

Letter n°1136 of Tuesday 16th December 2025

Should we be concerned about European competitiveness?

Olivier Perquel - 16 Dec 2025

Europe is facing a serious decline in competitiveness due to lower productivity, a lack of innovation, more expensive energy and high labour costs. The internal market remains fragmented, equity financing insufficient and dependence on critical raw materials high. Against a backdrop of fiercer world trade, these weaknesses exacerbate economic vulnerability. But there are long-term solutions for recovery.



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■ Foundation :



Treat yourself to the Schuman Report!

Christmas is coming, treat yourself or friends to the Schuman Report on Europe, the State of the Union 2025! It is available on the Foundation's website and in major bookshops, as well as a digital version in French and English. As every year it brings together contributions from leading figures, unpublished maps and commented statistical studies on the major challenges facing the European Union: security and defence, European competitiveness and investment in the space sector. [Read more](#)



New publication on the Schuman Network

Since 2023 the Schuman Network has been working with 22 organisations from 13 European countries. With more than 192 shared publications, the Schuman Network strives to promote cooperation between European research centres in order to share reliable and quality analyses. Through this work the Schuman Network affirms its role as an essential platform for strengthening intellectual cooperation and supporting democratic resilience in Europe. [Read more](#)

■ Commission :



Modernising energy infrastructures

On 10 December, the European Commission proposed measures to modernise Europe's network infrastructure, particularly electricity networks. The aim is to develop cleaner, cheaper energy by speeding up the electrification of the Union. This will also ensure a secure and reliable supply as Europe moves further away from Russian energy imports. [Read more](#)



Simplifying environmental legislation

On 10 December, the European Commission presented measures to simplify environmental legislation in the areas of industrial emissions, the circular economy, environmental assessments and geospatial data. This initiative is part of a wider effort aligned with the Union's competitiveness compass. [Read more](#)



Agreement with the United Kingdom on fishing opportunities for 2026

On 10 December, the European Union and the United Kingdom reached an agreement on fishing opportunities for 2026, which aims to ensure the sustainable management of shared fish stocks and guarantees EU fleets 288,000 tonnes of fish resources, representing a market value of more than €1.2 billion. [Read more](#) - [Other link](#)



Meeting of the Justice and Home Affairs Ministers

On 8 and 9 December, the home affairs ministers reached agreement on three legislative acts aimed at speeding up and simplifying procedures for returning rejected asylum seekers, as well as making asylum procedures easier and quicker. On 9 December, the Justice ministers addressed the issue of reducing the administrative burden linked to the RGPD, while maintaining a high level of data protection. Finally, they discussed Member States' cooperation with the Special Court for the Crime of Aggression against Ukraine. [Read more](#) - [Other link](#)



Meeting of Economics and Finance Ministers

On 12 December, the economy and finance ministers agreed on a temporary measure to apply a fixed customs duty of €3 on small parcels worth less than €150 entering the European Union, from 1 July 2026. They discussed the simplification of financial services legislation and the positive externalities this could generate, particularly in terms of competitiveness. Finally, they reached agreement on a lasting legal basis for the freezing of Russian assets, an essential condition for the launch of a reconstruction loan to Ukraine. [Read more](#)



Meeting of trade and industry ministers

On 8 and 9 December, the ministers for trade and industry unanimously agreed on an amendment to the regulation setting out the framework for the activities of the European High-Performance Computing Joint Undertaking (EuroHPC Joint Undertaking), underlining the importance of European investment in key technological areas and proposing the establishment of artificial intelligence gigafactories in Europe. [Read more](#) - [Other link](#)



Meeting of Agriculture and Fisheries Ministers

On 11 and 12 December, the agriculture and fisheries ministers stressed that innovation and access to new technologies are essential to ensure competitiveness and generational renewal under the Common Agricultural Policy after 2027. They reached a political agreement on fishing opportunities for 2026. This agreement sets authorised fishing catch rates for the most important fish stocks. Some species have benefited from drastic reductions, notably mackerel, which has seen its fishing quotas cut by 70% for the first half of 2026. [Read more](#)



Kyriakos Pierrakakis, new President of the Eurogroup

On 11 December, the Greek Minister for the Economy and Finance, Kyriakos Pierrakakis, was elected President of the Eurogroup for a two-and-a-half-year term. At the meeting, the ministers issued a statement on the draft budget plan for 2026. They deemed the budgetary target of 2% inflation to be appropriate. They launched the process for appointing a new ECB vice-president by mid-2026. [Read more](#) - [Other link](#)

■ Trilogues :



Protecting strategic sectors from foreign investment

On 11 December, Members of the European Parliament and the Council reached an agreement to update European rules on screening foreign investment, to better prevent security risks. Investments in sensitive sectors such as defence, semi-conductors, artificial intelligence, critical raw materials and financial services will now be subject to compulsory screening by Member States to identify and address potential risks to security or public order. [Read more](#) - [Other link](#)



Simplification of environmental, social and governance rules

On 9 December, Council and European Parliament negotiators reached an agreement to simplify environmental, social and corporate governance rules. Among other things, they agreed to exempt companies with financial holdings from the scope of sustainability reporting (CSRD) and agreed on a transitional exemption for companies due to start reporting from 2024. Finally, the agreement increases the thresholds to 5,000 employees and €1.5 billion net turnover for the scope of corporate sustainability due diligence (CS3D). [Read more](#) - [Other link](#)



Target of 90% reduction in greenhouse gas emissions

On 10 December, negotiators from the Council and the European Parliament reached an agreement on the modification of the European climate law. It introduces a binding interim target for 2040 of a 90% reduction in net greenhouse gas emissions compared with 1990 levels. The agreement introduces the introduction of the emissions trading scheme for buildings and road transport. [Read more](#) - [Other link](#)

■ Court of Justice :



Judgments on competition rules

On 10 December, the Court of Justice of the European Union upheld the infringement on the part of Intel for abuse of a dominant position, but used its unlimited jurisdiction to reduce the fine imposed from €376 million to €237 million. The Court also rejected Ryanair's appeal against the €2.55 billion restructuring aid granted by Portugal to TAP Air Portugal. It thus validated the European Commission's decision that this State aid was compatible with the internal market. [Read more](#) - [Other link](#)



Judgment on cross-border employment

On 11 December, the Court of Justice clarified the law that applies to the employment contract of a cross-border employee when his habitual place of work changes during the course of his employment. The Court ruled that if the employee's activity gradually becomes concentrated in another country, the first connecting factor (the habitual place of work) no longer applies. The ruling interprets the Rome Convention by specifying that the examination must be based on all the circumstances to identify the country with the closest links to the contract, in the absence of a single habitual place of work. [Read more](#)

■ Germany :



NATO Secretary General visits Berlin

On 11 December, NATO Secretary General Mark Rutte visited Berlin, where he was hosted by German Chancellor Friedrich Merz, to discuss the strengthening of NATO. At a press conference, Friedrich Merz stressed that a strong and united Europe and the implementation of NATO's commitments were essential for freedom, security and peace in Europe. He also reiterated that Germany and its partners would continue to support Ukraine while increasing the pressure on Russia to negotiate a genuine ceasefire. [Read more](#)



Joint declaration between Germany and Armenia

On 9 December, German Chancellor Friedrich Merz hosted Armenian Prime Minister Nikol Pashinyan in Berlin. They exchanged views on strengthening cooperation between their two countries and signed a declaration aimed at strengthening their diplomatic and political relations. [Read more](#) - [Other link](#)

■ Belgium :



Joint statement on bilateral cooperation with the United Kingdom

On 12 December, the United Kingdom and Belgium announced the strengthening of their cooperation in a number of areas. Amongst other things, the two countries declared their determination to invest in European security and to remain firm in their support for Ukraine, alongside the partners of the Coalition of the Willing. The two countries will also strengthen their joint efforts to combat terrorism and international crime, building on the provisions agreed in the Law Enforcement Cooperation Agreement to be signed in 2026. [Read more](#)

■ Bulgaria :



Government resignation

On 11 December, Bulgarian Prime Minister Rossen Jeliakov announced his resignation and that of his government following 3 weeks of unprecedented protests in the country over the draft budget for 2026. The government is expected to manage current affairs until his successor is appointed. If no governmental agreement is reached, Bulgarian President Rumen Radev will have to appoint an interim government to run the country until new elections are held. [Read more](#) - [Other link](#)

■ Croatia :



Croatian Prime Minister visits France and Germany

Croatian Prime Minister Andrej Plenković met French President Emmanuel Macron on 8 December and German Chancellor Friedrich Merz on 10 December. In France, Andrej Plenković and Emmanuel Macron signed the action plan for the implementation of the 2021 Franco-Croatian strategic partnership, the contract for the acquisition of Caesar shells and the letter of intent on the acquisition of enhanced Rafale aircraft capabilities. In Germany, the Croatian Prime Minister discussed with Friedrich Merz the strengthening of economic cooperation and the acquisition of 44 Leopard tanks. [Read more](#) - [Other link](#)

■ Ireland :



Record Irish defence investment

On 11 December, the Irish Minister for Defence, Helen McEntee, announced the launch of the Defence Development Plan. The €1.7 billion plan will be phased over 4 years, from 2026 to 2030. This represents a 55% increase in Irish investment in defence. This plan represents a record investment that will enable the Irish army to modernise its land, sea, air and cyber capabilities. [Read more](#)

■ Poland :



Green light for the first nuclear power plant

On 9 December, the European Commission announced that it had authorised Warsaw to support the construction of the country's first nuclear power plant, which will comprise three reactors. The project is designed to help Poland reduce its dependence on coal. The plant is due to come on stream in 2036. The Polish government has put forward several aid mechanisms to contribute to the realisation of this project, the cost of which is estimated at €42 billion. [Read more](#)

■ Czech Republic :



Appointment of the government

On 15 December, Czech President Petr Pavel appointed the members of the government led by Andrej Babiš (ANO). It comprises 15 ministers, two of whom are women. ANO holds 8 ministerial portfolios, the Automobile Party 4 and the Freedom and Direct Democracy Party (SPD) 3. [Read more](#) - [Other link](#)

■ Romania :



Romanian President visits France

On 9 December, French President Emmanuel Macron welcomed his Romanian counterpart Nicusor Dan. They discussed ways of strengthening their cooperation, particularly in the areas of defence and security. The French president promised to visit Romania in 2026. They discussed the challenges of continued support for Ukraine, particularly in financial terms, as well as the fight against disinformation and the strengthening of democracy. [Read more](#) - [Other link](#) - [Other link](#)

■ Belarus :



Aid to civil society and release of political prisoners

On 9 December, the European Commission adopted a new €30 million aid package for Belarusian civil society, aimed at supporting independent media and human rights organisations. This brings the total amount of European aid to €200 million from 2020. To take advantage of the easing of US sanctions, on 13 December the Belarusian president agreed to release 123 imprisoned political opponents, including Maria Kolesnikova, a leading figure in the protests that erupted after the August 2020 'election', and Ales Bialatski, co-winner of the 2022 Nobel Peace Prize. They have been transferred to Ukraine and Lithuania. [Read more](#) - [Other link](#)

■ Ukraine :



New payment under the Ukraine Facility

On 11 December, EU ministers approved the 6th disbursement of €2.3 billion to Ukraine under the Ukraine Facility programme, which supports the country's recovery, reconstruction and modernisation. This rapid provision of funds reflects Ukraine's speed and commitment to implementing reforms in line with the country's EU accession objectives. [Read more](#)



New meeting of the Coalition of the Willing

At the meeting of the Coalition of the Willing on 11 December, Ukrainian President Volodymyr Zelensky recalled that the new peace plan sent to the White House the previous day was under discussion. He stated that a functional model of security guarantees could not exist without Europe and all the members of the Coalition. On 15 December, the Coalition met again with US envoys Steve Witkoff and Jared Kushner. US and European leaders pledged to work together to provide strong security guarantees and measures to support Ukraine's economic recovery as part of an agreement to end the war. In the European statement, this would include commitments to create a European-led 'Multinational Force for Ukraine', made up of contributions from volunteer nations under the Coalition of the Willing and supported by the US, as well as a US-led ceasefire monitoring and verification mechanism. [Read more](#) - [Other link](#) - [Other link](#)

■ Vatican :



Meeting with the Ukrainian President

On 9 December, Leo XIV received Ukrainian President Volodymyr Zelensky. They discussed the war and ways of reaching an agreement, in particular a ceasefire. The Pope stressed that it was 'unrealistic' to exclude Europe from peace negotiations. He repeated the Holy See's willingness to offer a framework and opportunities for talks and negotiations. [Read more](#) - [Other link](#)



Speech to Members of the European Parliament

On 10 December, Pope Leo XIV hosted a delegation from the European Conservatives and Reformists (ECR) group in the European Parliament at a conference in Rome. He pleaded for a social Christianity and invited them not to remain 'stuck in a bygone era', while stressing the importance of Europe's Judaeo-Christian roots. He insisted on the link between Christianity and European history. [Read more](#) - [Other link](#)

■ Council of Europe :



The European flag celebrates its 70th birthday!

On 9 December, the European flag celebrated its 70th birthday. Created by the Council of Europe on a divided continent after the Second World War, the blue flag with the 12 stars has become a symbol of unity for millions of people. In 1983, the European Parliament adopted the flag created by the Council of Europe and recommended that it should also become the emblem of the European Community. The European Council approved this proposal in June 1985. The institutions of the European Union officially adopted the flag in 1986. [Read more](#)

■ Eurobarometer :



For a stronger, more assertive Union

According to the Eurobarometer survey published on 11 December, 74% of EU citizens believe that their country benefits from EU membership, almost 59% remain optimistic about the future of the Union, and 73% of respondents feel that they are citizens of the European Union. Europeans also want a stronger, more assertive Union, with almost 79% in favour of a common defence and security policy between the Member States, the 2nd highest score since 2004. Finally, the survey recorded the highest support ever for the common currency (74%) and the 2nd highest support in the euro zone (82%). [Read more](#)

■ Studies/Reports :



State of health

On December 11, the European Observatory on Health Systems published the Report on the State of Health in the European Union. It analyses demographic changes, inequalities and technological developments in four areas: strengthening the prevention of non-communicable diseases, consolidating primary care systems, accelerating digital transformation (notably via the European Health Data Space), and improving affordable access to pharmaceutical products. [Read more](#) - [Other link](#)



21st Century Skills Report

On 9 December, the OECD released its Skills Outlook 2025 report. It sets out how countries can develop the 21st century skills that are essential for growth and social progress. The report shows that socio-economic disparities have a major impact on skills development, educational attainment and the pay gap. To remedy these inequalities, the OECD recommends investing in youth and education to make them more accessible, with targeted measures for disadvantaged families. [Read more](#)



Europol report on cybercrime

Europol has published a report entitled 'Organised crime online - how Europol is stopping cybercrime in its tracks', which identifies cybercrime as a major threat in the European Union, including cyber attacks, online fraud and the sexual exploitation of children. In response to the sophistication of cybercrime through social engineering and artificial intelligence, Europol and its partners are conducting major targeted operations to dismantle the key infrastructures of these networks. [Read more](#)



Europe: the world's most liveable cities

The 2025 edition of the Happy City Index, an annual ranking of 200 cities worldwide, places seven European cities in the top ten worldwide: Copenhagen Zurich, Aarhus, Antwerp, Stockholm, Munich and Rotterdam. [Read more](#)



Women artists in Paris

In Paris, the Grand Palais is hosting two contemporary art exhibitions. The first is 'Eva Jospin, Grottesco - Claire Tabouret, D'un seul souffle' until March 15, followed by 'All About Love' until April 5. Eva Jospin presents an immersive installation combining forests, caves and imaginary architecture; Claire Tabouret unveils models and preparations of contemporary stained-glass windows designed for Notre-Dame de Paris cathedral; and Mickalene Thomas combines painting, collage, photography, video and installation to explore the visibility and representation of black women and celebrate love as a force for liberation. [Read more](#) - [Other link](#)

GALERIE THADDAEUS ROPAC

Valie Export and Ketty La Rocca in Milan

Until 28 February 2026, the Thaddaeus Ropac gallery in Milan is hosting an exhibition featuring an original dialogue between Valie Export and Ketty La Rocca, two of Europe's most visionary feminist conceptual artists of the 1960s. Both used the body as a tool to challenge the patriarchal function of language and reveal the dichotomy between its role in public and private space. Aware of the need for a broader field of action to convey their ideas, they present photographs, videos, sculptures and performances. [Read more](#)



The Pattle Sisters at Compton

Until 4 May 2026, the Watts Gallery in Compton is hosting the exhibition 'Women of Influence: The Pattle Sisters'. This exhibition brings to life the legacy of seven Anglo-Indian sisters whose influence has marked the worlds of art, literature, photography and society. Although photographer Julia Margaret Cameron (1815-1879) is the most famous of the seven Pattle sisters, this exhibition reveals their collective impact through artistic experimentation, intellectual exchange and the creation of a unique cultural salon at Little Holland House in Kensington. [Read more](#)



Helmut Lang in Vienna

The 'Helmut Lang' exhibition is on at the Museum of Applied Arts in Vienna until 3 May 2026. The exhibition offers an unprecedented insight into the artist who set new standards for clothing, graphic design, stagecraft, architecture, experimental branding, interdisciplinary collaboration and digital communication. In 1998, he became the first designer to broadcast a fashion show online, anticipating a global shift in the way fashion would be experienced. [Read more](#)



Étretat in Lyon

Until 1 March 2026, the Musée des Beaux-Arts in Lyon is hosting an exhibition entitled 'Étretat, beyond the cliffs'. In partnership with the Städel Museum in Frankfurt, the Lyon museum is presenting an exhibition devoted to representations of Étretat, based on major works by Monet and Courbet held in the collections of the two institutions. These works bear witness to the importance of this village on the Normandy coast in the development of new pictorial languages throughout the 19th century. [Read more](#)



Jem Perucchini in Seville

Until 28 June 2026, the Andalusian Centre for Contemporary Art (CAAC) is presenting the exhibition 'L'âme diaphane d'un matin immobile', devoted to Jem Perucchini. Of Ethiopian origin, the artist draws on a rich cultural heritage marked by the Byzantine influences that have shaped the artistic tradition of his native country. Ethiopian painting, with its vivid frescoes and profound symbolism, maintains a constant dialogue between the sacred and the everyday. Perucchini combines this heritage with his training in Italy, where he was able to integrate techniques and concepts from the history of Italian art. [Read more](#)

■ Agenda :



15 December 2025

"Energie" Council "Foreign Affairs" Council (Brussels)



15-18 December 2025

 16 December 2025

"Environment" Council "General Affairs" Council (Brussels)

 17-18 December 2025

ECB Governors Council (Frankfurt/Main)

 17 December 2025

EU-Western Balkans Summit (Brussels)

 18-19 December 2025

European Council (Brussels)



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