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“Driving Europe’s competitiveness: 10 ambitious objectives for Industry and the Single Market”

Joint declaration of PES ministers for Industry and the Internal Market

As PES ministers responsible for industry and the internal market, we are committed to promoting a competitive Europe through sustainable reindustrialisation of our continent, putting people and the planet first. We support the work of PES European Commission Executive Vice Presidents Teresa Ribera and Roxana Mînzatu, alongside Commissioners Dan Jørgensen and Glenn Micallef, in advancing decarbonisation and clean technologies deployment, while driving energy costs down, ensuring quality jobs and support young people. We welcome their leadership on key initiatives that will shape the European agenda, as outlined in the Competitiveness Compass. These include clear commitments to decarbonisation and quality jobs, as reflected in the Clean Industrial Deal, the Union of Skills, and the Action Plan for Affordable Energy.

The European Union stands at a critical crossroads, facing geopolitical and economic uncertainties, climate change, the erosion of multilateralism, societal challenges, and the rise of tech giants wielding both technological and political power. As Enrico Letta and Mario Draghi stressed in their reports, strengthening Europe's competitiveness is both necessary and urgent. We must further build on Europe's core competitive advantages: its social model, its single market, its lead against climate change.

Our vision of a competitive Europe is one that is proactive, works for everyone and in every region, that is supported by an ambitious cohesion policy and fair taxation, and that upholds the fundamental principles of democracy and the rule of law. We reject the idea that competitive advantage can be built at the expense of hard-won social and environmental progress, through tax competition or wage repression.

For us, EU-level industrial policy measures must be guided by five principles: sustainability, fairness, sovereignty, solidarity, and conditionality to ensure social inclusion and territorial cohesion.

Proactive public action is essential in order to enhance the EU's global standing while protecting quality jobs, improve economic security and resilience, ensure a just green transition dimension. Industrial policy will be key to these efforts and must be ambitious, ensuring that no one is left behind as we transition to a new economic model, that strengthens the EU's competitiveness in a sustainable, inclusive way.

We have 10 ambitions for Europe's industrial policy and the single market:

First, we want all consumers and enterprises, especially SMEs and start-ups, to **benefit from an empowered single market**. We must, among others, enhance productivity, address fragmentation, and ensure a fair level playing field. Mobility, connectivity and convergence are key pillars to Europe's integration.

Second, we want to **revitalise European manufacturing and drive decarbonisation**. As Europe continues its transition, we continue to advocate for a "Made in Europe" strategy. We want to support all European industrial ecosystems with, among others, targeted plans for energy intensive industries to facilitate their decarbonisation efforts. Moreover, we will seek tailored solutions for legacy industries, such as the automotive. We stand behind Executive Vice-President Teresa Ribera's work in promoting clean tech solutions and decarbonised manufacturing toward a net-zero economy. Measures may include incentives, localisation requirements, permitting facilitations, and supportive conditions for the deployment while avoiding market distortion and ensuring public procurement rewards European companies that apply high social and environmental standards.

Third, it is crucial to **secure clean and affordable energy for all**. Boosting investments in renewables will help tackle energy poverty, produce quality jobs, and bolster the competitiveness of European industries. Furthermore, reducing our reliance on energy imports from autocratic regimes will help in achieving climate neutrality by 2050, along with the intermediate targets, while strengthening Europe's strategic autonomy. We call for the adoption of the proposal to enshrine the 90% target in the Climate Law, as well as the approval of Nationally Determined Contributions (NDCs) before the summer. We welcome the work of Executive Vice-President Teresa Ribera and Commissioner Dan Jørgensen in this area, as well as their work to complete the Energy Union. This includes initiatives to strengthen interconnections, electricity grids and storage infrastructure, taking steps to ensure price stability and affordability.

Fourth, **skills and quality jobs are key to Europe's competitiveness**. Competitiveness is about the knowledge and skills of the labour force. We welcome Executive Vice-President Roxana Mînzatu's proposals to advance the Union of Skills, may they be on skills portability, on vocational education and training or on STEM in Education. To strengthen workforce resilience and support innovation, we are convinced that workers must benefit from a right to training – without cost and during working time - that enables them to improve their qualification levels and progress within their company. Next to skills, good wages and quality jobs are essential to attract and retain workers. We also look forward to the announced Quality Jobs Package as it will reinforce the employment dimension of the EU's competitiveness strategy, while ensuring further progress in the implementation of the European Pillar of Social Rights.

Fifth, it is essential to **unlock the EU's investment power**. We want an Investment Plan for the Green, Digital and Just Transition; this requires a strong synergy between private and public financing to close the significant investment gap and to steer financing in the direction of our public objectives. We must make the Savings and Investments Union a reality and complete the Banking Union. An ambitious budget is crucial to meet our ambitions; we advocate for the next long-term European budget to be consistent with our goals, by strengthening the current climate mainstreaming architecture and increasing our spending target for climate-relevant objectives, among others. We must equip ourselves with the means to finance European public goods, including in the context of enhanced own resources. We continue to stand for a permanent EU investment capacity. Securing investment firepower beyond 2026 is crucial for fostering inclusive growth rooted in solidarity.

Sixth, we will **step up our efforts in R&D and innovation**. We want to shape the right framework for innovation to emerge and strengthen our digital sovereignty. This includes boosting R&D in critical sectors, encouraging the development of responsible disruptive technologies, fostering commercial appetite for European innovative solutions, and investing

in digital public infrastructure to enhance Europe's resilience and strategic autonomy. Our strategy must prioritise an industrial policy driving digital transformation including in data ownership, semiconductors, apps, high-performance computing, e-commerce, and AI, through a sectoral approach. This is an economic and democratic concern, as digital sovereignty and innovation, if carefully planned, are also essential to protect our fundamental values and to reinforce Europe's global standing.

Seventh, we need to **enhance Europe's resilience**. It is crucial to strengthen our value chains, reduce dependence on imports from non-European countries, and ensure industrial capacities and sustainable access to critical raw materials, key for the green transition and clean technologies. The EU must take steps to diversify its supply of critical raw materials, including through strategic sustainable partnerships, enhancing investments in recycling, and circular economy initiatives, coupled with greater efficiency in production and consumption.

Eighth, we advocate for a **new approach to competition policy**. We want to ensure that European companies can compete on a level playing field globally. This requires a clear and robust state aid framework that upholds fair competition within the single market, benefits all member states, prevents concentration dynamics and addresses the risk of killer acquisitions. At the same time, we must expand tools, including EU financial instruments, to meet our ambitions and targets, and increase our resilience, including through strengthening Important Projects of Common European Interest.

Ninth, we **support a realistic simplification agenda** for our industries and SMEs. This cannot mean rolling back hard won environmental and social legislation, nor racing to the lowest common denominator. We reject any attempts to dismantle the Green Deal. Our goal is on the one hand to make legislation easier to implement, avoiding duplication and providing predictability, consistency, and investment security. On the other hand, we seek to safeguard and reinforce legislation that increases the protection of workers, the preservation of the environment, and the strengthening of our economic fabric. This includes measures to improve the competitiveness of SMEs, such as preventing late payment in commercial transactions and addressing barriers in public procurement. We will tackle legislative fragmentation and complexity, better fighting the over transposition of EU directives by member states.

Tenth, we stand for a **fair-trade agenda** that is based on multilateralism, and WTO rules. Europe's agenda must be based on the promotion of binding clauses to improve human rights, environmental and social standards. We further need to explore how to enhance synergies between industrial and trade policies to strengthen our industrial ecosystem. This includes protecting the EU's industries and interests from pressure stemming from international competitors benefitting from an uneven playing field or from the imposition of unfair trade barriers on European products. Furthermore, in order to diversify our supply chains, reduce dependencies, and increase our open strategic autonomy, we must commit to strengthening our relationships with reliable partners, including Latin America and the Caribbean.

As ministers for industry and the internal market, together with representatives of the S&D Group, we support a renewed focus on strengthening European competitiveness. We are committed to ensuring that every piece of legislation enhances the well-being of our citizens while safeguarding our planet. The European Union's ability to tackle today's challenges with immediate responses, while demonstrating the foresight to address future needs, will be key to remaining a model of shared prosperity. Our capacity to revitalise our industries and drive decarbonisation, create green quality jobs, steer innovation, and foster sustainable growth will determine our success in building a resilient, prosperous, and future-proof Union that leaves no one behind.

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