



European Competitiveness barometer 2nd edition

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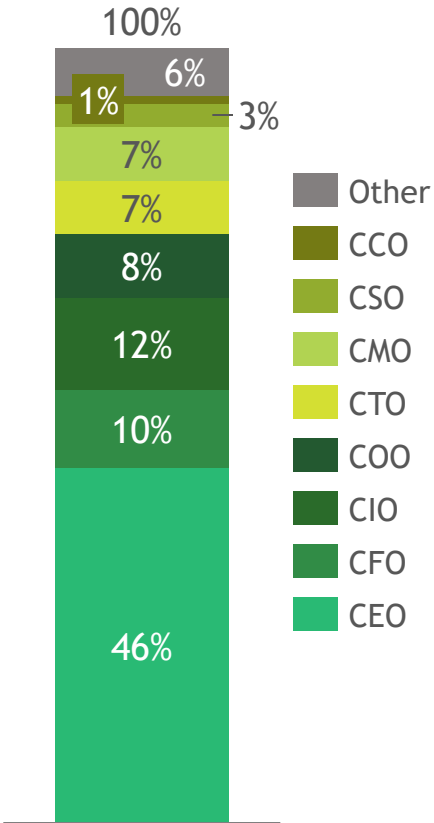


Rami Rafih

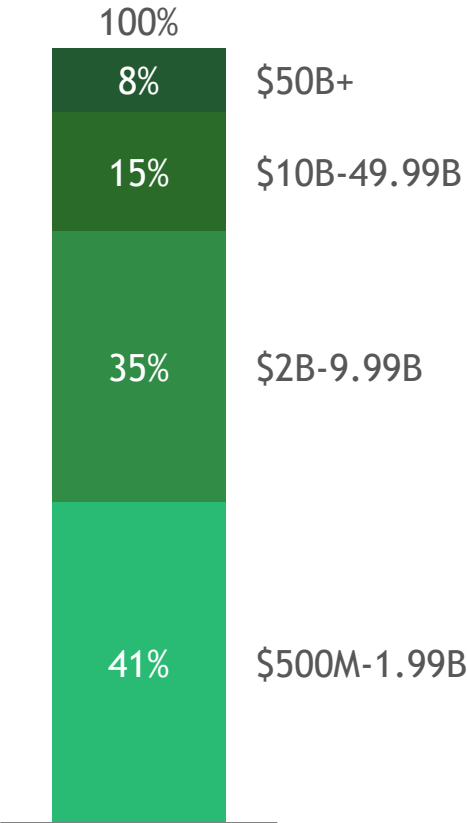
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for Global Advantage
Riyadh

C-suite survey methodology | Global research of 850 C-level executives on European Competitiveness in November 2025

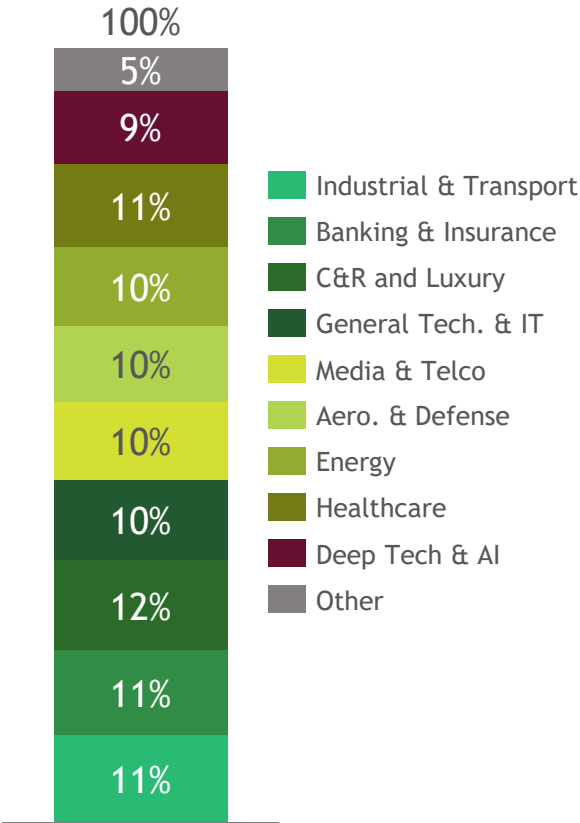
Executive Roles



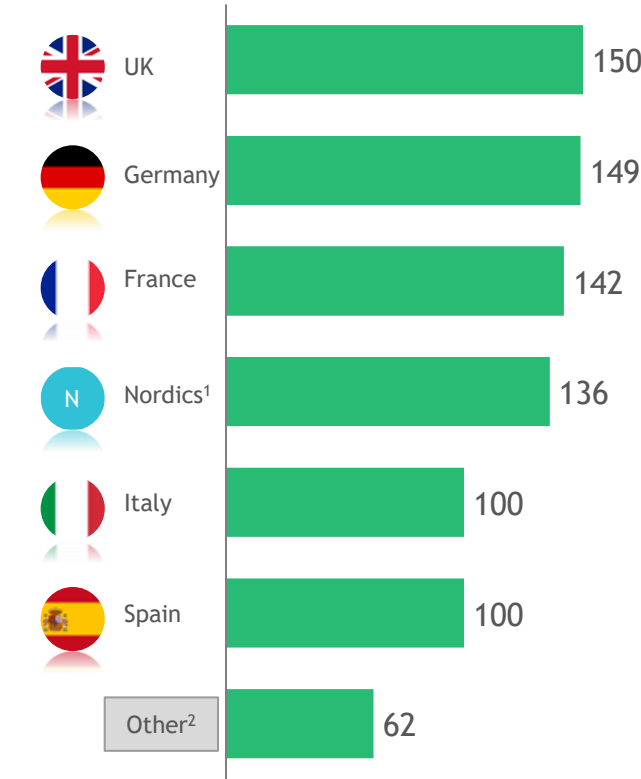
Company revenue



Sectors



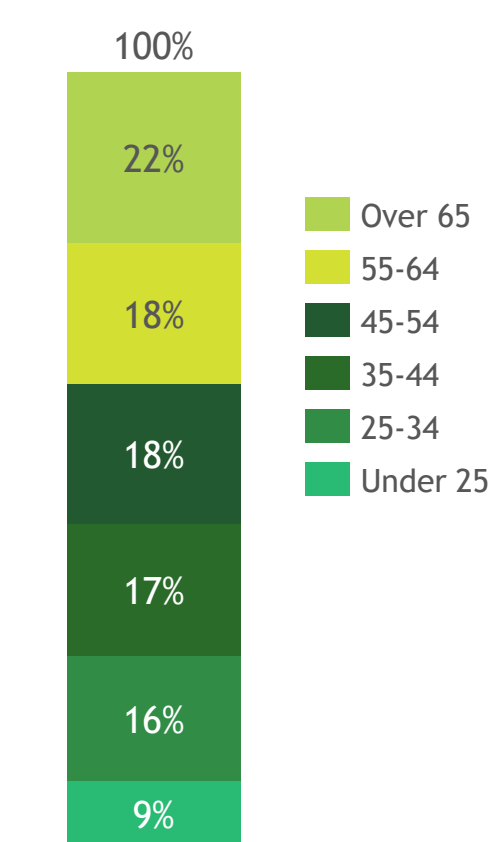
Markets - in # of respondents



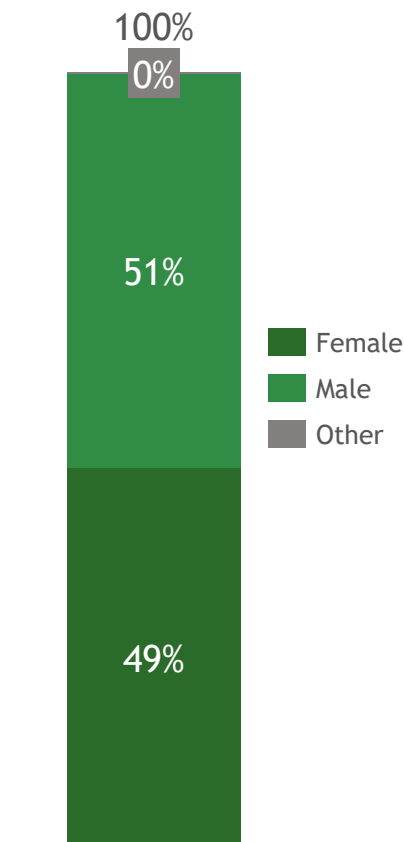
1. Includes: Sweden, Finland, Denmark, Norway 2. Includes: (n>2) Austria, Benelux, Iceland, Portugal, Switzerland // Source: BCG C-level survey on European competitiveness (Nov 2025)

Citizen survey methodology | Global research of ~6,400 European citizens on European Competitiveness in November 2025

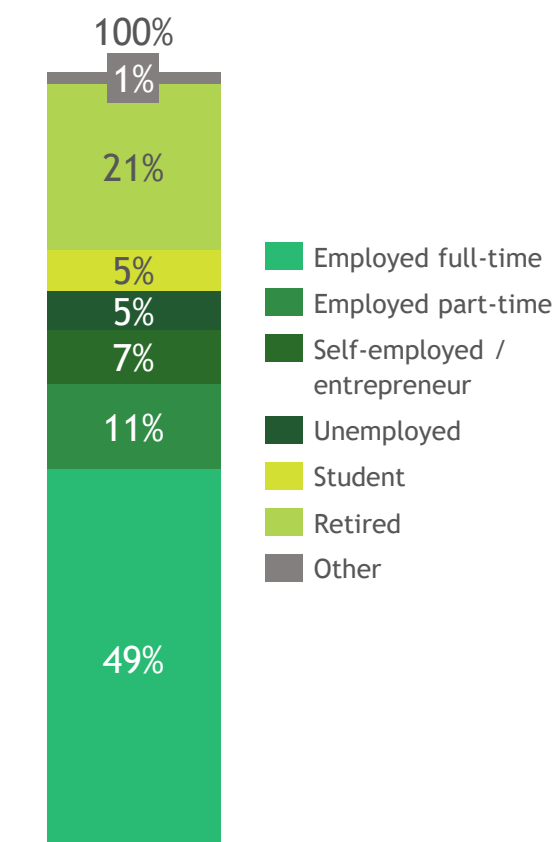
Age distribution



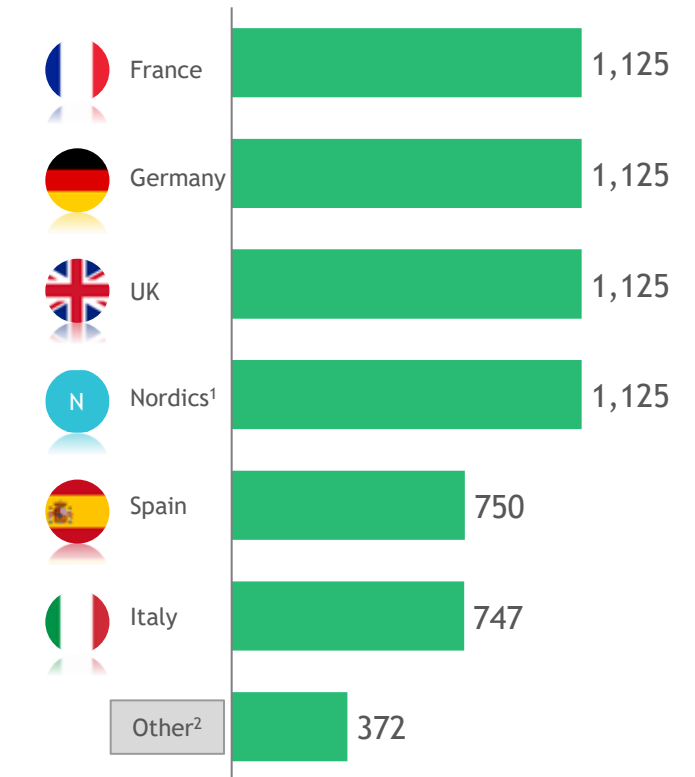
Gender distribution



Professional situation



Markets - in # of respondents



1. Includes: Sweden, Finland, Denmark, Norway 2. Includes: (n>1) Austria, Benelux, Ireland, Poland // Source: BCG Citizens survey on European competitiveness (Nov 2025)

Key takeaways

1

Time is running out for Europe

96%

of business leaders, backed by 85% of citizens, say Europe must protect its commercial interests to prevent severe consequences

2

“Liberation Day” wake-up call didn’t happen

-15%

Business leaders’ optimism has fallen as hopes fade that “Liberation Day” would spark bold action, yet the window remains open

3

People won’t opt out—Europe is the answer...

>60%

of business leaders and citizens support “more Europe” to strengthen competitiveness through more cooperation, not less

4

...but a full reset is needed, and a path forward emerges

~80%

of citizens and business leaders agree on the need for radical change, with business leaders proposing a focused agenda led by a small group of countries

5

Citizens call on business leaders to step up—and they are ready to do so

76%

of citizens and 93% of leaders want business leaders to take public roles, including in institutions, yet many are still held back by constraints

Key takeaways No. 1

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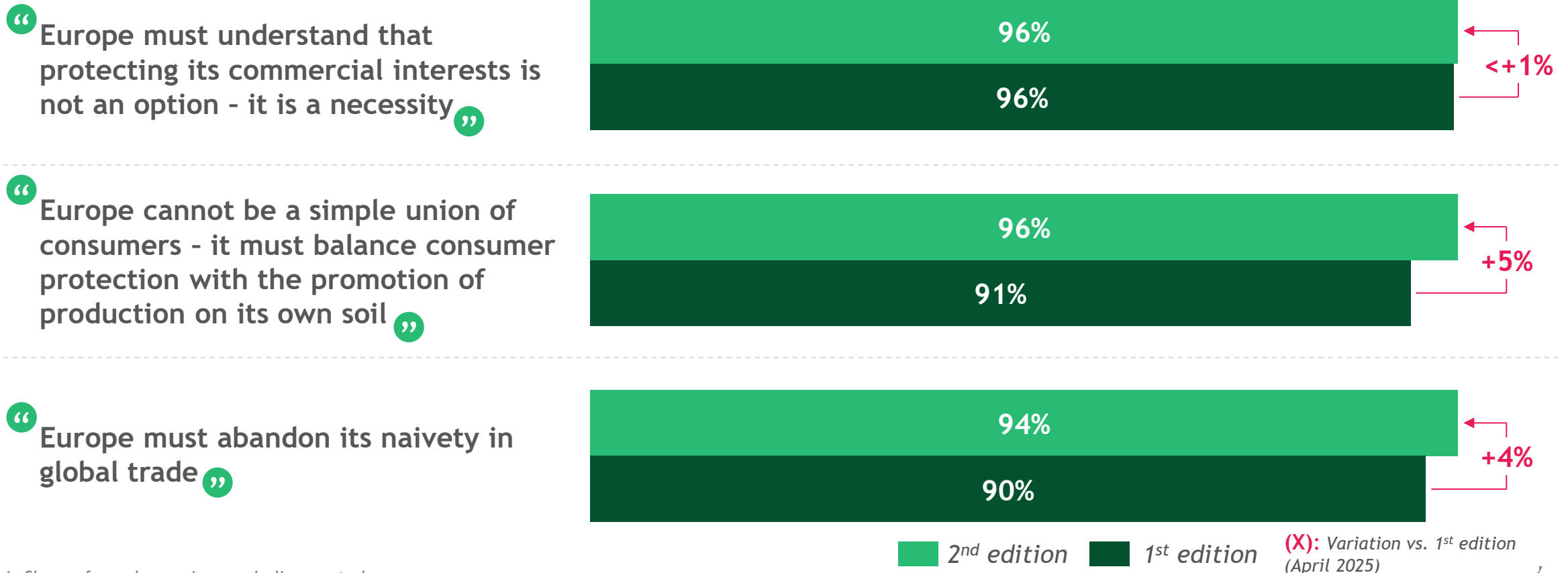
Citizens call on business leaders to step up - and they are ready to do so

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Business leaders are renewing their call for urgent action, feeling that Europe's window is closing

% of business leaders that agree with the following statements¹



1: Share of panel agreeing; excluding neutral answers

Source: BCG C-level survey on European competitiveness (Nov 2025), BCG Citizen survey on European competitiveness (Nov 2025)

Europe's competitiveness has stalled, and business leaders warn **time is running out to avoid rising economic and social risks**

% of business leaders who foresee the following economic and social consequences if competitiveness declines¹

Workforce reductions will become more common **93% (+6 pts)**

Businesses will increasingly offshore operations outside Europe **90% (+10 pts)**

Investment capacity (excluding R&D) is likely to decline **88% (+11 pts)**

Innovation and R&D efforts will slow down **84% (+10 pts)**

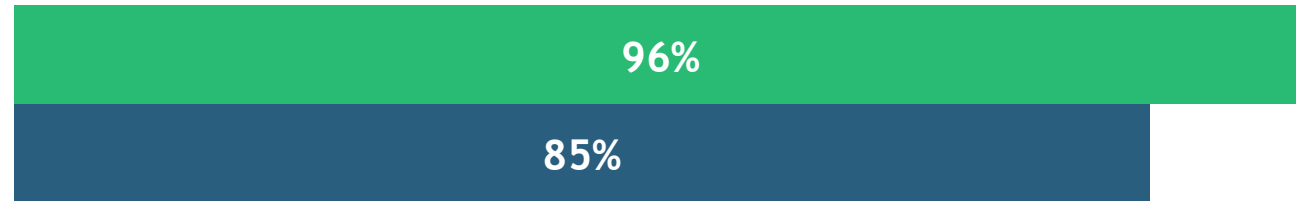
1. Share of panel agreeing; excluding neutral answers
Note: Leaders expressed overall agreement on the potential consequences to European competitiveness if current risks of decline remain unaddressed.
Source: BCG C-level survey on European competitiveness (Nov 2025)

(X): Change vs. 1st edition of BCG barometer (April 2025)

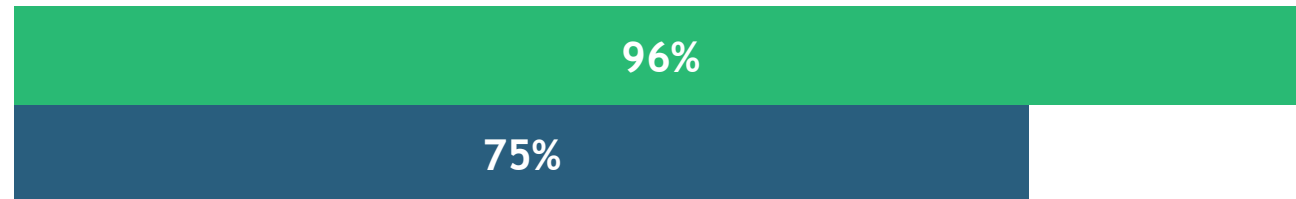
Citizens overwhelmingly back this call for urgent change in Europe

% of business leaders and citizens who agree with the following statements¹

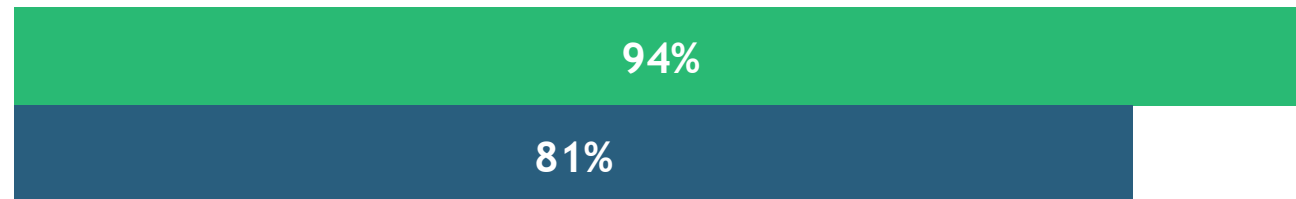
“Europe must understand that protecting its commercial interests is not an option - it is a necessity”



“Europe cannot be a simple union of consumers - it must balance consumer protection with the promotion of production on its own soil”



“Europe must abandon its naivety in global trade”



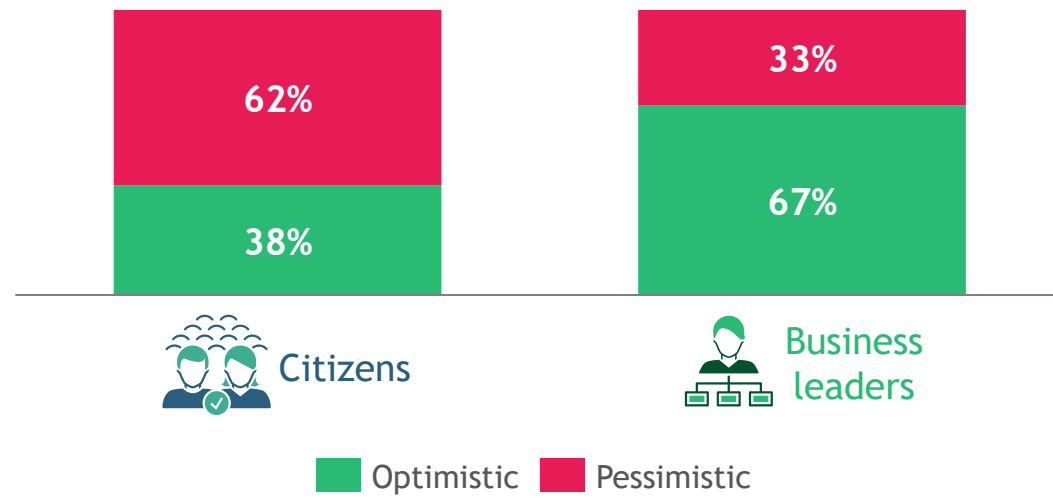
1: Share of panel agreeing; excluding neutral answers

Source: BCG C-level survey on European competitiveness (Nov 2025), BCG Citizen survey on European competitiveness (Nov 2025)

Business leaders still have hope about Europe's future, but citizens are far more pessimistic; showing urgent need to win them back

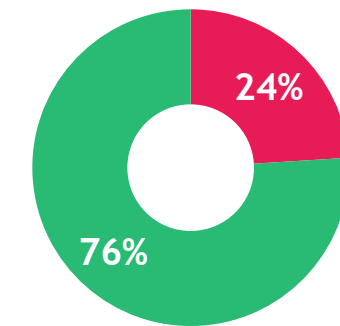
Citizens are significantly more pessimistic than business leaders...

% of citizens and business leaders by level of optimism about Europe's global competitiveness¹



...with fears of permanent decline and a strong sense of urgency

% of citizens who believe Europe must act now - or risk reaching a point where it can no longer catch up with the U.S. and China¹



Agree Disagree

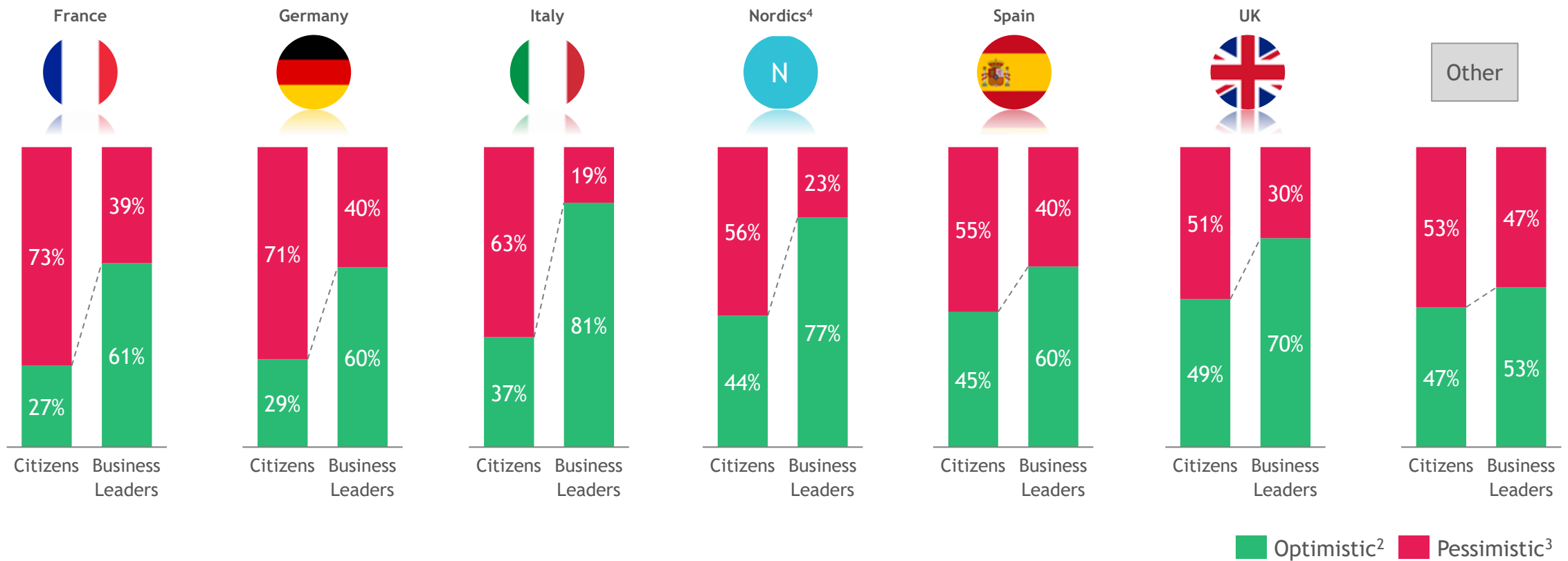
1. Share of panel agreeing; excluding neutral answers

Note: "Optimistic" sentiment includes motivated, confident, or hopeful. "Pessimistic" sentiment includes pessimistic, concerned, or frustrated. "Liberation Day" refers to April 2, 2025.

Sources: BCG C-level survey on European competitiveness (Nov 2025); BCG citizen survey on European competitiveness (Nov 2025)

A wide optimism gap persists across Europe, with France and Germany being the more pessimistic overall

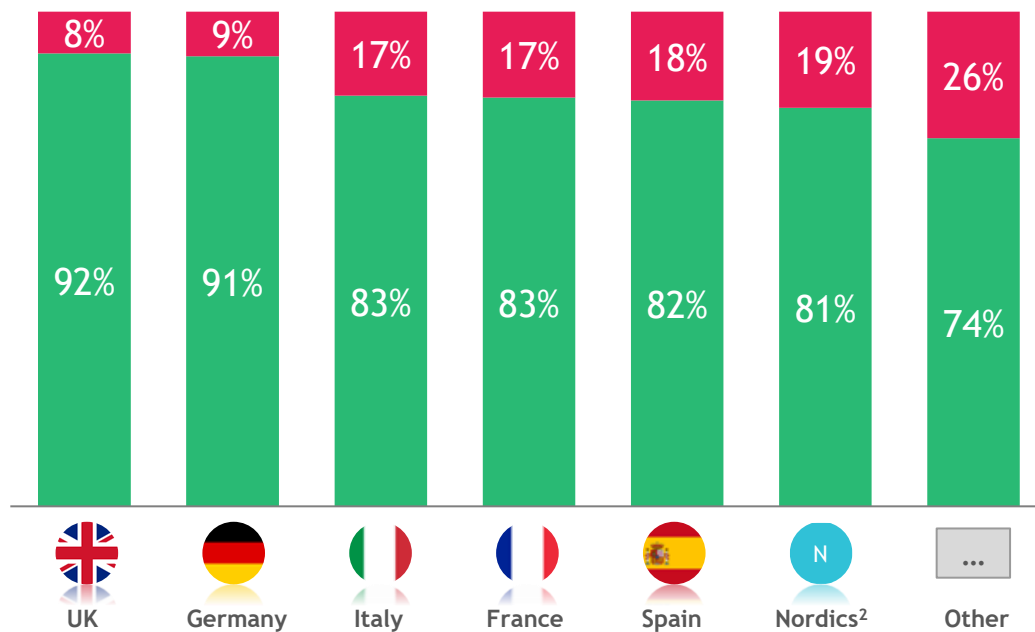
% of citizens and business leaders by level of optimism about Europe's global competitiveness, by geography¹



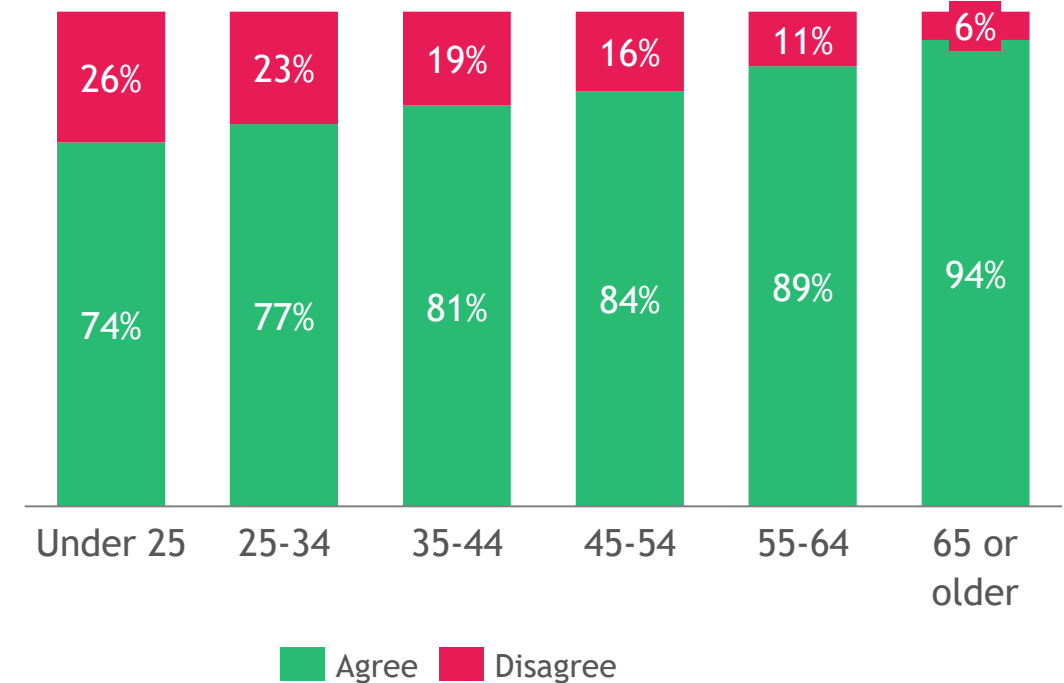
1. Share of panel agreeing; excluding neutral answers; 2. Motivated, confident or hopeful; 3. Pessimistic, concerned or frustrated; 4. Includes Denmark, Finland, Norway, Sweden
Source: BCG C-level survey on European competitiveness (Nov 2025), BCG Citizen survey on European competitiveness (Nov 2025)

Fear of permanent decline and urgency to act are strongest in Germany and the UK—and rise with age

% of citizens who believe Europe must act now - or risk reaching a point where it can no longer catch up with the U.S. and China, by geography¹



% of citizens who believe Europe must act now - or risk reaching a point where it can no longer catch up with the U.S. and China, by age group¹



1. Share of panel agreeing; excluding neutral answers; 2. Includes Denmark, Finland, Norway, Sweden
Source: BCG citizen survey on European competitiveness (Nov 2025)

Key takeaways No. 2

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...but a full reset is needed, and a path forward emerges

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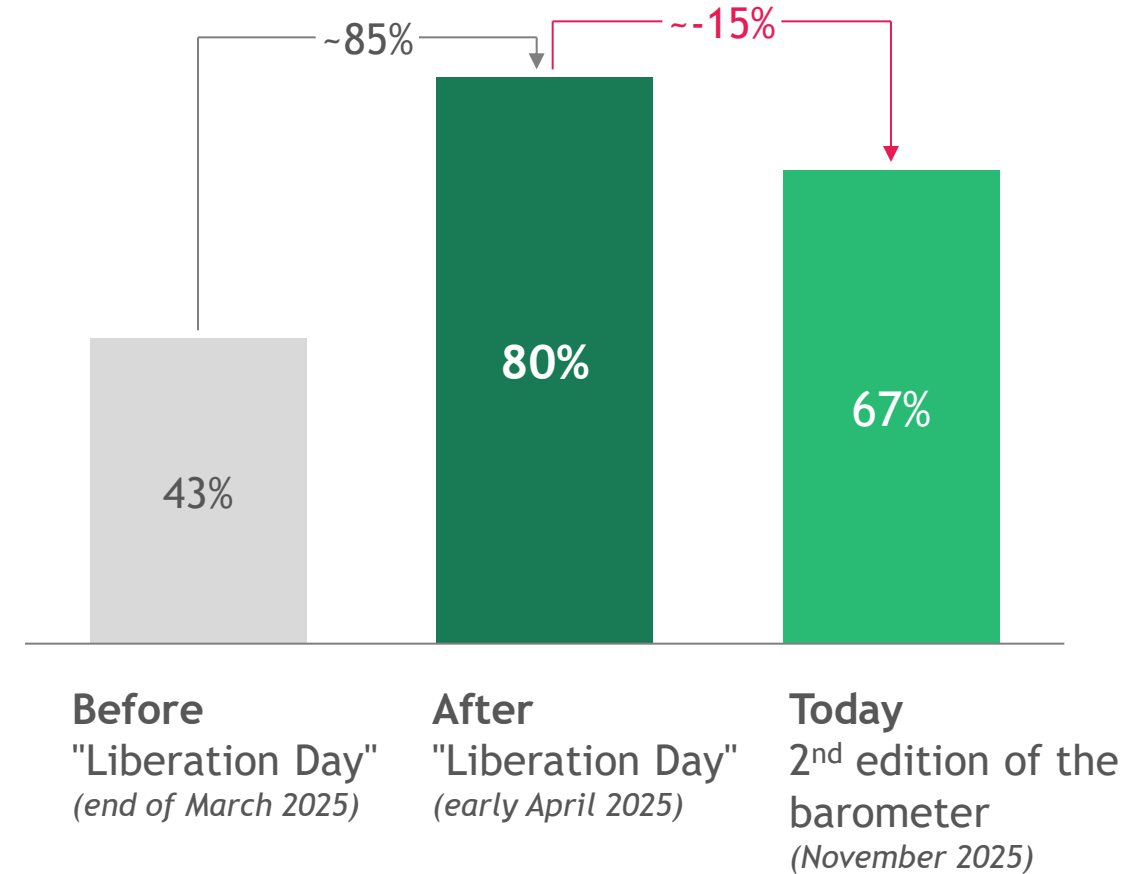
Citizens call on business leaders to step up - and they are ready to do so

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of citizens and 93% of leaders want business leaders to take public roles, including in institutions, yet many are still held back by constraints

“Liberation Day” momentum never materialized, and without decisive action, business leaders are starting to lose confidence and hope

% of business leaders optimistic about the future of European Competitiveness¹



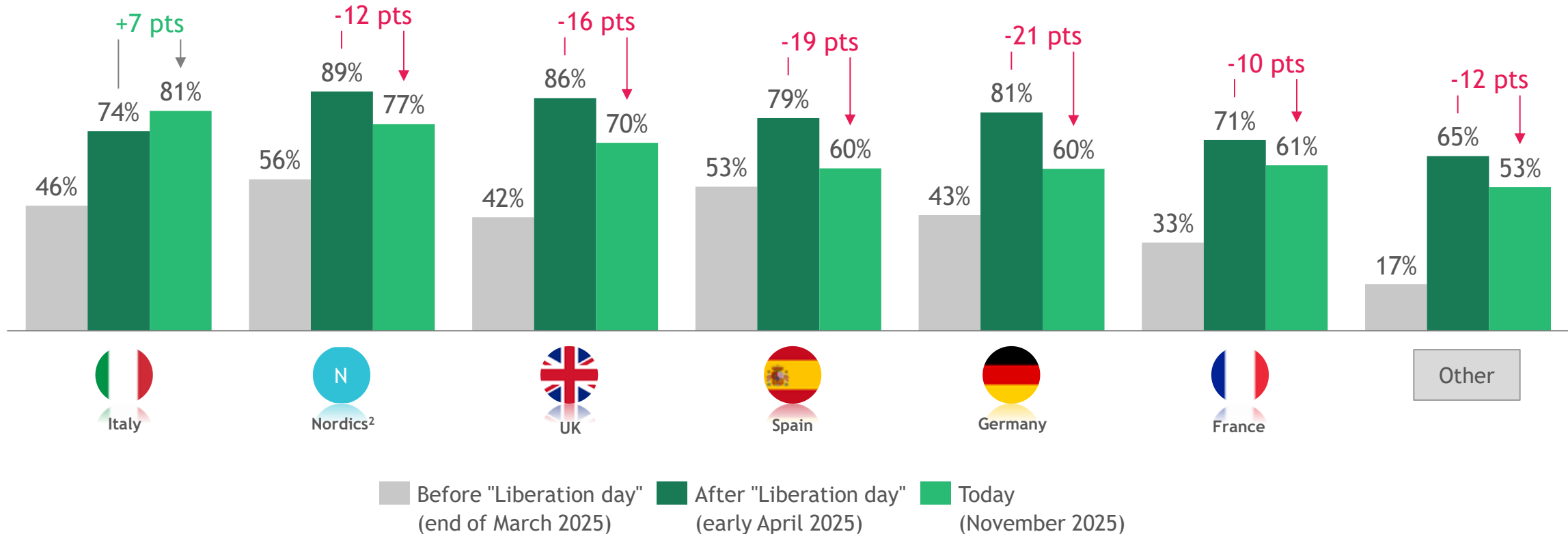
Note: “Optimistic” sentiment includes motivated, confident, or hopeful. “Liberation Day” refers to April 2, 2025.

1. Share of panel agreeing; excluding neutral answers

Source: BCG C-level survey on European competitiveness (Nov 2025)

Italy stands out with rising optimism, while confidence has dropped everywhere else, most sharply in Germany

% of business leaders optimistic about the future of European competitiveness, by geography¹



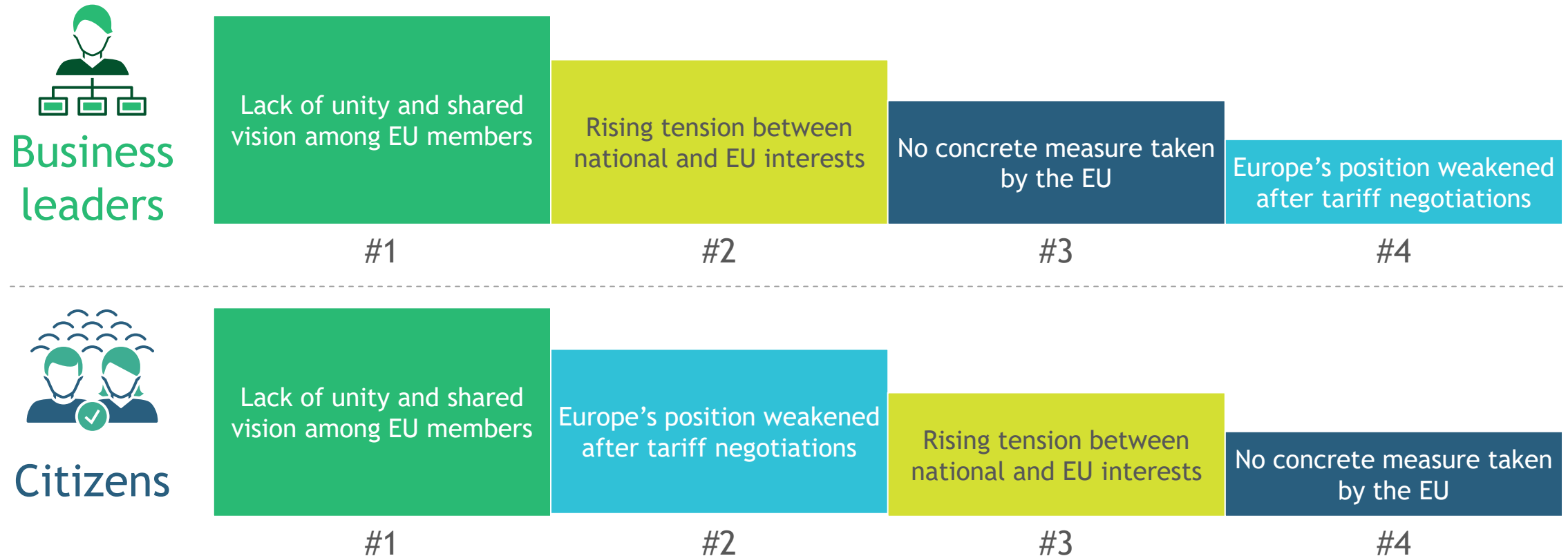
Note: "Optimistic" sentiment includes motivated, confident, or hopeful. "Liberation Day" refers to April 2, 2025.

1. Share of panel agreeing; excluding neutral answers; 2. Includes Denmark, Finland, Norway, Sweden

Source: BCG C-level survey on European competitiveness (Nov 2025)

EU momentum is fading amid disunity, with starkly different views on the US trade deal's importance

Ranking of the main reasons why Europe's competitiveness momentum has faded¹



1. Ranking based on the number of times each reason was placed 1st or 2nd by respondents
Source: BCG C-level survey on European competitiveness (Nov 2025), BCG Citizen survey on European competitiveness (Nov 2025)

Key takeaways No. 3

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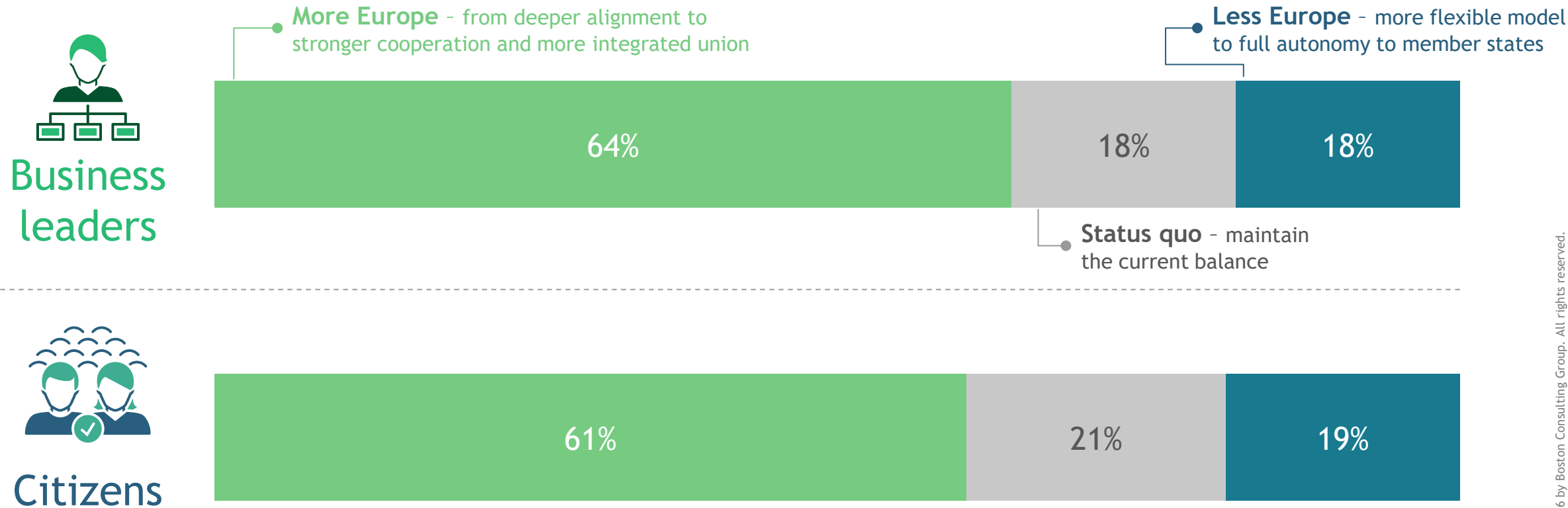
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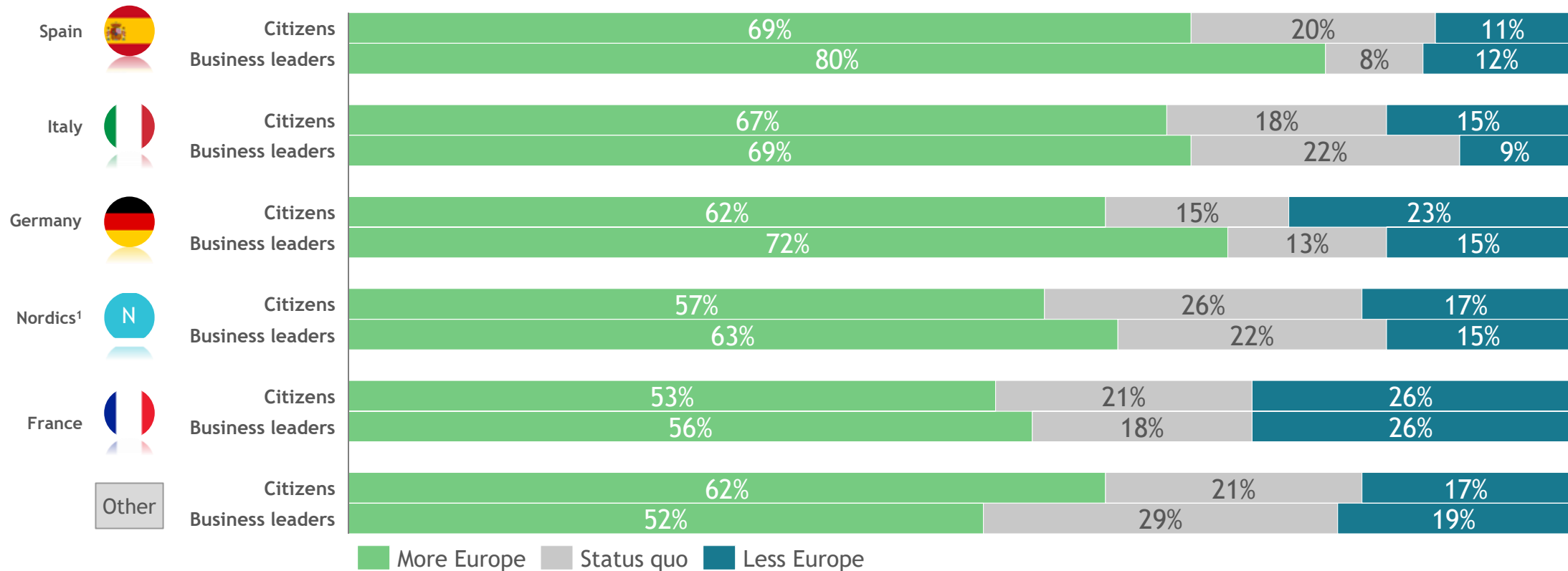
Leaving the Union is not seen as the future – both business leaders and citizens view ‘more Europe’ as the path to competitiveness

% of business leaders and citizens who believe the solution to boost competitiveness lies in "more Europe" versus "less Europe"



Across all countries, respondents see deeper European cooperation as the solution

% who believe the solution to boost competitiveness lies in "more Europe" versus "less Europe", by geographies



1. Includes Denmark, Finland, Norway, Sweden;

Source: BCG C-level survey on European competitiveness (Nov 2025); BCG Citizen survey on European competitiveness (Nov 2025)

Key takeaways No. 4

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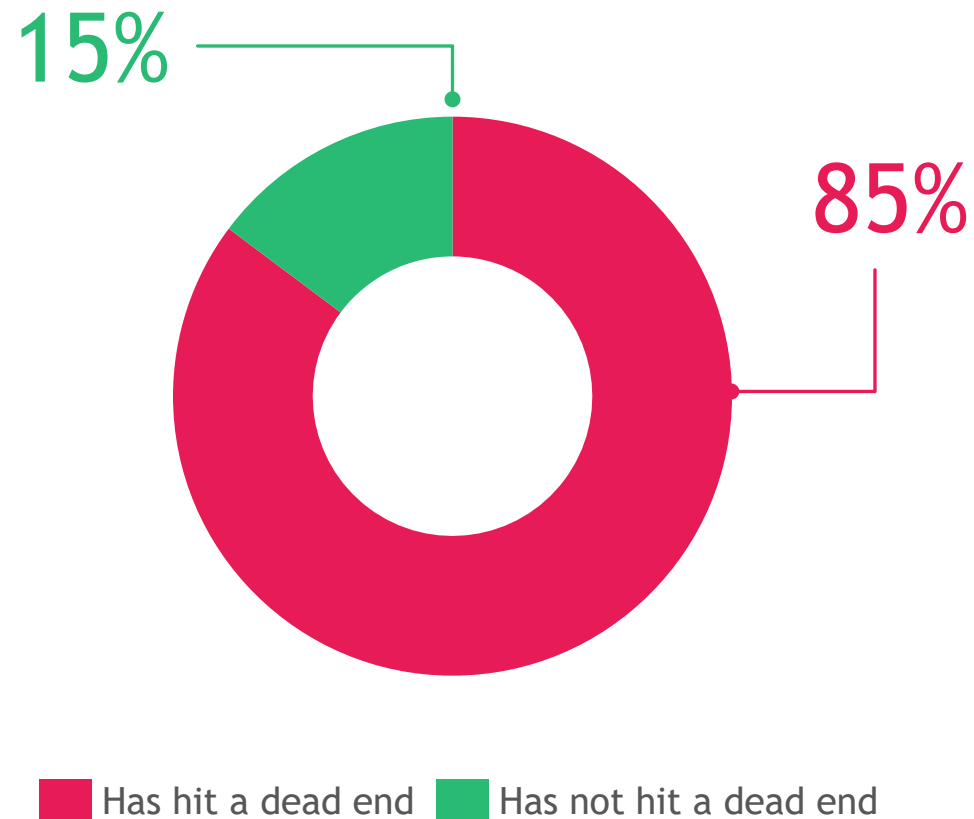
5

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% of business leaders who believe the EU has hit an institutional dead end¹



Though seen as the solution, Europe has reached an institutional dead end

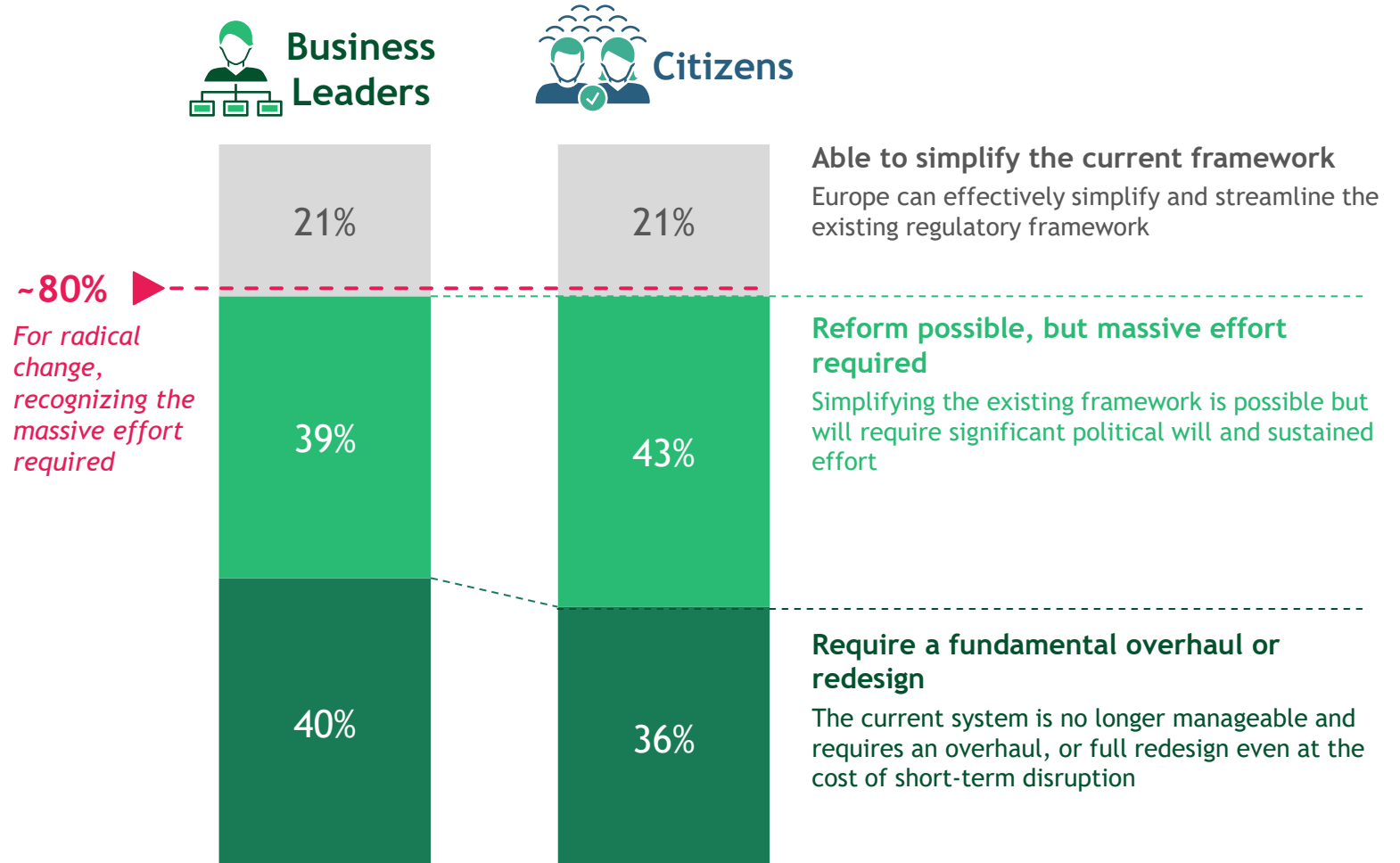
More than 4 in 5 business leaders see Europe at a standstill - driving support for a more flexible, alternative framework

1: Share of panel agreeing; excluding neutral answers
Source: BCG C-level survey on European competitiveness (Nov 2025)

An overwhelming consensus on the need for radical change

Citizens and business leaders recognize the scale of the challenge, with nearly 40% calling for a full overhaul

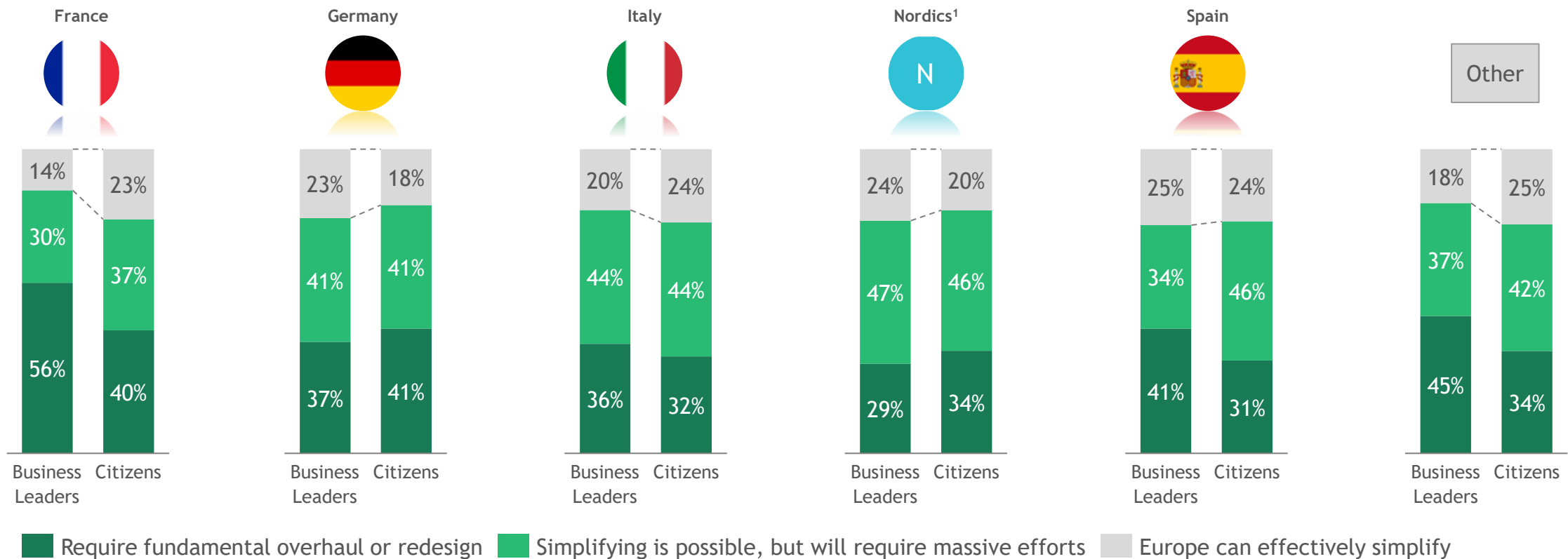
% of citizens and business leaders' perceptions on the EU's ability to reform its regulatory system



Source: BCG C-level survey on European competitiveness (Nov 2025), BCG Citizen survey on European competitiveness (Nov 2025)

This call for a massive change is shared across Europe - with France, especially its business leaders, pushing hardest for an overhaul

% of citizens and business leaders by how they perceive the EU's ability to reform its regulatory system, by geography



1. Includes Denmark, Finland, Norway, Sweden;

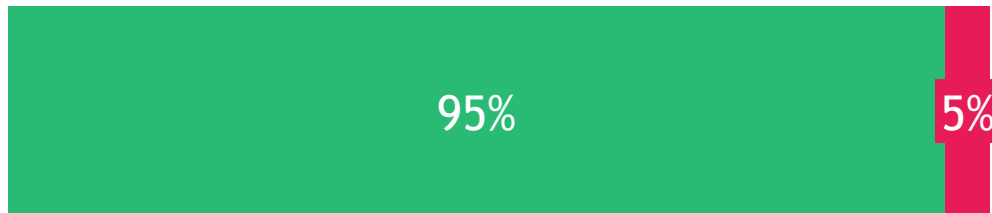
Source: BCG C-level survey on European competitiveness (Nov 2025), BCG Citizen survey on European competitiveness (Nov 2025)

Business leaders show a strong consensus on what this transformation demands and how to execute it



To accelerate change, Europe should focus on a few core sectors and priorities

% of business leaders supporting¹

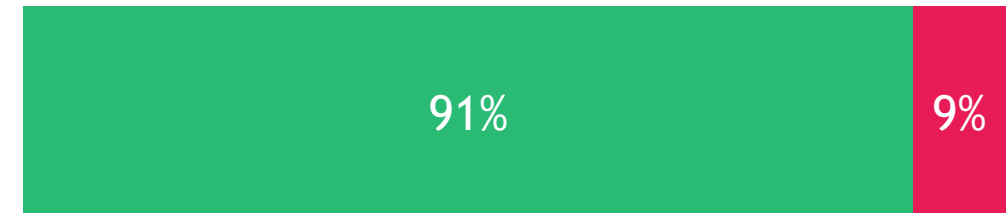


Agree Disagree



To move faster, efforts should be anchored in a small group of key EU countries to build momentum

% of business leaders supporting¹



Agree Disagree

1: Share of panel agreeing; excluding neutral answers
Source: BCG C-level survey on European competitiveness (Nov 2025)

Key priorities by strategic sector to boost Europe's competitiveness



New technologies

86% Introduce targeted fiscal incentives to support high-risk investments

82% Create a DARPA-style agency to support high-risk innovation



Energy

89% Build a diverse decarbonized mix, with nuclear power playing a key role

87% Accelerate industrial electrification and create a "One European Grid"



Investment & Financing

84% Harmonize banking regulations across Europe for a unified financial system

88% Integrate capital markets and strengthen the venture ecosystem



Defense

83% Defense should become the new "steel" for Europe

85% Accelerate defense integration and cooperation to achieve scale

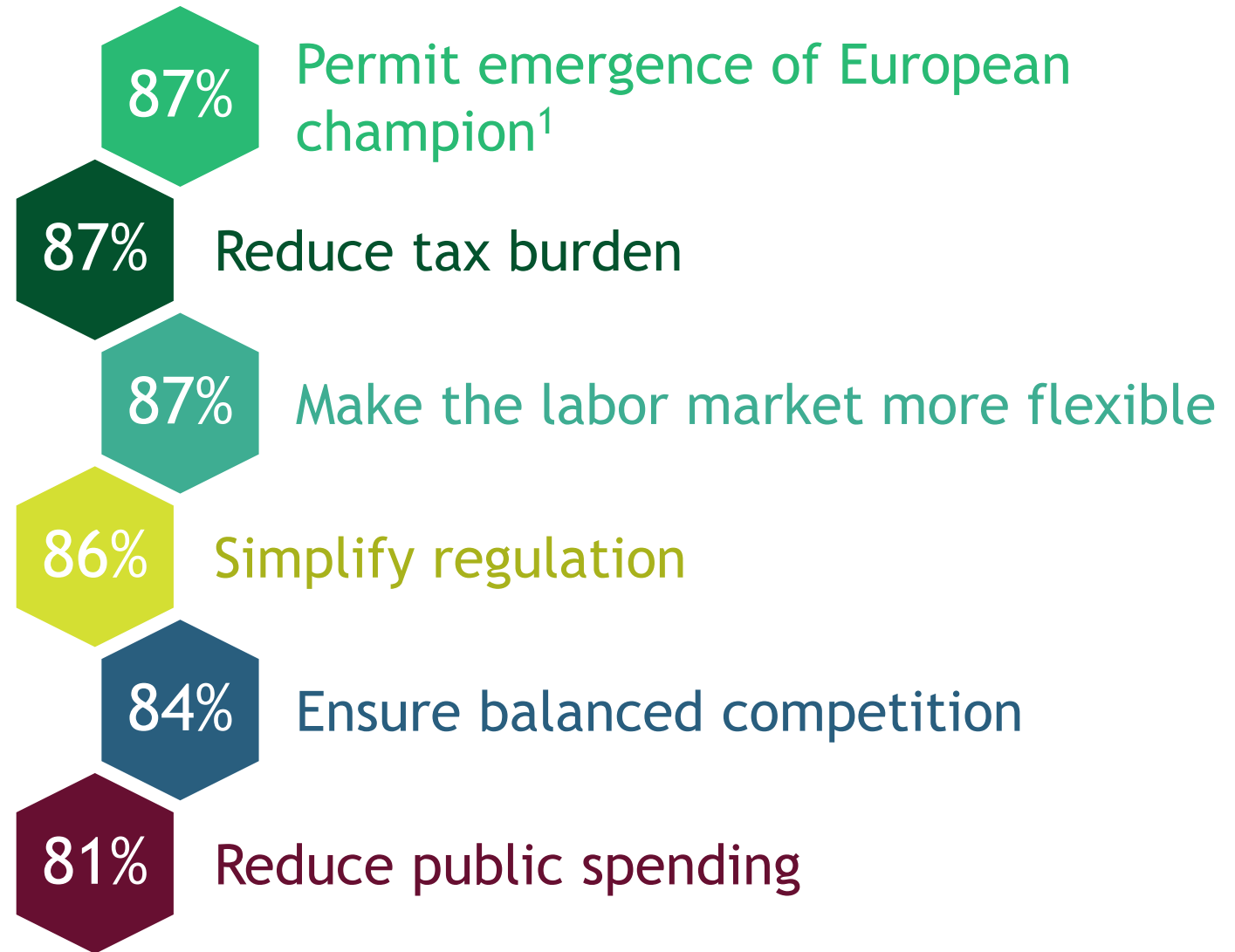


Supply and strategic sovereignty

85% Strengthen critical sectors within supply chains by backing key players

88% Reduce external dependencies in key sectors through European preference

Business leaders show a strong consensus for six cross-sector priorities to restore Europe's competitiveness



1. Large, competitive EU firms positioned to lead globally
Source: BCG C-level survey on European competitiveness (Nov 2025)



Share of business leaders supporting the priority

Key takeaways No. 5

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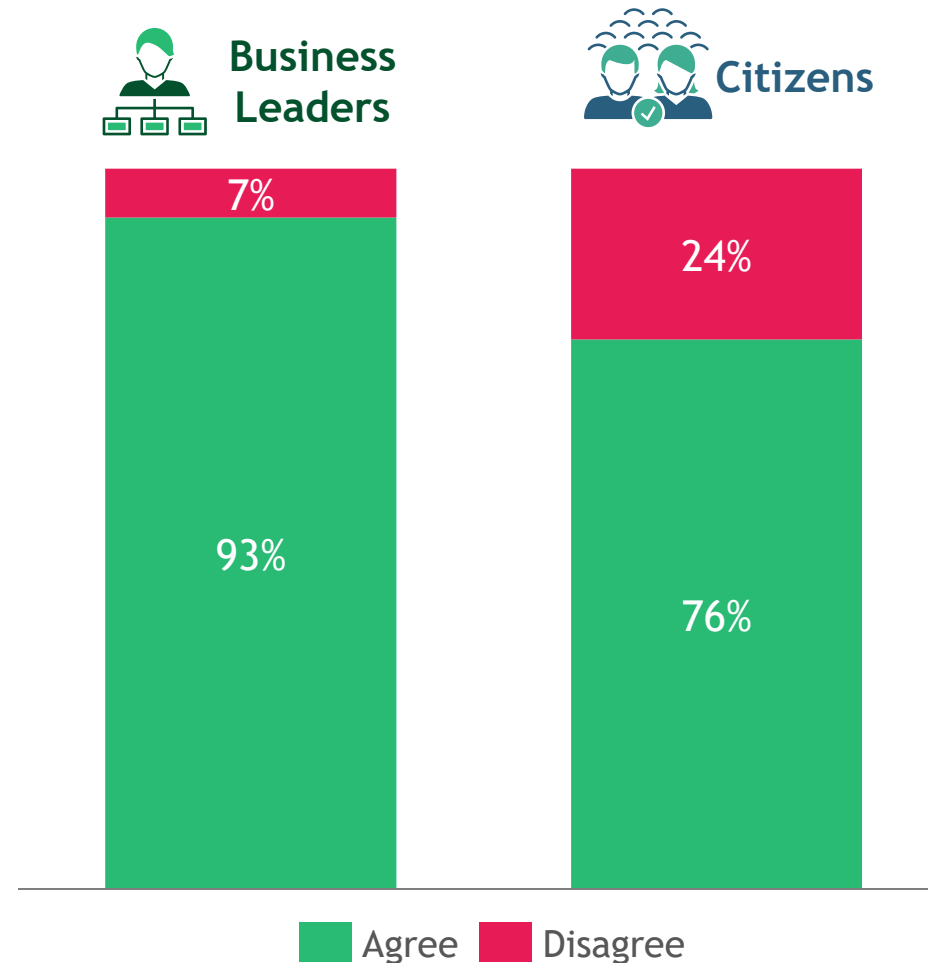
Citizens call on business leaders to step up - and they are ready to do so

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To break the stalemate, Europeans want business leaders actively involved in public efforts to address economic issues

% opinions of whether business leaders should take active roles in governments or public institutions to support Europe's competitiveness and economic strategy¹



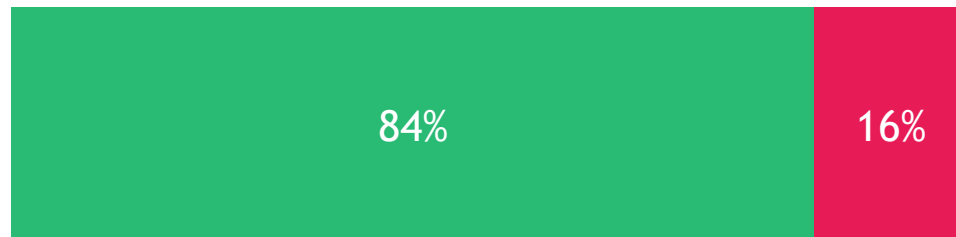
1. Share of panel agreeing; excluding neutral answers

Source: BCG C-level survey on European competitiveness (Nov 2025), BCG Citizen survey on European competitiveness (Nov 2025)

Citizens call for more pragmatic leaders who can face economic realities - and they want business leaders to fill that role

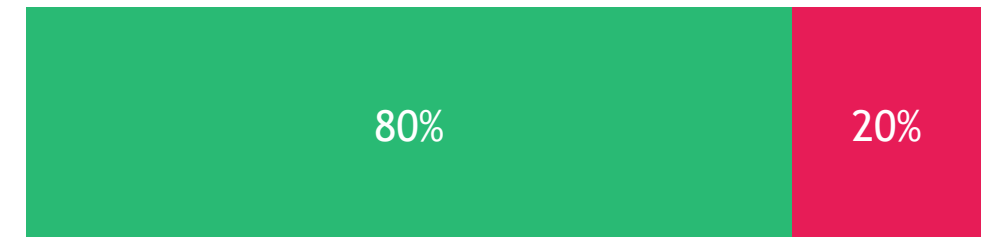
Citizens call for a new generation of pragmatic leaders...

% of citizen who think Europe should be led by a new generation of pragmatic leaders who understand today's geopolitical and economic realities, even if that means breaking away from traditional political approaches¹



... and expect business leaders to help boost competitiveness

% of citizen who believe business leaders should play a more active and vocal role in shaping Europe's economic future and competitiveness¹

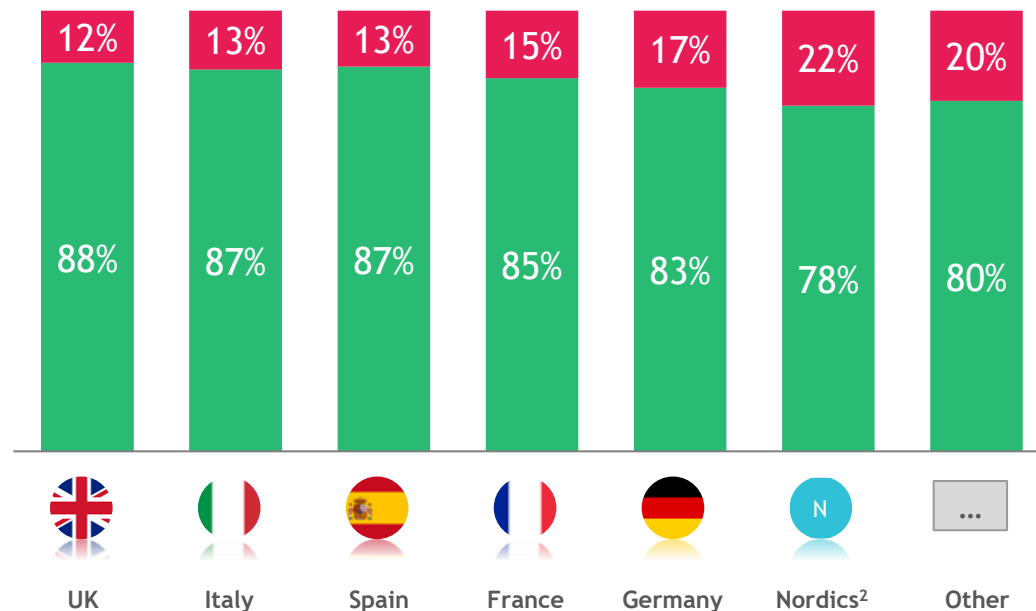


Agree Disagree

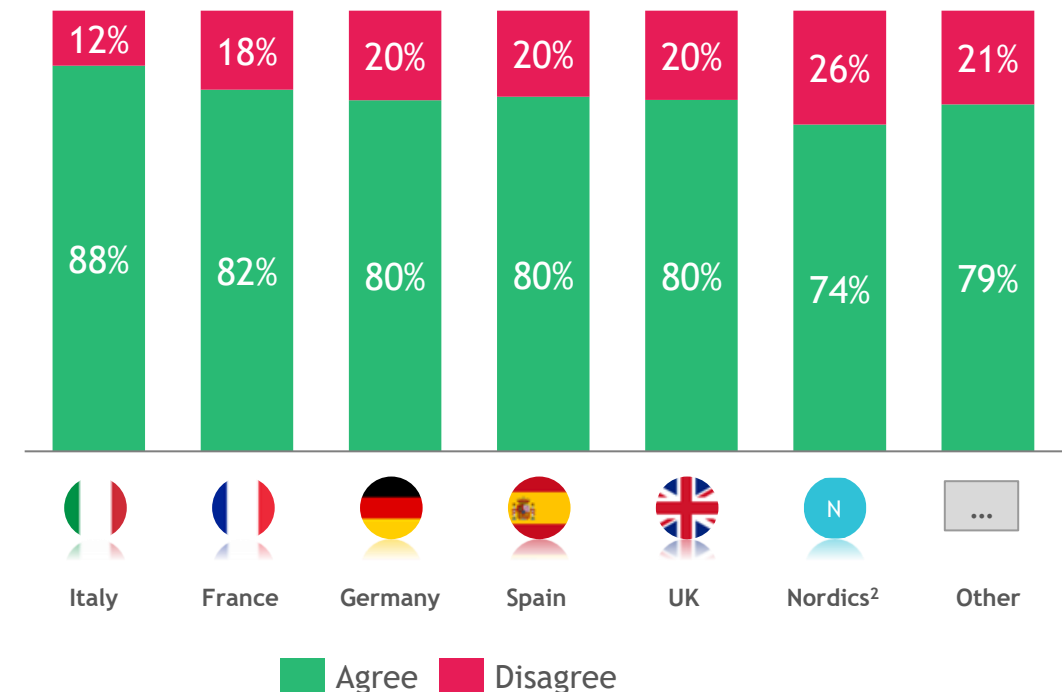
1: Share of panel agreeing; excluding neutral answers
Source: BCG Citizen survey on European competitiveness (Nov 2025)

That call for a break echoes across Europe, led by Italians who are pushing for change and greater business-leader involvement

% of citizen who think Europe should be led by a new generation of pragmatic leaders who understand today's geopolitical and economic realities, even if that means breaking away from traditional political approaches¹



% of citizen who believe companies and business leaders should play a more active and vocal role in shaping Europe's economic future and competitiveness¹



1. Share of panel agreeing; excluding neutral answers; 2. Includes Denmark, Finland, Norway, Sweden;
Source: BCG C-level survey on European competitiveness (Nov 2025)

Business leaders
are ready to step
up—if the right
forum emerges—
before momentum
fades...



High demand for an EU-level
CEO working group ...

91%

-1 pts



... with willingness
to dedicate time

84%

+2 pts

(X): Change versus 1st edition of BCG barometer

% of business leaders identifying factors that prevent them from publicly taking a stance and actively engaging for Europe's competitiveness

Reputational risks for both the individual and the company **64%**

Lack of active solicitation and formal mandates from the politics **54%**

Shareholder pressure to remain discreet **47%**

Fear of political retaliation **35%**

...But key barriers still limit their full participation in decision-making bodies

Note: Leaders expressed overall agreement on the potential consequences to European competitiveness if current risks of decline remain unaddressed.

Source: BCG C-level survey on European competitiveness (Nov 2025)

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