

TRILATERAL BUSINESS FORUM
JOINT DECLARATION
Rome, 5-6 November 2025

**Ensuring the future of European industry:
the path to restore solid growth and robust competitiveness in the global economy**

Today, Europe stands at a crossroads. The world is being reshaped—and Europe cannot stay on the sidelines. We face the impact of a global crisis, mounting economic and geopolitical challenges, and the struggle for a new world order, shaped by major powers whose stance toward Europe is often uncertain or even hostile. Now more than ever, Europe must assert its independence, protecting its security and taking leadership of technologies that are vital to our strategic interests.

As Presidents of BDI, Confindustria and MEDEF, we take the occasion of this 7th Trilateral Business Forum to ring a bell: it is time to recognise that Europe is seriously lagging behind and that the risk of decline and deindustrialisation in the EU is greater than ever. It is time for Europe to take a decisive, quantum step forward, in line with the measures identified by the Draghi and Letta Reports, to strengthen Europe's industrial resilience and strategic autonomy, bridge the competitiveness gap in key manufacturing value chains, and drive research and innovation.

We call upon EU institutions and Member States to act urgently, according to the six following crucial priorities for European industry.

First priority: act decisively to advance the EU simplification agenda launched with the 'Omnibus

Better regulation and regulatory simplification represent key enablers for Europe's competitiveness and the strengthening of the single market. **The Commission must actively pursue its simplification and burden reduction agenda and set ambitious and tangible deliverables.** It should engage in reality checks and implementation dialogues with businesses and deliver concrete simplification measures across all policy areas. Member States in Council and the European Parliament should fulfil their responsibility as co-legislators and ensure that the proposals are implemented swiftly and deliver real relief to companies. The already presented "Omnibus Packages" are a positive and important starting point but represent only a first step. **The Commission must show greater ambition by addressing the most burdensome rules, advancing new measures in key areas such as digital, energy and environmental legislation, and significantly accelerating authorization and permitting procedures.** The ongoing omnibus process to simplify the CSDDD and the CSRD legislations must be brought to completion and result in tangible simplifications and very significant reduction in reporting obligations. Concerning CSDDD, we advocate, for example, for the deletion of Article 22 and all related provision, avoiding extending climate-related obligations to the entire value chain. Concerning CSRD, we favour genuine simplifications and minimization of costs and reporting burdens for companies. We urgently call upon members of the European Parliament to swiftly confirm an ambitious mandate and start the interinstitutional negotiations without further delay to deliver practical and meaningful simplifications to companies.

Simplification must continue and be extended to the EU's most burdensome and complex regulations for businesses. In the Commission's 2026 Work Program, several pending initiatives still raise serious concerns, including the Financial Data Access Regulation (FiDA) and the proposed Regulation on Late Payments. Ensuring regulatory coherence and consistency across major sectoral frameworks — including REACH and the Chemicals Omnibus, the Taxonomy Regulation, the Batteries Regulation, the Industrial Emissions Directive (IED), the Deforestation Regulation, the Renewable Energy Directive (RED), and the Urban Wastewater Treatment Directive – is equally essential. We also call for an urgent withdrawal of the Green Claims Directive. Similarly, the restriction proposal on PFAS must follow a risk-based approach, avoiding a blanket ban and distinguishing between different substances based on their environmental and industrial impact. The application of the so-called DNSH (Do No Significant Harm) principle must also be revised, in terms of approach and operational impact. For the green transition, it is essential that Europe develops a European circular economy market, overcoming the regulatory barriers that still hinder its full implementation, enhancing recycling, in line with the technological neutrality principle. Finally, it is of outmost importance that simplification introduced with the Omnibus goes in parallel with coordination with financial regulation for banks and financial institutions, which has not been modified and still significantly affects the bank-business relationship.

Europe must also complete its Single Market – fully, decisively, and without delay. Barriers that still fragment the movement of goods, services, capital, and talent must be dismantled, and simplification must replace bureaucracy. A deeper Single Market is the foundation for a stronger, more autonomous Europe. **We call upon the EU institutions and Member States’ national administrations to fully implement the EU Single Market Strategy as swiftly as possible.**

Second priority: making decarbonisation a genuine driver of competitiveness by combining reduced energy costs, realistic targets and fully technology-neutral policies

Europe must ensure that the path towards climate neutrality reinforces, rather than weakens, its industrial base. The 2050 objective should remain the guiding focus of European action, pursued through a balanced and credible approach that reflects technological progress and economic reality. Persistently high energy prices are undermining competitiveness and must be addressed through decisive measures to guarantee affordable and reliable energy for businesses. At the same time, Europe’s carbon pricing framework must better serve its industrial goals: the ETS and CBAM should prevent carbon leakage and support exports, ensuring that the transition strengthens production instead of pushing it abroad. BDI, Confindustria and MEDEF call on EU institutions and Member States to:

- **Reconcile climate neutrality and competitiveness objectives: rather than just introducing new specific targets, the focus should be on key enabling conditions making the decarbonization realistic and achievable.** This includes securing access to affordable energy, mobilizing massive public and private investments, building the necessary infrastructures, and creating lead markets. **The proposed -90% CO₂ target by 2040 raises very serious feasibility concerns considering available technologies and risks triggering de-industrialisation. Enabling conditions must be first fulfilled by the European Union: competitive energy, investment predictability, simplified regulation and an effective CBAM – that can turn ambition into viable industrial transformation.**
- **Reform and adapt the EU ETS** to ensure long-term competitiveness and predictability. The system and its Market Stability Reserve (MSR) should be strengthened to limit volatility and speculation, **maintain free allowances, extend indirect cost compensation** to all exposed sectors, and channel revenues to industrial innovation. It should also integrate **carbon management and removal technologies**, enabling realistic low-carbon pathways for energy-intensive industries.
- **Lower energy costs quickly, ensure their predictability and stability** through the deployment of **long-term signals and contracts** (CFD, PPAs, tripartite contracts), **EU-backed derisking and guarantee schemes and faster and coherent investments in infrastructure**, hereby unlocking investment decisions, advancing industrial electrification where efficient and economically viable, and supporting electro-intensive industries exposed to global competition and risk of carbon leakage.
- **Ensure a fair and workable CBAM** aligned with the EU ETS, with an **export compensation mechanism, strong anti-circumvention rules**, and simplified compliance for **SMEs** through digital tools and capacity-building support, while progressively considering GHG emissions embedded in downstream products imported in the EU to cover key value chains exposed to carbon leakage.
- **Guarantee full technology neutrality** across EU legislation, recognising **nuclear, renewables, low-carbon fuels and gases, hydrogen and CCUS** as equal contributors to decarbonisation.
- **Protect the automotive industry’s competitiveness:** as the European sector faces market contraction and regulatory uncertainty, upcoming initiatives – including the **corporate fleets regulation** and the **revision of CO₂ standards for cars and vans** and heavy-duty vehicles – must be **technology-neutral**, valuing sustainable fuels alongside electrification and **avoiding new burdens such as fleet quotas or limits on investment freedom.**

Third priority: securing Europe’s technological sovereignty and reducing strategic dependencies through a holistic approach

Technological sovereignty is a cornerstone of Europe’s future. Europe must reinforce its capacity to take autonomous decisions and safeguard the strategic interests of businesses in an increasingly digital world. Europe did not fully benefit from the digital revolution. Technological sovereignty is now a matter of security, defence, and global influence. Today, our technological dependencies are worrying Europe manufactures only 11% of global semiconductors, most submarine cables remain beyond our control, and extraterritorial laws grant foreign powers undue access to our data and digital infrastructure.

BDI, Confindustria and MEDEF call on the EU institutions to:

- **Secure and expand sovereign digital infrastructure across the EU to reduce strategic dependencies, taking a holistic approach.**
- **Enhance cybersecurity to protect companies, data and critical services.**
- **Shield European companies from extraterritorial legislation that undermines legal certainty and competitiveness.**
- **Invest steadily in innovation and digital skills to sustain long-term industrial strength.**
- **Create a coherent growth environment for AI by enabling sovereign computing capacity and a sovereign cloud offering, building new data centres, ensuring efficient use of data and data spaces, and adopting coherent, practical legal frameworks.**

Fourth priority: financing Europe's industrial future and aligning the future EU budget with the competitiveness needs, recognizing the strategic role of R&I

It is crucial that the next EU budget boosts EU competitiveness and economic growth and supports innovation. BDI, Confindustria and MEDEF welcome the European Commission to establish a more efficient and strategically oriented budget, ensuring that EU resources are better aligned with evolving priorities. The next MFF must anchor a permanent European Competitiveness Fund, to finance major industrial projects and reduce fragmentation of national financing programs. This fund must be robust, endowed with substantial resources. **Looking at the already started negotiations in the EU Council and the European Parliament, we firmly ask the co-legislators to:**

- **maintain an ambitious size of the next MFF that safeguards the fiscal impact of the EU budget.**
- **fully preserve the budgets of the European Competitiveness Fund and Horizon Europe together with their close interconnection.** These two instruments are essential to strengthen Europe's industrial competitiveness, technological leadership, and capacity for research and innovation.

BDI, Confindustria and MEDEF strongly oppose any of the proposals on new own resources likely to jeopardise EU's competitiveness and, in particular, the introduction of CORE, and the use of ETS revenues. At a time when the EU is already facing significant competitiveness challenges, such measures will increase the tax burden on European companies, further undermine the EU's attractiveness as a destination for investments and create additional barriers to growth. Cohesion policy remains a cornerstone of the EU's integration project, balancing the needs for convergence with competitiveness. **Under the next MFF, cohesion policy requires not only adequate and clearly defined financial allocations but also needs to be modernized, simplified, entailing a stronger private sector and regional involvement,** and ensuring funds are invested in quality projects. **Its overall governance must be improved** as well, ensuring that Regions maintain a clear and effective role in the definition and implementation of this policy within a reinforced multilevel governance framework. At the same time, it should provide robust mechanisms for the monitoring and control of spending, to maximize effectiveness and accountability.

The absence of the Banking and Capital Markets Unions are a further cause of the competitiveness divergence between the EU and the US. BDI, Confindustria and MEDEF urgently call upon EU institutions and Member States to accelerate the implementation of the Savings and Investments Union Strategy, key to create a more integrated financial ecosystem that better connects private savings with productive investments. The prudential framework must facilitate the channelling of savings by institutional investors into the real economy through patient long term investments; we also believe that EU institutions should assess whether the current prudential requirements for banks – taking into account the forthcoming implementation of the Basel III framework – are appropriate to ensure a resilient and internationally competitive European banking sector, capable of supporting sustainable economic growth and the development of the real economy. Finally, minimum common standards are needed in the field of taxation, for instance in relation to withholding taxes, as existing divergences remain a major barrier to the effective integration of financial services across the Union.

Fifth priority: Towards a competitive and independent Europe in life sciences: defining an ambitious strategy for the future

Europe has long been the beating heart of global life sciences. Life sciences are not just another industry – they are a cornerstone of Europe's health, prosperity, and strategic sovereignty. In 2024, the pharmaceutical sector alone delivered a €193.6 billion trade surplus – proof of its strength and potential. To lead globally, Europe must double down on innovation, not dilute it. BDI, Confindustria and MEDEF ask the European Commission to deliver on the promises of the **Life Science Strategy**, jointly with the upcoming EU Biotech Act and EU Innovation Act, and create the conditions for Europe to remain competitive, secure its R&D excellency and industry, facilitate private investment and businesses access to programs funded by the 2028-2034 MFF.

Also, the European life sciences ecosystem should accelerate the translation of science into impactful products and improve access to cutting edge treatments. **The Pharmaceutical Package** must advance swiftly through the ongoing trilogue, recognizing that a robust protection of intellectual property is the foundation for research and innovation. Finally, the forthcoming **revision of the Medical Device Regulation e In Vitro Diagnostic Regulation** must deliver a simpler, more transparent and predictable framework.

Sixth priority: Boosting Europe's defence industrial base: tackling market fragmentation and strengthening investment to close capability gaps

Europe's defence landscape is marked by rising national budgets, reflecting a renewed and necessary commitment to strengthen Europe's strategic autonomy. However, to ensure that this new posture translates into tangible results, **Europe must first and foremost prevent these investments from being diverted outside the continent, by promoting a coherent and coordinated European approach, and favouring the solutions offered by its own industrial base.** Similarly, the space sector is undergoing a rapid expansion of national and European initiatives, from increased public budgets to new national space laws and the proposed EU Space Act.

While these developments show some momentum, Europe's gap with the United States and China in space has kept growing in some critical areas. . This calls for greater European ambition, higher levels of investment, and stronger European players. At the same time, deepening industrial partnerships among France, Germany and Italy will be crucial to achieving economies of scale, boosting innovation and strengthening Europe's ability to build and act autonomously. **In this regard, BDI, Confindustria and MEDEF call on the European Commission to work closely with industry in shaping a European industrial policy that is effectively aligned with national strategies.** Looking at the European Competitiveness Fund, it is crucial that, for the defence and space components, the Fund is built upon the real needs of the Member states, as it is their prerogative, while fostering a stronger strategic dialogue with the companies operating in these strategic sectors for Europe. It should provide that adequate resources are directed to the defence and space sector, with a clear distinction between the budgetary envelopes dedicated to each, and ensuring coherence with existing European instruments and actively involve industry in defining priorities. This approach is essential to reinforce Europe's technological resilience and guarantee the security of supply across critical defence and dual-use value chains.

Shaping Europe's Future

The months ahead represent a defining moment for Europe to reaffirm its role on the global stage. The actions outlined above are crucial to restoring competitiveness and fostering sustainable growth across the continent. These initiatives are equally fundamental to safeguarding the European Union's security and its credibility as a global power capable of defending its territory and democratic values. Without decisive implementation, Europe risks diminishing its influence in the global economy, while economic pressures could undermine the very foundations of its social model and welfare systems.

In cooperation with BusinessEurope, we will continue promoting a vision of an industrially strong, digitally autonomous, and climate-resilient Europe that guarantees prosperity and stability for all its citizens. Together, we can prevent a lost century for Europe and ensure that it once again stands as a symbol of innovation, prosperity, and stability for generations to come.

Competitiveness must become Europe’s guiding principle—the compass for every policy, every regulation, every investment.

Peter Leibinger President of BDI	Emanuele Orsini President of Confindustria	Patrick Martin President of MEDEF
--	--	---