TURN SETBACK INTO COMEBACK.

Priorities for Denmark's EU Presidency 2025

Danish Industry

Foreword

For many years we have been talking about the European crisis. About how we cannot defend ourselves. About not being able to provide for ourselves. About how we lack growth and innovation. About how we are becoming a museum to the rest of the world.

That conversation is justified. Because we have fallen behind. Our societal models as we know them are under threat. We have taken the preconditions for our prosperity and security for granted, and today Europe's competitiveness is seriously challenged. Instead of leading the development of new technologies, we have transformed ourselves into a regulatory machine that lags behind the US and Asia. We have hamstrung ourselves.

Yet I am optimistic about the future. Because there are numerous examples in world history of how the power to act comes alive when we face challenges head on. Often, progress is shaped by adversity.

Many big decisions are only made when crisis comes knocking at the door. When it really counts, we realize that we need to think and act in a new way. This requires courage and risk-taking from the people who make the decisions. Now Europe must look inwards. Europe must challenge the limitations we have set for

Five areas of urgency:

- Reduce administrative burdens
- A simpler EU budget focusing on competitiveness, security and new technologies
- Ambitious targets for climate, electrification and research
- A pharmaceutical legislation package that keeps innovation in Europe
- Faster approvals of biological products

ourselves over the past years. We need to invest much more in our competitiveness and our security and dare to invest and put innovation before regulation.

In this publication, Danish Industry has described specific areas where Denmark can make a noticeable difference for Europe's competitiveness during the Danish Presidency. Five of them are urgent.

Denmark and Danish businesses have a unique opportunity to show the world what we are capable of. Let's seize the opportunity and be brave – even if it sometimes involves taking risks. Europe can do it when it counts, and the political will is there.

It's time to turn setback into comeback.

Happy reading.

Lars Sandahl Sørensen,
Chief Executive Officer of Danish Industry

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Theme 1

A Stronger EU in the World

In recent years, Europe's competitiveness has come under pressure due to significant economic and geo-political changes, further exacerbated by high uncertainty in the American market.

Europe's productivity and investments lags significantly behind the US. For example, the average wealth of an EU citizen is about 30 per cent lower than that of Americans, and between 2016 and 2023, European investments in the US grew by 50 per cent, while American investments in the EU increased by just over 10 per cent.

To restore Europe's competitiveness, the EU must strengthen its industrial capacity, geopolitical influence, and defense capabilities. Our vision is a dynamic and sustainable European economy, equipped to navigate global, economic and technological changes and resilient to future challenges.

In a survey among Danish companies, 37 per cent of those competing with U.S. firms stated that the competitive position of European companies has worsened over the past two years compared to their American rivals. For China, the figure is as high as 79 per cent, while only 7 per cent reported that European companies have gained more favorable conditions for doing business relative to competitors in China.

Source: Danish Industry, March 2025

Europe must become the world's most attractive place to do business

Europe is in a new situation of changing global relations, characterized by increased unpredictability and the need to make crucial strategic decisions. This development places high demands on a strong industrial base within the EU and emphasizes the need to improve the frameworks for European companies to make the EU the most attractive place to do business.

With the European Commission's 'European Competitiveness Compass' and the 'Clean Industrial Deal', important steps have been taken to both strengthen industrial competitiveness and support companies' green transition. This is a very positive development that must be followed through with concrete action to ensure that companies locate their production, research and development in Europe, benefiting growth and welfare for us all.

Read more in the proposal
"Forging the Future"

During the Danish Presidency intiatives should be taken to:

1

A new superfund based on six simple principles
In the upcoming EU budget, at least €200 billion should be allocated to a new superfund aimed at supporting competitiveness, research, green transition, digital technologies, and defense. The fund should coordinate the EU's financing options, reduce complexity, and make it easier for businesses to apply for funding.

The money from the Competitiveness Fund should be awarded according to the principles of "SIMPLE":

- **S**impler allocation and applications
- **I**mpact-based support
- **M**arket-based open bidding rounds
- **P**olicy-based prioritization
- **L**everage to attract more private capital
- **E**xcellence for the best innovations

The Competitiveness Fund can be financed by merging existing programs within the EU budget and pooling a portion of national state aid. This could be in the form of 5 per cent of the Member States' newly approved state aid and 15 per cent of each country's illegally disbursed and incompatible state aid. Based on current state aid levels, this would potentially generate around €11 billion per year. It would reduce dependency on national state aid and discipline Member States' use of this instrument. In doing so, it would ensure European-scale investments and prevent the development of a subsidy race among EU Member States, which would hinder fair competition within the EU.

2

Strengthen research and innovation in the EU
A "Copenhagen Target" should be formulated with the aim of reaching investment levels in research and development in the EU equivalent to 4 per cent of GDP by 2035. Two-thirds of the investments should come from the private sector.

3

Increase demand for sustainable products
To promote sustainable development, there is a need to integrate sustainability criteria into public procurement processes, which should be ensured in connection with the upcoming 'Industrial Decarbonisation Accelerator Act' (IDAA). The expected focus on protecting domestic infrastructure and critical technologies in the IDAA through "Buy European" criteria is understandable given the geopolitical situation, but it must be ensured that companies' global supply chains do not deteriorate, and that the proposal does not impose additional administrative burdens on European companies. At the same time, it is important that the IDAA speeds up the approvals of renewable energy projects in Europe so that, as a minimum, it does not take companies longer to obtain approvals compared to countries outside Europe.

Clear strategic priorities in the EU budget

Europe is facing challenges of a magnitude that threatens European competitiveness and thus the financing of our future prosperity. Investments are increasingly flowing toward the US and China, causing European companies to lose their position in the global market.

Therefore, the overarching main priority in the upcoming long-term EU budget should be to strengthen Europe's competitiveness through strategic investments. Europe must become significantly better at attracting private investments, which should be made possible through better instruments to minimize risk in business models for green and digital transformation.

Improving Europe's competitiveness is a long haul that cannot only be solved at EU level. However, a new EU budget that strengthens the EU's competitiveness would provide a strong foundation, creating new momentum for Europe to stand stronger globally, for the Single Market, and for cooperation among Member States. Finally, the EU budget, the European Investment Bank (EIB), and the European 'Savings and Investment Union' should be aligned to ensure scaling of private capital investment into and across Europe.

During the Danish Presidency intiatives should be taken to:

1

Focus strategically on competitiveness, security, and innovation
The EU budget should consist of three policy objectives and be targeted: 1) Competitiveness and innovation, 2) Security and defense, 3) Strategic technological scaling of green and digital solutions.

Funds for investments must be scaled up and Europeanized, which includes funding for research and development, increased funds for cross-border energy infrastructure and dedicated funding for building a European defense industry.

2

Simplify massively to free up resources
The EU budget must undergo massive simplification, and the number of financial programs (currently over 50) should be reduced to increase transparency, flexibility, and accessibility, particularly for companies.

The application process, reporting, and project management of EU-funded projects must be made simpler, and the period from application to allocation of funds should be reduced to a maximum of six months.

3

More guarantee schemes to attract private capital
The EU budget should prioritize funding for guarantee- and risk-sharing instruments, for example through an 'EU Net Zero Guarantee Facility.' This facility should complement private reinsurance and reduce capital costs for net-zero projects. Guarantees should target net-zero investments and be used on creditworthy projects selected according to the 'excellence' principle. The guarantee must be secured by reallocation within the EU budget.

How should the EU budget be financed?

- The EU budget should, as a starting point, be financed within the existing framework through reprioritization.
- To the extent that a larger budget is needed, the first step should be to look at Member States' GNI contributions rather than taking on additional common debt or introducing new growth-inhibiting taxes.

A robust and innovative European defense industry

Europe is facing a historic rearmament. Geopolitical instability and threats to our security require a robust and innovative European defense industry. To address these challenges, a coordinated and targeted effort is needed, which ensures that Europe has the capacity to protect its citizens.

Europe's autonomy and security depend on its ability to produce its own defense solutions. Therefore, the EU should significantly maintain and expand a competitive defense industrial base capable of manufacturing and delivering advanced European defense solutions on a larger scale and within shorter timeframes than today. Achieving this requires creating a consolidated industrial base within the EU, encompassing both larger and smaller companies across Member States. Small and medium-sized European companies play a key role in innovative product development, where Ukrainian companies, for example, have demonstrated their exceptional ability to adapt rapidly during wartime by developing and producing relevant solutions.

The ability to rapidly produce and expand capacity is central to Europe's rearmament and to deter potential aggression. The defense industry requires clear orders with both volume and time perspective as well as access to risk-willing capital to finance industry scaling. It is also necessary to remove barriers that hinder transnational industrial cooperation and to introduce common standards that facilitate collaboration. During the Danish EU Presidency, the next steps should be taken to deliver on the European Commission's proposals, such as "ReArm Europe" and "Readiness 2030", to strengthen both European defense-industrial cooperation and security.

During the Danish Presidency intiatives should be taken to:

1

Accelerate a quick and effective defense industry
The European defense industry must become more efficient so that the path from decision to production and delivery of defense equipment is shorter than today. Specifically, this concerns export licenses, certification, and procedures that complicate the transportation of military components, equipment, and raw materials between European markets. This must be complemented by close cooperation between the defense industries of the Member States, enabling companies to act and develop products at the pace demanded. EU Member States should also collaborate on the procurement of raw materials and critical components for the highest-priority areas.

2

Produce and buy European, where It makes sense
It must become more attractive to choose European solutions. For example, this can be achieved by the EU promoting pre-financing and co-financing to support pan-European production, cooperation, and capacity expansion. Here, the potential of involving SMEs should be highly prioritized. The EU should promote joint procurement with financial incentives and ensure uniform standards to create a more harmonized and efficient defense industry.

3

Boost private investments
More financial instruments, following "ReArm Europe," should be used to stimulate industry and attract private investors, such as the European Investment Bank. A new set of defense investment categories must be developed. Today, there are only two types of defense investments: weapons or non-weapons. Developing more precise investment categories, ranging from barracks renovations to missiles, will make the defense sector more attractive and transparent for private investors, making it easier for them to target their investments.

4

Strengthen cooperation with Ukrainian defense companies
Integrating the Ukrainian defense industry into the European base will contribute to valuable knowledge and experience exchange and strengthen Ukraine's defense. The European Defence Fund should include Ukrainian companies, and we should support them in increasing their production within the EU.

Safeguarding trade, raw materials, and economic security

It has never been more important for Europe to have strong trade relations with the rest of the world. The United States is Denmark's largest export and investment market, but the new U.S. administration has shown that it is not hesitant to use trade policy measures such as punitive tariffs and other tools against trading partners and allies. This new reality could have major consequences for European growth and global trade. Thus, Europe must remain committed to the principle that Europe and the United States are strongest together. However, the time has also come for Europe to respond firmly when challenged by our largest trading partner.

The EU economy, our trade policy position, and our access to critical raw materials must be strengthened to withstand external pressure. The EU should therefore ensure that European companies gain access to more markets through advantageous free trade agreements to remove or reduce tariffs on the exports of goods from the EU. This will enhance our competitiveness in global markets.

Many European companies today are deeply dependent on critical raw materials such as rare earths, lithium, nickel, boron, and magnesium to develop and produce the green and digital technologies of the future. Most of these raw materials are imported from countries outside the EU, primarily China, making supply chains extremely fragile. At the same time, we are seeing a major surge in demand for these raw materials. Therefore, it is crucial that the EU secures a stable and sustainable supply, including its own raw material sources.

In the light of new geopolitical tensions, there are concerns within the EU that critical knowledge and new, strategic technologies with military potential could fall into the wrong hands. The EU must prevent this by protecting these essential and critical technologies through export controls and the screening of inbound investments

The World Bank expects the demand for critical raw materials to increase by 500 per cent by 2050. Today, China produces half of the world's monopolized raw materials.

Source: World Bank, 2022

During the Danish Presidency intiatives should be taken to:

1

Negotiate strong and strategic free trade agreements

The EU must form new and strategically important free trade agreements to strengthen Europe's position in the world. First and foremost, efforts should be made from the Danish side to ensure the ratification of the Mercosur agreement in 2025. This agreement is a crucial part of the EU's ambitions to diversify its value chains and trade channels. Subsequently, the free trade agreements with Australia and India should be concluded as quickly as possible and promptly ratified.

2

Acting to secure Europe's supply of critical raw materials

The EU must increase the production of critical raw materials within Europe, including from its own deposits. Therefore, faster issuance of permits for strategic raw material projects should be implemented across the entire value chain – from extraction and processing to production and recycling.

In the short term, the EU must secure access to raw materials by diversifying supply chains through strengthened trade relations, including more and smaller trade agreements, as well as strategic partnerships with resource-rich third countries.

A genuine Capital Markets Union to close the EU's investment gap

Europe's investment gap cannot and should not be closed through public funds alone. Europe needs a massive attraction of private capital to European companies, which must be enabled through better framework conditions.

European companies' limited access to risk-willing capital across borders is one of the major challenges to Europe's competitiveness. An ambitious plan for a European Capital Markets Union is one of the keys to changing this.

Building on its Competitiveness Compass, the European Commission has presented its proposal for a common European 'Savings and Investment Union' – also known as the Capital Markets Union – which aims to make it easier and cheaper for companies to access capital for their investments.

The EU has attempted for decades to establish a Capital Markets Union. Success has been limited. The complexity and national differences have been too great. The EU has 27 different capital markets, each developed and regulated within a national context. For example, Denmark has a mortgage credit model, and the Nordic countries have a pension model that generates private savings that can be mobilized into the capital market – something not seen in other EU countries. However, elements that are successful in some countries cannot necessarily be copied and achieve the same success in others.

There is untapped potential to solve some of the current challenges through a joint European effort for our capital markets. The EU's Capital Markets Union should therefore identify the areas where it would create value to develop common European solutions. In some areas, there is a need for harmonized EU-wide rules. In others, knowledge-sharing of 'best practices' is needed, and Member States are encouraged to drive necessary reforms from the bottom up.

During the Danish Presidency intiatives should be taken to:

1

Activate more private capital

The total savings of private households should, to a much greater extent, be channeled into productive investments to support the EU's strategic priorities. The European Commission should encourage Member States to promote household equity investments by critically reviewing the structure of their overall capital taxation to ensure that it does not discriminate against equity investments in favor of, for example, real estate investments. Furthermore, Member States should be encouraged to promote equity investments through tax legislation that supports particularly simple investment products, such as the Danish Share Savings Account.

2

Abolish withholding tax on dividends from portfolio investments

The EU can facilitate investments across the EU's internal market by abolishing the withholding tax on dividends from portfolio investments paid from a corporation in one Member State to an investor in another Member State. This would leave the right to tax dividend income (after corporate tax) solely with the investor's country of residence. In the short term, the proposed FASTER Directive – which seeks to remove administrative burdens and costs associated with withholding taxes on dividends between EU Member States – should be adopted and should more strongly aim for a less bureaucratic approach.

3

Protect well-functioning national corporate governance models

The well-functioning and flexible Danish 'corporate governance' model is one of the keys to the competitiveness of Danish companies. It is crucial that initiatives under the 'Savings and Investment Union' are not used as a pretext for EU regulation of companies' internal management, such as new EU attempts to intervene in Denmark's flexible regulation of companies' ability to have different share classes with different voting rights (the multiple vote share structure).

Life science as key to strengthening Europe

The life science sector, which includes companies involved in research, development, and production of pharmaceuticals, medical devices, and health technology solutions, is one of the most valuable and strategically important sector in the European economy. The sector is not only crucial for the health of the population of Europe but also for the prosperity and resilience of its citizens and companies. In other words, the sector is a strategically important industry and constitutes a strategic stronghold for Europe.

The life science industry is known for its high productivity and competitive wages. Moreover, the life science industry is of geostrategic importance, which became evident during the COVID-19 pandemic and again following the war on the European continent. Both events have highlighted dependencies and shortages of medicines, medical equipment, and personal protective equipment. However, the sector is facing increasing competition, particularly from the United States and China, which are investing heavily in this area.

To strengthen Europe's position on life science, the EU should become a global epicenter for investments in research and development, manufacturing, and clinical trials.

In 2022, the pharmaceutical sector alone contributed €311 billion in gross value added and 2.3 million jobs, both directly and indirectly, within the EU. Additionally, approximately 37,000 European MedTech companies directly employ 880,000 people across the continent.

Source: Danish Industry

During the Danish Presidency intiatives should be taken to:

1

Strengthen the competitiveness of the life science industry

There must be certainty and stability regarding the protection of intellectual property (IP) rights for the life science industry. Therefore, the regulatory data protection period of eight years for original medicines must be maintained in the outcome of the revision of the EU Pharmaceutical Legislation. A shortened data protection period would weaken the EU's competitiveness and the framework conditions for the life science industry, which is crucial for both the Danish and European economy. It is a vital element to strengthen the life science industry's position globally and ensure that medicines will continue to be developed in Europe in the future.

2

Reduce burdens to strengthen the sector

Administrative burdens must be removed to strengthen the competitiveness of the life science sector. Therefore, in the revision of the Medical Device Regulation, the current requirement that already certified medical devices must be re-certified after five years should be abolished. In addition, a "one-door-entry" set up should be established, where a single authority is responsible for both the medicine and the device part of combination products to streamline the process. The European Medicines Agency (EMA) should have full responsibility for both the medicinal and device components of combination products (IDDC), including advisory services, assessment, and approval. The current shared authority responsibility causes complexity and delays in the approval process.

3

Accelerate the implementation of innovative health solutions

There is an unfulfilled potential in greater digitisation of the healthcare sector. A prerequisite for this is dedicated financial resources for the procurement of new technology. The upcoming European strategy for life science should therefore ensure that the entire ecosystem is considered. Specifically, access to EU funding should be secured for the implementation of health technology to accelerate the digitalization of European healthcare systems.

4

Promote innovation in public-private partnerships

Pressure should be exerted on the European Commission to establish a European 'Life Science Council' inspired by the successful Danish model, with the aim of promoting innovation and growth in the sector. The Danish model for dedicated work with life science has proven particularly successful, notably through the establishment of the Danish Life Science Council, which promotes public-private collaboration.

A decisive Europe requires technological armament

Europe is losing ground in the global digital race. Over the past twenty years, Europe's GDP has stagnated, leaving Europe up to 30 per cent behind the United States. To reverse this trajectory, Europe must urgently invest in and strengthen its technological capacities.

Europe has the opportunity to unlock its full potential, but it depends on creating the right fundamental conditions for European companies. At present, businesses face major barriers in expanding digital technologies, including complex and burdensome regulatory requirements, a shortage of skills, and weakened willingness and confidence to invest in the region.

If Europe is to remain a strong player in the global technology race, it requires a focused and strategic effort – centred on investments in critical technologies such as quantum technology, artificial intelligence, and semiconductors. At the same time, we must accelerate the development of secure cloud infrastructure and robust digital connectivity. Crucially, we must also ensure that regulation keeps pace-firm where necessary but always enabling rather than obstructing innovation and growth in Europe.

By building a stronger and more digitally sovereign Europe, we not only reinforce our collective competitiveness but also create concrete growth opportunities for Danish businesses

For the first time in seven years, total telecommunications investments in Europe have declined by 2 per cent, from EUR 59.1 billion in 2022 to EUR 57.9 billion in 2023. This negative development is alarming, given the sector's strategic importance, which is characterized by fragmentation and complex regulations.

Source: ConnectEurope 2025

During the Danish Presidency intiatives should be taken to:

1

Invest in the EU's digital backbone
Revitalizing Europe's telecommunications sector is essential to driving innovation and strengthening the continent's global competitiveness. This requires a fundamental shift in EU policy - modernizing competition and merger rules to prioritize not just price, but also investment, quality, innovation, and security. The upcoming Digital Networks Act offers an opportunity to set bold, forward-looking conditions that promote investment in resilient, future-proof digital infrastructure. At the same time, Europe must actively support the deployment of advanced 5G technology to fully harness the potential of tomorrow's digital economy.

2

Secure European competitiveness through AI
To fully benefit from artificial intelligence, European SMEs need stronger support in adopting and managing these technologies. This requires both simplifying AI legislation and strategically investing in skills development and improved digital infrastructure, ensuring access to quality data, advanced training facilities, and powerful European supercomputers.

3

Take the lead in quantum technology
There is a need for massive investments in quantum technologies if Europe takes the lead in quantum technology. The upcoming EU Quantum Act must therefore ensure a targeted focus on investments in basic research, develop full technology stack in quantum technologies, technology maturation, and industrial application. A stronger European supply chain for quantum technology should enhance Europe's resilience in terms of quantum infrastructures like quantum computers, quantum communication and fabrication of quantum chips.

Strengthened enforcement against online platforms from third countries

European companies suffer due to unfair competition from online platforms based in third countries. While European retailers struggle with increasingly higher legislative demands, Chinese platforms such as Temu and Shein regularly bypass regulations to sell dangerous and illegal products to European consumers.

Evidence strongly indicates that platforms like Temu and Shein routinely ignore product safety regulations. They use so-called 'dark patterns' to manipulate their customers, while claiming that they are not liable for the marketing and sale of products sold on their platforms. The thing is, that these active platforms are subject to existing regulations, including the Digital Services Act, product legislation and consumer protection.

The rules are designed to ensure fair and equal competition – and when they are not enforced, it puts Danish and European companies at a disadvantage. This is detrimental to our competitiveness. And it threatens the European model and the single market. The solution is not to invent new regulation that all companies must comply with but instead intensify enforcement of the few platforms from third countries that are already breaking the rules.

According to the European Commission, 4.6 billion parcels crossed Europe's borders in 2024 – or 12 million parcels a day – under the €150 customs threshold, doubling from the previous year.

The vast majority of these came from China. And in Denmark, both Temu and Shein are now among the top 10 most used e-commerce platforms.

During the Danish Presidency intiatives should be taken to:

1

Streamline cooperation
Following the Danish model, establish a cross-functional taskforce in the European Commission to ensure strong and effective enforcement at the EU level. It should be tasked with coordinating efforts and knowledge sharing with national task forces. Concretely, it should, among other things, develop clear guidelines for how authorities implement existing legislation at the national level and ensure the development of effective IT tools. This should collectively and effectively strengthen the enforcement of rules against online platforms from third countries. If the existing rules are not sufficient, the taskforce should be tasked with proposing new rules that can be enforced and thus close any legislative gaps.

2

Create a barrier against potentially illegal products
The EU's proposal to remove the customs exemption threshold of 150 euros for parcels from third countries should be adopted. Low-value parcels currently entering the EU under this threshold should instead be subject to a handling fee to be paid by the consumer. This fee should fund stronger enforcement at the EU's borders and at the same time encourage European consumers to think twice before purchasing potentially illegal and harmful products.

A strengthened partnership with the Global South

Global power balances are shifting, and development policy, security policy, trade policy, and foreign policy are becoming increasingly intertwined. Following the US decision to put all development aid on hold, the EU is now the biggest donor of development policy but is still perceived by many countries in the Global South as a less important partner than China and Russia, even though the EU is the African continents largest trading partner and its biggest donor.

Therefore, there is a need to strengthen the EU's development policy, inspired by the visions in the Danish Government strategy for a strengthened engagement with the African continent. Here the ambition is to interlink aid and trade and let the private sector play a key role in development policy.

The EU remains the largest trading partner for African countries, with estimated trade in goods and services between the EU and Africa amounting to EUR 504.3 billion in 2022. However, trade has declined in recent years, partly due to China's and India's growing presence in African markets. Africa's exports of goods to the EU averaged around 47.8 per cent during the 1990s but fell to 31.8 per cent in the decade 2004–2013 and to 26.8 per cent in 2014–2023. In contrast, Asia has seen a spectacular rise from 4.5 per cent to over 16.1 per cent and 26 per cent, respectively, in the same periods.

During the Danish Presidency intiatives should be taken to:

1

Strengthen cooperation between the EU and the Global South

A new development policy strategy should be created with a focus on job creation, initiating more trade agreements between the EU and the partners in the Global South and earmarking funds to assist African companies to comply with European sustainability legislation.

2

Reinforce the Global Gateway

The EU's Global Gateway initiative must be given independent funding to invest in visible and sustainable infrastructure projects in the Global South, developed in collaboration with private companies. In addition, synergies should be created with other European donors. There should be a special focus on engaging more European companies in trade projects with partners in the Global South - including investments under the Global Gateway. Finally, the administrative burdens under Global Gateway must be eased and project timelines shortened for Global Gateway initiatives.

3

Increasing focus on vocational education and training

All EU development aid–funded projects on vocational education and training should increasingly be carried out in collaboration with European companies that invest in or establish themselves on the African markets. This will provide companies with access to qualified labor as well as create local jobs.

4

Require consideration of sustainability

The EU's bilateral and multilateral development aid must be provided with a requirement to consider sustainability and life-cycle costs in all tenders financed by development aid.

Theme 2

A more efficient EU

Running a business in Europe has become far too complex. The regulatory jungle and heavy bureaucracy create unnecessary obstacles and delay both innovation and growth. It is therefore imperative to reduce the administrative burdens.

In addition, approval processes for bringing new products onto the market should be accelerated, to make it easier for companies to operate and scale in Europe. This requires better use of resources and more efficient implementation of new policy initiatives. This will increase investor and business confidence, which can ultimately lead to economic growth and job creation.

At a time of global challenges and strained European competitiveness, it is important that the EU focuses on being more flexible and responsive to the changing needs and challenges of the global market.

In a survey of Danish companies, 59 percent indicated that reducing the administrative burdens stemming from EU legislation is absolutely necessary, while an additional 33 percent consider it a high priority.

Source: Danish Industry, March 2025

Simpler rules, better legislation, and a more digital Europe

The level of administrative and legislative burdens is far too high, hampering business growth and, ultimately, Europe's overall prosperity. Today, European companies spend more and more resources navigating a growing sea of rules and administrative requirements instead of developing new products and bringing them to consumers.

Therefore, during the Danish EU Presidency, the focus should be on how the EU can reduce the excessive number of rules and overly complex bureaucracy. Denmark should draw on its experiences with public-sector digitalization with the rest of Europe to help ensure that all EU Member States unlock their digital potential – for the benefit of both European and Danish companies.

Between 2019 and 2024 alone, the EU adopted 13,000 new legal acts – four times as many as the United States during the same period. In Denmark, the number of laws and executive orders in force has increased by 63 per cent since 2003, with a large share originating from EU regulation

Source: Danish Industry

During the Danish Presidency intiatives should be taken to:

1

Accelerate burden reductions
The EU's targets to reduce administrative burdens by 25 per cent for companies and 35 per cent for SMEs should be met as soon as possible and no later than in 2029. Pressure should be put on the European Commission to present concrete plans for how these targets will be met. As part of that plan, the omnibus simplification method should be applied to more legislative areas such as products, VAT, water, labor market and digital regulation. In addition, work must be done to ensure that, each time a new legal act is introduced, an existing act should be identified for repeal. This will make it clear how the European Commission applies its "one-in-one-out approach" in practice.

2

Reduce the number of burdens related to sustainability reporting
In the negotiations of the 'ESG omnibus' proposal, efforts should be made to ensure that fewer companies are subject to mandatory requirements. At the same time, the complexity of reporting requirements should be reduced to avoid excessive reporting that does not create value for companies' sustainability work. This requires, among other things, limiting the number of data points and generally focusing on more meaningful reporting.

3

Reduce burden by digitalising payments and reporting across the EU
Denmark is already digitalising and automating business reporting and invoice management. However, without a common European approach, we risk digitisation creates new barriers to trade rather than facilitating trade. Therefore, efforts should be made to establish common standards for e-invoicing exchanges and reporting in line with VIDA requirements for national tax authorities

4

Clarify the impact of EU legislation on companies
New legislation adopted by the Council of Ministers, the European Parliament, or implemented at national level often introduces additional requirements that increase the administrative burden on businesses. Too often, this happens without a clear understanding of the actual impact on companies. Therefore, thorough impact assessments should be carried out – not only for proposals put forward by the European Commission, but also for amendments introduced by the Council and the European Parliament during the legislative process.

Speeding up innovative biosolutions

Biosolutions have the potential to solve many of the challenges Europe is facing. By harnessing nature's own toolbox, solutions based on fermentation technology and microorganisms (bacteria, microalgae, enzymes, fungi, etc.) can replace fossil and conventional solutions, and reduce environmental and climate impact in e.g. agriculture and food production, industry. Europe's competitiveness can be significantly strengthened through innovation and new solutions, especially within agriculture and food.

Today, barriers in both Danish and European legislation stand in the way of getting certain types of biosolutions, such as biological plant protection products and sustainable novel foods on the market.

Unnecessarily long approval procedures delay or make the commercialising impossible, weakening Europe's competitiveness and resilience and result in investments in biosolutions increasingly ending up outside the EU. The Danish EU Presidency is a clear opportunity to change the status quo and unlock the huge potentials of biosolutions.

Europe is a world leader in biosolutions due to decades of intensive biotechnological research, and in Denmark, specifically, through a historically innovative food sector that traces its roots back to Emil Chr. Hansen's pure yeast cultivation at the Carlsberg Laboratory in 1883.

During the Danish Presidency intiatives should be taken to:

1

Make Europe the epicenter for biosolutions
To accelerate the development of the biosolutions sector in Europe, concrete initiatives should be implemented to speed up market access and the development of biosolutions.

Therefore, the upcoming European Bioeconomy Strategy and Biotech Act must ensure that innovative biosolutions, such as biological agricultural solutions and sustainable food products, reach the market twice as fast as they do today. This requires approval based on the biological properties of the products, access to world-class scale-up facilities, and both public and private growth capital to finance scaling for both large and small companies.

Clear targets should also be set for when Europe is expected to achieve a robust and competitive bioeconomy. Finally, it is essential that Europe continues to invest in the education of a qualified workforce, especially within biotechnology, and strengthens investment in research and development.

Compared to the rest of the world, Europe is the region where it takes the longest time to approve a new biological product. In the EU, it takes on average 5–10 years, whereas in the United States it takes 2–3 years.

The Single Market is too cumbersome

A Single market where products and services can move freely across EU borders has laid the foundation for Europe's prosperity and is essential to the region's strength in the world. Unfortunately, the single market is far from functioning optimally.

The upcoming Internal Market Strategy should address the root causes of the problem. There is a need to ensure that common rules are implemented and enforced far more consistently to eliminate the daily obstacles that European companies face. Especially, common product rules need urgent overhaul. Aligned definitions and obligations by economic operators would simplify the sale of products across all Member States, making the products cheaper, and ensuring greater availability.

Unfortunately, the EU's legislative framework has become unnecessarily burdensome. Inconsistent implementation of legislation has created undue pressure on companies. For example, the new rules on cybersecurity or product sustainability have become more complex and have made it harder for companies to demonstrate compliance with established requirements than necessary. In addition, the approval of technical specifications is too slow, and it is often impossible to use global specifications in a European context – even when it would be the most efficient solution for both businesses and consumers.

New estimates suggest that Single market barriers correspond to an average implicit tariff of 45 per cent for goods and as much as 110 per cent for services, compared to just 13 per cent between U.S. states.

Source: IMF, 2024

Read more about how Danish Industry wants to strengthen the internal market for products here:
In Quest of Improving European Competitiveness

During the Danish Presidency intiatives should be taken to:

1

Clean up and future-proof the EU's Product Legislation Framework

The New Legislative Framework (NLF) is up for revision, which presents a unique opportunity to strengthen the Single market and ensure a far more consistent application of EU product rules. This update should cover the entire product life cycle and ensure uniform obligations and definitions. By integrating these changes into both existing and future legislation, we can reduce the companies' burdens related to compliance.

2

Introduce more flexibility in the approval of technical specifications

The revision of the Standardisation Regulation must make the approval process for technical specifications more efficient and flexible. It must continue to allow for the approval of international standards as a way to demonstrate compliance with EU law. This will ease access to global markets for European companies and enhance their competitiveness.

Let the labour market be handled by the Social Partners and stop new burdens

A strong and competitive EU requires flexible labour markets, where the EU do not introduce new, burdensome regulation. On the contrary, administrative burdens, including in the area of labour market regulation, should be reduced, in line with the European Commission's objective of cutting administrative burdens by 25 per cent.

In recent years, we have seen several examples where new burdensome regulation has been introduced following rulings by the Court of Justice of the European Union, effectively adding new rules to existing directives. Rules that were not adopted by the Member States. Therefore, it requires thorough work to revise outdated regulations and ensure that they do not later lead to unintended deep interference in national regulation in both Denmark and other countries.

In 2024, Denmark introduced a requirement for working time registration. This legislative change was not requested by the social partners or the Danish Parliament but stemmed solely from a ruling by the Court of Justice of the European Union. The legislative proposal estimated that the change would cost Danish companies DKK 0.5 billion in transition costs, and thereafter between DKK 0.9 and 2.4 billion annually.

Source: Danish Industry

During the Danish Presidency intiatives should be taken to:

1

Grant Member States genuine national autonomy in labour market regulation

A clear line should be drawn up in EU labour market regulation, allowing Member States to implement political guidelines in accordance with national practices. At the same time, genuine national autonomy should be ensured so that rulings from the Court of Justice of the European Union cannot have as drastic consequences for national legal frameworks as seen with, for example, the Danish Holiday Act or the law on working time registration.

2

Suspend or adjust the Pay Transparency Directive and Platform Work Directive

Equal pay for men and women is important, and rules protecting the right to equal pay apply across the EU. However, the Pay Transparency Directive, which must be implemented in all Member States by June 2026, imposes a range of administrative burdens on companies without significantly advancing the goal of equal pay. Therefore, initiatives should be taken either to significantly reduce the burdens through adjustments or to repeal the directive entirely. The same applies to the Platform Work Directive, due to be implemented by December 2026, which introduces new burdensome rules on the use of digital systems.

3

Launch an Omnibus Initiative on Labour Market Directives

The Court of Justice of the European Union has issued several rulings that have fundamentally changed the interpretation of, among others, the working time rules, contrary to the original intention of legislators. Therefore, an omnibus initiative should be launched for labour market regulation in the EU. This should include targeted amendments to the Working Time Directive to restore its original intent and provide a basis for reversing the rules on working time registration.

4

Stop new burdens before they arise

Directives on traineeships and European Works Councils are currently under consideration in the EU system. These would impose new administrative burdens without delivering significant benefits. Therefore, they should be withdrawn to support the strengthening of EU competitiveness.

Theme 3

A greener and more sustainable EU

High and volatile energy prices, along with high production costs, pose a direct threat to the competitiveness of European companies. This makes it difficult to compete in global markets.

The green transition and sustainability are therefore not only climate, energy, and environmental imperatives, but also key to future economic prosperity and security. A greener EU can foster innovation and create new growth opportunities in green technology and sustainable solutions.

By investing in climate action, energy infrastructure and efficiency, sustainability, and environmentally friendly projects, the EU can position itself as a global leader in green technology and attract investment and talent to the region.

In addition, a greener and more climate-friendly EU can help reduce Europe's dependence on fossil fuels and other non-renewable resources. This will make us more resilient to global economic and security shocks.

These considerations and ambitions should therefore be integrated into all aspects of EU policies and strategies to ensure long-term competitiveness and prosperity for future generations.

In a survey of Danish companies, 70 percent identified reducing energy costs as a high-priority EU measure.

Source: Danish Industry, March 2025

A competitive EU requires ambitious 2040 climate targets

Climate, competitiveness, and energy security go hand in hand. Continued ambitious climate action is necessary for a sustainable future for both future investor confidence and the EU's innovative strength. It will ensure that strategic investments that are already made in green sectors and infrastructure pay off and give investors the confidence to continue investing in Europe. This is urgently needed –and it will give the EU a competitive advantage now and in the future. The climate agenda has already contributed to increased resilience by reshaping the industry's supply chains toward alternatives to imported fossil energy.

Therefore, the government should continue to promote climate policy ambitions within the EU and internationally in the lead-up to the climate summit in Brazil, where Denmark will play a decisive role. All sectors must contribute, and Denmark must represent a credible voice in the EU with a strong economy, built on a willingness to think European and to take climate leadership.
Denmark's efforts are built on a solid foundation of social balance to ensure an ambitious climate and green industrial policy developed in close cooperation with Danish businesses. This approach can and should be promoted at the European level.

Read the joint position of the Nordic business organizations here:

During the Danish Presidency intiatives should be taken to:

1

Revise the Climate Law as a foundation for green investments

The EU Climate Law from 2021 should be updated to include a 90 percent EU climate target for 2040, accompanied by requirements that ensure implementation in the individual Member States. This will create investment confidence among businesses and investors, as well as global European climate leadership in the run-up to the UN Climate Summit in Brazil at the end of 2025.

2

Focus on a more effective and simpler Climate Toolbox

The EU's climate action must focus more on being simple and strong in the most important areas, namely the Emissions Trading System (EU ETS). Today, unnecessary complexity hinders both competitiveness and the green transition. The upcoming revision of the emissions trading system in 2026 should therefore be made 'Fit for 90'. This requires that the quotas reward both CO_2 capture, storage, and removal, as well as the use of carbon.

3

Strengthen green critical infrastructure

Achieving the EU's climate targets requires the deployment of solutions that capture, store, and utilise CO_2. A viable business model cannot succeed without a strong infrastructure for the transport of CO_2 across EU Member States. The EU should pursue concrete measures to expand CO_2 infrastructure through strategic financing tools, guarantee facilities, and faster permitting processes.

4

Ensure strong Climate Leadership

When forces pull away from the international climate agenda, Denmark and the EU must stand firm on ambitious climate action. Denmark will bear a special responsibility for strengthening the EU's international climate leadership and securing a strong negotiation mandate for the UN Climate Summit in Brazil. Therefore, Denmark should draw on its experience with public-private cooperation to achieve its ambitions at the climate summit.

Electrification and Energy Efficiency can create a greener, safer, and more competitive Europe

A much stronger foundation should be established for European companies through lower energy and production costs. This can be achieved by significantly increasing energy efficiency in Europe, while continuing the large-scale expansion of green energy and the electrification of society.

A massive transition from fossil energy sources to green electricity is a cornerstone in reaching that goal. While not everything can be electrified, electrification nonetheless remains the most optimal and cost-effective path to decarbonisation – and will also strengthen both Europe's energy security and independence.

Energy efficiency is another essential component, as it must be ensured that every single kilowatt-hour is utilised as effectively as possible. The overall energy infrastructure and energy system must therefore be used in the most efficient way. This should include reducing energy consumption and shifting usage to times when electricity is green and abundant, and when there is capacity in the infrastructure to transport it.

Renewable energy and increased energy efficiency are prerequisites for each other in securing both the green transition and Europe's competitiveness.

Analyses show that if investments in electrification are not made in time, energy prices will rise by 30 per cent by 2050 compared to today. In contrast, massive electrification and energy efficiency measures can reduce total energy consumption by 37 per cent by 2050.

Source: BusinessEurope 2024

During the Danish Presidency intiatives should be taken to:

1

Set a European Electrification Target of 32 per cent by 2030

The electrification of Europe's electricity grid must progress much faster. Therefore, the current electrification rate of 23 per cent should be increased to 32 per cent as soon as possible and no later than 2030. The level of ambition should be set during the Danish EU Presidency to create momentum and ensure the electrification transition of European companies.

2

Promote the Expansion of renewable energy production

The European Central Bank should make funds available as guarantees for private investments in PPAs (Power Purchase Agreements). In this way, the EU can help reduce the risk of investments in renewable energy at a time when investments are significantly declining due to negative electricity prices and high risks related to market conditions.

3

Ensure investments in future energy infrastructure for electricity and hydrogen

When implementing the European Commission's proposal to secure lower energy prices in the EU, initiatives should be launched to promote investments in future energy infrastructure for electricity and hydrogen. There is an urgent need to reduce the time it takes to obtain permits for new infrastructure projects.

4

Reduce electricity taxes and implement time-differentiated tariffs

To ensure lower energy prices, the Danish EU Presidency should recommend that EU Member States reduce national electricity taxes to the EU minimum rate. In addition, time-differentiated tariffs should be introduced to incentivise energy consumers to shift their consumption to periods of lower demand.

5

Ensure national implementation and common European methodology

In the implementation of the Energy Efficiency Directive and the Energy Performance of Buildings Directive, it should be ensured that the European Commission continuously monitors whether the targets are actually being met, given the flexibility granted to the Member States. Furthermore, a common European methodology should be developed for energy labels.

6

Update the Strategy for Heating and Cooling

The current 'Heating and Cooling' strategy is outdated and should be updated to place greater focus on decarbonising the heating system through the expansion of district heating, heat pumps, and energy efficiency, as well as better utilisation of surplus heat.

Green environmental policy strengthens the Single Market

The green transition contributes to strengthening the EU's competitiveness, for example by delivering healthier and more durable products, using raw materials more efficiently, and making Europe more independent of third countries.

Legislation sets the framework for development, and it is therefore important that the requirements placed on businesses are 'fit for purpose' and consistent across Europe. Some Member States adopt their own national legislation, for example for certain chemical substances. Despite good intentions, these national solutions undermine European competitiveness, as it becomes increasingly difficult for businesses to operate in the EU's Single market when faced with numerous different legal frameworks.

Common European and harmonised solutions within the Single market help ensure that the EU reaches its ambitious green goals. They can both help strengthen supply chains and make it easier for companies to comply with the requirements placed on their products. New legislation on the circular economy and a revision of the EU's chemicals legislation, REACH, can make significant contributions to strengthening the EU both competitively and environmentally.

During the Danish Presidency intiatives should be taken to:

1

Strengthen the Single Market for waste

There are untapped resources in the EU's waste streams, not least in electronic waste, and therefore the EU's legislation in this area should be revised. This should also include the harmonisation of sorting systems and improved possibilities for transporting secondary raw materials across borders, which should be prioritised in the work on a new Circular Economy Act.

2

Set requirements for chemicals in consumer products

Industry can handle hazardous chemicals in a way that is safe for both people and the environment. This cannot be guaranteed when consumers use the products. It should therefore be a priority to ensure that consumers are not exposed to hazardous chemicals, and we therefore propose that requirements and bans on particularly hazardous chemicals are prioritised in certain consumer products, such as cosmetics and cleaning agents, as part of the revision of REACH and in specific product legislation.

Everyone needs water

Europe must be self-sufficient in materials, electronic chips, energy, and essentials. We need strong food production, create more nature, and maintain good public health. All of this requires water to be possible. At the same time, Europe is the continent most severely affected by climate change, which is causing droughts and floods.

There is therefore an urgent need for the EU to ensure the framework for a more resilient water sector that can supply water to all sectors of business and to Europe's citizens – now and in the future.

An important step in this direction is to create a more robust water sector, which will require relevant actors to share more knowledge on how the EU can tackle these issues in the future. Finally, it is essential that the right financing is in place to find the most sustainable and long-lasting solutions so that all necessary initiatives are implemented where they bring value.

During the Danish Presidency intiatives should be taken to:

1

Future-proof water supply
Emphasis should be applied to ensure that the European Commission requires Member States to establish relevant financing models for the initiatives launched nationally and locally in the water sector. This should be done both to ensure a sound water supply for all actors and to address climate-related water incidents such as droughts and floods.

2

Cooperation for a resilient water sector
As part of the "Water Resilience Strategy," cooperation should be ensured between decision-makers and relevant parts of the industry, such as the life science, chemical, and energy sectors – to promote knowledge sharing on solutions for a more water-efficient industry.

3

Simplify through a new Omnibus
Denmark should push for the European Commission to present a proposal for a comprehensive legislative simplification in the format of an "omnibus" for the EU's water-related legislation. The ambition should be for the overall legislation to function more cohesively and efficiently, without overlapping.

4

Clarify requirements in the Water Framework Directive
Pressure should be applied to ensure that the European Commission works effectively with the Water Framework Directive. It is important that all affected parties - industry, agriculture, and cities - are involved in a clear and transparent process, so there is no legal uncertainty regarding the directive's 2027 requirements. The Commission's lack of forward-looking activity in this area has created problems for these sectors, as they struggle to obtain the necessary permits to develop.

A new agricultural policy that promotes sustainable transition

The way we produce, consume, and trade food not only impacts food security in Denmark and the EU. In a global world, where the EU is both the largest food exporter and one of the largest importers, the EU's food production also has significant influence on partnerships with third countries.

In a time marked by geopolitical tensions and environmental and climate challenges, the EU's agricultural policy should create the right conditions to enable a successful transition to both a sustainable food system and a competitive and resilient food sector.

The European Commission's vision for agriculture and food towards 2040 has been launched, and during the Danish EU Presidency, the EU's agricultural policy is set to be revised. It is therefore an obvious opportunity for the Danish Presidency to optimise the opportunities for the necessary sustainable solutions and thus promote an enabling regulatory framework within the EU's agricultural support schemes, leading to a better climate and environmental footprint of agriculture.

This should, among other things, include rewarding sustainable farming practices based on a science and databased approach, while taking the diversity across Europe into account. Consideration should also be given to the initiatives launched by food businesses to promote sustainable production.

Close cooperation between farmers and food businesses can lead to significant changes. For example, collaboration on regenerative agriculture can improve soil health, promote biodiversity, enhance water efficiency, and increase climate resilience. Moreover, new practices can stimulate the development and use of new bio-based solutions, an area of strength for Denmark.

Read about the FarmAhead™ Incentive model, which rewards farmers for their efforts to reduce climate impact and improve the protection of nature and biodiversity.

Source: Arla

During the Danish Presidency intiatives should be taken to:

1

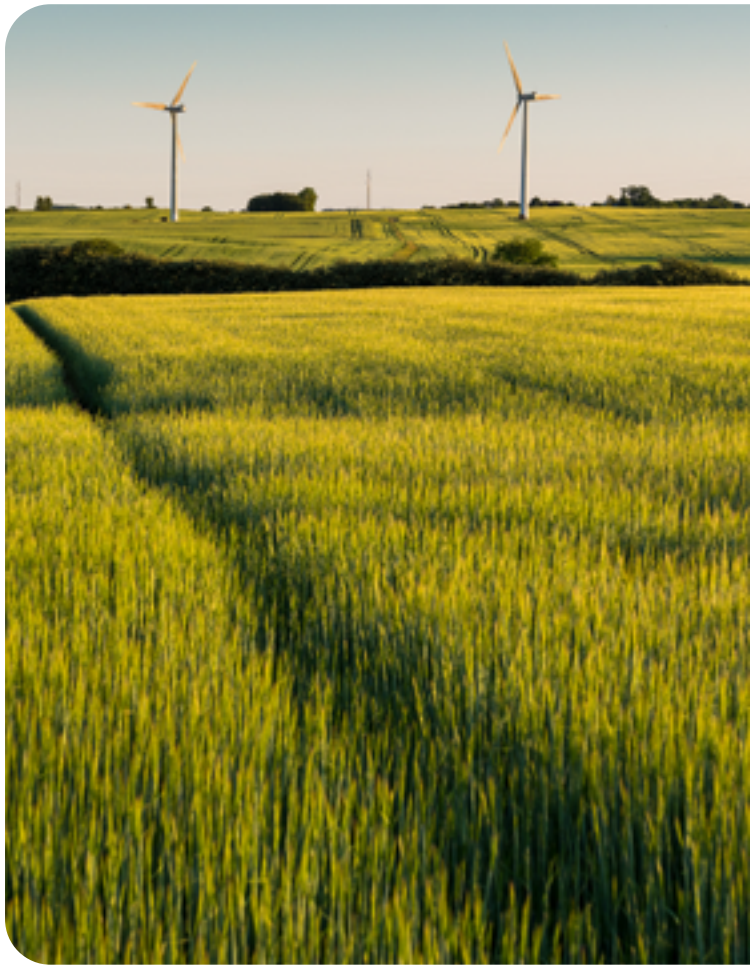
Reduce administrative burdens to a minimum
Clear targets should be set for regulatory simplification in the revision of the EU's agricultural policy. In this context, the European Commission should be required to continuously monitor progress towards these targets, so that the overall regulatory framework governing the agricultural and food sector becomes simpler and more efficient.

2

Support climate and environmental initiatives
The EU's agricultural policy should be designed in such a way that it is both effective in achieving its goals with minimal administrative burdens, and better targeted schemes that support efforts delivering measurable climate and environmental results.

3

Advance regenerative agriculture
To support farmers who are willing to transition to regenerative practices but are held back by concerns about economic uncertainty and a lack of clear guidelines, principles for regenerative agriculture should be formulated and integrated to link payments with environmental outcomes.



A greener transport sector

The green transition of the transport sector strengthens both our supply security and competitiveness. It should therefore be easy for businesses to choose green solutions. One of the industry's biggest challenges is the limited production of sustainable fuels for aviation and shipping, as well as the very high additional costs. Therefore, there is a need to support both the supply and demand of green fuels.

This effort is not only important for supporting the green transition, but also for Europe's supply security, so that in the future, the EU can fly, sail, and drive on its own green fuels.
Currently, there is a mismatch between the risk borne by green fuel producers and the price the market can bear. There is also a need for the EU and its Member States to support sustainable fuels for the heavy part of road transport that cannot easily be electrified, as well as for the existing combustion engines still used in diesel and petrol vehicles. To support the electrification of transport, grid upgrades and access to affordable electricity are necessary.

To ensure a green transition in a world where labour and competitiveness are crucial, it is essential to increase the weight capacity for heavy vehicles. This will enable goods to be handled and delivered more energy efficiently across Europe, thereby contributing to a greener continent.

Read about Project SKyPower, which brings together 78 stakeholders in a shared ambition to pave the way for more green fuels.

Source: DI, Copenhagen Airport, SAS and others

During the Danish Presidency intiatives should be taken to:

1

Ensure the production of tomorrow's green fuels
The pace of development for future green fuels should be accelerated, and a clear direction must be set to produce sustainable fuels for aviation, shipping, and road transport in the EU.

2

Ensure a far more energy-efficient freight transport
To ensure a more energy-efficient freight transport in the EU, the directive on weights and dimensions should allow Member States to decide nationally on the use of longer and heavier trucks within the EU. Furthermore, it should remain possible to make bilateral agreements on weight and dimensions.

di.dk/comeback

Let's cut complexity and focus on what truly matters
to unlock Europe's full potential.

Danish Industry