

Mrs Ursula von der Leyen
President of the European Commission
Rue de la Loi/Wetstraat 200
B-1049 Brussels

Date
January 22nd, 2025

Page
1 of 2

Dear Madam President,

The economic gap between Europe and its global competitors is widening fast. Since 2010, the U.S. economy has grown by 37.5%, while the EU has lagged at 20.9%. This divergence is visible in every dimension, from GDP per capita, to innovation, energy costs, and technological leadership. The new U.S. administration is expected to implement measures, such as substantial tariff increases, that could further erode Europe's competitiveness. Meanwhile, China continues its aggressive economic strategy. Neither the U.S. nor China will wait for Europe to catch up. It is imperative for the EU to respond with urgency and ambition to secure its economic sovereignty and industrial resilience.

The situation is further exacerbated by the fact that economic growth in Europe continues to slow down, and companies find it increasingly difficult to do business. On top of high energy prices and the aggravating geopolitical environment, they must stem an ever-increasing amount of regulation that imposes heavy and often disproportionate burdens on them. The reports of Enrico Letta and Mario Draghi both identify the rising weight of regulation as key impediment for companies to seize the benefits of the single market and remain globally competitive.

We, the leading business organisations from France, Germany and Italy, therefore expressly welcome your decision to make simplification and burden reduction a key political priority of your second mandate. Fast, decisive, and well-thought-out, action is now needed to ensure that the regulatory framework conditions enable investments into innovation and the sustainable transition to create growth, high quality jobs and meet the objectives of the Green Deal. In this regard, we particularly welcome your recent announcement to put forward an Omnibus regulation to streamline and simplify the Taxonomy Regulation, the Corporate Sustainability Reporting Directive (CSRD), the Corporate Sustainability Due Diligence Directive (CSDDD), as well as the Carbon Border Adjustment Mechanism (CBAM).

However, focussing solely on reporting obligations or minor technical revisions will not suffice, nor should the focus be limited to these texts alone. A radically ambitious and comprehensive approach must be taken in the months and years to come. Europe must demonstrate the same level of decisiveness as its competitors in reforming its economic regulatory framework. Pausing the regulatory clock must be the first step,

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allowing for a careful assessment of the impact of the acquis on the competitiveness of our industries and the immediate measures needed to revert the negative trend of economic slowdown and deindustrialisation in Europe.

Simplification is a crucial element of effective action, and it requires no additional spending. Streamlining regulations, reducing unnecessary costs and burdens, and making EU rules more efficient are essential first steps to unlock significant economic gains, enhance innovation, and strengthen Europe's industrial base while upholding our high principles and standards. If we fail to achieve our common simplification goals, how can we expect effective action in more complex areas, such as common investments in AI, defense, or green policies?

European businesses are not asking for a dilution of environmental, social, or labour standards. Instead, we call for the alignment of the EU's regulatory framework with the realities of global competition. This means adjusting European legislation to match the standards of our competitors where appropriate, while ensuring that commitments remain achievable. Simplified and streamlined rules will make it easier for businesses to comply and deliver on Europe's ambitious economic and environmental goals without unnecessary bureaucracy.

We, the leading business organisations from France, Germany and Italy, urge the Commission to seize this opportunity and act decisively. Let the Omnibus proposal become the starting point of a new European era of innovation and sustainable growth that can serve as model for the world. European businesses are counting on you.

Attached to this letter you will find a list of detailed suggestions for the Omnibus regulation.

We look forward to an ambitious proposal and stand ready to support you and your services at any time and in any way we can.

Yours sincerely,



Peter Leibinger
President of BDI



Emanuele Orsini
President of Confindustria



Patrick Martin
President of MEDEF

Cc:

European Commission Executive Vice President Stéphane Séjourné
European Commission Executive Vice President Teresa Ribera
Commissioner Valdis Dombrovskis
Commissioner Maria Luís Albuquerque
Commissioner Michael McGrath