

## Perspectives on Europe

### Policy priorities for the new European Commission 2024-29

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# Foreword by Frans van Daele

Dear Reader,

The partner survey conducted by the Deloitte EU Policy Centre was timely. On the eve of the European elections, asking our Deloitte practitioners for their SWOT analysis of the European Union (EU) provides valuable insights. Generally, our colleagues in Europe give the EU a positive assessment. They acknowledge weaknesses but recognise the EU's role in overcoming the COVID-19 threat, the energy crisis and reacting to the instability in the East and South. They identify the strengthening of the Internal Market, the challenges of globalisation and climate change, and challenges in the EU's external dimension, such as enlargement, migration and defence.

The Internal Market is the cornerstone of the Union. Without its economies of scale, the EU would not have reached its current level of prosperity and growth, which is essential for social fairness and stability. The Internal Market needed (and still needs) the euro to function properly, as shown during the currency crisis. Today, we must complement our common economy in two ways:

First, the notion of industrial policy remained an empty expression for many years because it had vastly different meanings in Paris and Berlin. Nowadays, the EU has a virtual consensus on protecting supply lines through diversification and local production. The lesson has indeed been learned that globalisation can and will be (ab)used for geopolitical purposes.

Second, the productivity of the EU economy must be strengthened. This involves safeguarding macroeconomic equilibrium (reducing inflation and balancing budgetary discipline with growth) and harnessing the growth and innovation potential of the climate revolution. We look forward to the Draghi Report on Competitiveness.

Survey respondents refer to the regulatory density of the Internal Market. This needs to be put in context as the choice in the European Union is rarely between one or no regulation but often between one or 27 sets of rules.

Our colleagues often mention the external dimension of the Union. Enlargement, migration and military conflicts at our borders highlight strong interdependencies. The EU was initially formed to foster peace among Europeans. With the Davignon report (1970), the EU began building a common foreign policy. The EU is now close to becoming a significant player abroad through external economic policies (trade, energy, development), the export of stability through enlargement, and the development of a common foreign and defence policy.

Last year, the European Council made a breakthrough on migration. Asylum procedures will be expedited at common external borders, and meritorious asylum cases will be evenly spread across the 27 Member States. Once functional, this system will open the political space to discuss common rules for economic immigration necessary for growth.

Enlargement has allowed stability to be exported to Eastern Europe, but this process is far from complete. Nine European countries have candidate status, and accession negotiations have been opened including with Ukraine and Moldova. This will change the geopolitical balance in the EU and test EU institutions. Currently, the political margins for submitting a new constitutional treaty to popular or parliamentary approval in 27 Member States do not exist. As accession negotiations generally take seven years, this may change. If not, differentiation may be the only solution. It is possible to admit an acceding country into most policies but temporarily exclude them from some, as is the case for the monetary union or Schengen.

In conclusion, even in the Union, we cannot have our cake and eat it. We must either pool more sovereignty or remain a lesser power. To quote Benjamin Franklin: "Either we hang together, or assuredly we'll hang separately."



**Frans van Daele**  
Senior Political Advisor to Deloitte

Without its economies of scale, the EU would not have reached its current level of prosperity and growth, which is essential for social fairness and stability.

# Introduction by Pablo Zalba

As the European Union (EU) prepares for a new policy cycle (2024-2029), with fresh leadership of the European Commission (EC) and the European Council and a new European Parliament (EP), the Deloitte EU Policy Centre surveyed 170 Deloitte partners across all the 27 EU Member States. The survey evaluates EU policies over the past five years and identifies priorities for the incoming EC.

## Key messages

### Competitiveness, productivity and growth

One of the overarching messages from the Deloitte partners who participated in this report is the urgent need to boost the EU's economic competitiveness, productivity and growth potential. A majority think that the EU's economic competitiveness has decreased over the past years and are concerned about the EU's ability to benefit fully from the green and digital transition of the economy. Competitiveness is intricately linked to a wide range of intra-EU and global challenges and developments.

### Single Market and Capital Markets Union

Respondents encourage the EU to maximise the benefits of the EU Single Market, including energy and digital markets, and make further efforts to complete the Capital Markets Union (CMU) to more efficiently channel investments into EU digital and sustainable start-ups and scale-ups.

The US capital market is nearly four times the size of the EU's. In the context of budgetary constraints and the huge investment needs, from defence to energy and the digital transition, the CMU is vital for economic growth. Enhanced cooperation between willing Member States may be a way forward. If EU capital markets remain as they are today – too small, too fragmented and not efficient enough – they will not deliver the private finance needed to cope with the economic challenges facing the EU.

Respondents' focus on the single market is in line with the conclusions of Enrico Letta's report on the future of the EU Single Market, which proposes further integrating EU markets for energy, electronic communications and finance. Letta's report notes that a completed Capital Markets Union would help commit sufficient financial resources towards the green and digital transition through EU industrial policy and cross-border infrastructure investments.<sup>1</sup> Deepening the EU internal market by the Commission's estimates would deliver a boost in economic growth of over €713bn between now and 2030.<sup>2</sup> As Enrico Letta underlines, EU policy stakeholders must acknowledge the importance of speeding up and scaling up EU economic integration.

### Economic resilience and security

Furthermore, the EU's position in a world characterised by geopolitical fragmentation is seen as a priority, raising questions about the EU's economic resilience, monetary policy, the future of the EU industry, and, importantly, the future of European defence.

It is important to ensure that the EU's fundamental values and principles guide further action in the field of economic security and defence. Greater EU coordination in economic security and defence would allow the EU to maintain geopolitical weight in the world. Carefully aligning EU trade/external action and EU internal market policies would avoid conflicts between objectives. Boosting economic resilience should be an important rationale. In this regard, the digital euro may be an important initiative.

### Fiscal convergence

Fiscal convergence between EU Member States is not only a precondition for further deepening the Single Market and strengthening of the EU's geopolitical position, but it is also of utmost importance to combat external and internal risks to the EU economy. As former ECB Chief Economist Othmar Issing has argued, fiscal divergence is the main risk to the EU's Monetary Union. If the EU wishes to fulfil its ambitious agenda aimed at completing the green and digital transformation of the EU economy without creating intra-EU instabilities and imbalances, it must try to find common ground on fiscal matters again.

Deepening the EU internal market would deliver a boost in economic growth of over €713bn between now and 2030, according to the Commission's estimates.





It is important to ensure that the EU's fundamental values and principles guide further action in the field of economic security and defence.

#### **Purpose of the study**

Deloitte conducted this study to make a meaningful impact that matters for clients, its people and society. By sharing policy views and suggestions, Deloitte aims to positively contribute to EU policy debates.

#### **About Deloitte in the EU**

Deloitte employs over 80,000 people in the EU. Deloitte operates in each EU Member State.

#### **About the Deloitte EU Policy Centre**

The EU Policy Centre (EUPC) represents Deloitte's policy voice towards EU policy makers and seeks to identify, monitor and, where appropriate, influence risks and opportunities at EU policy level that can impact Deloitte. It develops public policy positions with the EU member and geography firms and Deloitte global and aims to keep Deloitte firms aware of key EU policy developments that can impact them. Contact the authors for more information at: [EUPolicyCentre@deloitte.com](mailto:EUPolicyCentre@deloitte.com).



#### **Pablo Zalba**

**Managing Director EU Policy Centre,  
Partner, Deloitte Spain**



# Executive summary – key findings

This survey asked Deloitte partners to evaluate EU policies of the past five years and give their views on the future of EU policy. While respondents are positive about EU policies overall, they think that the sum of these policies has significantly raised administrative burdens and reduced the EU's competitiveness. Looking forward to the next five years, respondents draw attention to the importance of boosting the EU's economic competitiveness. Competitiveness considerations should be part of every action in all policy areas.

## Main Pressure Points


 **Competitiveness and Growth Potential:** Deloitte partners stressed the urgent need to boost the EU's economic competitiveness and growth potential. Concerns were raised about the EU's ability to leverage green and digital transition opportunities fully, highlighting the necessity of addressing intra-EU and global challenges.

 **Single Market and CMU:** Respondents advocated for maximising the benefits of the EU Single Market, including energy and digital markets, and completing the CMU to better channel investments into digital and sustainable start-ups.


 **Geopolitical Resilience:** In a fragmented geopolitical landscape, the EU should prioritise economic resilience, monetary policy, future EU industry, and defence. Coordination in these areas is seen as essential to maintain geopolitical influence, as is aligning trade and external actions with its internal market policies. Initiatives like the digital euro could enhance economic resilience.


## Policy suggestions for the next five years


 **Sustainability policy:** Respondents suggest completing the regulatory framework and financing the Green Deal, focusing on sustainable finance, biodiversity, and energy policies. They recommend avoiding a 'one size fits all' approach and ensuring policy feasibility.


 **Digital policy:** The EU should prioritise competition with China and the United States, finance artificial intelligence (AI) initiatives, and maintain a 'human-centric' approach to digital regulation. Ensuring the cybersecurity of critical infrastructures remains paramount.


 **Defence, security and geopolitics:** More EU involvement and coherence in external actions are required. The EU should address the protectionist tendencies of major competitors with a rules-based multilateral trade order, reinforcing its position in defence, security and geopolitics.

 **Finance:** Rapid progress towards the CMU is needed. Simplifying legislation and addressing practical implementation matters could be crucial to facilitate this progress.

 **Administrative burdens and policy implementation:** Reducing administrative burdens and ensuring more consistent implementation of EU policies across Member States is likely critical.


 **Corporate reporting:** Encouraging high-quality corporate reporting through enhanced internal control mechanisms.

 **Assurance:** A general regime setting out assurance requirements, rather than diverse verification or assurance requirements across a range of different pieces of EU legislation, could bring consistency and help enhance trust in what has been verified.

 **Labour market:** To boost talent provision, the EU should encourage Member States to coordinate educational systems, invest in relevant skills, and enhance intra-EU labour mobility.

 **Economic resilience:** Improving economic resilience involves deepening the EU Single Market and encouraging industries to remain or relocate to the EU.

 **Competition rules:** Updating competition rules is necessary to help EU companies better address challenges from strong non-EU competitors.

 **Tax policy:** Improving tax process efficiency by reducing administrative burdens and moving towards common rules across Member States, with an emphasis on international alignment, is suggested.



# Perspectives on EU policy 2019-24

This survey, conducted in late 2023, asked 170 respondents to provide their perspectives<sup>3</sup> on 35 EU policy topics, measures and initiatives from the past five years.

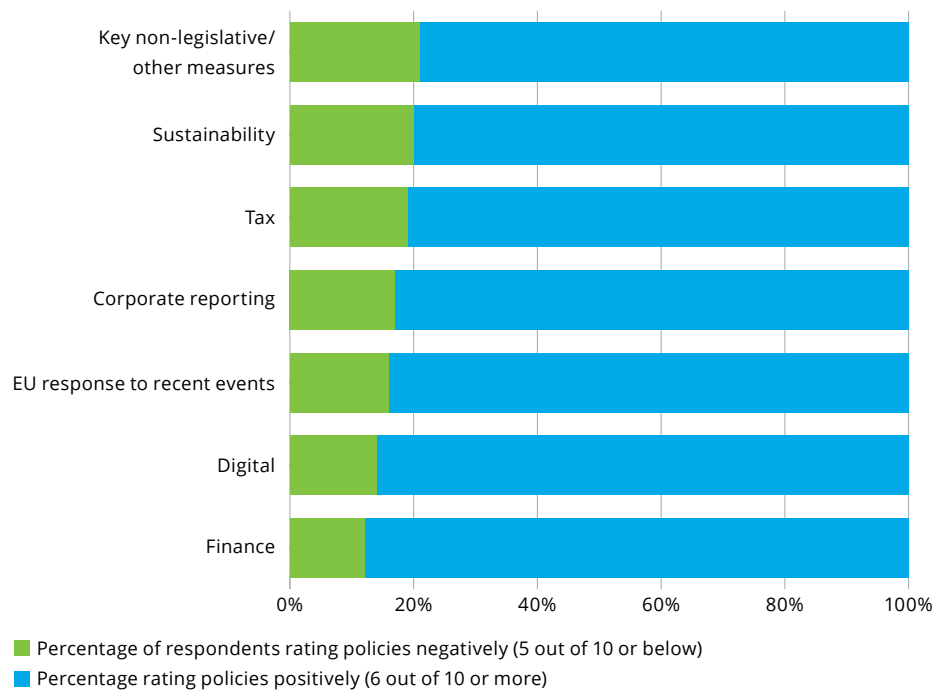
Respondents rated policies on a scale from one (extremely negative) to ten (extremely positive) and shared comments considering various factors, including the EU's broader economic context and the effectiveness of policies in creating a more inclusive and sustainable EU economy.

## Overall findings

Respondents were generally positive about the objectives and effects of all surveyed policy topics, with none receiving an average rating below 6/10. EU-level action was broadly supported, with only a few respondents questioning whether EU Member States might more effectively pursue objectives individually. Respondents identified several factors that determine the success of EU measures:

1. Policies should be clear, pragmatic and streamlined.
2. Besides addressing current challenges, EU policy should proactively seek to benefit from future economic and technological developments.
3. EU action should aim to promote a level playing field in the EU Single Market itself and support the EU's competitive position in global markets.

**Figure 1. Respondents' views on EU policies**



Source: Deloitte EU Policy Centre

Respondents welcome the future-oriented approach behind the EU's initiatives in sustainability, the digital economy and finance, which aim to bring about the 'twin' digital and sustainable transition across all sectors of the EU economy. However, the positive scores do not mean respondents are uncritical of EU action over the past five years. A vital message is that some policies risk increasing the administrative and compliance burden on companies without providing benefits, causing the EU to miss technology-based economic opportunities or fail to respond to challenges from China and the US. Additionally, realistic implementation timelines are seen as crucial.

Digital and finance policy and the EU's response to recent events emerged as the most positively rated policy areas. Opinions diverged the most in assessments of the EU's geopolitical action. Although more than 75 per cent of respondents rated these policies 6/10 or higher, a minority was less positive, reflecting concerns that the EU may not have gone far enough in this area.



Further progress is needed to address the increasing administrative burdens on companies and challenges to the competitiveness of the EU economy (see graph). A frequently cited concern is the high perceived complexity of measures, exacerbated by a lack of consistency across the EU. Additionally, ambitious implementation timescales are often seen as problematic.

This striking juxtaposition of overall positive ratings for a wide range of different policies and a negative outlook on the impact of EU policies on the competitiveness of the EU economy merits further reflection. These matters will be addressed in our reflections on future policy priorities (Part 2).

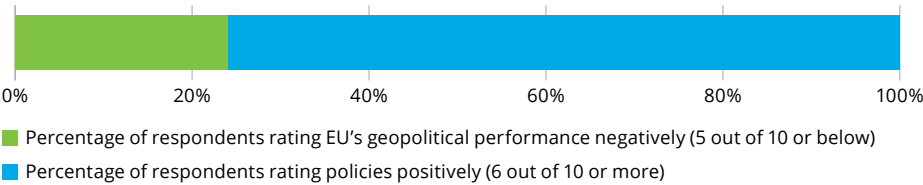
**EU response to recent events/developments**

Respondents believe the EU handled recent challenges well, including the COVID-19 pandemic, post-pandemic economic recovery, the Russia-Ukraine war and related price shocks on the energy market, instances of corruption and the rule of law within the EU.

Respondents generally welcome the EU's united response to the war in Ukraine. Many applaud the EU's determined support for Ukraine but call for a more assertive and strategic approach. Conversely, a minority question the realism of the EU's external action objectives.

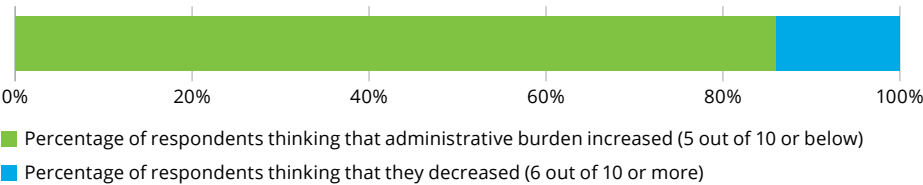
'Geopolitics' is the area of policy with the most divergent opinions. Some respondents rated it as 5/10 or lower, expressing that the EU has not been sufficiently assertive, resilient or strategic in its approach. Future enlargement of the EU was identified as a potentially significant step, necessitating changes to the decision-making process.

**Figure 2. Respondents' views on the EU's geopolitical performance**



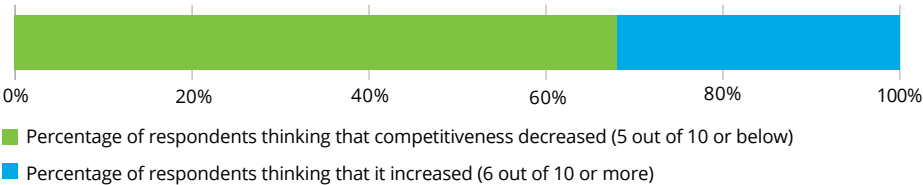
Source: Deloitte EU Policy Centre

**Figure 3. Respondents' views on administrative burden**



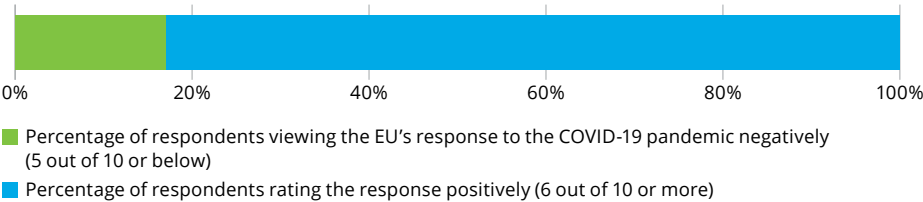
Source: Deloitte EU Policy Centre

**Figure 4. Respondents' views on the competitiveness of the EU economy**



Source: Deloitte EU Policy Centre

**Figure 5. Respondents' views on the EU's response to the COVID-19 pandemic**



Source: Deloitte EU Policy Centre

Respondents are most positive about the EU's efforts in anticorruption and the rule of law, reflecting the importance of these topics from a business perspective. Comments highlighted the need to further enhance EU rule of law monitoring, especially concerning future EU governance reforms.

Respondents from Deloitte firms in Southern Europe (Cyprus, Greece, Italy, Malta, Portugal and Spain) are more positive and more unanimous about the benefits of the REPowerEU plan and the EU's response to the COVID-19 pandemic. In contrast, Northern and Western European respondents were slightly more positive about anticorruption and the rule of law.



### Sustainability

A few respondents urge the EU to make quicker progress towards its sustainability objectives. However, several question the effectiveness of EU sustainability policies due to the associated increase in administrative burdens, there are also concerns about missed economic opportunities and legal complexity. This might explain why respondents, on average, expressed slightly less favourable views towards policies in this section than those in the 'Response to recent events', 'Finance', and 'Digital' sections.

Several replies focus on the EU's response to the US Inflation Reduction Act. More generally, the effect of EU sustainability policies on the EU's position vis-à-vis the rest of the world is often mentioned as deserving more attention during the next legislature.

### Corporate reporting and corporate governance

Respondents are generally positive about the Corporate Sustainability Reporting Directive (CSRD), the Corporate Sustainability Due Diligence Directive (CSDDD) and the Directive on Pay Transparency. Notably, respondents from Southern Europe are (much) more positive about the CSRD and the CSDDD, Pay transparency, and gender balance than Western Europe.

Comments often raised concerns about competitiveness, as highlighted in the 'overall findings' section. While a few respondents see benefits in the new reporting measures, others call for an early review of the legislation's impact at an early stage.

### Finance

Respondents are relatively positive about finance policies, the CMU, digital finance legislation proposals, and anti-money laundering and counter-terrorism financing (AML/CFT). AML/CFT policies received higher ratings than CMU and digital finance policies, with 'digital finance' being the most divisive.

The need for consistency and homogeneity in the supervisory system and the regulatory landscape is frequently mentioned, with a focus on reducing the legislative burden on industry and citizens and avoiding 'ticking the box' exercises. Despite overall positivity, some respondents consider that progress on the CMU has been too slow. One respondent commented that creating the European Single Access Point (ESAP) for company information has taken too much time.

Practical matters regarding sustainable finance legislation were raised. Some respondents believe that EU legislation of the past five years should have done more to reduce complexity by offering more precise definitions, while being tougher against greenwashing and avoiding duplication through improved links with other sustainability legislation.

Fiscal convergence between EU Member States is not only a precondition for further deepening the Single Market and strengthening of the EU's geopolitical position, but it is also of utmost importance to combat external and internal risks to the EU economy.



## Digital

Respondents are generally positive about measures in the digital economy, particularly cybersecurity legislation and efforts to address digital market imbalances. 'Cybersecurity' received the highest ratings, while the Chips Act, AI Act, and electronic ID (eID) generated divergent opinions. The AI Act is particularly polarising: respondents' views diverge on whether the definitions in the AI Act strike a good balance between comprehensiveness and not stifling innovation.

Several respondents considered the effect of EU digital policies on the EU's global competitiveness. While supporting the overall objectives and methods of the adopted legislation, many noted that the EU needs to better address companies' concerns about different regulatory approaches in China and the US. They also highlighted the rise of protectionist measures in international trade and competition with third countries, particularly China, over critical resources.

## Tax

This section sought views on the following (draft legislation: the 7th and 8th amendments to the Directive on Administrative Cooperation (DAC7 and DAC8) concerning information exchange related to digital platforms and crypto-assets, respectively; the directive on a global minimum level of taxation for multinational groups in the EU (Pillar 2); the Public Country-by-Country Reporting Directive to enhance corporate social responsibility of large multinationals operating in the EU; the proposed 'Unshell' Directive aimed at preventing the misuse of shell entities for tax purposes; the VAT in the Digital Age (ViDA) proposal; the Withholding Tax Initiative (FASTER); and the proposal for a Directive aimed at Securing the Activity Framework of Enablers (SAFE).

Respondents generally support the intent of these measures, with none of the legislation surveyed in this section rated lower than 6.8/10 on average. However, the practical implementation of specific tax measures attracted criticism.

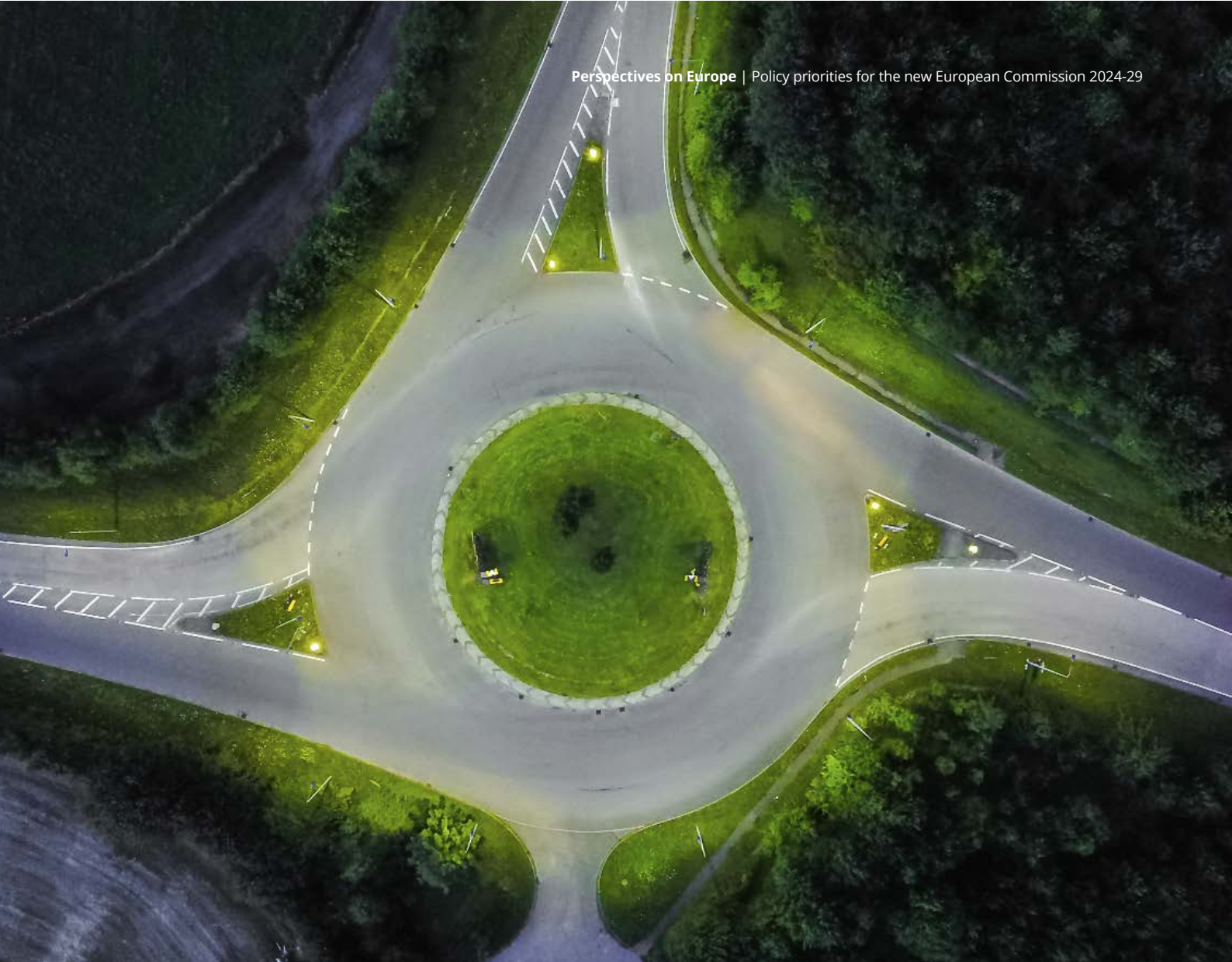
FASTER and ViDA received the most positive ratings, while SAFE received the least positive. Notably, tax measures that have already been adopted or are nearing adoption are often rated more positively than those still in the earlier stage of the legislative process. Regarding SAFE, while we would welcome increased consistency and clarity in the tax advisory market, the lack of a released proposal leads to uncertainty about its scope and the nature of the measures it might introduce, particularly concerning "aggressive tax planning" may contribute to the lower ratings for SAFE.

Respondents support the objectives of the OECD Pillar 2 agreement at the international level and its implementation in the EU. However, there are concerns that its practical implementation and technical complexity may be contrary to the EC intended goal of simplifying rules and compliance. It may also be that the prospects of further legislation (such as the Business in Europe Framework for Income Taxation or BEFIT, which is still under negotiation) influenced the respondents' views.

Respondents are generally positive about measures in the digital economy, particularly cybersecurity legislation and efforts to address digital market imbalances.







### Critical non-legislative/other measures

This section includes questions about EU industrial alliances, geopolitical and trade policy, competition policy and funding programmes. Respondents expressed less positivity towards policies in this section than those in the 'Response to recent events', 'Finance' and 'Digital' sections.

Some respondents raised concerns about EU funding, highlighting matters such as administrative requirements, lack of outcome measurement and governance.

A few respondents draw attention to various areas of concern. One suggests that the EU's raw materials strategy has not yet delivered its desired outcomes and that a revision would be appropriate soon. Another assesses that the EU may have duplicated existing efforts at the Member State-level and should pay attention to not doing this in the future. Additionally, a respondent suggests that competition approvals must be handled more quickly.

### Overall performance

When asked to rate the evolution of the EU's administrative burden for companies, the overall competitiveness of the EU economy and the operational effectiveness of EU institutions, most respondents indicate that they believe the EU's actions have not been sufficient. More than 85 per cent of respondents believe that the administrative burden has increased, and over two-thirds think the competitiveness of the EU economy has deteriorated.

Several respondents expressed concerns about the increased reporting burden and the perceived decline in the EU economy's competitiveness. They also highlighted the difficulties in investing in the EU economy and the competition from less-regulated jurisdictions. Only one respondent noted that the EU's regulatory approach might offer immediate comparative advantages, while another suggested it could provide a comparative advantage in the future.

More than 85 per cent of respondents believe that the administrative burden has increased, and over two-thirds think the competitiveness of the EU economy has deteriorated.

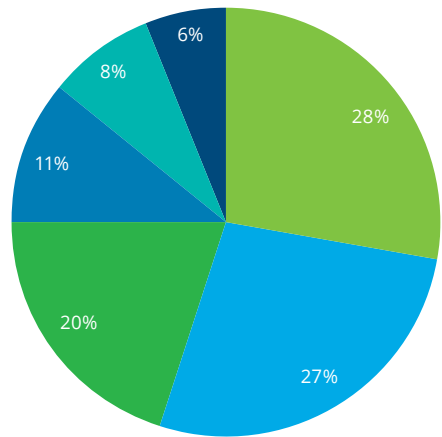
# Perspectives on future EU policy areas 2024-29

What Deloitte respondents identify as important for the next five years

Sustainability, cyber and digital were the most frequently mentioned policy areas by respondents. Compared to the 2019 Deloitte EU policy priorities survey<sup>4</sup>, more respondents in 2024 mentioned the importance of EU sustainability policy, indicating growing concerns about the need to successfully transition to a sustainable EU economy.

We will comment on these priorities by examining eight interconnected aspects: competitiveness, digital economic policy, green transition policy, talent policy, security and defence, economic resilience, tax and corporate reporting. Partners from across the 27 Deloitte firms in the EU considered Deloitte’s broader purpose<sup>5</sup> and aspects relevant to specific business and industry viewpoints. Our analysis adds context to these comments by drawing on views from various EU political groups/parties’ manifestos.<sup>6</sup>

**Figure 6. Top six priorities from a wider economic perspective**

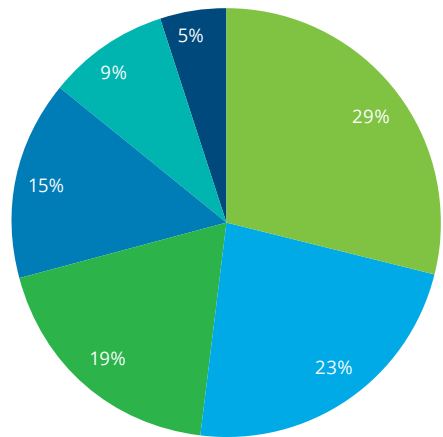


Share of respondents who rated the listed economic policy areas as priorities from an economic perspective.

- Sustainability
- Cyber & Digital
- EU Competitiveness
- Talent & Inequalities
- Defence & Security
- Strengthening the economic resilience

Source: Deloitte EU Policy Centre. See the appendix for an explanation of the categories

**Figure 7. Top 6 priorities from a business and industry/sector perspective**



Share of respondents who rated the listed economic policy areas as priorities from an industry/business perspective.

- Sustainability
- Cyber & Digital
- Better regulation
- Deepening the internal market
- EU Competitiveness
- Corporate reporting

Source: Deloitte EU Policy Centre



Compared to the 2019 Deloitte EU policy priorities survey, more respondents in 2024 mentioned the importance of EU sustainability policy, indicating growing concerns about the need to successfully transition to a sustainable EU economy.



# Section I: Important policy areas for the next five years identified by Deloitte respondents

## 1. Increasing the competitiveness of the EU economy

Increasing EU competitiveness is a high priority for the next EU policy cycle. Carlo Renne, Partner, Internal Services, Retail, Wholesale & Distribution, Deloitte Netherlands, said, *“Keeping the EU competitive is [...] key, and I think we should actively work on bringing more manufacturing back to Europe.”* Virpi Pasanen, Partner, Tax & Legal, Financial Services, Deloitte Finland, adds, *“When concentrating on the green transition, digital transition and EU-level economic security and defence, the Commission should do so while increasing competitiveness of EU companies, which means less admin burdens and more action to support companies’ transition. That also means close collaboration with companies from the beginning – hearing and listening to them.”*

This aligns with the priorities of the manifestos of two major EU political parties – the European People’s Party (EPP) and Renew Europe (ALDE) – which call for economic growth, competitiveness and a more attractive EU market. The Socialists & Democrats (Party of European Socialists - PES) manifesto also advocates for making the EU economy more competitive through an investment plan for the green and digital transitions and a new approach to competition policy.

Respondents emphasised the need to increase competitiveness across all policy areas, particularly in sustainability legislation, digital legislation and finance, where the EU could improve efficiency. Some comments highlighted that administrative requirements for accessing EU funding are burdensome for SMEs and that deploying these funds could better consider market forces.

Acknowledging the EU’s Better Regulation Agenda and recent initiatives to reduce reporting burdens by 25%, many respondents argue that the EU should take additional steps to achieve more balanced and less complex regulations. This includes taxation and corporate reporting, which would enhance the EU’s competitiveness.

Increasing EU competitiveness is a high priority for the next EU policy cycle.

## 2. Boosting the EU’s economic competitiveness through EU digital and cyber policies

A rapid digital transition of the EU economy is of utmost importance. Respondents agree that EU-level policy should enhance the EU’s innovation capabilities in new technologies. They noted that the EU is moving in the right direction with its digital transition, including digital industrial policy, innovation-enabling initiatives such as EU data spaces and regulation of new technologies and digital markets. For instance, the AI Regulation shows the EU’s legislative leadership and will have a significant impact.

Manel Carpio, EU AI Policy Leader, Partner, Deloitte Spain, stated, *“The AI Act exemplifies the delicate task of crafting legislation that safeguards innovation without imposing excessive regulatory burdens, reflecting the complexities of regulating emerging technologies and the importance of conducting an early post-adoption impact assessment.”*



### Responding to international competition

Respondents emphasised that the EU should focus on increasing competitiveness vis-à-vis the Chinese and US economies. They suggested avoiding fragmentation and overregulation in the digital sector. One respondent recommended that the EU identify crucial economic battlegrounds to define a clear position to act decisively and in unity to position for the new digital era. Policy suggestions include:

- **Accelerating Digital Infrastructure Development:** John Psaila, CEO, Deloitte Luxembourg, stated, *“The EU needs to accelerate digital infrastructure development and innovation, particularly in AI, blockchain, and cybersecurity.”* Strengthening the EU's AI and blockchain industries is crucial to maintaining international competitiveness.
- **Aligning with global standards on AI:** Aligning with emerging global standards will strengthen the EU AI industry.
- **Investing in new technologies:** A common strategy and framework for investing in new technologies, including financing generative AI initiatives, align with the ideas of the European People's Party (EPP), the Socialists & Democrats (S&D) and Renew Europe.
- **Deepening the EU internal market:** Further integration of the internal market for digital products and services is essential.
- **Enhancing digital administrative integration:** Greater digital administrative integration between Member States would improve data sharing, create uniform e-government infrastructures and streamline tax and customs processing.
- **Using digital technologies for the green transition:** Leveraging digital technologies and infrastructures can drive the green transition.

### Cyber: focusing on areas that will define our EU competitive edge

Cybersecurity remains a crucial priority for business, especially regarding new digital infrastructures and transformative technologies like AI. Edoardo Giglio, EU Cyber Policy Leader, Partner, Deloitte Italy, stated, *“The focus of the EU's cyber policy over the next five years must sharply pivot to pioneering areas that will define our competitive edge such as the deployment and security of next-generation 6G technology, which promises to revolutionise connectivity and enable new industries. Alongside technological advancements, there is a critical need to align, streamline, and cross-leverage existing policies and regulations. This will reduce the compliance and regulatory burdens, allowing businesses and innovations to flourish more freely and promote FDI. Enhancing cybersecurity measures to protect critical infrastructure and personal data against increasingly sophisticated threats remains paramount. By integrating these priorities within broader goals, like the Green Deal, we ensure that cybersecurity not only shields but also propels the EU's competitive and sustainable digital transformation.”*

Concerns about the future enforceability and supervision system of the AI Act highlight the need for an early post-adoption impact assessment to determine if these concerns are justified.

### Maintaining a human-centric approach

Respondents stressed the importance of maintaining a human-centric approach to the digital transition. For instance, the AI Act is welcomed for promoting safer AI systems and increasing awareness of AI risk management. However, it is essential to measure the impact of new technologies on EU citizens. Ana Torrens, Partner, Audit & Assurance Business Leader, Deloitte Spain, stated, *“We need to take care that excessive regulation does not limit the competitiveness of EU companies and that regulation addresses the risk but also access to the digital transition for all EU citizens, without raising inequality.”* Concerns about the future enforceability and supervision system of the AI Act highlight the need for an early post-adoption impact assessment to determine if these concerns are justified.

### Providing support to SMEs

The digitalisation of the EU economy and the EU's increased efforts in economic security and defence may offer new economic opportunities, particularly for SMEs. Respondents see the role of EU SMEs as crucial to the digital transition. Strengthening support for European start-ups and scale-ups by improving access to venture capital and talent should be a critical goal for EU policymakers.

### 3. Moving forward with the EU's green transition with the necessary checks and balances

Advancing the EU's green transition is a top priority from economic and sectoral perspectives. The EU should continue its work on the Green Deal and sustainability policies, focusing on the green transition. The three largest EU political parties (2019-2024 legislature) support the implementation of the Green Deal, although the EPP has a restricted list of actions. The EPP also highlights its support for industry and small and medium-sized enterprises (SMEs) in the green transition.

*"Fighting the climate crisis tops all other topics," says Peter Fach, Partner, Consulting, Software Products & Assets, Deloitte Germany. Joris Van Malderen, Partner, Consulting, Consumer Industry Leader, Deloitte Belgium, adds, "The green transition should continue and ideally accelerate, even more holistically on all aspects of nutritional health and planet sustainability, and be much bolder in terms of helping highly-impacted sectors make the required transformations, such as helping the agriculture sector with transformation funding and innovation guidance."*



The EU should continue its work on the Green Deal and sustainability policies, focusing on the green transition.

To translate this priority into action, respondents call upon the EU to:

- **Take a global approach:** Intermediating among different instances globally without damaging EU competitiveness. Sam Sluismans, Managing Partner Accountancy, Deloitte Belgium, states, *"The EU needs to take a leading role in sustainability without damaging the competitiveness of the EU businesses."*
- **Innovative incentive measures:** Attract investments in clean technologies and industrial decarbonisation, but with less administrative burdens. The Temporary Crisis and Transition Framework under the Green Deal Industrial Plan was a good step, but more is needed. Dimitar Ganev, Director, Tax, Grants and Incentives, Deloitte Bulgaria, notes, *"Sustainability policy should consider the attraction of investments to Europe. Considering the US Inflation Reduction Act, a strong focus should be on new incentive measures for key sector investments."*
- **Finance sustainable transformation:** Respondents emphasised the need for more financial resources, investments and funding. Funds should be directed towards the most promising green technologies where EU companies have a competitive edge.
- **Tailored solutions and Green Deal 2.0:** The EU should adopt a multi-faceted approach with realistic targets set from independently designed and vetted models. Lennert Middelkoop, Partner, Financial Advisory, Real Estate, Government & Public Sector Financial Advisory Lead, Deloitte Netherlands, says, *"Digital technologies can enable and should be an integral part of the green transition."*

- **Fighting the climate crisis:** Work on biodiversity, decarbonisation, ESG (for example, the interoperability of ESG standards) and incentivising the green and blue economy must continue but be balanced with the consequences on the EU economy.
- **Focus on the energy transition:** This includes energy diversification, the power sector and renewable energies. This aligns with the manifestos of the three largest EU political parties (2019-2024 legislature), which advocate for investing in electricity networks, making the energy market more sustainable and promoting clean energy through initiatives like RePowerEU or other investments in renewable energy and energy efficiency.

Oliverio Alvarez Alonso, EU Energy Policy Leader, Partner, Deloitte Spain, says: *"It is difficult to identify a single priority in the energy field. I'm convinced the upcoming years should reflect a solid commitment in the following areas: guarantee a complete deployment of the Fit for 55 package in all EU Member States, keeping in mind that both industry and vulnerable citizens require special protection; further develop the Single European Energy Market, and also design and implement a fair energy taxation policy, with the objective of effective coordination of national energy plans; and establish a pan-European public policy debate to roll out an energy roadmap for the next decade."*



#### 4. Investing in EU talent and promoting more equality

Investing in EU talent and promoting equality are essential priorities for the next EU policy cycle, as 11 per cent of respondents highlighted. Although Member States control many main levers in education and skills, the EU has an important role to contribute to the development of quality education, encouraging cooperation between Member States and if necessary supporting and supplementing their action.

David Thogmartin, Partner, Risk Advisory, Deloitte Germany, comments, “Europe should leverage its values, identity and education systems – a strength – while accommodating immigration, acknowledging the need to adapt and to teach new skills.” Michael Zarb, Partner, Financial Advisory, Policy and Economics Lead, Deloitte Malta, adds, “The EU should improve the free movement of labour by better aligning professional warrant requirements and educational systems. This includes a focused effort to modernise education to benefit from generative AI fully.”

Respondents are calling on the EU and Member States to develop policies that foster the development of skills relevant to the future of the EU economy, embrace new technologies and modernise education. This would raise awareness of the opportunities offered by the EU Single Market and increase the EU’s competitiveness. Recommendations to help build a digitised and more inclusive EU economy, providing job opportunities for all, include:

- **Incentivising and supporting life-long learning:** Member States should enhance their education systems through curated online content by experts and subsidising tests for certifications from these courses. David Thogmartin, Partner, Risk Advisory, Deloitte Germany, comments, “AI/GenAI will deliver major

*productivity gains but also impact society in ways we struggle to assess today. A key question is how governments help societies cope with the degree and pace of change – realising that Europe does not exist in a bubble.”*

- **Enhancing European cooperation in education and training:** According to Alessandro de Luca, Partner, Public Policy Leader, Deloitte Italy, “The digital transition, like the green one, requires enhancing skills, particularly in STEM fields. In this context, the EU should focus on closing the technology skills gap, which affects the job market where companies struggle to find profiles with suitable competences. This issue must also be addressed to close the persisting gap between women and men in STEM skills.”
- **Setting up EU ‘technology hubs’:** These hubs should bring together academia, companies and the public sector. EU companies continuously seek improved access to talent and could be active participants in such Public Private Partnerships (PPP).
- **Matching evolving labour market needs:** Addressing unemployment and encouraging labour mobility across the EU are crucial. This includes aligning professional requirements and educational systems to improve labour movement.
- **Addressing labour market inequalities:** EU policies should focus on closing the gender gap and ensuring fair labour market conditions.

This focus on skills is echoed in the Renew Europe (ALDE) party manifesto, which underlines that investing in skills would help boost EU economic growth. The Socialists and Democrats (PES) party manifesto supports equipping workers with new skills to ensure everyone can harness the potential of digitalisation.



## 5. Defending the EU's internal security and position in the world

### Strategic approach to defence and security

The 2019 Deloitte EU policy priorities survey highlighted the need for a coherent external policy with well-coordinated positions to defend European interests effectively and enhance the EU's bargaining power and competitiveness in dealings vis-à-vis other major international players. In 2024, a significant group of respondents proposed reinforcing the EU's position in an increasingly multipolar geopolitical world by developing EU defence and security policies.

What elements should a 'strategic approach to defence and security' consider?

- **Swift Action and Unity:** The EU should address current challenges promptly, as half-measures and disunity could lead to higher long-term costs. Balancing boldness with prudence and short-term needs with long-term goals is crucial.
- **Internal and External Consistency:** There should be greater coherence in decision-making within the EU regarding security and defence, along with a consistent external message to third countries.
- **Clear Policy Strategy:** A convincing rationale and strategy are essential to overcome political and regulatory hurdles, making Europe more effective and impactful.

Gerardo Yagüe Sanchis, Managing Partner of Deloitte in the autonomous communities of Valencia and Murcia, Deloitte Spain, argues, *"With regard to security and defence policy, it is necessary to advance with firm European integration that allows us to maintain a relevant geopolitical weight at the global level."* Mike Karavas, Retired Partner, Deloitte Greece, suggests: *"The EU needs to move towards a more centrally led defence system via more coordinated military and intelligence capacity spending among all Member States."*

EU policymakers should assess the EU's defence ties with other regions. A more consolidated EU defence capacity would enable the EU to operate more independently of the positions and interests of other regions on the global stage. Key terms are 'autonomy' and 'leadership': respondents argue that the EU should aim to maintain a strong political and economic position globally, reducing dependency on other global actors.

Furthermore, respondents believe the EU should use joint EU defence procurement as a starting point for future political and operational convergence in security and defence. This aligns with the consensus among the three largest EU political groups (2019-2024 legislature - EPP, S&D and Renew Europe) on further developing the European defence industry.

### EU external action and trade policy

The need to recognise the complex interlinkages between defence, external policy, trade policy, crisis management and migration policy is commonly acknowledged. The EU's external actions should improve economic competitiveness while aligning with migration management strategies. Any further action in the field of security and defence should consider potential conflicts with other EU policy objectives.

The EU's rules-based approach may offer a comparative advantage in trade. However, several respondents suggest that the EU should seek to improve its competitiveness through trade and external action policy.

It is suggested that the EU 'act as one' in the domain of external policy, considering the current limitations of the EU's external action policy. It should continue striving for mutually beneficial trade agreements, as an open, rules-based global trade ecosystem is in the EU's interest. New trade agreements would safeguard raw material supply chains for EU industries, and enhanced global trade partnerships would enable the EU to cooperate on climate change and security matters.

Given the challenge posed by Chinese and US protectionist policies, the EU should be ready to protect its interests in its trade relationship with China. Additionally, the EU should pay more attention to its relations with the Middle East, Africa and the Asia-Pacific region.

## 6. Strengthening the economic resilience of the EU

### Focusing on re-industrialisation and supply chains

A strategic approach to economic security is needed to boost the EU economy's resilience. This includes developing an EU re-industrialisation strategy that aligns with innovation, a greener economy and support for specific sectors. Critical aspects include diversifying supply chains and relocating strategic sectors, such as automotive, within the EU to enhance competitiveness. Maintaining the security of EU supply chains remains a priority.

Patrick Laurent, Partner, Advisory & Consulting Group Leader & Innovation Leader, Deloitte Luxembourg, stresses that *"reindustrialising Europe would contribute to a greener economy, as the CO2 cost of outsourcing our factories to China is not fully integrated yet."* One partner highlights the importance of prioritising energy and raw food commodities, given competition over resources with China.

### Deepening the EU Single Market

A more effective, better-functioning EU Single Market is essential for improving competitiveness vis-à-vis other regions. Respondents suggest that the EU should enhance support for companies by focusing on the green transition, EU manufacturing, reducing regulatory burdens, ensuring tax commonality, supporting entrepreneurs and adapting EU competition policies.

Reassessing the global dimension of EU competition rules is crucial. These rules should protect the EU Single Market from internal distortions and address unfair competition from outside. Adapting competition rules to create large European 'champions' that can compete with American or Asian counterparts on the global market, especially in the digital area, is vital.

According to Javier Parada, Partner, Audit & Assurance and Risk Advisory, Energy, Resources and Industrials, Deloitte Spain, the *"EU should not only regulate but also promote EU champions and foster EU leadership"*. David Osville, Partner, Audit & Assurance, Telecom, Media & Entertainment, Deloitte Luxembourg, states, *"There should also be thought given to anti-trust and competition. We need to facilitate mergers to create European champions that balance the Asian and US ones and stop thinking that some players would be too big for a given country, provided they remain an acceptable size at the European level."*

A few respondents call for increased efficiency/consistency in EU decision-making. Two respondents call for a move towards qualified majority voting in all policy areas. EU Member States are encouraged to cooperate better on common challenges, with one respondent arguing that Member States are currently too divergent on a number of key topics. As the EU faces challenges of future enlargement, this will further raise the question of reforming the EU's decision-making processes.

### A finance policy supporting the EU economy

More effective entrepreneurial support is needed to enhance the EU's economic resilience. However, due to fiscal policy constraints among Member States, greater attention must be given to how the EU economy is financed. Damien Leurent, Partner, Audit & Assurance, Risk & Reputation Leader, Deloitte France, says: *"We need some stabilisation of the banking/insurance regulation, as well as to be careful of the level playing field with the rest of the world."* Deloitte respondents offer several suggestions to achieve a genuine CMU more quickly:

- **Homogenising rules:** Further homogenising rules across the EU, unifying the governance and supervision of Member States' capital markets at the EU level, and finalising the third pillar of the Banking Union, the EU Deposit Insurance System. This is consistent with the recommendations of the EPP and Renew Europe (ALDE) manifestos, which call for deepening the CMU and completing the Banking Union *"to create better opportunities for private investment."*

Adapting competition rules to create large European 'champions' that can compete with American or Asian counterparts on the global market, especially in the digital area, is vital.



- **Reducing regulatory burden:** Reduce the regulatory burden on the banking sector and facilitate conditions for venture capital. Current regulations might prevent alternative financing providers from playing a more significant role in European economies. Over-regulation in the banking sector can result in more expensive services and limited access to funding for citizens and businesses.
- **Enhancing investment funds:** Create a more attractive EU investment fund industry to facilitate capital movement into the EU and improve competitiveness against other world markets.
- **Reviewing insurance regulations:** In the insurance sector, reduce or review some disclosure obligations to improve smaller companies' access to the Single Market.
- **Boosting ESG and sustainable finance:** Further regulatory changes are needed to boost the uptake of ESG and sustainable finance, fostering inclusive growth with a focus on combating climate change. As David Thogmartin, Partner, Risk Advisory, Deloitte Germany, notes, if the EU wants to impact decarbonisation rapidly, it should *"use banks to nudge industry."*
- **Maintaining regulatory stability:** Maintain a stable and adaptable regulatory environment to ensure financial market integrity and mitigate systemic risks.
- **Ensuring transparency:** Continue EU action on transparency, AML and anti-bribery measures to support financial stability.



# Section II: Additional policy areas identified as necessary for the next five years from a sector or business perspective<sup>7</sup>

## 1. Increasing the effectiveness and efficiency of tax policy at EU level

Respondents emphasise that from a business perspective the EU should continue moving towards common tax rules that are applied and interpreted consistently. This would facilitate better cross-border operations and help investors access alternative capital funds. Integrating tax policies at an EU level by establishing a common tax base could enable smoother cross-border operations and reducing administrative complexities.

The European Commission's goal of simplifying rules and compliance is positive. Still, it remains to be seen if individual initiatives like the BEFIT proposal or the Head Office Tax System (HOT) proposal will achieve greater regulatory coherence. A more comprehensive review and reform of the EU tax system may be necessary to ensure it is fit for purpose.

However, more tax commonality requires a political consensus that is currently lacking. One persuasive argument is that improved tax collection would improve Member States' ability to finance their collective security needs. Awareness of the implications of EU sustainability policies on tax is also seen as paramount.

Respondents agree that clearer rules would help reduce fragmentation in EU and Member State tax systems and ease compliance, which is essential for boosting competitiveness and increasing tax revenue while reducing tax fraud. Nils Dennstedt, Partner, Financial Advisory, Sector Lead Insurance, Deloitte Germany, believes that *"Tax simplification and exchange of tax information are important to the EU's competitiveness."*

One practical step would be to enhance digital integration between Member States' tax authorities, leveraging financial and tax data already exchanged, such as in e-government, e-ID, tax and customs. Improved dialogue with businesses would help align policies with business models, to benefit competitiveness overall.

Tax will remain a priority over the next five years not least due to its funding, sustainability, energy and defence challenges, while maintaining the EU's attractiveness for businesses and investors. The Commission should balance helping Member States finding new sources of tax revenues, getting new own EU resources and building on the Single Market's attractiveness in a competitive international environment. The fight against tax fraud and other unfair practices should also continue. We note that trying to achieve both simplification of taxation and finding new sources of tax revenue at the same time represents an immense challenge for policymakers.

All these propositions require unanimous acceptance by EU Member States unless a switch to qualified majority voting for taxation is achieved, which necessitates a politically challenging Treaty reform, given differing political sensitivities across Europe regarding Member States' economies and sovereignty on tax matters. As such the decisions taken by the EU on tax in the next five years will be important indicators of the direction of the EU's evolution, raising questions about further integration or maintaining a Single Market without customs duties. As Gregory Jullien, Director of EU Tax Policy, Deloitte EU Policy Centre, notes, *"political tensions on this topic are already noticeable within the EU"*.

As such the decisions taken by the EU on tax in the next five years will be important indicators of the direction to the EU's evolution, raising questions about further integration or maintaining a Single Market without customs duties.





## 2. Strengthening corporate reporting and assurance

High-quality and reliable corporate reporting, including sustainability information, is crucial for European capital markets and society. It will help channel capital and attract business and the talent to more sustainable companies, helping them and the EU economy become more competitive.

Respondents recommend several measures:

- **Reducing administrative burdens:** Simplify processes to make corporate reporting more efficient.
- **Streamlining EU regulations:** Ensure regulations interact well to avoid conflicts and redundancies.
- **Enhancing consistency of EU legislation:** Implement existing regulations more effectively, review and update them as needed, and consider further legislative proposals. Consistency in wording and meanings is vital.
- **Providing a proportionate and scalable framework:** Focus on enhancing internal controls, which should be audited for design, implementation and operating effectiveness.
- **Considering a general regime for assurance engagements:** Align with international assurance standards to ensure consistency and reliability of engagements within the EU.

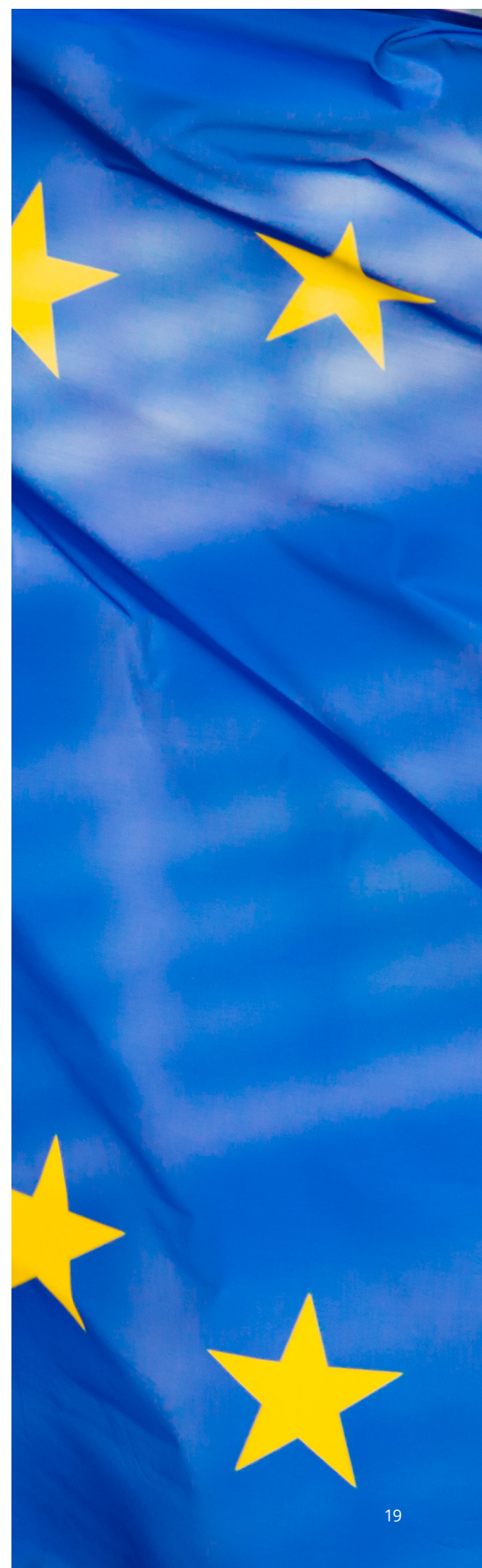
## EU Priorities in Corporate Reporting for the Next Five Years

Laurence Rivat, EU Corporate Reporting Policy Leader, Partner, Deloitte France, emphasises that the priority should be ensuring companies buy-in and implement the CSRD. This involves achieving greater transparency and comparability in companies' sustainability journeys. *"For this to happen, the EU needs to continue educating on sustainability matters, provide support to companies in implementing new reporting requirements through guidance and shared knowledge databases, develop assurance standards to ensure the quality of information, streamline and revise EU regulations to ensure consistent interaction and avoid unnecessary burdens, and contribute to global reporting initiatives to ensure interoperability."*

For Jens Loeffler, EU Audit Policy Leader, partner, Deloitte Germany: *"EU legislators are increasingly asking for third party verification of companies' compliance with complex new requirements under a range of different pieces of sustainability and digital legislation, to inform stakeholders and build trust. Consistent rules across different pieces of legislation on what third party verification is to be provided, and how, may help inform stakeholders and reduce implementation costs for companies".*

Michael Niehues, Partner, Risk, Regulatory and Public Policy, Deloitte Germany, adds that *"The Commission should be clear on where and when they ask for assurance and apply a consistent assurance framework."*

High-quality and reliable corporate reporting, including sustainability information, is crucial for European capital markets and society.



# Conclusions

Compared to the first edition of the survey on perspectives on the future of EU policy, Deloitte partners show increased attention to the EU's role in security, external action and trade policy. They call for a more unified, consistent and effective capacity at the EU level to address today's geopolitical realities. The EU's role in sustainability policy also features more prominently, reflecting growing concerns about the need to successfully bring about the sustainability transition of the economy – and the importance of the EU's continued role in this process.

Most Deloitte partners have welcomed the EU's actions over the past five years. They evaluated the EU's policies included in the survey positively (6.5/10 or higher), ranging from the response to the COVID-19 pandemic to tax policy. Digital and finance policy stand out as the areas where the EU is perceived as having been particularly successful, based on the responses.

However, concerns are expressed about the overall competitiveness of the EU economy, particularly regarding the additional administrative burdens generated by the legislative activity of the past five years. While the merits of the new legislation are recognised and welcomed, respondents believe that the EU should take more action to counteract economic challenges arising from significant global economies.

Therefore, the key takeaway of this report is that to improve the competitiveness of the economy, the EU's policies should not abandon their ambitions but find a better balance between regulations and incentives ('sticks' and 'carrots'), a smarter approach to regulation (addressing matters effectively, without overregulating) and approach challenges with the right amount of speed and urgency.

Deloitte respondents share a vision of how the EU should progressively evolve based on two main pillars:

## **Pillar one: An innovative EU looking for practical solutions, using a competitiveness strategy as its compass**

The EU should pragmatically find well-defined solutions to issues such as the green transition, digital policy and taxation. Respondents highlight several key areas for consideration as the EU moves forward in the next five years.

- **Green Transition:** Focus on completing the EU's regulatory toolbox and deepening the Green Deal through sustainable finance, biodiversity, and energy policies. Prioritise feasibility and avoid a "one size fits all" approach.
- **CMU:** Address complexity and implementation concerns to make progress.
- **Defence and Security:** Strengthen the EU's involvement in defence, security, and geopolitics to promote unity and coherence in external action and uphold a rules-based multilateral trade order.
- **Education:** Enhance European coordination in education and training to boost talent provision in the EU labour market.



Respondents stress that these policy objectives can only be achieved if the EU effectively protects the competitiveness of EU companies. Industries should be encouraged to stay or relocate back to the EU. In digital policy, attention should be given to competition between EU-based, US and Chinese tech players, the financing of AI and maintaining a human-centric approach to digital regulation while prioritising cybersecurity. Taxation should contribute to the competitiveness of the EU by ensuring strong commonality and coherence of tax rules across Member States, 'de-cluttering' Member States' tax systems and addressing fiscal needs while evolving with business models.

A comprehensive 'EU Competitiveness Strategy' could serve as a compass for the 2024-2029 policy cycle and include:

- A 'competitiveness check' for new pieces of legislation (both for proposals and for trilogue compromises) and as part of the regular review of existing legislation.
- Systematic consideration of the effects of EU action on the EU's economic position (including that of individual Member States and relevant business sectors) vis-à-vis key third-country competitors.
- A reassessment of the EU's competition policy.
- More attention being paid to the impact of EU legislation on SMEs.
- An evaluation of the effect of key EU financial sector rules on the effective provision of capital to the economy.
- Reduction of administrative burdens on companies.

### **Pillar two: Pragmatically improving the EU's competences to benefit EU Member States' economies and societies**

Based on the suggestions made above, Deloitte partners believe that further economic integration and the development of common EU strategies are essential for the economic success of the Member States. Indeed, fewer than a handful of the 170 Deloitte partners who answered the survey suggested that the current competences of the EU were sufficient or that individual Member States would be better able to address the challenges highlighted in the report.

Respondents' views on the need to improve the EU's ability to act and broaden its competences are not based on ideological considerations but on the pragmatic acknowledgement of the economic need to find current geopolitical, climate, technological, financial, industrial and labour market solutions at EU level, as well as the EU's aims to promote a social market economy.

While differences in national preferences, customs and cultures and the diversity in democratic outcomes must be respected, the EU and its Member States should strive to avoid regulatory and economic fragmentation in the Single Market, which has negative consequences for EU businesses.

This perspective contrasts sharply with the current political tendencies observed inside numerous Member States, where politicians emphasising national interests and identities are gaining traction. While differences in national preferences, customs and cultures and the diversity in democratic outcomes must be respected, the EU and its Member States should strive to avoid regulatory and economic fragmentation in the Single Market, which has negative consequences for EU businesses.

We recommend using economic performance as a critical rationale for further EU action. If the EU and Member States can successfully manage the digital and green transition without harming their economic competitiveness and the Social Market Economy, it will likely drive further EU-level cooperation and integration. Past and current economic successes are necessary but not sufficient drivers for further development of the Single Market: the EU also needs to reflect critically on ways to secure its future.

# Endnotes

1. [Enrico Letta, Much more than a market, April 2024](#)
2. [European Commission, Communication "The Singel Market at 30", 16 March 2023](#)
3. Both from a general perspective, considering Deloitte's Purpose, Shared Values and commitments, as well as a business- and sector-specific perspective. For more information, please visit our [website](#)
4. Deloitte Insights, Perspectives on Europe Policy priorities for the new European Commission 2019-24, 7 October 2019
5. More information about Deloitte's purpose, shared values and commitments can be found on our [website](#).
6. European People's Party (EPP), Renew Europe (ALDE) and the Socialists & Democrats (Party of European Socialists (PES))
7. These policy areas were only identified as priorities from a business and industry/sector perspective



# Appendix 1: Priorities identified by Deloitte partners

|  |  |
|--|--|
| <b>Sustainability</b>                        | EU policies to help companies succeed in the green transition; EU green industrial policy and sustainable transformation of industries; deepening the EU Green Deal; ESG compliance; renewable energy solutions; energy transition; sustainable finance; reporting; EU support for companies' decarbonisation strategies |
| <b>Cyber &amp; Digital</b>                   | Impacts of AI; digital evolution; digital transition and transformation; deepening digital internal market; EU action to boost innovation and development of new technologies; data protection; cybersecurity; telecoms  |
| <b>EU Competitiveness</b>                    | Increase (industrial) competitiveness of EU companies; also on a global scale; global trading; create European champions; EU global players; support companies' green and digital transition; implement policies after a better assessment of companies' needs   |
| <b>Talent &amp; Inequalities</b>             | Modernising and improving the level of education and skills; labour mobility; need for more funding ; need for more social support ; salaries harmonisations; more inclusion   |
| <b>Defence &amp; Security</b>                | Defence policy; security; military; national security  |
| <b>Strengthening the economic resilience</b> | Diversifying supply chains; increasing the European autonomy; reindustrialising of the economy   |
| <b>Better regulation</b>                     | Need for simplification and transparency; streamlining of EU regulation; reduction of administrative burdens; need for consistent implementation   |
| <b>Deepening the internal market</b>         | Further harmonisation and common rules for financial markets and institutions; completion of the Banking Union; achieving the CMU; need for a common taxation system   |
| <b>Corporate reporting</b>                   | Consistent implementation of corporate reporting rules; consistent assurance framework; need for high quality and reliable corporate reporting incl. sustainability information; the role of audit profession  |

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