

EXECUTIVE SUMMARY – FINAL DECLARATION

RESTORING EUROPE'S COMPETITIVENESS AND INDUSTRIAL STRENGTH IN A STORMY WORLD: A JOINT CALL FOR ACTION

Rome, 10th of July 2025

As the 7th Franco-Italian Economic Forum concludes, MEDEF and Confindustria sound the alarm: Europe is faltering. Its factories close. Its energy bills soar. Its voice weakens. Its geopolitical weight is diminishing. In a world governed by geopolitical shocks, indecision is the greatest threat. Europe must choose: compete or decline.

Industrial decarbonisation must be driven by competitiveness—not sacrificed to it

The green transition is imperative—but Europe is turning it into an industrial trap. The announcement of a –90% emissions reduction target by 2040, without credible industrial safeguards, risks triggering delocalisation, public backlash, and the dismantling of value chains. If climate ambition is not matched by economic realism, Europe will lose both.

Skyrocketing energy prices continue to undercut competitiveness and deter investment. Without competitive, stable and predictable energy prices, there can be no transition. The EU must urgently ensure price stability and reinforce support to energy-intensive sectors. MEDEF and Confindustria call also to fully embrace nuclear power as a pillar of the decarbonisation strategy. Nuclear must be treated equally with other low-carbon technologies across all EU frameworks. Technological neutrality is not a slogan; it is the only way forward.

Carbon pricing must reflect economic realities. Free allowances must be maintained until the Carbon Border Adjustment Mechanism proves it can effectively protect European producers. Revenues must be transparently reinvested into industrial decarbonisation—not diverted to plug public deficits.

From talk to action, Europe must rebuild its defence

The return of war to Europe has redefined the role of industry in security policy. MEDEF and Confindustria argue for a new European doctrine: strategic autonomy will remain fiction without a credible and scalable defence industrial base.

The European Defence Industrial Programme (EDIP) must be adopted without delay. Defence spending in the next Multiannual Financial Framework must rise substantially. Export controls, procurement rules and capital requirements must be harmonised to enable cooperation and scale. France and Italy, home to major players in defence and aerospace, are ready to lead. This is not only about security; it's about jobs, innovation, and industrial renewal across the continent.

A competitiveness-driven EU budget is non-negotiable

To lead the green, digital and security transitions, Europe must unlock an unprecedented wave of strategic investment. This requires a bold and visionary Multiannual Financial Framework—one that combines an increased EU budget with a stronger capacity to leverage private capital. The current financial architecture is too fragmented and too bureaucratic. It must be reengineered around one central objective: competitiveness. Simplification, coherence and impact must guide every euro spent. But the principle is clear: no new taxes on business. European companies cannot be asked to finance the transition and deliver it at the same time.

Trade is power. Use it.

Global trade becomes a battlefield, Europe must act with purpose. Ratifying the EU–Mercosur agreement is a credibility test: it shows Europe is open, assertive, and serious about diversifying its alliances. The same urgency applies to deals with Australia, India, and Indonesia. As transatlantic tensions rise, Europe must remain united and firm. Strategic naivety is no longer an option.

The verdict is clear: Europe can still win—but only if it moves now.