

“The EPP Competitiveness Deal for Europe: A New Impulse for Jobs and Growth”

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Acknowledging that increasing geopolitical instability and fierce competition from other regions has put European industry under unprecedented strain, with a direct impact on labour markets and far-reaching implications for our economies and societal structures;

Emphasising that the EPP is the party of growth and jobs, of freedom and the social market economy, and that the EPP envisions a European Union that serves our citizens and creates the best conditions for European companies to thrive and compete on the global stage;

Highlighting that the Single Market is among the greatest achievements of the European Union and that maintaining open and strong trade relationships with like-minded and strategic partners is our priority, while at the same time ensuring the full respect of our Single Market rules and the unity of our approach;

Concerned about the risks of a spiralling increase in tariffs and other trade barriers benefiting no one, and by the increasing dependency of our supply chains on third countries;

Concerned that an increase in energy prices is weakening our competitiveness, especially in energy-intensive sectors, and penalising in particular SMEs representing a key component of our productivity;

Acknowledging that the ideological approach of the Socialists and Greens to climate policies has aggravated the factors hindering our competitiveness while also increasing to unbearable levels the administrative burdens facing our companies;

Convinced that strengthening the competitiveness of our industry, together with the security of citizens, must remain core to the EPP’s action for the ongoing institutional mandate;

Emphasising that a pragmatic approach designed together with our productive sectors is also the best approach for achieving the EPP’s ambitious decarbonisation objectives;

The EPP commits to:

1. Defining a European industrial policy that strengthens manufacturing and boosts productivity

- *We will leave no stone unturned when it comes to boosting the EU's world-leading industry competitiveness — drawing on its innovation, the strength of its traditions and most of all on its people, with their unique skills. **Industry is and will be the core of our growth;***
- ***The Single Market is our greatest leverage:** we will deepen it and lower the barriers preventing it from achieving its full potential — in particular as concerns the free movement of services — while continuing to build a genuine digital single market;*
- *We welcome the European Commission's **Competitiveness Compass** setting a path for Europe to become the place where future technologies, services and clean products are invented, manufactured and put on the market, while being the first continent to become climate neutral;*
- *We will add to our toolbox dedicated strategies to support highly strategic sectors, such as the recent **Industrial Action Plan for the Automotive Sector** or the **Steel and Metals Action Plan**. These could address, amongst others, defence, space, energy and batteries, chips and AI, aluminium and steel, machineries, raw materials, chemicals, health and pharma, and agrifood.*

2. Promoting and protecting European exports everywhere in the world

- *The European Union must remain the most outward-oriented economy in the world. Manufacturing and the “**Made in Europe**” approach **must be strengthened** and defended against unfair competition, unjustified tariffs and threats.*
- ***The United States is our first trade partner.** The transatlantic trade relationship is the most important in the world, bringing prosperity, security and millions of jobs on both sides of the Atlantic.*
- *In the ongoing bilateral talks between the EU and the United States, we will spare no effort to avoid a tariff spiral benefiting no one. At the same time, we stand ready to protect our business and consumers in case trade barriers are imposed to our companies.*
- *In light of the current international scenario, the EU should continue working to **deepen trade relations with current and new partners** — or potential partners — that remain important, as long as they adhere to international trade rules and the reciprocity principle.*
- *Moreover, as trade in goods within the EU is worth around 1.5 times the volume of extra-EU trade in goods, **strengthening the Single Market** by eliminating existing barriers and unlocking the full potential of one of the biggest internal markets in the world is key to relaunch European competitiveness.*
- *As geopolitical instability harms our export, we will equip the European Union with the appropriate **instruments to defend our vital economic interests everywhere in the***

world, including through defensive missions such as ASPIDES in the Red Sea or ATALANTA in the western Indian Ocean.

- *We will launch a “**Growth Diplomacy strategy**” to support the internationalisation of companies by leveraging our EU delegations and regional hubs all over the world.*

3. Addressing excessive bureaucracy with a “simplification shock”

- *We welcome the European Commission’s plan on implementation and simplification and the clear target to deliver an **unprecedented simplification effort**, by achieving at least 25% reduction in administrative burdens, and at least 35% for SMEs, by the end of this mandate;*
- *We will create the most favourable business environment and help EU companies grow, innovate and create quality jobs through a “simplification shock”;*
- *Renewing our **strong commitment to the 2025 EPP Leaders’ Retreat statement on enhancing competitiveness**, we commit to cutting back bureaucracy and over-regulation with a rigorous implementation of the “**one in, two out**” principle: for every new and onerous regulation, two old, still-in-effect regulations must be abolished.*

4. Reducing the cost of clean energy for companies, families and private households across Europe

- *We welcome the **Action Plan for Affordable Energy** presented by the European Commission and the objective to **make energy more affordable for households and SMEs through the reduction of taxes and by accelerating the permitting processes**;*
- *We will encourage the European Commission to set greater **ambition in improving energy interconnection within Europe, as limited cross-border capacity restricts the full integration of the European energy market; in accelerating grid infrastructure development; and in enhancing energy storage and demand flexibility.***
- *We will defend any strategy to guarantee the availability of **affordable and dispatchable clean energy** to our companies as well as to families and private households;*
- *We will leverage all available energy solutions through a technology-neutral approach — including renewables, nuclear, hydrogen, bioenergy and carbon capture, utilisation and storage — to **reverse today’s situation, in which EU companies face electricity prices 2-3 times higher than in the US while natural gas prices are 4-5 times higher.***

5. Freeing our supply chains from excessive dependencies

- *We commit to strengthening the EU's ability to diversify and reduce the dependencies of our supply chains, continuing to **leverage trade agreements alongside targeted investments to help in securing our supply of raw materials, sustainable transport fuels and clean tech**;*
- *We encourage the European Commission to **review public procurement rules to allow for the introduction of a European preference** for critical sectors and technologies.*

6. Bridging the investment gap with a true Savings and Investments Union

- We will **bridge the investment gap** with our competitors with a **Savings and Investments Union** that integrates our financial markets.
- We will be able to mobilise private capital for our priorities, including a European defence, and substantially increase the financing available for European companies, especially start-ups, scaleups and small- and medium-sized enterprises.
- We will create the financial conditions for young, innovative companies with high growth potential to choose the European Union as their home, focusing on **access to capital** and on **making venture and growth capital more accessible and attractive** for institutional investors.

7. Attracting, developing, and keeping top talent crucial for innovation, growth and competitiveness

- The foundation of Europe's competitiveness is its **people**. We will build a fully interlinked **Union of Skills** where the recognition of different types of training enables people to work across our Union and match labour markets' demands;
- We will enhance investments in skills to maintain our competitiveness in labour market shrinking due to demographic factors;
- We will **mobilise public and private investment to foster a more structured university-business cooperation**, especially in highly innovative fields such as **AI and big data, robotics, biotech, advanced materials, space technologies, etc**;
- We will work towards a **European degree** to facilitate the development of innovative joint study programmes across the EU, and we will continue **increasing the resources available for Erasmus+ and other mobility programmes**.

Final Commitment

The EPP commits to deliver for our citizens a “**Competitiveness Deal for Europe**” and give a **new impulse for jobs and growth** based on seven pillars: **1. A European industrial policy** that strengthens manufacturing and boosts productivity; **2. Promoting and protecting our exports**; **3. A “simplification shock”**; **4. Reducing the cost of clean energy**; **5. Freeing our supply chains from dependencies**; **6. Bridging the investment gap**; and **7. Attracting, developing and keeping top talent**.