

Mr António Costa
President of the European Council
European Council
Rue de la Loi 175
B-1048 Brussels
BELGIUM

9 October 2026

Dear President,

Message to the European Council meeting on 15-16 October 2026

Ahead of the European Council meeting on 15-16 October 2026, which will discuss competitiveness and the next Multiannual Financial Framework, **BusinessEurope underlines the growing urgency of translating Europe's competitiveness ambitions into tangible improvements for companies.** Against an increasingly challenging geopolitical and economic backdrop, a strong economic base, higher productivity and framework conditions that support competitiveness are more important than ever to safeguard Europe's prosperity, security and resilience.

Competitiveness

BusinessEurope and its members acknowledge the continued commitments expressed by EU leaders to strengthen Europe's economy and competitiveness. While important steps are being taken under the "One Europe, one Market" agenda, **concerns are growing regarding the gap between ambition and actual delivery**, in particular related to the Single Market and regulatory burden reduction for companies. Against this backdrop, BusinessEurope strongly supports recent initiatives to tackle "gold-plating" and calls on European leaders to intensify efforts to effectively deepen the Single Market, remove persistent barriers, simplify regulation and reduce burdens on companies of all sizes, at both EU and Member State levels.

Growing geopolitical pressure, rising costs and cumulative regulatory burden continue to impact the business investment climate in Europe. Thus, this October European Council provides an important opportunity to signal that competitiveness remains a common priority as a prerequisite for social convergence and that the EU is united and able to deliver.

BusinessEurope urges the European Council to:

Deepen the Single Market and reduce regulatory burden

- **Establish an ambitious, long-term agenda for the Single Market with clear economic KPIs and measurable targets for cross border integration to measure progress.**

- **Deliver on the objective of simplifying regulation and reducing regulatory burden by at least 25% for all companies and 35% for SMEs**, by accelerating action to further simplify EU legislation and to streamline industrial permitting.
- **Ensure a simple, practical and accessible EU Inc. company form available to businesses across Europe**, preserving a balanced and pragmatic approach to the core elements of the original Commission proposal and avoid subjecting the EU Inc. to more stringent requirements, including regarding incorporation or worker participation, which would undermine the initial objectives.

Secure Europe's energy competitiveness and prevent carbon leakage

- **Address rising energy costs by reducing energy taxes, levies and network costs** and ensure that any demand saving measures do not lead to industrial demand destruction.
- **Advance the integration of EU energy markets**, including through balancing interconnector deployment with responsibilities for individual Member States to build electricity systems that contribute to wider system benefits.
- **Develop a simple and technology neutral post-2030 energy framework** to allow Member States and businesses to decarbonise at the lowest cost.
- **Ensure a central role of the ETS in EU's post-2030 climate framework while maintaining effective carbon leakage protection and removing conditionalities.** Decarbonisation must improve competitiveness and cannot mean deindustrialisation.

Promote trade diversification and a level playing field

- **Continue an ambitious and proactive trade policy to boost exports in growth markets and secure critical inputs at affordable prices.** While the provisional application of the interim Trade Agreement with Mercosur is welcome, we call for a swift ratification process for the Free Trade Agreements with India, Indonesia and Australia.
- **Assert and safeguard the EU's economic interests, when it comes to China** by using the trade defence toolbox, working with like-minded partners to coordinate policy responses when possible and diversifying markets and sources of supply to reduce excessive dependencies.
- **Keep dialogue and cooperation open, but also be clearer about costs**, not to prevent action but to ensure that it is balanced to avoid further loss of competitiveness for European industry.



- **Continue the promotion of diversification efforts to mitigate risk**, while avoiding additional reporting burden for companies through new legal instruments, including sharing of business sensitive information and increasing costs.

Next Multiannual Financial Framework

The next Multiannual Financial Framework must contribute to strengthening Europe's competitiveness, innovation and investment capacity. At a time when substantial additional investment is required, the EU budget should be designed to leverage private investment and concentrate resources where European action provides the greatest added value, while avoiding increases in the tax burden on European companies.

BusinessEurope urges the European Council to:

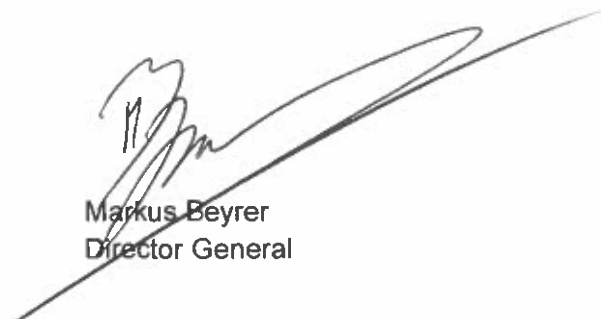
- **Preserve the proposed increases in competitiveness-enhancing expenditure**, including reinforced funding for the European Competitiveness Fund, the Connecting Europe Facility and Global Europe, also ensuring a strong coordination between the ECF and Horizon Europe, in line with the European Commission's proposals.
- **Increase funding for Horizon Europe and ensure adequate funding for cohesion policy**, while better targeting cohesion as a lever for competitiveness.
- **Avoid increases in business taxation to finance the next MFF**. European companies already face a high average tax burden compared to global competitors.

BusinessEurope underlines the growing urgency of translating ambition into action and stands ready to work with all EU institutions on the shared ambition of strengthening Europe's economy, boosting productivity and securing quality jobs in Europe.

Yours sincerely,



Maciej Witucki
President



Markus Beyrer
Director General