Mr XYZ

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10 April 2024

**Putting Europe’s competitiveness at the centre of policymaking**

Dear XXX,

The European Council on 17 and 18 April has the potential to become a turning point for Europe – provided political leaders commit to action that will bring the EU back on a growth path.

The European Round Table for Industry (ERT) is a forum of around 60 Chief Executives and Chairs of multinational companies headquartered in Europe. We have always taken the position that the global competitiveness of European companies is essential to a prosperous, influential and sovereign EU.

We have warned for several years that Europe’s global competitiveness is declining. In view of the current geopolitical developments and the ongoing technological revolution, the continued deterioration of Europe’s competitive position and status in the world[[1]](#footnote-1) has now become deeply alarming.

Last month, ERT published its latest Benchmarking Report[[2]](#footnote-2), tracking how the EU’s competitiveness compares with that of its global competitors, notably the US and China, but also other top performers. Our findings send a clear message: we need a robust and common effort to rebuild Europe’s business case.

We urge Europe’s leadership to prioritise the following objectives, also by setting expectations for the next European Commission:

First, Europe has to regain and maintain its competitive edge in high technology across sectors at a time when new technologies are reshaping industrial ecosystems across the globe. To achieve this, as of now the EU needs to put the business case for innovation at the centre of its policymaking. And EU leaders should already today commit to significantly increasing the budget and scope of next EU Framework Programme for Research and Innovation (FP10) to build on the success of Horizon Europe and make it an even stronger enabler of scientific excellence and innovation.

Second, the EU has to become the best place in the world to do business. This implies a shift from ‘prescriptive and complex’ to ‘pragmatic and coherent’ regulation and administration. The next European Commission, as well as national governments, have to prioritise the simplification of regulation and restore coherence between detailed rules and overarching political goals.

Third, EU industries need a better integrated Single Market as a strong home base for sustainable growth and to achieve economies of scale. With former Prime Minister Enrico Letta’s Report soon to be unveiled, from an industry perspective it is of vital importance that the next Commission spearheads an encompassing programme to abolish the remaining barriers to trade within the Single Market[[3]](#footnote-3).

Fourth, Europe can still seize the opportunity to become a global leader in the digital economy, in particular in the emerging Industrial Internet. This requires incentivising private investment in digitalisation, connectivity and entrepreneurship, and avoiding new unnecessary, burdensome regulatory obligations that undermine innovation.

Fifth, Europe needs to become energy-independent and sustainable, without further compromising its resilience and competitiveness. A successful transformation has to overcome many obstacles, including in the area of energy infrastructure where we expect an investment gap in the order of €0.8 trillion by 2030, scaling to €2.5 trillion by 2050[[4]](#footnote-4). Moreover, Europe will need to build a Single Market for energy.

Finally, Europe has to rebuild its defence capabilities without any further delay. It is not acceptable that our societies and citizens remain exposed to threats of military aggression.

Industry and investors expect their national leaders to set the right conditions for Europe to remain a prosperous and relevant actor on the global stage. Across the many different dimensions of technological transformation underway at this time, the EU needs to strike a better balance between regulating and incentivising. We firmly believe that to achieve this, the EU, national governments and industry have to act as partners and dedicate the next EU legislative cycle to this objective.

Yours sincerely,

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Jean-François van Boxmeer

Chair, ERT

Chairman, Vodafone Group

1. https://ert.eu/documents/tcb2023-h2/ [↑](#footnote-ref-1)
2. https://ert.eu/bmr2024/ [↑](#footnote-ref-2)
3. https://ert.eu/wp-content/uploads/2024/02/ERT-Single-Market-Obstacles\_Technical-Study\_WEB.pdf [↑](#footnote-ref-3)
4. https://ert.eu/energy2024/ [↑](#footnote-ref-4)