



Council of the European Union

PRESS
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BACKGROUND¹
Brussels, 20 May 2025

Competitiveness Council Brussels, 22-23 May 2025

Internal market and industry (Thursday 22 May)

Chair: Krzysztof Paszyk, Polish Minister for Economic Development and Technology

European Commission representative: Stéphane Séjourné, Executive Vice-President for Prosperity and Industrial Strategy

Start time: 09:30

Press conference: +/- 19:00 (Justus Lipsius press room)

The meeting of ministers responsible for internal market and industry will start at 09:30.

Most of the policy debates and AOB items will be held in public session, except for the discussion on public procurement and the presentation of the priorities of the incoming Danish presidency.

Following the approval of any 'A' items, ministers are expected to adopt a general approach on the declaration of posted workers regulation and hold three policy debates: on industrial policy, on better regulation and on public procurement.

The first day of the COMPET Council will end with a press conference held by Minister Paszyk and EVP Séjourné.

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Research (Friday 23 May – Morning session)

Chair: Marcin Kulasek, Polish Minister for Science and Higher Education

European Commission representative: Ekaterina Zaharieva, Commissioner for Startups, Research and Innovation

Start time: 09:30

Press conference: +/- 14:15 (Justus Lipsius press room)

The Council meeting will resume at 09:30 on Friday. The entire morning session will be public, except the presentation of the priorities of the incoming Danish presidency, which comes under AOB.

Research ministers will hold a political debate on the mid-term evaluation of Horizon Europe, are expected to reach a political agreement on a Council recommendation on the European Research

¹ This note has been drawn up under the responsibility of the press office.

Area Policy Agenda 2025-2027 and approve Council conclusions on AI in science. Under AOBs, ministers will talk about the continuation of the Partnership for Research and Innovation in the Mediterranean Area (PRIMA) beyond 2027 and be informed of the priorities of the incoming Danish presidency.

The research part of the COMPET Council will end with a press conference held by Minister Kulasek and Commissioner Zaharieva.

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Space (Friday 23 May – Afternoon session)

Chair: Michał Baranowski, Polish Deputy Minister of Economic Development and Technology

European Commission representative: Andrius Kubilius, Commissioner for Defence and Space

Start time: 15:00

Press conference: +/- 17:45 (Justus Lipsius press room)

The main subject of this session will be space policy and resilience. Ministers for space will start the afternoon meeting approving conclusions on the use of space data for civil protection, then they will hold a political discussion on space data for resilience and security. Under AOBs, ministers will be informed about space for resilience, security and crisis management, by the Director General of the European Space Agency, Josef Aschbacher. They will also be informed of the priorities of the incoming Danish presidency.

The space part of the COMPET Council will end with a press conference held by minister Baranowski and Commissioner Kubilius.

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[Competitiveness Council \(Internal market and industry\), 22 May 2025 - meeting page](#)

[Competitiveness Council \(Space, research and innovation\), 23 May 2025 - meeting page](#)

[Press conferences and public events by video streaming](#)

[Video coverage in broadcast quality \(MPEG4\) and photo gallery](#)

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Internal market and industry

'A' items

The Council meeting will begin with the adoption of legislative and non-legislative 'A' items.

Boosting competitiveness: making EU policies better tailored for traditionally strong industries – Policy debate

Ministers will have a policy debate on how to create tailor-made industrial policies for traditionally strong industries (TSIs), including automotive, chemical, machinery and equipment, materials, steel and metals, and other energy-intensive industries.

This session will be public

In 2022 the manufacturing sector accounted for one quarter of the EU's business economy net turnover, with €9.8 trillion. It employed around 30 million people in 2022 (18.7% of total EU employment) and generated €2.4 trillion of value added (24.1% of business economy value). The main contributors to these figures are TSIs.

The competitiveness compass proposed several sectoral flagship initiatives for important industries like the steel and metals action plan, presented on 19 March 2025, and the industrial action plan for the automotive sector, presented on 5 March 2025. A chemicals industry package is also foreseen for 2025. Other upcoming initiatives that may benefit TSIs are the Industrial Decarbonization Accelerator Act and the Circular Economy Act, as well as planned changes to the Carbon Border Adjustment Mechanism and the Emissions Trading System. Despite these initiatives TSIs' representatives still think that further measures are needed, for example to respond to the high energy prices.

The debate will be framed by a note prepared by the Polish presidency in which ministers will be asked about two issues:

- a) Policies that require a more pragmatic approach to achieve their objectives while increasing the competitiveness of TSIs (i.e. decarbonisation goals, infrastructures)
- b) Bottlenecks, and missing infrastructures needed for TSIs to fully unlock the potential of the twin transition

[A competitiveness compass for the EU](#)

[Clean industrial deal](#)

[Industrial Action Plan for the European automotive sector](#)

[Steel and metals action plan](#)

Council as a red tape filter: how to ensure business-friendly regulations during the legislative process from the very beginning – Policy debate

Ministers will have a second policy debate on how to improve the legislative process to make it more business-friendly.

This session will be public

In its conclusions of 20 March 2025, the European Council emphasized the need to simplify and drastically reduce, as a matter of urgency, administrative, regulatory and reporting burdens. It called for streamlined EU legislation that fosters a clear, simple, and innovation-friendly regulatory framework. Ensuring that EU regulation is fit for competitiveness is the first horizontal enabler identified in the competitiveness compass, presented in January 2025.

The Commission's 2025 work programme included at least five major simplification proposals (sustainable finance reporting, due diligence and taxonomy; EU investment instruments; simplification for small mid-caps; a digital simplification package to reduce paper requirements; and

a simplification of the Common Agricultural Policy). The first two were launched on 26 February 2025. Two more omnibus packages are expected to be presented together with the Single Market Strategy on 21 May 2025.

The Polish presidency has prepared a note to guide the discussion on this issue with the aim of establishing a regulatory framework that is business-friendly from the very beginning rather than creating rules that need to be simplified at a later stage. The note invites ministers to reflect on how the Council can use its existing legislative tools to fuller extent to implement better regulation principles, and how it can effectively act as a 'red tape filter' by fostering a business-friendly regulatory environment.

[European Council Conclusions of 20 March 2025](#)

Single Market Strategy – Presentation by the Commission

Following the ideas of Enrico Letta's report 'Much More than a Market', in April 2024, the European Council called upon the Commission to develop a new horizontal strategy for a modernised single market by June 2025, with a special focus on addressing challenges affecting the competitiveness of businesses of all sizes, while paying particular attention to SMEs and start-ups. The Commission is expected to publish the horizontal Single Market Strategy on 21 May 2025. Commission Executive Vice-President Séjourné will present the strategy to COMPET ministers 24 hours after its planned adoption.

Making the best of the single market is the second enabler identified in the competitiveness compass. In a recent article, Mario Draghi calculated that existing barriers in the internal market were equivalent to a 45% tariff on manufactured goods and a 110% levy on services.

[The 2025 Annual Single Market and Competitiveness Report](#)

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

Public procurement: strategic goals and way forward – Policy debate

Ministers will hold a debate on the role of public procurement in increasing competitiveness. The competitiveness compass identifies public procurement as one of the tools to avoid unfair competition and level the playing field. The Commission proposed, for 2026, the revision of public procurement directives. The main EU public procurement legal framework was reviewed in 2014 to enable a strategic use of public procurement to achieve social, environmental and public policy objectives and make rules simpler. Public procurement has been increasingly used as a strategic policy tool (e.g. the Net-zero Industry Act introduces mandatory non-price criteria in procurement procedures for clean technologies and renewable energy auctions).

Public procurement represents approximately 15% of the EU's Gross Domestic Product (GDP). It is an important part of the EU internal market with over 250,000 public authorities collectively spending around €2.3 trillion annually on services, works, and supplies.

The Polish presidency has prepared a note to guide the discussion. Ministers will be asked to provide their opinions on these two issues:

- a) The use of public procurement to achieve strategic goals of the EU (competition, sustainability including its economic, green and social aspects, resilience, innovation, security, safety, competitiveness)
- b) Should these goals be prioritised at EU level, or should the contracting authorities retain some flexibility in deciding which objectives to pursue, in line with their national/regional strategies?

Regulation on a public interface connected to the internal market information system for the e-declaration of posting of workers – general approach

Ministers are expected to approve the Council's position (general approach) on the regulation for the e-declaration of posted workers. A 'posted worker' is a worker sent by the employer to provide a service in another member state on a temporary basis. The regulation aims to reduce the

administrative burden for businesses via the submission of posting declarations through a new voluntary online interface that would allow the registration of posted workers in a user-friendly way, at a distance and by electronic means.

According to the European Labour Authority, approximately 3.6 million postings involving around 2.6 million workers are estimated to exist in the EU. Around 1.2 million workers are active in two or more member states. The Commission estimates that companies could reduce by 73% the time required to complete posting declaration. Companies can save 58% of the administrative costs for the registration of posted workers, even with the participation of a limited number of member states. If all 27 member states decided to join this initiative, the burden reduction would go up to 81% compared to the current baseline scenario.

This session will be public.

[Proposal for a regulation on a public interface connected to the Internal Market Information System for the declaration of posting of workers](#)

Any other business

a) Legislative proposals (public session)

The presidency will update ministers on ongoing legislative proposals. In particular the Polish minister will inform on the state of play of the following legislative files:

- i) Regulation on combating late payment in commercial transactions
- ii) Directive on European cross-border associations
- iii) Regulation on compulsory licensing for crisis management
- iv) Regulation on the safety of toys
- v) Regulation on detergents and surfactants

b) Standard Essential Patents (SEP)

The Czech, French, German, Italian, Latvian, Slovak and Spanish delegations requested an information point about the need to continue discussions on the regulation of standard essential patents (SEP). On 12 February 2025, the Commission announced its intention to withdraw the proposal for a regulation on standard essential patents (SEP), arguing that an agreement is not foreseeable. SEPs aim to streamline the inclusion of patent-protected technologies into standards and the facilitation its licensing process. After the Commission's announcement several member states (including the promoters of this AOB) opposed the withdrawal of the proposal, while others agreed with it.

c) Industrial action plan and financing for industry

The French delegation requested an information point on “the implementation of the industrial action plan for the European automotive sector and on “the mobilisation of financing for industry and EU’s strategic autonomy”

d) US custom duties

The French delegation asked a second information AOB on the state of discussions of the US custom duties and the monitoring of overcapacities addressed to the EU.

e) Programme of the Danish presidency

The Danish delegation will inform ministers about the work programme of the incoming presidency in the fields of internal market and industry.

[EU industrial policy \(background information\)](#)

[Single market \(background information\)](#)

Research

Mid-term evaluation of Horizon Europe: lessons learned and looking forward to the next Framework Programme for Research and Innovation (FP 10) – Policy debate

Ministers will discuss about the findings of the mid-term evaluation of the Horizon Europe programme. Horizon Europe is the EU's framework research and innovation programme for the period 2021-2027 with a budget of € 93.5 billion. The evaluation, published on 30 April 2025, presents an assessment of progress made since the programme's launch in 2021. Despite strong results in areas like frontier research, innovation support, and international cooperation, the evaluation also highlights issues of underfunding, complexity, and access disparities.

By looking forward to the next Framework Programme for Research and Innovation (FP 10), Ministers will continue their discussion of the informal meeting from 11 March, where they signed the Warsaw Declaration, which emphasised the need to build on the legacy of self-standing framework programmes and stressed the significance of the European Research Council and the European Innovation Council as independent bodies, with an expanded role in FP 10.

The discussion will be framed by a steering note prepared by the Presidency inviting ministers to discuss on three main subjects:

- a) Key results from Horizon Europe evaluation: What results are essential for the remaining period and future R&I framework design?
- b) SME participation: How can SME participation be accelerated?
- c) EIC (European Innovation Council) and dual-use technologies: What is the role of EIC in dual-use tech under Horizon Europe, and should it continue post-2027?

This session will be public

[Horizon Europe midterm evaluation \(infographic\)](#)

Council Recommendation on the European Research Area Policy Agenda 2025-2027 – Political agreement

Ministers are expected to reach a political agreement on a Council Recommendation on the European Research Area (ERA) Policy Agenda 2025-2027 (proposal submitted by the Commission on 28th February 2025). Ensuring the continuity with the first ERA Policy Agenda 2022-2024, the proposal outlined the main activities of ERA and aims to establish a roadmap for ERA strategic policies and ERA actions for the next three years. This year, the ERA celebrates its 25 years of existence. The ERA aims to create a single market for research, innovation and technology across the EU, allowing member states to coordinate and improve their research policies and systems. It includes the free movement of researchers, knowledge and innovation. The ERA actions proposed in the Policy Agenda serve as a non-binding three-year roadmap, to coordinate Member States efforts and achieve progress on R&I policies.

This session will be public.

[Proposal for a recommendation of the ERA Policy agenda \(2025-2027\)](#)

Conclusions on artificial intelligence in science – Approval

Ministers are expected to approve Council conclusions on the use of artificial intelligence (AI). The conclusions respond to the growing significance of artificial intelligence (AI) as a transformative force in scientific research. They aim to inform and influence the forthcoming European Commission Communication on AI in Science, expected in late 2025. The conclusions underline the need for a coordinated, ethical, sustainable, human-centric and inclusive European approach to the uptake of AI in science and call for the Commission to develop this strategy in close consultation with Member States and the R&I community.

The use of AI in science, research and innovation has been a recurrent topic among research ministers since the Commission presented a coordinated plan on AI in 2018. Last year, the Council approved conclusions on the European Court of Auditors special report 'EU Artificial Intelligence ambition – Stronger governance and increased, more focused investment essential going forward'.

This session will be public.

Any other business

a) The Partnership for Research and Innovation in the Mediterranean Area beyond 2027

Several delegations will express their interest in continuing the Partnership for Research and Innovation in the Mediterranean Area (PRIMA) beyond 2027.

b) Priorities of the next presidency

The Danish delegation will present the work programme of the incoming presidency in the field of research.

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Space

Conclusions on the use of satellite data, in particular from Earth observation constellations, for civil protection and crisis management – Approval

Ministers will approve Council conclusions on the use of satellite data, in particular from Earth observation constellations, for civil protection and crisis management. The conclusions will take into consideration the importance of Earth observation and other space data for resilience and crisis preparedness and consider the use of artificial intelligence (AI) and other technologies for better data processing and security measures against possible threats (such as cyber-attacks).

This session will be public.

Space-based data for enhancing resilience, security and crisis management in the EU - Exchange of views

Following the adoption of the Council conclusions on satellite data for civil protection and crisis management, ministers will hold an exchange of views on the use of space-based data for enhancing resilience, security and crisis management. The Executive Director of the EU Space Programme Agency, Rodrigo da Costa, and a representative of the European External Action Service Special Envoy for Space will attend the session. The discussion will focus on how to ensure coordination and collaboration in the use of Earth observation data and enhance crisis response. Ministers will also exchange views on how to leverage space-based technologies to strengthen the safety, security and resilience of citizens and critical infrastructure in the EU in the current geopolitical landscape.

The Polish presidency has prepared a note setting out the discussion and proposes two questions to steer the debate:

- a) How can member states coordinate and improve collaboration to ensure the use of Earth observation data in emergency response, disaster management and critical infrastructure protection?
- b) How can the EU leverage space-based technologies to enhance crisis response, coordinate public and private actors, strengthen the security of citizens and critical infrastructure in an evolving geopolitical landscape?

Any other business

a) Incoming presidency programme

The Danish delegation will inform the Council about the work programme of the incoming presidency in the field of space.

b) Space for resilience, security and crisis management

The Director General of the European Space Agency (ESA) will inform ministers about space for resilience, security and crisis management.

[EU space policy \(background information\)](#)

[EU achievements in space \(infographic\)](#)
