

Background brief*Brussels, 5 December 2025*

Competitiveness Council

Brussels, 8-9 December 2025

PRESS**EN****Internal market and industry (Monday 8 December)****Chair[s]:** Morten Bødskov, Danish Minister for Industry, Business and Financial Affairs**Commission representative[s]:** Stéphane Séjourné, Executive Vice-President for prosperity and industrial strategy and Commissioner for Economy and Productivity, Valdis Dombrovskis.**Starting time:** 09:30**Media opportunities:**

- Doorstep Morten Bødskov: 8 December, 08:45
- Press conference [Internal market and industry session]: 08 December, +/- 18:30 Justus Lipsius press room

Main agenda topics: The main items on the agenda are three policy debates: The first on simplification, including a presentation of Commissioner Dombrovskis annual overview report on simplification, implementation and enforcement, the second on the removal of internal market barriers and the third on challenges with e-commerce. Over lunch, ministers will exchange views on how to unlock the potential for investments in new innovative green technologies. There will be eleven additional points including the state of play of current legislative proposals and an information point from the Commission on 'RESourceEU' and several points from member state delegations.

[Competitiveness Council \(Internal market and industry\), 08 December 2025 - meeting page](#)[Press conferences, doorsteps and other public events in video streaming](#)[High quality photo and video material](#)

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Research (Tuesday 09 December - Morning)**Chair:** Christina Egelund, Danish Minister for Higher Education and Science**Commission representative[s]:** Ekaterina Zaharieva, Commissioner for Startups, Research and Innovation**Starting time:** 10:00**Media opportunities:**

- Doorstep Christina Egelund: 9 December, 09:30
- Press conference [Research session]: 9 December, +/- 13:00 Justus Lipsius press room

Main agenda topics:

Ministers are expected to approve the Council position (general approach) on the amended regulation (EU) 2021/1173 on EuroHPC for the creation of AI gigafactories and a Quantum activity Pillar under this Joint Undertaking. Ministers will then get a progress report presented and hold a dedicated policy debate on the Horizon Europe Package (the Regulation on the Framework Programme and its rules for participation and dissemination, and the Council decision for the Specific Programme implementing Horizon Europe). The agenda will include four additional points from the Commission and member state delegations.

[Competitiveness Council \(Research and Space\), 9 December 2025 - meeting page](#)

[Press conferences, doorsteps and other public events in video streaming](#)

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Space (Tuesday 9 December - Afternoon)

Chair: Christina Egelund, Danish Minister for Higher Education and Science

Commission representative[s]: Andrius Kubilius, Commissioner for Defence and Space

Starting time: 14:30

Media opportunities:

- Doorstep Christina Egelund: 09 December, 09:30 (together with research)
- Press conference [Space session]: 09 December, +/- 18:15 Justus Lipsius press room

Main agenda topics:

The main point on the agenda will be a policy debate on the progress report on the EU Space Act. There will be three additional points a presentation by the Commission on the space implementation dialogue; a presentation of the priorities of the incoming presidency by the Cyprus delegation; and finally, a presentation of the presidency on the ministerial meeting of the European space agency.

[Competitiveness Council \(Research and Space\), 09 December 2025 - meeting page](#)

[Press conferences, doorsteps and other public events in video streaming](#)

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Internal market and industry

Annual overview report on simplification, implementation and enforcement - Policy debate (public session)

Ministers will hear the Commission's presentation of the 2025 annual simplification report, followed by a discussion. Each Commissioner is required to submit an annual progress report on simplification and implementation. The report by Commissioner Dombrovskis is of a more horizontal nature and provides an overview of the main simplification, implementation and enforcement activities across the Commission. The 2025 edition, published on 28 October, will be presented by Commissioner Dombrovskis at the COMPET Council, alongside a non-paper on assessing the impacts of substantial amendments.

This first report covers seven months. Future reports will cover full years. Simplifying EU laws and reducing administrative burdens remain key priorities for 2024-2029. In the first half of 2025, the Commission introduced initiatives expected to cut over €8.1 billion in costs. Of the 18 legislative initiatives for 2025, 11 focus on simplification, with over half of the 2026 initiatives also aimed at simplification. On 23 October, the European Council emphasized the need for a comprehensive simplification agenda to ensure Europe's competitiveness. The Commission's 2025 work programme aims to reduce administrative costs by 25% for all companies and 35% for SMEs, potentially saving €37.5 billion by the end of the mandate. Seven 'omnibus packages' have already been introduced, with more to follow. The presidency's note invites ministers to discuss:

1. Tools to reduce burdens in the Council during legislative deliberations.
2. How cost-benefit assessments can add value to structural changes aimed at reducing burdens.

[2025 overview annual report on implementation and simplification](#)

[Budapest Declaration on the new European competitiveness deal](#)

[European Council conclusions of 23 October 2025](#)

[European Council conclusions, 17 and 18 April 2024](#)

[Simplification of EU rules in the web page of the Council](#)

Removal of internal market barriers - Policy debate

Ministers will discuss the joint ownership and accountability needed to remove barriers in the Single Market on the path to fully complete the Single Market.

In May, the European Commission unveiled its single market strategy, outlining the path to finalizing and strengthening the single market. The strategy was discussed at the COMPET Council on 29 September 2025. In her State of the Union address on 10 September 2025, President von der Leyen announced a new single market roadmap to 2028, which prioritizes key areas such as capital, services, energy, telecoms, the 28th regime, and a fifth freedom focused on knowledge and innovation.

A central element of the single market strategy is a renewed effort to address the most persistent and harmful barriers to market integration—known as the 'Terrible Ten'. The Commission is working on a heatmap to provide detailed data on these barriers. According to an IMF analysis, existing barriers within the EU are equivalent to a 110% tariff on services and a 44% tariff on goods.

The Presidency has pointed to three specific barriers from the Terrible Ten, which limit cross-border trade, are widespread across Member States, and require renewed collective action:

- Barrier 3: Complexities in business establishment and operations
- Barrier 6: Fragmented rules on packaging, labelling, and waste
- Barrier 8: Diverging and restrictive national regulations on services

To guide the discussion, the presidency invites ministers to consider two key questions:

1. How could annual follow-up on the heatmap at the Competitiveness Council help drive the changes needed to eliminate barriers in the single market?
2. How can we foster joint ownership and accountability between member states and the Commission in removing these barriers, and what tools would be most effective in achieving real progress?

[A Strategy for making the single market simple, seamless and strong](#)

[The 2025 annual single market and competitiveness report](#)

[Enrico Letta's report 'Much more than a market'](#)

[A competitiveness compass for the EU](#)

E-commerce: Challenges with product compliance and enforcement - Policy debate

At the request of the French delegation, ministers will hold a policy debate on how to improve the compliance and market surveillance of products sold via e-commerce platforms.

Over the past few years, the growth of e-commerce has reshaped global and European consumer habits, significantly increasing the volume of low-value packages entering the EU from third countries. In 2024, 4.6 billion low-value consignments were imported, almost doubling the number from the previous year. However, this rapid expansion has led to regulatory challenges, particularly around the influx of non-compliant products. Many items sold online, fail to meet required safety standards or lack necessary information like, for instance, safety instructions. Online marketplaces, with limited obligations for compliance, have become a major avenue for third-country sellers to bypass traditional import processes, further complicating enforcement.

The EU's customs authorities and market surveillance authorities struggle to manage the overwhelming volume of imports and ensure compliance with EU rules. Only a small fraction of products entering the market are inspected, leading to concerns about product safety, consumer health risks, and unfair competition for compliant businesses. Efforts to address these issues include measures included in the Digital Services Act and the Market Surveillance Regulation. However, these challenges continue to grow, prompting the European Commission to propose further reforms, including the possibility of creating an EU market surveillance authority, the modernization of product legislation, and the possible removal of the € 150 customs duty exemption.

Ministers will be invited to express their opinions on two issues:

- 1) Additional measures in e-commerce to protect consumers, ensure a level playing field and strengthen the competitiveness of EU businesses
2. Possible measures (including potential new legislation) to improve coordination and strengthen enforcement within the existing regulatory framework to tackle the increasing challenges of e-commerce.

[Communication on a comprehensive EU toolbox for safe and sustainable e-commerce](#)

[A Strategy for making the single market simple, seamless and strong](#)

[The European single market \(Background information\)](#)

Unlocking the potential for investments in new innovative green technologies – Lunch debate

During lunch, ministers will exchange views on how to unlock the potential for investment in innovative technologies. The discussion will be based on a note prepared by the Danish presidency that warns of the increasing dependencies on rapidly scaling innovative technologies, while the EU faces climate pressures, geopolitical tensions, and global technological rivalry. The Draghi report and the Copenhagen pledge of 3 November 2025, on the occasion of the Renovate Europe Day Conference, highlight the need for massive investment—an €800 billion annual gap—and call for

faster approvals, better incentives, and more supportive regulatory frameworks to keep innovative companies in the EU. Slow permitting and complex rules discourage investment and prevent many EU companies from bringing innovative technologies to the market and drive businesses and investors elsewhere, undermining Europe's technological leadership.

To address this, the presidency note proposes three principles: clearly prioritising truly strategic projects to avoid overburdening fast-track systems; simplifying regulations to make acceleration tools such as one-stop shops and time limits effective; and strengthening public administrations so they can process advanced, cross-border projects efficiently. Ministers will be asked to consider how to act on these principles, support the Copenhagen pledge, and navigate the political implications as the EU prepares major new initiatives such as the industrial accelerator act and future innovation-focused legislation (e.g., the biotech act, the quantum act, the innovation act, the chips Act 2.0, and the advanced materials act).

[The clean industrial deal: A joint roadmap for competitiveness and decarbonisation](#)

[The Copenhagen commitment a pledge from Europe's energy efficiency, construction and renovation industry](#)

Other points

- **European competitiveness fund (public session)**

The presidency will inform ministers about the state of play on the European competitiveness fund (ECF). This fund is one of the main pillars of the forthcoming multiannual financial framework (MFF) and is designed to address the EU's competitiveness gap, fragmented funding systems, and reliance on global supply chains for critical technologies, as recommended in the Letta and Draghi Reports. The fund focuses on four key areas: clean transition and decarbonisation, digital transition, health, biotech, agriculture and bioeconomy and defence and space. With a financial envelope of €409 billion (23.2% of the overall MFF), the ECF aims to streamline funding processes by merging 14 existing EU programmes into a unified investment framework, promoting private investment, and maximizing impact. It will also promote synergies with other EU programmes and remain flexible so that it can adapt to emerging needs. The regulation is set to come into effect on 1 January 2028.

[Regulation establishing the European competitiveness fund \('ECF'\)](#)

[The EU's long-term budget \(background\)](#)

- **Action Plan: Setting the course towards a single market driven by business data**

The Danish Minister will present an action plan for creating a single market driven by business data. This document, prepared by the presidency, was presented in the competitiveness working party on 18 November. The paper outlines digital solutions to achieve two main objectives: simplifying and streamlining EU regulations; and building a data-driven single market through standardisation, digitalisation, and automation. To meet these goals, the presidency proposes five key steps: digital-ready legislation, access to trustworthy and qualified data, harmonised and standardised data formats, minimum technical requirements, and an open and common EU data infrastructure.

- **2025 report on the network of SME envoys**

The Commission will inform ministers about the 2025 report of the network of SME envoys. The network of national SME envoys, established in 2011 during the review of the small business act, serves as an advisory group for SME policy. It works to promote regulations and policies that are favourable to small and medium-sized enterprises (SMEs) across the EU. They present an annual report to the competitiveness council. The 2025 edition focuses on three priorities that the network considers essential for SMEs: regulatory simplification and reduction of administrative burden; barriers and fragmentation within the single market; and access to finance for startups and scaleups. The report presents recommendations for each priority.

- **RESourceEU**

The Commission will inform ministers about the new RESourceEU Action Plan adopted on 3 December. The RESourceEU action plan aims to accelerate and amplify efforts to secure the EU's supply of critical raw materials, such as rare earth elements, cobalt or lithium. Building on the critical raw materials act (CRMA), the initiative proposes financing and concrete tools to protect industry from geopolitical and price shocks, promote and fast-track projects on critical raw materials in Europe and beyond, and partner with like-minded countries to diversify supply chains.

- **Current legislative proposals (public session)**

The Danish presidency will inform ministers on the state of play current legislative proposals. The presentation will focus on:

1. State of play of the omnibus packages
On Omnibus I, the presidency will inform ministers about the quick progress made in the negotiations with the Parliament and that the second trilogue planned for the evening of 8 December is expected to be final one. The Omnibus I “content proposal” amends the corporate sustainability reporting (CSRD) and due diligence (CSDD) directives. The proposal was published by the Commission on 26 February. The Council’s mandate was adopted on 23 June under the PL Presidency and the Parliament adopted their position on 13 November. A first trilogue was hosted by the Parliament on 18 November, followed by daily technical meetings. There is strong commitment from both the Danish presidency and the Parliament to close the negotiations on this file by the end of the year.
2. The regulation on the e-declaration for posted workers: Council approved the negotiating mandate on 22 May and the file is still under discussion.
3. Amendment of the measuring instruments directive: Council and Parliament reached a provisional agreement on Tuesday 18 November.
4. The supplementary protection certificates (SPCs): this file is part of the patents package and is currently under discussion in the working party on intellectual property.

[Freedom of movement: Council adopts a position to reduce red tape for posting of workers - Consilium](#)

[Technical harmonisation: Council and Parliament strike a deal to update the requirements of measuring instruments - Consilium](#)

[Simplification of EU rules \(background information\)](#)

- **Disruptions of civil aviation caused by drones and smuggling balloons from third countries (public session)**

The Lithuanian delegation requested an information point regarding civil aviation disruptions caused by smuggling balloons and drones launched from neighbouring Belarus. These flying objects have led to repeated temporary closures of major airports, including Vilnius International Airport (VNO) and Kaunas Airport (KUN). As a response to these disruptions, Lithuanian authorities temporarily closed the border with Belarus and warned that balloons will be shot down.

- **Nexperia update and next steps (public session)**

The Dutch delegation requested an information point regarding xxx.

- **Strengthening Europe’s energy-intensive industries and securing our industrial future (public session)**

The Italian delegation together with France, Poland and Spain requested an information point to present their key priorities for Europe’s energy-intensive industries and their call for urgent EU action to support compliance and competitiveness in all sectors and to protect the EU market from unfair competition.

- **Berlin Declaration by the Friends of Industry (public session)**

The German delegation requested an information point regarding the Berlin Declaration by the Friends of Industry that was signed by 19 Member States at the 8th Conference of the Friends of Industry which took place in Berlin on 3 November 2025. The Declaration calls for greater flexibility and simplification for industry, European leadership in industrial AI, European lead markets, measures to strengthen resilience, particularly in the area of critical raw materials and the digital ecosystem, spillovers from defence investment into industry, and the strengthening of European value creation and innovation, including in the automotive industry.

- **European preference concept throughout EU initiatives**

The delegations of Czechia, Finland, Ireland, Latvia, Sweden and Slovakia will make a presentation on the European Preference concept throughout EU initiatives.

- **A way forward on a proposal for a 28th regime**

The Irish delegation will present an information note about the ‘28th regime : a simplified way forward – company law focus; digital first; via Regulation’. In his 2024 report “Much more than a market,”, Enrico Letta proposes that the 28th company law regime be one of the most important tools for deepening and modernising the EU Single Market. According to the single market strategy, the 28th regime will include an EU corporate legal framework, based on digital-by-default solutions, and will help companies overcome barriers in setting up, scaling up and operating companies across the single market. The 28th regime should provide a single set of rules, potentially in a progressive and modular way, and it would simplify applicable rules and reduce the cost of failure by addressing specific aspects within relevant areas of law, possibly – but by no means certain – including insolvency, labour and tax law. According to its work programme, the Commission will present a legislative proposal on the 28th regime in the first quarter of 2026.

- **Work programme of the incoming Presidency**

The Cyprus delegation will inform about the priorities of the forthcoming presidency.

Items for approval without discussion (A items)

Legislative files:

Regulation establishing the European defence industry programme (EDIP) - Adoption of the legislative act

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Research

Council regulation amending EuroHPC regulation – General approach (public session)

Ministers are expected to reach a general approach on the amendment of the European high-performance computing (EuroHPC) regulation, which should allow the establishment of AI Gigafactories in Europe and creates a quantum activity pillar under the EuroHPC joint undertaking. AI Gigafactories are facilities integrating massive computing power (over 100,000 advanced AI chips) with energy-efficient data centres, and AI-driven automation. The regulation also emphasizes coordinated efforts in quantum research and innovation, including industry focus, to leverage Europe’s scientific strengths and market potential.

Once adopted, the regulation will allow for calls for expression of interest inviting public and private entities to form AI Gigafactory consortia. These consortia will operate AI Gigafactories as commercial ventures, providing advanced computing services at market-based prices and aiming to generate revenue and profit. Public authorities (the EU and participating member states) will act as catalysts and enablers for this private-led, market-oriented initiative.

[Commission's proposal amending Council regulation establishing the European high performance computing joint undertaking](#)

[Council adopts regulation on the use of supercomputing in AI development](#)

[Artificial intelligence \(background information\)](#)

Horizon Europe package: framework programme for research and innovation 2028-2034 – Policy debate (public session)

Ministers will get a progress report presented providing a state-of-play in view of the negotiations and hold a policy debate on the Horizon Europe package focusing on research and innovation priorities, including future partnerships. Horizon Europe is the 10th framework programme for research and innovation that will cover the period 2028-2034 with a proposed budget for the period of € 175 billion, twice the amount under the current framework programme. The European Commission's proposal for the next Horizon Europe framework programme was adopted on 16 July, as a part of the multiannual financial framework, the EU's long-term budget. Horizon Europe is a self-standing programme but closely linked with the European competitiveness fund. The programme is built on four pillars:

- **Pillar I** will focus on excellent science by expanding the European research council, supporting top researchers, and reinforcing the joint research centre.
- **Pillar II** aims to boost collaborative research that supports EU competitiveness and addresses major societal challenges, including the clean transition, digital leadership, defence and space, as well as EU missions.
- **Pillar III** will enhance innovation by expanding the European Innovation Council to support high-risk, disruptive projects, including defence and dual-use startups.
- **Pillar IV** will advance a stronger European research area, including a reformed widening component and new support for research and technology infrastructures. Overall, programme implementation will be streamlined with simpler processes, fewer topics, and faster grant procedures.

In the last COMPET research council, on 30 September, ministers discussed the dual use, security and defence elements of the Horizon Europe programme. On this occasion they will be informed of the progress report on the negotiations and hold a policy debate on the two elements of the package: the regulation establishing the framework programme and its rules for participation and dissemination, and the proposal for a Council decision establishing the specific programme implementing Horizon Europe.

Horizon Europe's interim evaluation concluded that each euro of EU contribution is estimated to generate up to €11 in GDP gains by 2045. As of January 2025, Horizon Europe has funded over 15,000 projects with a combined budget of more than €43 billion.

[Proposal for a regulation establishing Horizon Europe, laying down its rules for participation and dissemination](#)

[Proposal for a Council decision on establishing the specific programme implementing Horizon Europe](#)

[Horizon Europe \(background page\)](#)

[Progress report on the Horizon Europe package](#)

Other points

- **The European universities alliances: a key ecosystem for EU competitiveness (public session)**

The French delegation will report on the contribution made by the European universities alliances to the European competitiveness. The European universities alliances are part of a flagship initiative of the European strategy for universities. They include 73 European universities alliances with almost 650 higher education institutions of all types from across Europe. France has conducted a qualitative assessment of the transformative effect of the European universities initiative on higher education institutions involved in the creation of European universities alliances. The study shows that the alliances constitute, inter alia, a catalyst for organisational and

cultural change, a laboratory for educational experimentation; and a tool for structuring and boosting scientific cooperation. The report also identifies the obstacles that alliances face in becoming sustainable: regulatory complexity, disparate funding, and strained human resources. The Council should seize the opportunity of the ongoing negotiations on the next generation of European programmes to provide responses to these difficulties.

- **The scaleup Europe fund (public session)**

The Commission will inform ministers about the scaleup Europe fund. This fund was announced by president Von der Leyen in her 2025 State of the Union speech as a flagship initiative to make major investments in young, fast-growing companies in critical technology sectors. The scaleup Europe fund will function as a market-based, privately managed, and privately co-financed growth fund, investing in major European-led financing rounds and will be closing one of the key current financial gaps in the innovation cycle.

- **Research security**

The Commission will inform ministers about the developments on research security.

- **Work programme of the incoming presidency**

The Cyprus delegation will inform about the priorities of the forthcoming presidency

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Space

EU space act – Policy debate (public session)

Ministers will hold a discussion on the EU space act (the proposal for a Regulation concerning the safety, resilience, and sustainability of space activities within the Union). This will be the sole item on the agenda for the ‘space’ part of the COMPET Council.

Ministers will be invited to take note of a progress report prepared by the Danish presidency, which outlines the negotiations within the Council to date. and to hold a policy debate on the political aspects of the proposal, including how to address the challenges of safety, resilience and environmental sustainability in space and how to move forward with the negotiations.

The special envoy for space from the European external action service (EEAS), Marjolijn van Deelen, and the Executive Director of the EU space programme agency, Rodrigo da Costa, have been invited to attend the session.

On 26 June 2025, the European Commission presented the EU space act. The proposal focuses on establishing a single market for space services and data, as recommended in the Draghi report. It was presented under Article 114 of the Treaty on the Functioning of the European Union (TFEU), which refers to the internal market. The space act aims to prevent market fragmentation and provide greater legal certainty for space operators within the Union.

The act is structured around three core pillars: safety, with rules to track space objects and mitigate debris; resilience, introducing tailored cybersecurity measures to protect space infrastructure; and sustainability, requiring operators to minimise their environmental impact. The rules will apply to both EU and non-EU operators in Europe, with requirements scaled according to the size and risk level of companies, ensuring a fair and innovation-friendly regulatory environment. Space objects used for defence or national security purposes are outside of the scope of the act.

[Regulation on the safety, resilience and sustainability of space activities in the Union \(EU Space Act\) - Progress report](#)
[Proposal for a regulation on the safety, resilience and sustainability of space activities in the Union \(EU Space Act\)](#)

Other points

- **Space implementation dialogue (public session)**

The Commission will inform ministers about the space implementation dialogue that Commissioner Andrius Kubilius held with key stakeholders in the field of space. The dialogue was held on 5 November 2025 in Brussels, chaired by Commissioner Andrius Kubilius, with the participation of 23 stakeholders from the EU Space sector, including companies, associations, SMEs, startups, and agencies such as EUSPA, ESA, and EUMETSAT.

- **Work programme of the incoming presidency**

The Cyprus delegation will inform about the priorities of the forthcoming presidency

- **Ministerial meeting of the European space agency**

Josef Aschbacher, Director General of the European Space Agency (ESA) will inform ministers about the ministerial meeting of the ESA that took place in Bremen on 26 and 27^h November 2025. ESA is an intergovernmental organisation, created in 1975, with the mission to shape the development of Europe's space industry. ESA has 23 member states: 20 from the EU (Austria, Belgium, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Luxembourg, the Netherlands, Poland, Portugal, Romania, Slovenia, Spain and Sweden) and three non-EU members (Norway Switzerland and the United Kingdom). Latvia, Lithuania and Slovakia are associate members. ESA has established formal cooperation with the other four member states of the EU. Canada takes part in some ESA programmes under a cooperation agreement.
