BUSINESSEUROPE

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

25 November 2026

Dear President,

Message to the special European Council meeting on 26-27 November 2026

Ahead of the special European Council meeting on 26-27 November 2026, which will be dedicated to the ongoing negotiations on the next Multiannual Financial Framework, BusinessEurope underlines the importance of agreeing on a budget that strengthens Europe's competitiveness.

The European Council has made competitiveness its top priority. The next EU budget must reflect it by supporting the investment that companies need to close Europe's innovation and productivity gaps.

In the enclosed paper, **EU budget 2028-2034: Investing in Europe's competitiveness,** BusinessEurope sets out its recommendations on the overall budget, the European Competitiveness Fund and cohesion policy.

BusinessEurope calls on the European Council to **preserve the ambition proposed by the Commission for competitiveness**, namely for the European Competitiveness Fund (ECF), Horizon Europe and the Connecting Europe Facility. Any reduction in the overall budget should not fall disproportionately on the programmes that drive innovation, investment and industrial resilience. We are therefore concerned that the negotiating box you presented on 21 November would continue to cut competitiveness funding the most, by €84.5 billion or 16.2% compared with the Commission's proposal.

This must be done without **new levies on companies**. BusinessEurope welcomes the decision to drop Corporate Resource for Europe (CORE) but strongly opposes a digital services tax. A levy on digital revenues, rather than profits, runs counter to Europe's digital ambitions, risking double taxation and higher costs for businesses and consumers. Absent international coordination, such a tax risks exposing European businesses across sectors to retaliation from key trading partners.

Reaching a swift **agreement** is equally essential, so that the new programmes can be prepared in time and funding can reach companies from January 2028.

The **governance** of the next budget should also be designed through the lens of boosting Europe's competitiveness. For the ECF, this means giving industry a real say in its priorities and keeping it closely linked to Horizon Europe. For cohesion policy, it means drawing on the lessons of the current period and giving the private sector, regions and social partners a stronger role, so that funding better supports regional competitiveness.

Europe needs a budget that helps companies invest and grow. We count on the European Council to reach an agreement that protects investment in Europe's future.

Yours sincerely,

Maciej Witucki
President

Markus J. Beyrer
Director General

Enclosure: ***EU budget 2028-2034: Investing in Europe's competitiveness***

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