◆ **Focus on simplifying procurement rules**, increasing competition and efficient spending in the upcoming **Public Procurement Act**. Adding new policy objectives (green, social, resilience, “European Preference”) risks making procedures even more difficult to navigate and any introduction of mandatory social conditionalities cannot be accepted in either of the stages of the proposal.



2

Bring down energy prices and create a business case for decarbonisation



AMBITION INITIATED

What progress have we seen?

- ◆ The **Energy Toolbox AccelerateEU** rightly gives further guidance to Member States to implement national relief measures addressing high energy prices in response to the Middle East situation while maintaining the necessary long-term changes to successfully decarbonise the economy.
- ◆ The proposed **Industrial Accelerator Act** brings forward interesting measures in the field of permitting and demand creation to improve the business case while the parts on European preference and Foreign Direct Investments could, in their current form, affect Europe's investment attractiveness.
- ◆ The proposed review of the **Market Stability Reserve (MSR)** invalidation clause goes in the right direction but remains insufficient. Additional measures, such as dynamic intake rate and release thresholds, are needed for MSR to become more responsive to liquidity issues.



ACTION REQUIRED

What further steps need to be taken in 2026?

- ◆ **Use the upcoming legislative proposal on energy taxation and network charges** to reduce the electricity cost, including taxes, levies and network tariffs, within a practical and overarching competitiveness-oriented framework for businesses.
- ◆ **Advance further initiatives to integrate EU energy markets** to narrow the energy cost competitiveness gap, through balancing interconnectors deployment with responsibilities for individual Member States to build electricity systems that contribute to wider system benefits.
- ◆ **Adapt the EU ETS to better account for competitiveness while preserving environmental ambition** and maintaining the system as a key market-based tool to reach climate neutrality in 2050, by adjusting the Linear Reduction Factor (LRF) to avoid the “ETS endgame” after 2040, reconsidering the planned phase out of free allowances for all sectors and introducing more changes to the MSR to safeguard sufficient liquidity in the market and avoid price spikes.
- ◆ **Carefully calibrate the introduction of a “European preference” in public procurement and public support schemes** in the context of the **Industrial Accelerator Act**¹, ensuring it is targeted to strategic sectors identified based on a robust analysis, it considers key partners, especially those that are closely integrated with the EU, and is implemented in an unbureaucratic way, and avoiding creating two parallel systems for screening foreign direct investment in the EU.

¹ For a more detailed position on the Industrial Accelerator Act see BusinessEurope’s dedicated position paper



3

Mitigate geopolitical risk, diversify and secure market access



AMBITION INITIATED

What progress have we seen?

- ◆ **The EU-U.S. Joint Framework Agreement**, if implemented and respected by all partners, will bring a degree of stability and predictability for companies.
- ◆ **Efforts undertaken to diversify the bilateral trade agenda** with the provisional application of the Mercosur agreement and the conclusion of negotiations with Indonesia and India, along with the modernisation of the Mexico agreement are a necessity and need to be intensified.
- ◆ **New forms of engagement with third countries**, such as the Pact for the Mediterranean, the Clean Trade and Investment Partnership with South Africa, the Digital Trade Agreement with Singapore and ongoing negotiations with South Korea are important additions.
- ◆ **Concerning Economic Security, the revised FDI screening Regulation is a step forward.** The Commission's recent **Economic Security Package** goes in the right direction, when it comes to the comprehensive analytical approach, promoting a European approach and closer engagement with business, while some aspects still need improvement to ensure the right balance between security and an open economic approach.
- ◆ **EU Customs Reform** represents a major step towards modernising the EU's toolbox to address the recent surge in trade volumes, namely due to e-commerce, deepen harmonisation, better the use of digital tools to promote trade facilitation and adjust to growing EU legislation with impact at the border.



ACTION REQUIRED

What further steps need to be taken in 2026?

- ◆ **Accelerate ongoing negotiations** with new partners, such as the ASEAN countries (e.g. Thailand, Malaysia, Philippines), foster closer ties with existing economic partners in our neighborhood, such as the UK and Türkiye, and ensure the integrity of existing supply chains with EEA/EFTA partners.
- ◆ **Effectively address market distortions** generated by state-induced over capacity and implement risk mitigation measures while engaging with China in areas of key interest for economic operators, such as security of supply of critical raw materials and access to public procurement markets.
- ◆ **Make trade-defense instruments more agile and effective.**
- ◆ **Stabilise the relationship with the US**, ensuring that both sides implement the EU-US Joint Framework Agreement and work to address existing trade and geopolitical irritants in a way that is mutually beneficial.
- ◆ **Swiftly ratify and implement pending trade agreements**, such as those with India, Mexico, Indonesia and Australia to strengthen Europe's global economic ties.
- ◆ Secure more and better access to **critical raw materials** through trade and partnership agreements, combined with necessary financial resources that promote further European investments in this area.
- ◆ Further cooperation with **CPTPP countries**, e.g. developing new rules, exploring further market integration, is needed.
- ◆ Implement the Agreement on Electronic Commerce, supported by a significant number of **WTO** members, and try to find a solution for the e-commerce moratorium.
- ◆ **Advance the EU enlargement process**, including through the gradual integration of candidate countries into the EU Single Market, in a mutually beneficial manner, in order to strengthen Europe's economic resilience, stability and long-term competitiveness.





Boost investments and innovation to regain technological leadership



AMBITION INITIATED

What progress have we seen?

Measures announced in the **Savings and Investment Union (SIU) communication**, such as the blueprint for a **Savings & Investments Account** to make investing simpler for citizens; a **Financial Literacy Strategy** to help citizens make sound financial decisions; a **pensions package** to strengthen the demand for and supply of supplementary pensions and mobilise long-term savings for productive investments; measures to revive the EU **Securitisation Framework**; measures to boost equity investments by insurers and banks; and a **market integration package**, are positive steps forward.

The Commission proposal of the **EU Inc.** is welcomed as an optional instrument of company law that makes it easier for companies to incorporate, scale up, and operate across all Member States and EEA countries, and helps with attracting investment by offering a reliable and simple EU corporate framework, without adding other labour matters beyond what is foreseen in the Commission proposal concerning employee participation.



ACTION REQUIRED

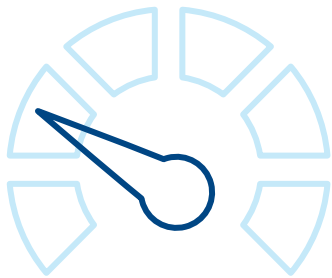
What further steps need to be taken in 2026?

- ◆ **Make concrete proposals to improve the competitiveness of the EU banking sector** to ensure the availability of finance and other financial products at competitive prices.
- ◆ **Encourage investments by institutional investors in long-term risk capital** by addressing barriers to equity investment through prudential rules and targeted tax allowances for corporate equity, in particular for SMEs.
- ◆ **Deliver ambitious simplification of EU tax rules and establish a more competitive and investment-friendly tax framework** for European businesses via the announced **Tax Omnibus**. Particular focus should be on aligning anti-avoidance rules with the EU Minimum Tax Directive, eliminating redundant tax reporting obligations which have largely lost their policy relevance, and removing barriers to cross-border relief such as withholding taxes.
- ◆ **Reassess the EU's Minimum Tax Directive** with an immediate focus on simplification and workability, while comprehensively revising the broader tax framework to reduce regulatory and compliance burdens, and ensure European businesses remain competitive globally.
- ◆ **Ensure that the next MFF provides conditions that incentivise private investments.** Maintain the proposed budget increases for competitiveness enhancing expenditures, securing the reinforced funding for the ECF, the Connecting Europe Facility and Global Europe in line with the European Commission's proposals, higher funding for Horizon Europe to help close the innovation gap, as well as adequate funding for cohesion policy, while better targeting these cohesion funds towards competitiveness, and avoiding increases in business taxation.
- ◆ **Strengthen the involvement of industry representatives in all relevant governance structures of the next MFF.** This includes, in particular, the ECF Strategic Stakeholders Board, and all other relevant expert-led bodies created to support the implementation of the different programmes such as Horizon Europe and the European Competitiveness Fund, among others.



5

Facilitate employment creation and skills development



AMBITION INITIATED

What progress have we seen?

- ◆ **The signature of the Social Dialogue Pact 2025** is a positive signal for closer cooperation with EU social partners. The bipartite commitment of the European social partners to social dialogue is now materialising into a common approach to how to conduct social dialogue at EU level with joint procedures and hopefully soon a new work programme of the EU cross-industry social partners for 2027-2028.
- ◆ **The agreement on the revision of Regulation 883/2004**, in particular the compromise reached, e.g. on exclusion of business trips and short-term postings (for up to 3 days) from the need for prior notification (except for the construction sector) is a positive step towards burden reduction.



ACTION REQUIRED

What further steps need to be taken in 2026?

- ◆ Simplify the **Pay Transparency Directive**, for example by introducing a presumption of compliance for collective agreements.
- ◆ Improve the interface between the **REACH regulation and Occupational Safety and Health (OSH) directives** by making OSH legislative and non-legislative tools the applicable framework for the risk assessment and risk management of professional and industrial uses of chemicals.
- ◆ **Introduce ambitious digitalisation measures in the upcoming Fair Labour Mobility Package**, such as a legal proposal on ESSPASS and start the technical work on the merging of ESSPASS, A1 and eDeclaration.
- ◆ **Ensure that the upcoming Quality Jobs Act** does not undermine simplification efforts of the European Commission by imposing additional regulatory burden on employers.
- ◆ **Address the enforcement related issues on subcontracting** that have arisen through targeted non-legislative measures, e.g. enforcement of applicable rules by Member States and their authorities and sector-specific measures developed by the social partners.
- ◆ **Earmark at least 50% of European Social Fund** resources for skills development and reserve 15% to support skills development resources for employers' action and reflect this in the implementation of the newly adopted Council recommendation on human capital.
- ◆ **Activate the fully functional EU talent pool** to facilitate international recruitment in sectors where EU Member States experience shortages.



BUSINESSEUROPE



BusinessEurope is the leading advocate for growth and competitiveness at the European level, standing up for companies across the continent and campaigning on the issues that most influence their performance. A recognised social partner, we speak for enterprises of all sizes in 36 European countries whose national business federations are our direct members.

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Denmark	Denmark	Estonia	Finland	France	Germany
Germany	Greece	Hungary	Iceland	Iceland	Ireland
Italy	Latvia	Lithuania	Luxembourg	Malta	Montenegro
Norway	Poland	Portugal	Rep. of San Marino	Romania	Serbia
Slovak Republic	Slovenia	Spain	Sweden	Switzerland	Switzerland
The Netherlands	Türkiye	Türkiye	Ukraine	Ukraine	United Kingdom



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