

CEO Conference “Securing Europe’s Industrial Future”

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Europe’s **industrial base is at a critical juncture**. While political attention to competitiveness has increased in recent months, the reality on the ground remains challenging. Companies across sectors are facing mounting structural disadvantages that directly impact investment decisions, production capacity and long-term strategic planning.

Persistently **high energy costs, regulatory complexity and lengthy permitting procedures** are weakening Europe’s attractiveness as an industrial location. At the same time, **global competition is intensifying**. Other regions are actively pursuing targeted industrial strategies, offering faster decision-making, lower costs and more predictable framework conditions.

Geopolitical tensions and ongoing volatility in global energy and raw material markets are further exposing Europe’s structural vulnerabilities. **Dependencies on external suppliers** for critical inputs, technologies and energy sources are increasingly becoming a systemic risk. Despite Europe’s strong industrial foundations, innovation capacity and skilled workforce, there is a growing **risk that investment, production and value creation will continue to shift outside the European Union** if framework conditions are not decisively improved.

Against this backdrop, incremental policy adjustments are no longer sufficient. What is required is a **clear and ambitious shift towards a more competitive, pragmatic and implementation-focused European policy** framework that delivers tangible improvements for industry.

Ten Key Policy Priorities

1. Restore competitive energy prices in Europe

Energy costs have become the defining factor for industrial location decisions. Europe must urgently close the widening gap with global competitors. This requires **structural reforms of the electricity market design**, accelerated **grid expansion and integration** and targeted support for energy-intensive industries during the transition. Without competitive energy prices, **industrial production and investment will continue to shift outside Europe**.

2. Decouple electricity prices from gas price volatility

The current **marginal pricing system leads to structurally inflated electricity prices**, even when low-cost renewable energy is available. Europe must **reduce the systemic dependency of electricity prices on gas**, strengthen **long-term pricing mechanisms** and ensure stable and predictable energy costs for industry. This is not a technical adjustment, but a **core competitiveness issue**.

3. Ensure a carbon pricing framework that protects competitiveness

Climate policy must remain compatible with industrial competitiveness. This requires maintaining **free allocation of ETS allowances for energy-intensive sectors** as long as a level global playing field does not exist, avoiding carbon leakage and preventing relocation of production outside the EU and ensure **predictable and investment-friendly CO₂ price developments**

4. Strengthen and adapt CBAM, including the export dimension

The Carbon Border Adjustment Mechanism is an important tool, but its current design remains incomplete. Europe must ensure an effective and pragmatic implementation of CBAM, address **the missing export dimension**, as EU producers currently face competitive disadvantages in global markets and avoid excessive administrative burden for companies. Without an export solution, **CBAM risks protecting the internal market while weakening Europe's global industrial position.**

5. Secure access to critical raw materials and inputs

Europe's dependencies in raw materials and key inputs are a major vulnerability. This requires developing domestic extraction, **processing and recycling capacities**, diversifying supply sources, building **strategic partnerships with reliable partners** and strengthening **circular economy approaches**. However, securing access to critical raw materials also requires concrete implementation tools, including the **availability of risk capital** to enable investment in strategic projects. In this context, **sustainability criteria should be applied in a balanced and pragmatic way**, ensuring that they do not prevent investments essential for Europe's security of supply. Access to raw materials is no longer just an economic issue, it is a **strategic security question.**

6. Put competitiveness at the centre of all EU policies

Competitiveness must become a **horizontal guiding principle** across all EU legislation. This implies **systematic competitiveness checks for new regulation**, respect the principle of **"regulatory restraint"**, reducing regulatory complexity and reporting obligations, while carefully assessing **unintended negative impacts of regulation on security of supply in critical sectors.**

7. Radically accelerate permitting and industrial project implementation

Europe must move from a **culture of procedures to a culture of delivery**. This requires significantly **shorter permitting timelines**, one-stop-shop solutions for industrial projects, **digitalised and streamlined approval processes**, clear timelines and legal certainty.

8. Complete and deepen the Single Market

The Single Market remains Europe's strongest economic asset but is still far from complete. Europe must **eliminate fragmentation and national divergences**, reduce overregulation and gold-plating, ensure digitalisation of administrative processes and improve **enforcement of existing rules.**

9. Strengthen industrial resilience, "Made in EU"-value creation and economic security

The European Union must adopt a **more strategic approach to economic security**. This includes monitoring and managing critical dependencies, strengthening supply chain resilience, ensuring access to key technologies and infrastructures and integrating economic and security policy considerations horizontally. This includes ensuring that **trade defence instruments are applied in a coherent and comprehensive manner** across value chains, to prevent market distortions and safeguard European industrial capacity. In addition, the European Union must follow the IAA-proposal with a **targeted and differentiated "Made in EU" approach for all defined energy-intensive industries, net-zero technologies, automotive, acknowledging also the relevance for other critical sectors such as life science:** In state aid and funding

instruments, a focused and clearly defined preference for European value creation should apply. In public procurement, a partnership-based and strategic approach should be pursued, allowing for cooperation with trusted partner countries in line with the principle of “Made in Europe with partner countries” as it is also defined in the **Industry Strategy Austria 2035 and foreseen in the draft IAA regulation**. Furthermore, Europe must **strengthen its defence industrial base** to ensure security of supply, scale up production capacities and reduce external dependencies in critical defence-related and dual-use goods.

10. Mobilise investment and strengthen European value creation

Europe must significantly improve its investment attractiveness and strengthen its industrial base. This requires **mobilising private capital through risk-reduction instruments, completing the Savings and Investment Union**, avoiding distortionary subsidies while enabling strategic investment, **addressing global overcapacities and unfair competition**, including through **effective and timely trade defence measures** and **strengthening overall trade policy and market access**.

The **European Union has all the foundations to remain a leading industrial and economic power but it must now act with greater determination**. What is required is the political courage to prioritise competitiveness, the speed to deliver real change, and a clear focus on performance and results. This will be key to restoring confidence among companies and investors.

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