



Ceemet
European Tech &
Industry Employers

Better regulation as a driver of EU competitiveness

Position paper

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Introduction

MET industries are among the first sectors and most directly affected by the current geopolitical and geoeconomic context. Global overcapacity, distortions of competition, supply chain disruptions, and volatility in energy and raw material prices are putting considerable pressure on our sectors, which are essential to Europe's industrial ecosystem, green transition, defence capability, and technological sovereignty. It is crucial to protect critical industrial sectors facing unfavourable competitive conditions. This requires simplifying the EU legislative framework.

On 21 October 2025, the European Commission under Ursula von der Leyen's second mandate adopted its work programme for 2026, where the President of the EU Commission increasingly emphasised regulatory simplification as a central policy objective.

This emphasis is justified, not because Europe needs less regulation, but because it needs clearer and more workable rules. The distinction between deregulation and simplification is fundamental. And what we are calling for is simplification, understood as designing regulation in a way that achieves policy goals without creating unnecessary administrative burdens.

With this paper, Ceemet would like to provide its views on how to complete the Single Market and regain EU competitiveness through the simplification of the EU Rules and enforcement of the existing rules.

1

Improving EU law-making by respecting subsidiarity and applying Competitiveness checks

Ceemet recommends **respecting the subsidiarity and proportionality principles** that must form the backbone of EU law-making. These principles are designed to ensure that action is taken at the most appropriate level and remains close to citizens and economic actors. To achieve the objective of better regulation, the EU should strictly adhere to these principles particularly in the field of social policy.

EU legislation should be firmly problem-driven, practical to apply, and enforceable on the ground. In order to achieve this objective, it is imperative to carry out ex ante impact assessments based on rigorous and transparent criteria that fully integrate competitiveness considerations. The regulatory burden on European business is heavy compared to other continents. Hence, before any initiative is released, the first evaluation should assess the necessity of new action.

Moreover, given the current geopolitical context, the overall regulatory burden should be critically evaluated to avoid the relocation of industries and activities outside Europe. Therefore, the Commission needs to ensure regulatory consistency and cost awareness. A holistic approach requires looking at a given proposal from different angles. This also and foremost applies to the Commission itself; the breaking down of silos between different DGs and departments is a prerequisite to meaningful assessment. The Commission should systematically take into account the combined impact of legislative measures and rely on independent, evidence-based impact assessments that fully capture all additional costs for public authorities and private actors alike. As a result, EU institutions must intensify efforts to reduce unnecessary administrative obligations that continue to weigh on investment, competitiveness, and employment creation.

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Small and medium-sized enterprises are particularly exposed to excessive or poorly calibrated rules, which also discourage entrepreneurship and the emergence of new businesses or their growth in Europe. In this respect, the REFIT agenda should be applied rigorously and consistently, with a clear focus on lowering regulatory burdens and compliance costs, especially for SMEs. This approach will also ensure that regulatory frameworks remain adaptable enough to foster innovation and technological progress. Impact assessments should be efficient, transparent, and genuinely holistic. As highlighted in the Draghi Report, only around half of impact assessments meaningfully examined the effects of legislation on SMEs (54% in 2020 and 45% in 2021), while nearly one third of opinions issued by the Regulatory Scrutiny Board explicitly called for improvements in this area. These weaknesses are compounded by significant variations in the methodologies and datasets used across impact assessments.

In practice, this allows for a degree of selectivity in the evidence relied upon by the European Commission. Moreover, impact assessments should support competitiveness. That is why the data used must be both robust and up to date. To achieve this, clearly defined and transparent criteria are needed throughout the assessment process.

Indeed, in Ceemet views, while the Commission has demonstrated strong capacity to evaluate the impact of EU legislation on its own budget and on the overall economy, it remains less effective in analysing sector-specific effects, as well as the cumulative regulatory burden and the long-term consequences of regulation. Therefore, a truly holistic approach to impact assessment is therefore required, one that systematically integrates all relevant dimensions, including sectoral and regional aspects.

Such impact assessments would, for example, help to avoid situations like those experienced by our companies with the CS3D and the CSRD. While these acts were adopted in November 2022 and officially entered into force on 5 January 2023, their implementation has revealed a level of complexity and costs that led the legislator to introduce additional conditions, notably linked to company size, and the postponement of the implementation deadline until 2028. These same laws are now subject to an omnibus, precisely to ensure that companies are able to implement them in practice while remaining competitive.



Thus, after adoption and before transposition, evaluations of the actual impact of legislation would provide a valuable benchmark for future initiatives. Although such evaluations are already conducted in certain policy areas, such as in environmental policy with the Environmental Implementation Review (EIR), their use should be extended to all legislative proposals.

Given the assumptions that often underpin ex ante impact assessments, there is a strong and objective case for systematically assessing the real effects of legislation once it has been adopted and implemented. It will also prevent suggesting new legislation in the same area before the effects of the previous one, and potential gaps have been identified. We therefore underline the necessity for co-legislators to perform an impact assessment, taking into account their own amendments to a Commission proposal.

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2

Strengthening implementation by simplifying EU rules

In addition to the imperatives for better decision-making and implementation, it is essential to simplify the EU legislative framework whenever it is relevant. This would avoid the current – understandable – necessity to review legislation before their application dates. Indeed, the “stop the clock” and re-evaluation of the sustainability reporting of the CSRD and CS3D represented a welcome and necessary relief for companies.

In the same vein, Ceemet now urges to carefully re-evaluate the **Pay Transparency Directive**. **A similar “stop the clock” initiative to postpone the application date** (7 June 2026), allowing for the recalibration of the Directive, is **absolutely vital** for companies as well as for national administrations. In particular, all collective agreements, which are the result of collective bargaining between social partners, should obtain the presumption of gender neutrality.

Despite the simplification agenda, the number of implementing acts in 2025 reached a new record^[1]. Legislators should therefore make greater use of contractual freedom and non-binding instruments, such as guidelines and the exchange of best practices, in particular for smaller companies.

[1] Gesamtmetall Brussels [@Gesamtmetall_EU], February 2, 2026
https://x.com/Gesamtmetall_EU/status/2018364144542482496

3

Completing the Single Market by using digital tools

The simplification efforts should focus on improving how current rules function in practice. In the social field, we would like to draw particular attention to three important elements: recognising professional qualifications, removing burdensome procedures for the temporary posting of workers, and ensuring seamless and efficient cross-border provision of industry-related services.

Another way to simplify procedures is to adopt digital tools. A clear example of this approach can be found in the COVID-19 pandemic, when the European QR code for vaccination was introduced. By providing a simple and digital solution, it reduced administrative complexity while ensuring effective coordination across the EU. This type of pragmatic, well-targeted simplification is exactly what European businesses are calling for today. EU Member States should embrace digitalization by using the Once-Only Technical System (OOTS).

The proposed eDeclaration shows how regulation can be made easier to implement while delivering tangible benefits on the ground.

The administrative burden for companies when posting their workers within the EU should be greatly reduced through digital tools such as the eDeclaration. The proposed eDeclaration shows how regulation can be made easier to implement while delivering tangible benefits on the ground. The Digital Wallet for citizens should include the ESSPASS initiative, using existing electronic frameworks such as the European Blockchain Services Infrastructure (EBSI) for verifiable credentials, the proposed European Digital Identity (EUDI) framework and the EU Single Digital Gateway.

Digital tools, such as ESSPASS is another example where persons can keep e-forms and documents in a secure, verifiable, structured and user-friendly way. In addition, Ceemet suggests including in its architecture the possibility to allow labour law and social security notifications.

4

Enhancing legal clarity and effective enforcement

Ceemet believes that deepening and completing the Single Market must remain an absolute strategic priority for the EU. In order to facilitate this process, the simplification agenda must aim to **enhance legal clarity** and place a stronger emphasis on **effective enforcement**. Before proposing additional legislative measures, the Commission should rigorously assess whether the existing legal framework already addresses the issue at hand. Where this is the case, the Commission should show restraint.

In other words, the Commission should avoid measures that do not address a clearly identified need, lack robust impact assessments, or cannot be effectively enforced. Too often, calls for new rules don't arise from genuine regulatory gaps, but from shortcomings in interpretation, implementation, enforcement or a combination of these. Both EU institutions and Member States therefore share responsibility for ensuring proper transposition, consistent application, and effective enforcement of existing legislation. The objective should be regulatory restraint combined with precision. The **“one in, one out” principle should be held high**.

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5

Respecting the role of social partners

As a representative of MET employers and social partners at the European level, Ceemet works primarily on social policies. However, this prerogative does not fall within the EU's remit. As the OECD^[1] pointed out, the European Pillar of Social Rights must be seen for what it is: a political commitment rather than a constitutional framework. Care must be taken to ensure that its implementation does not undermine employment opportunities, as overly rigid labour market rules can encourage companies to replace labour with capital and technology when faced with excessive constraints.

That is why the only effective and efficient way to ensure a better implementation is to encourage social dialogue, consult, bring together, and build close ties between social partners, including at the European and sectoral levels. Moreover, the involvement of the social partners, according to national practices, is essential to ensure balanced outcomes and to anchor EU rules in economic and social realities.

Ceemet strongly advocates for **greater respect for the autonomy of social partners, urging EU policymakers to avoid interfering with and fully respect (national) collective bargaining.** Ceemet believes that in order to ensure a holistic approach to stakeholder consultations with a view to implementing a more efficient and effective manner to gathering essential information, including possibly across policy fields, the key is the respect of social dialogue, particularly at the national level.

A competitive and resilient Single Market can only be achieved by refocusing on the fundamentals of the EU – free movement, better regulation, economic cooperation and competitiveness.



[1] OECD, "[Employment Outlook](#)", 2017

Conclusion



Ceemet would like once again to emphasise that **simplification should not be confused with deregulation**. As indicated by the European Commission call for evidence, it is a question of better regulation in line with the geopolitical, social, and economic context.

What is needed is a systematic and ongoing approach that integrates simplification into the EU policy cycle as standard practice rather than occasional exercise. In addition to designing new initiatives that prioritise clarity, consistency, and ease of use, this exercise requires regular review of existing legislation, identification of overlaps and redundancies, and increased attention to transposition, implementation, and enforcement.

Ceemet stresses that a competitive and resilient **Single Market can only be achieved** by refocusing on the fundamentals of the EU – free movement, better regulation, economic cooperation and competitiveness – **while ensuring strong involvement, autonomy, and capacity building of social partners in the development and implementation of European policies**. It is not just about reducing red tape, but also about **preserving Europe's competitiveness**, strengthening the single market, facilitating cross-border activities, and enabling businesses to focus on innovation and creating sustainable jobs rather than administrative hurdles.



About Ceemet

Set up in 1962, Ceemet is the European employers' organisation representing the interests of the metal, engineering and technology-based (MET) industries with a particular focus on topics in the areas of employment, social affairs, industrial relations, health & safety and education & training.

Ceemet members are national employers' federations across Europe and beyond, based in 20 countries. They represent more than 200,000 member companies, a vast majority of which are SMEs.

Ceemet members' companies in the EU provide direct employment to 16 million and indirect employment to 35 million people, and cover all products within the MET industrial sectors.

Together, these companies make up Europe's largest industrial sector, both in terms of employment levels and added value, and are therefore essential to ensuring Europe's economic prosperity.

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