



European CEOs and Citizens Both Want the Same Thing: Economic Competitiveness

**European Competitiveness
Barometer**

JANUARY 2026 | 2ND EDITION



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%

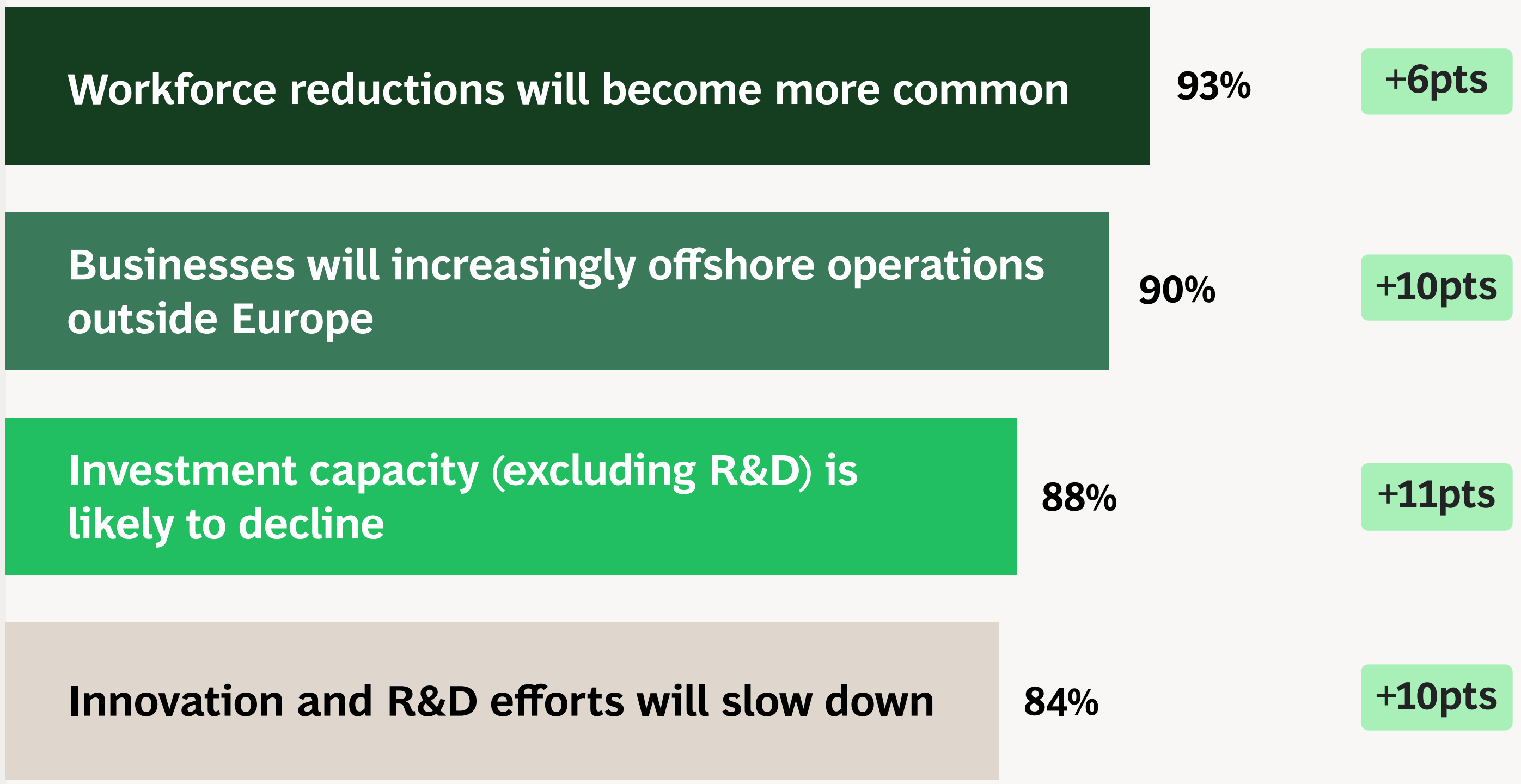
of citizens and 93% of leaders want business leaders to take public roles, including in institutions, yet many are still held back by constraints

TAKEAWAY 1

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

Share of business leaders who foresee the following economic and social consequences if competitiveness declines (%)¹

Change versus 1st edition of BCG barometer (April 2025)

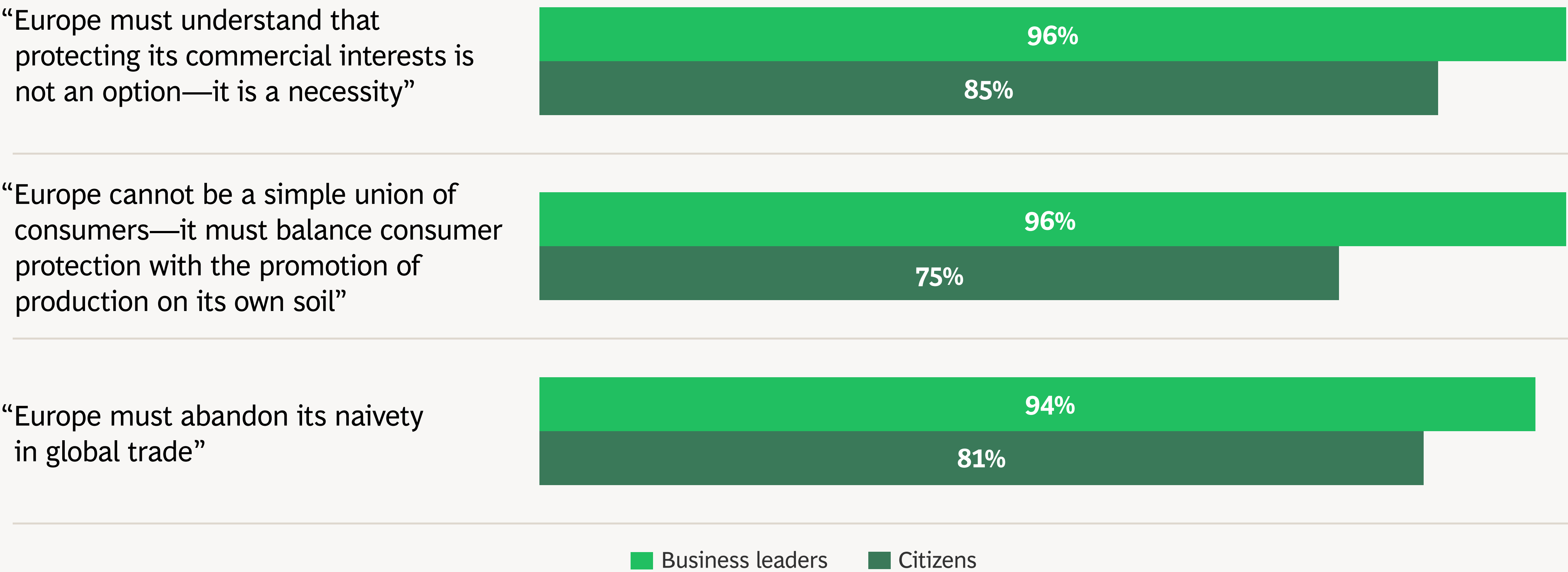


Source: BCG C-level survey on European competitiveness (Nov 2025).
Note: Leaders expressed overall agreement on the potential consequences to European competitiveness if current risks of decline remain unaddressed.
¹Share of panel agreeing; excluding neutral answers.

TAKEAWAY 1

Citizens overwhelmingly back this call for urgent change in Europe

Share of business leaders and citizens who agree with the following statements (%)¹



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

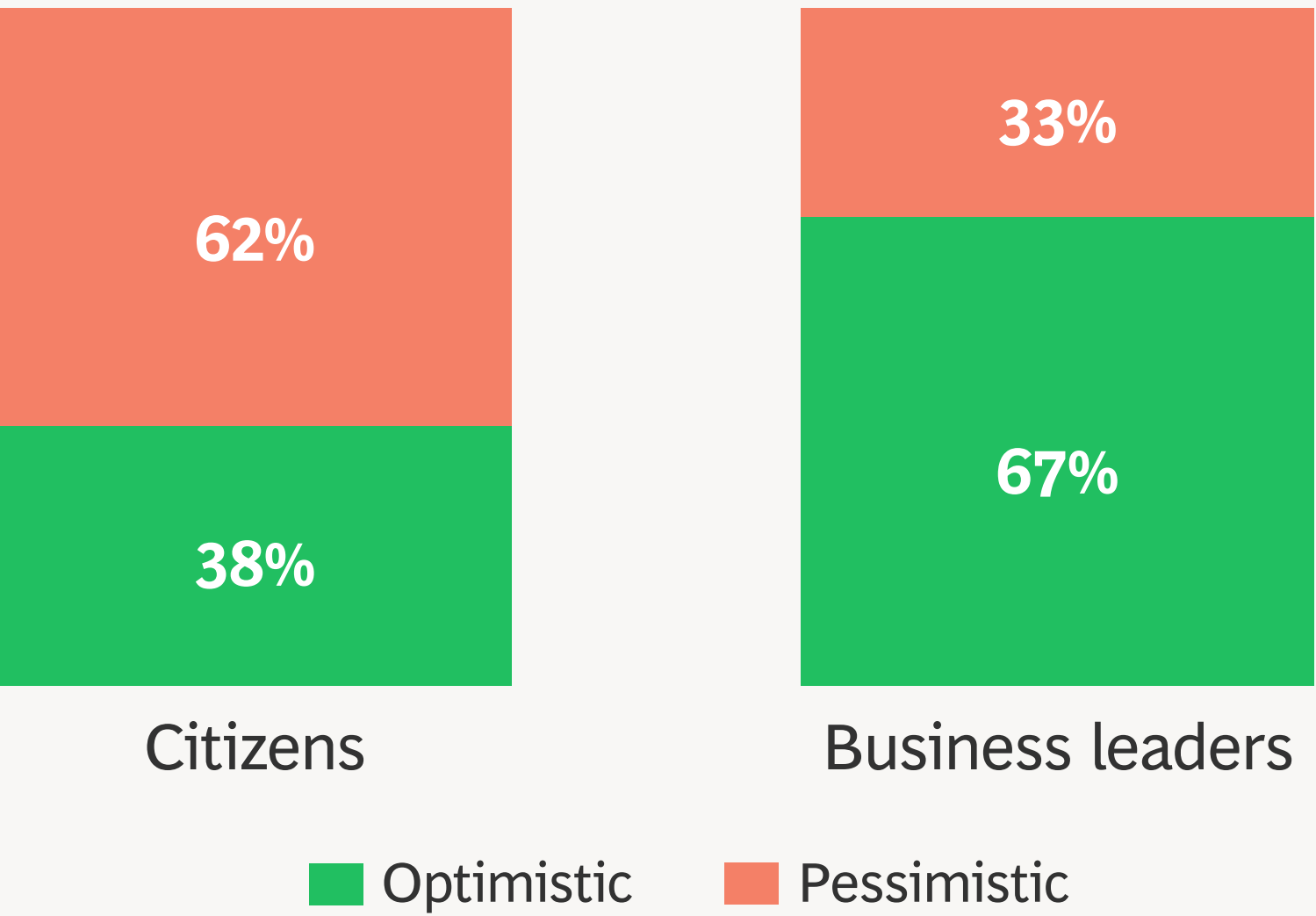
¹Share of panel agreeing; excluding neutral answers.

TAKEAWAY 1

Business leaders still have hope about Europe’s future, but citizens are far more pessimistic, underscoring the urgent need to win them back

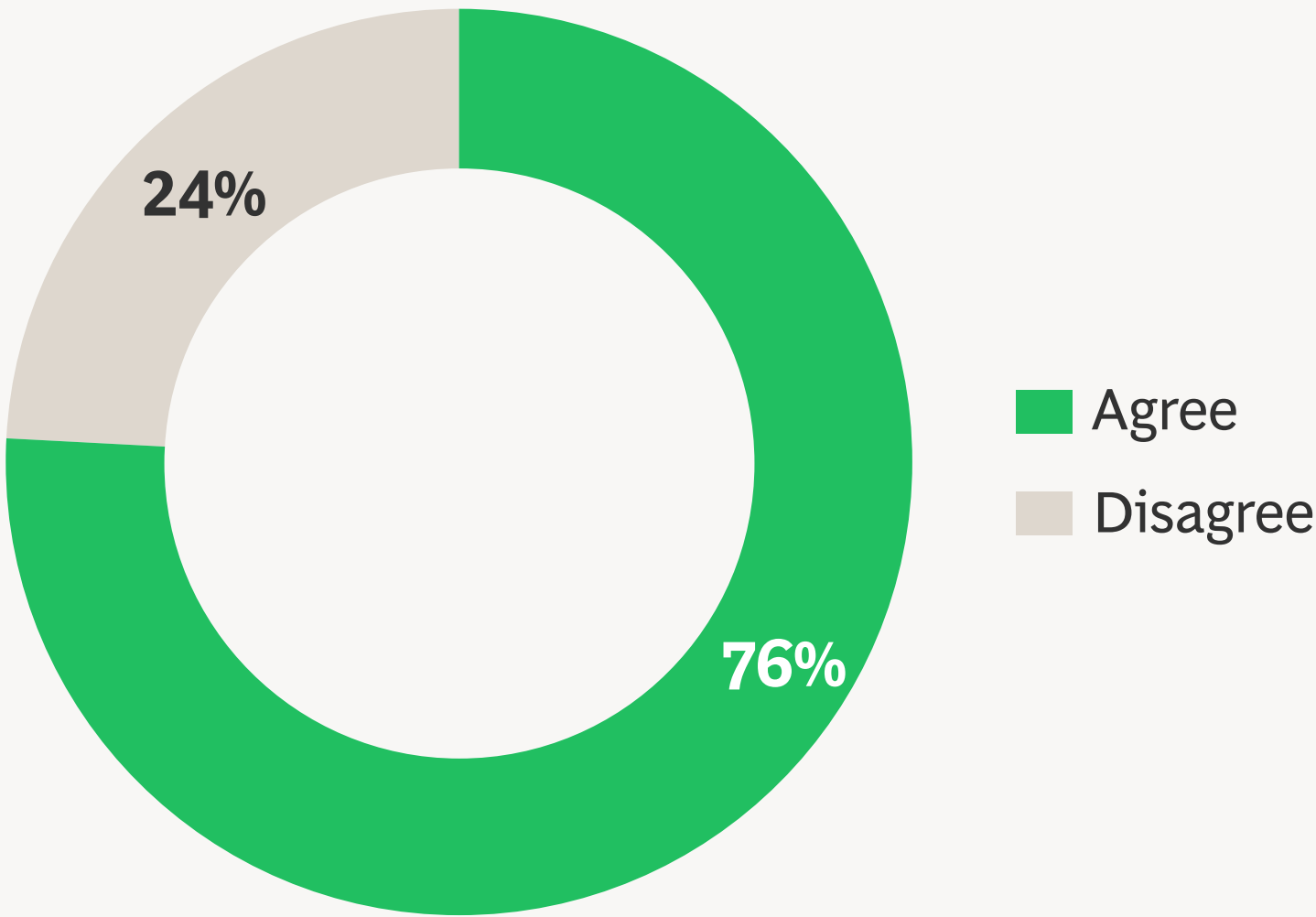
Citizens are significantly more pessimistic than business leaders...

Share of citizens and business leaders by level of sentiment about Europe’s global competitiveness (%)¹



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

Share of citizens who believe Europe must act now or risk reaching a point where it can no longer catch up with the US and China (%)¹

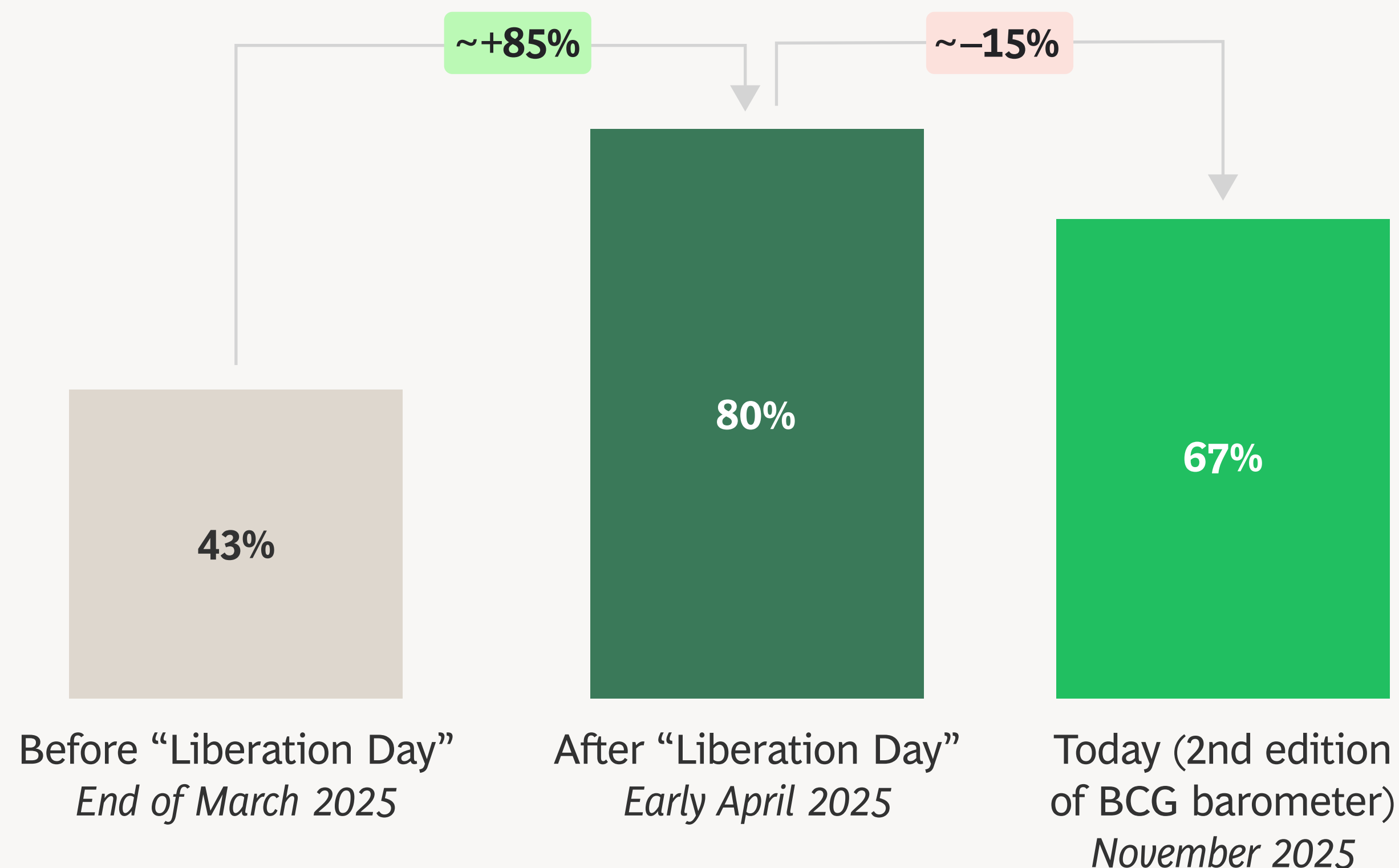


Sources: BCG C-level survey on European competitiveness (Nov 2025); BCG citizen survey on European competitiveness (Nov 2025).
Note: “Optimistic” sentiment includes motivated, confident, or hopeful. “Pessimistic” sentiment includes pessimistic, concerned, or frustrated. “Liberation Day” refers to April 2, 2025.
¹Share of panel agreeing; excluding neutral answers.

TAKEAWAY 2

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

Share of business leaders who are optimistic about the future of European competitiveness (%)¹



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

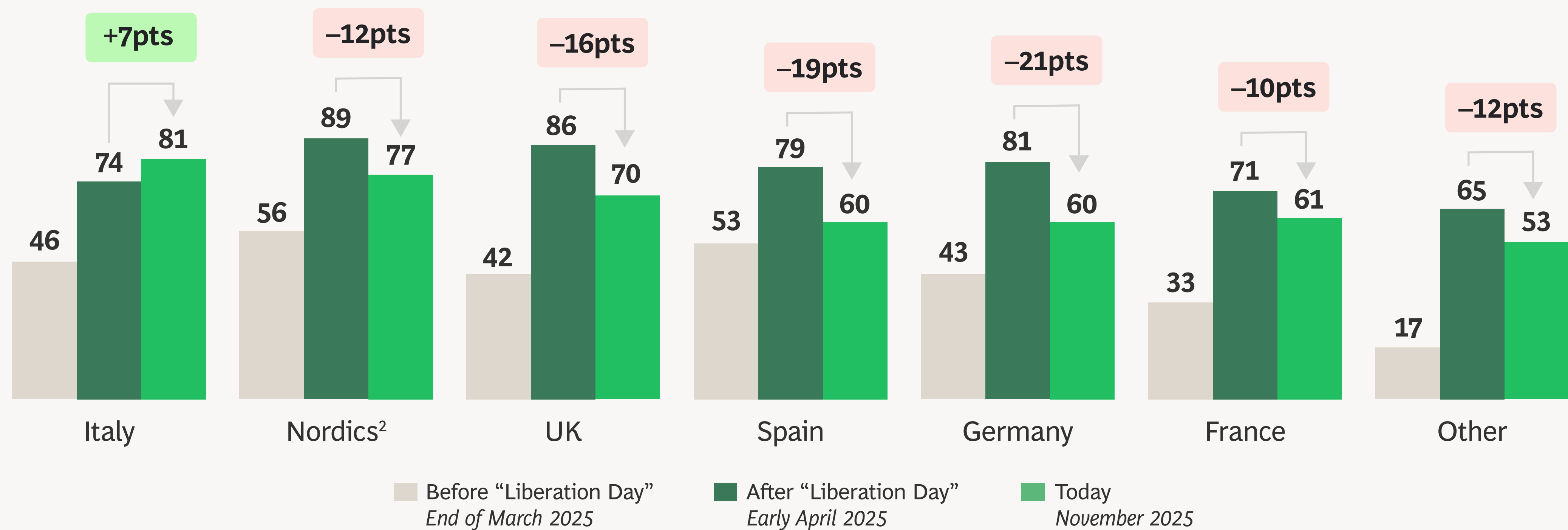
Note: “Optimistic” sentiment includes motivated, confident, or hopeful. “Liberation Day” refers to April 2, 2025.

¹Share of panel agreeing; excluding neutral answers.

TAKEAWAY 2

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

Share of business leaders who are optimistic about the future of European competitiveness, by geography (%)¹

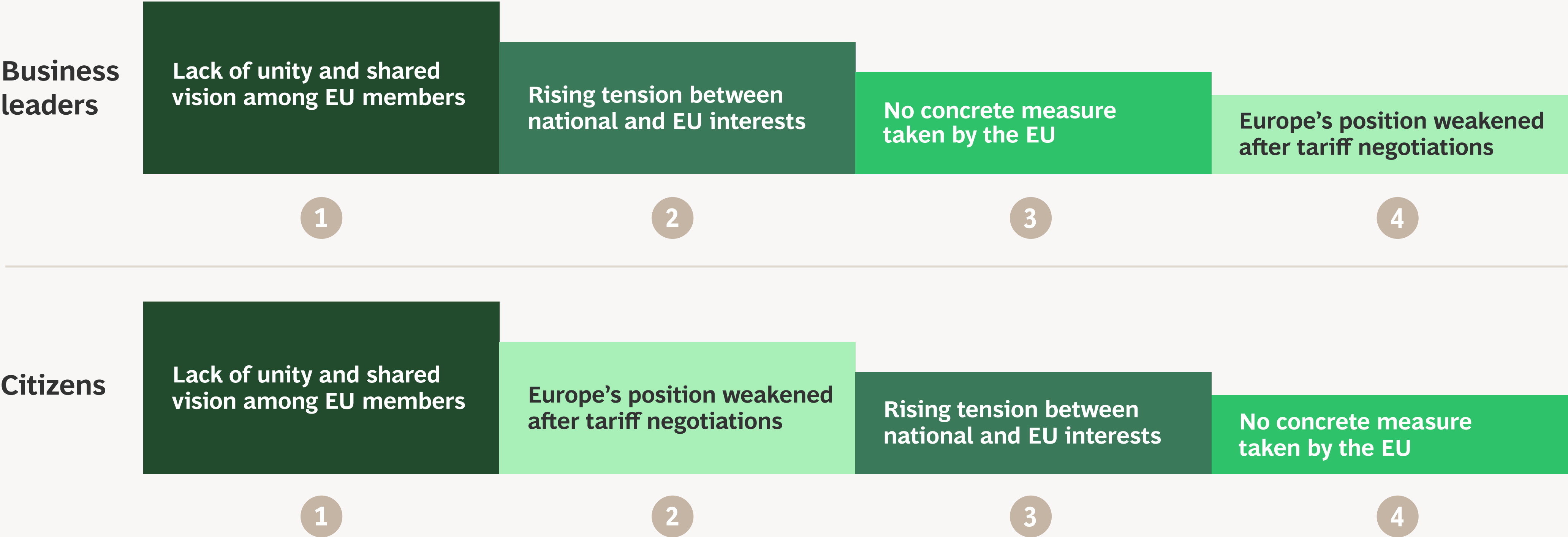


Source: BCG C-level survey on European competitiveness (Nov 2025).
Note: "Optimistic" sentiment includes motivated, confident, or hopeful. "Liberation Day" refers to April 2, 2025.
¹Share of panel agreeing; excluding neutral answers.
²Nordics includes Denmark, Finland, Norway, and Sweden.

TAKEAWAY 2

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

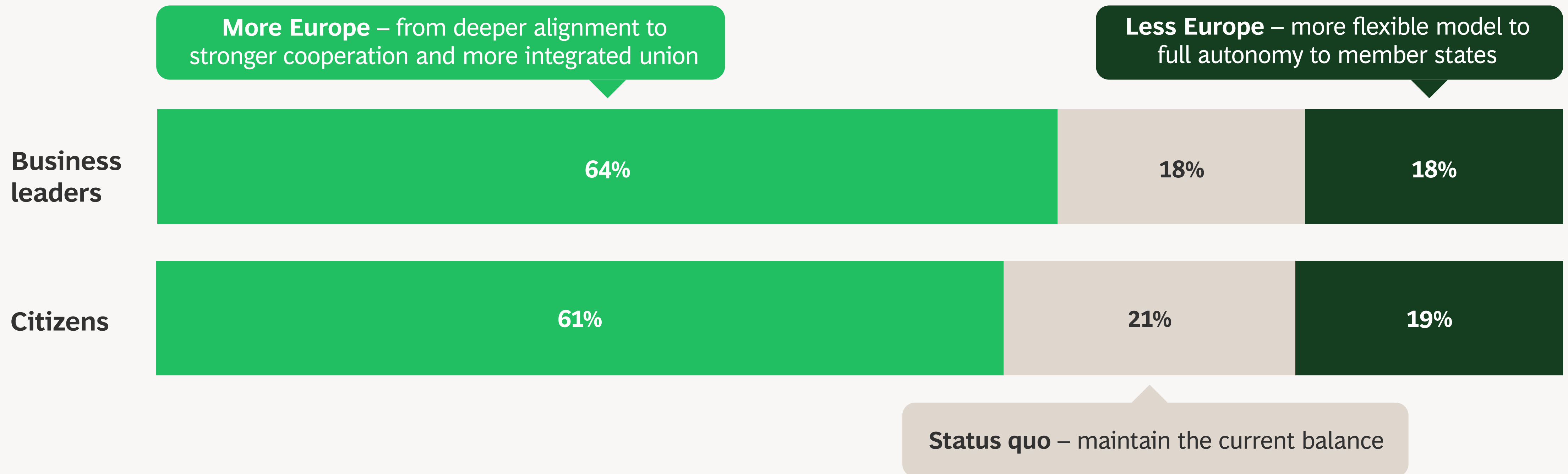


Sources: BCG C-level survey on European competitiveness (Nov 2025); BCG citizen survey on European competitiveness (Nov 2025).
¹Ranking based on the number of times each reason was placed 1st or 2nd by respondents.

TAKEAWAY 3

Leaving the Union is not seen as the future—both business leaders and citizens view “more Europe” as the path to competitiveness

Share of business leaders and citizens who believe the solution to boost competitiveness lies in “more Europe” versus “less Europe” (%)

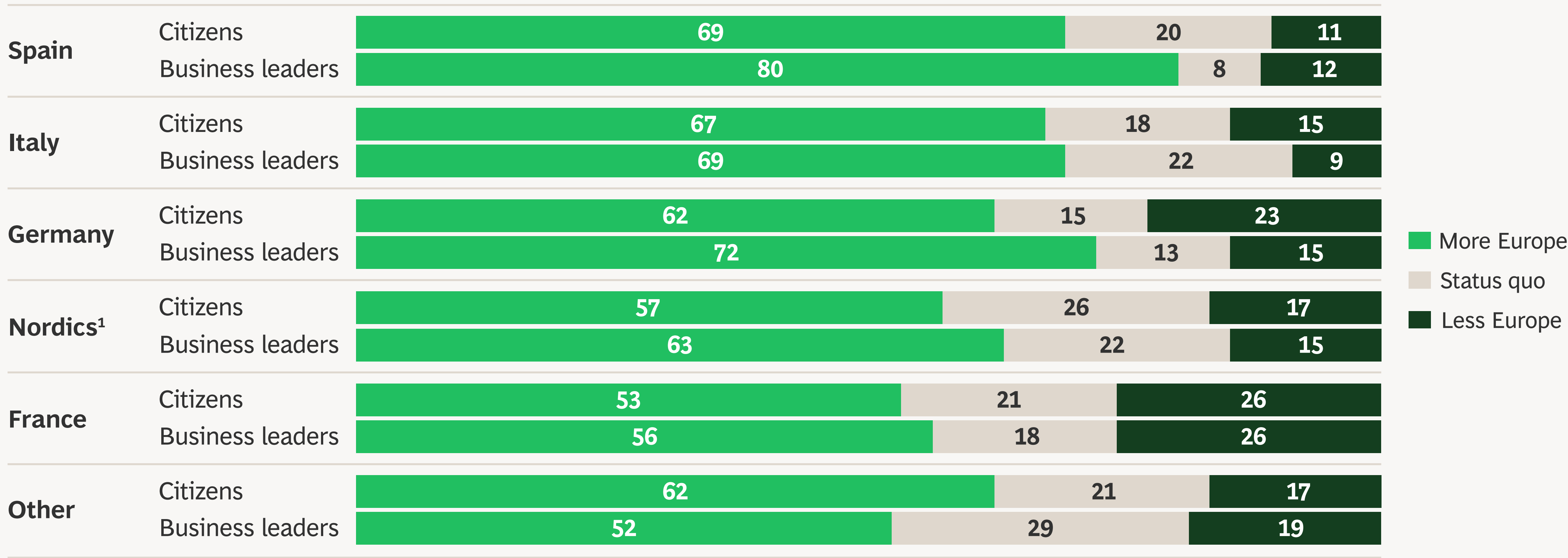


Sources: BCG C-level survey on European competitiveness (Nov 2025); BCG citizen survey on European competitiveness (Nov 2025).

TAKEAWAY 3

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

Share of citizens' and business leaders' sentiments on the solution to boost European competitiveness (%)



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

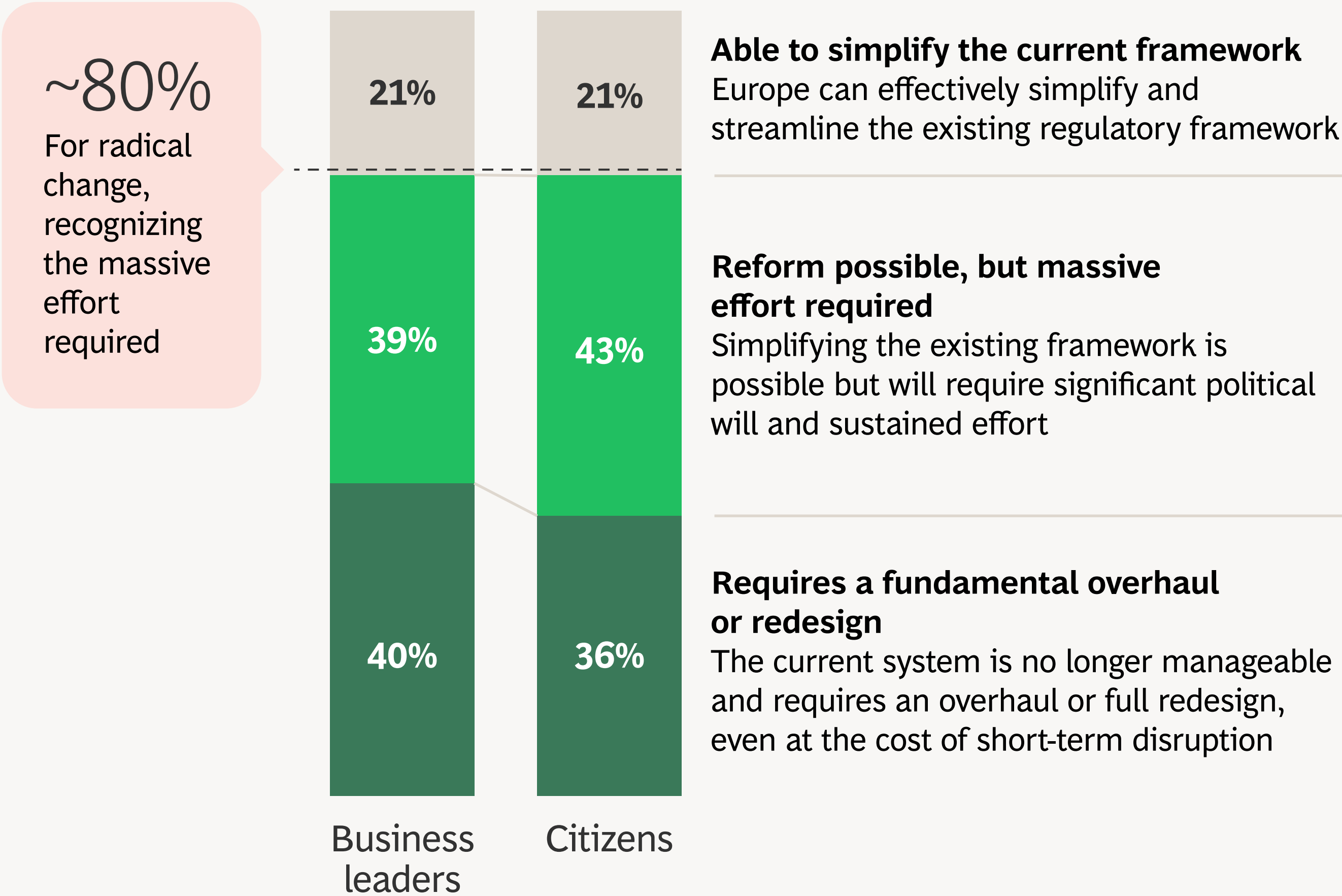
¹Nordics includes Denmark, Finland, Norway, and Sweden

TAKEAWAY 4

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

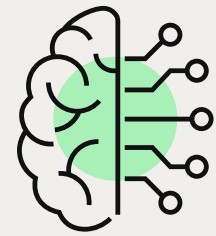
Share of citizens' and business leaders' perceptions on the EU's ability to reform its regulatory system (%)



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

TAKEAWAY 4

Key priorities by strategic sector to boost Europe's competitiveness



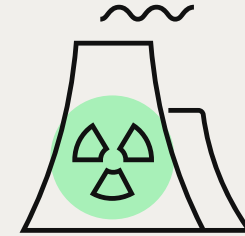
New technologies

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"**



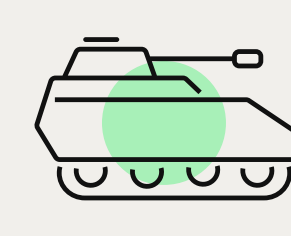
Investment and financing

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**

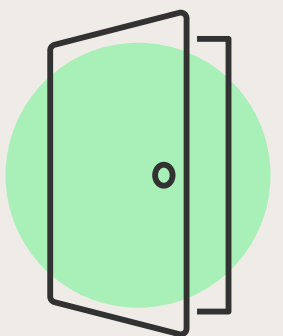
88%

Reduce external dependencies in key sectors through European preference

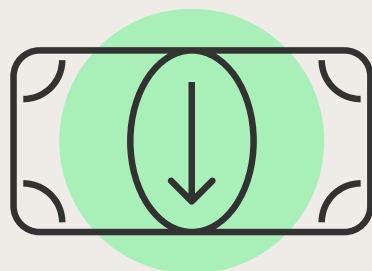
X% share of business leaders supporting the priority

TAKEAWAY 4

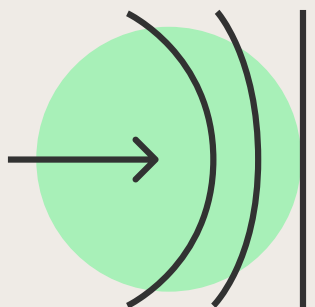
Business leaders show a strong consensus for six cross-sector priorities to restore Europe's competitiveness



87% Permit emergence of European champion¹



87% Reduce tax burden



87% Make the labor market more flexible



86% Simplify regulation



84% Ensure balanced competition



81% Reduce public spending

X% share of business leaders supporting the priority

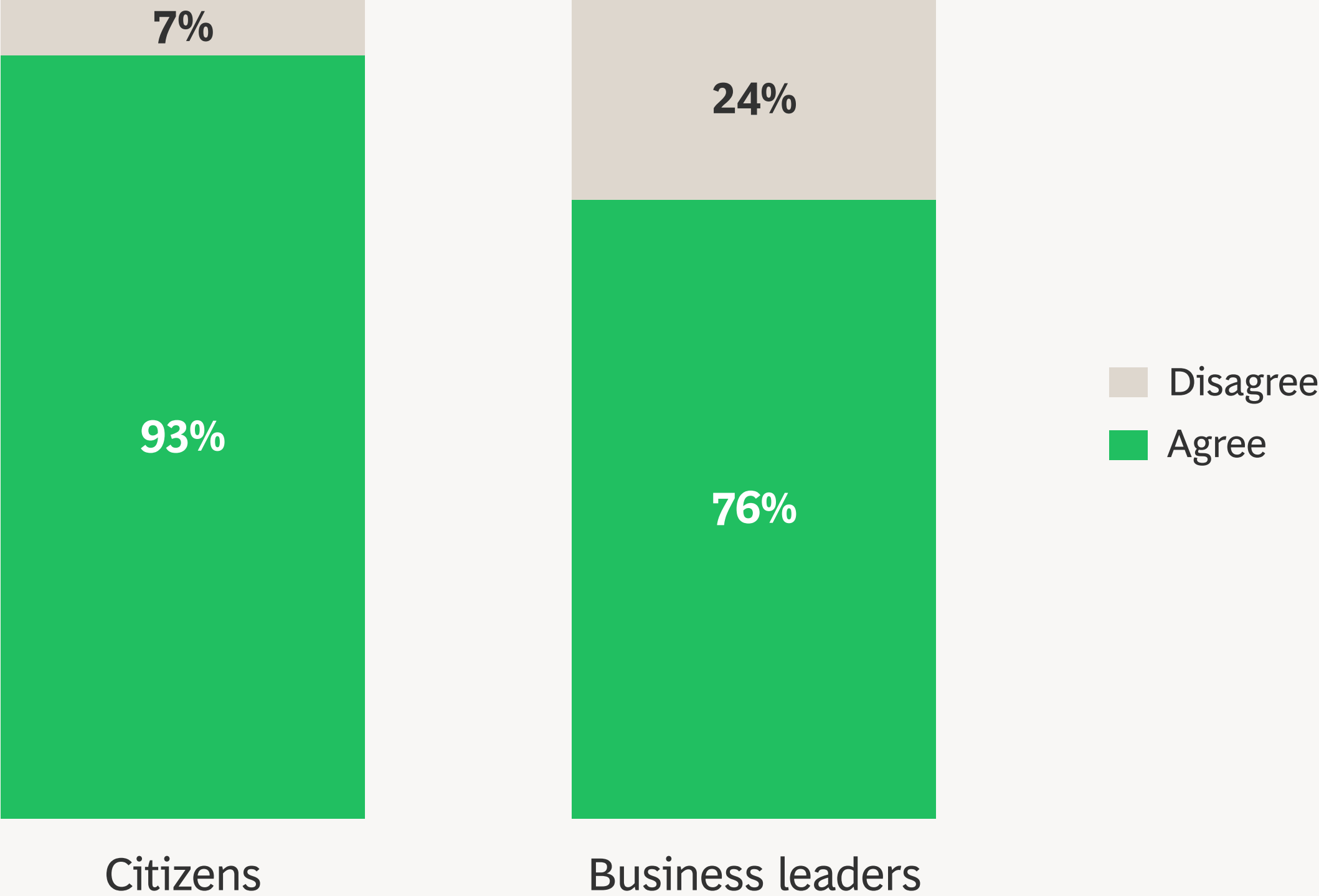
Source: BCG C-level survey on European competitiveness (Nov 2025).

¹Large, competitive EU firms positioned to lead globally.

TAKEAWAY 5

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

Share of opinions on whether business leaders should take active roles in governments or public institutions to support Europe’s competitiveness and economic strategy (%)¹



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

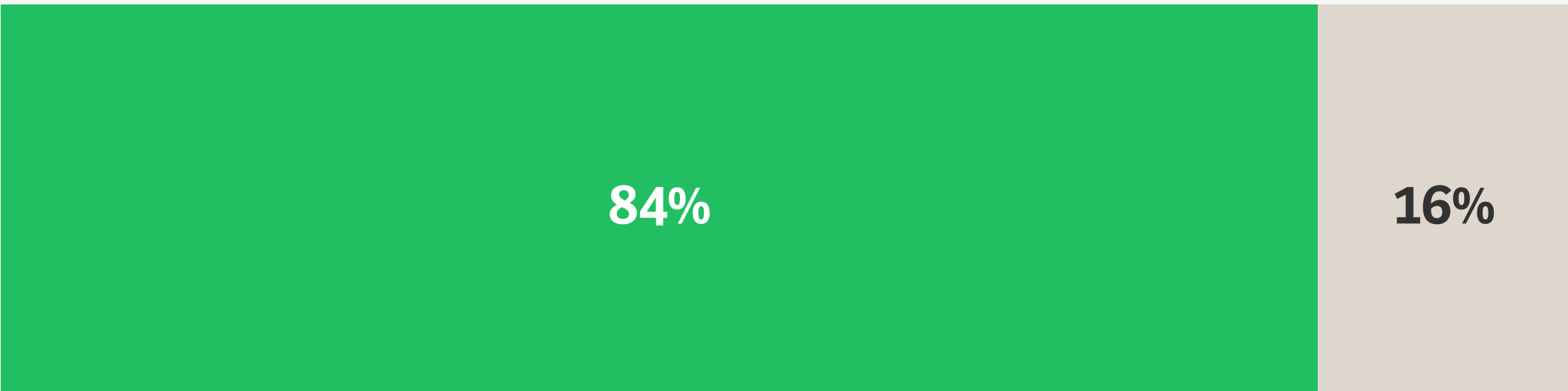
¹Share of panel agreeing; excluding neutral answers.

TAKEAWAY 5

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

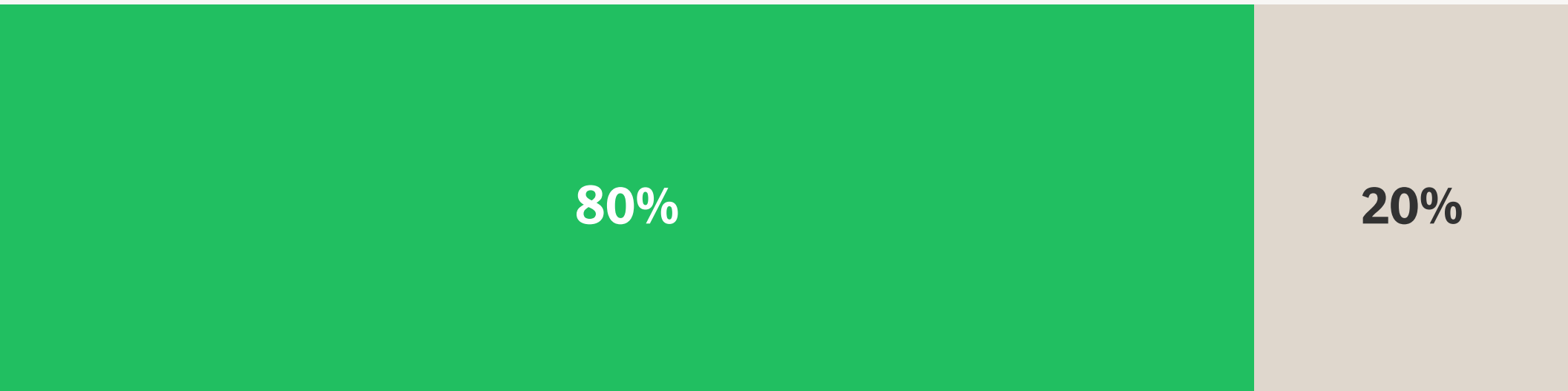
Citizens call for a new generation of pragmatic leaders...

Share of citizens 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 approaches (%)¹



...and expect business leaders to help boost competitiveness

Share of citizens who believe business leaders should play a more active and vocal role in shaping Europe’s economic future and competitiveness (%)¹

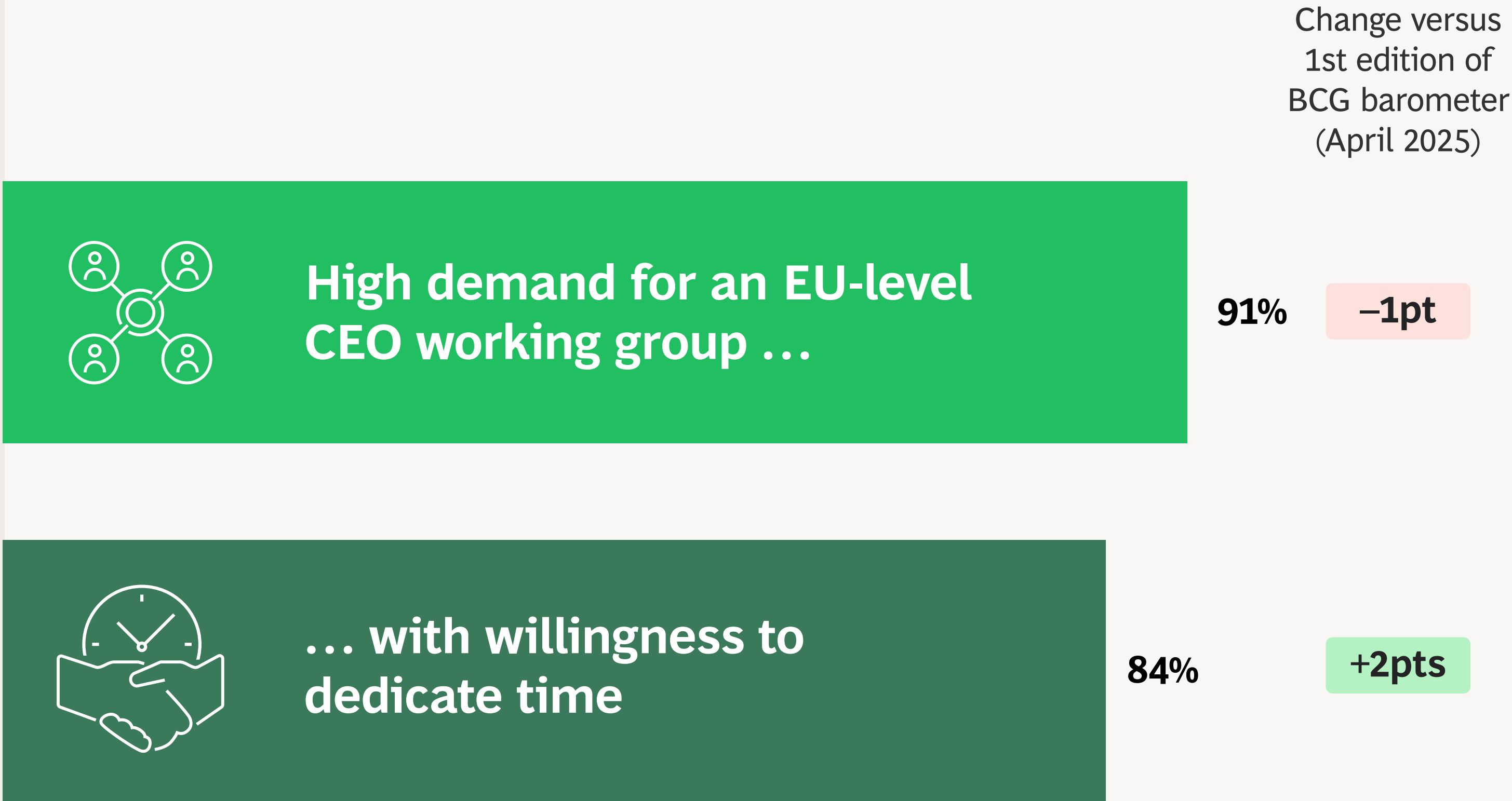


Agree Disagree

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

TAKEAWAY 5

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

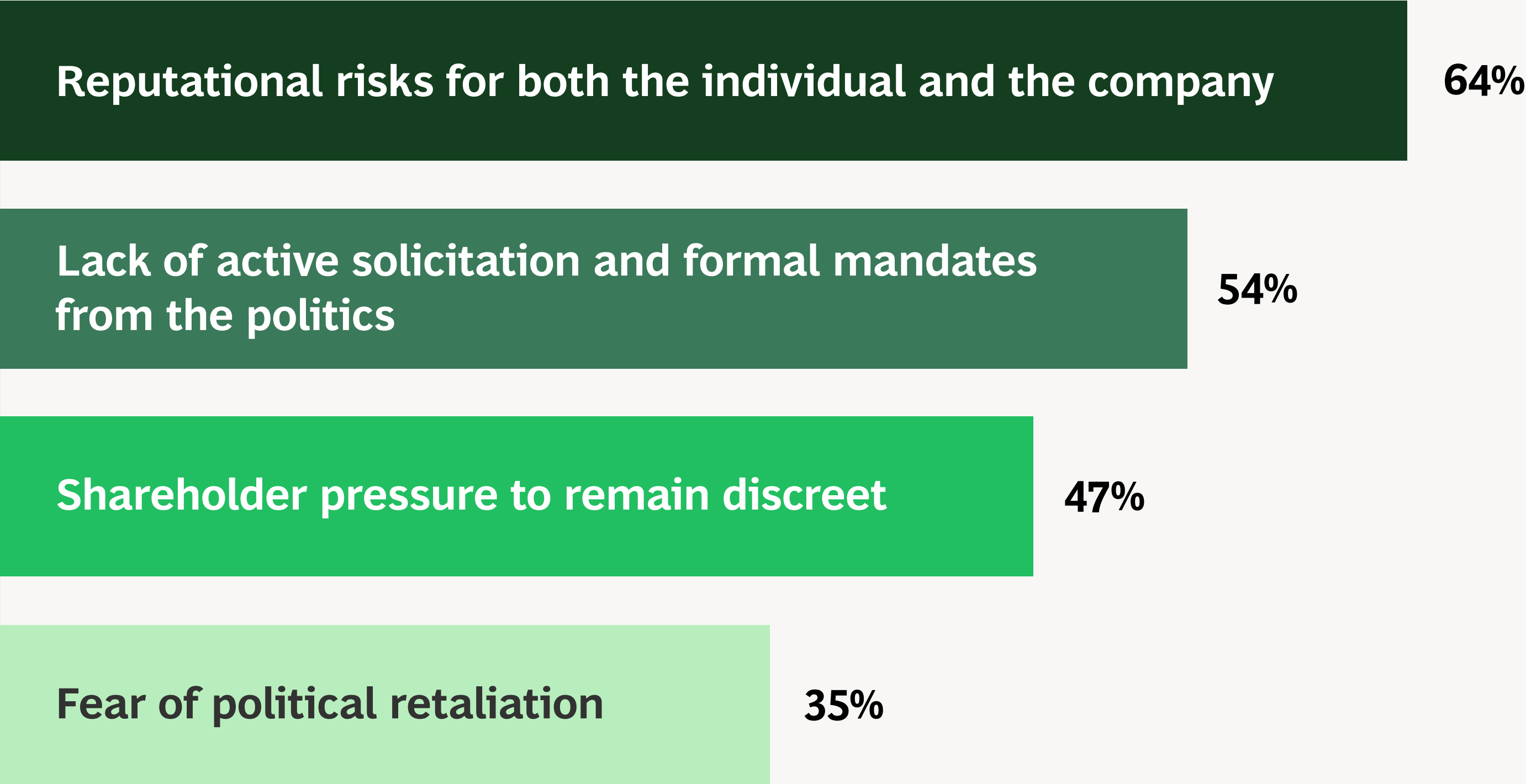


Source: BCG C-level survey on European competitiveness (Nov 2025).
Note: Share of panel agreeing; excluding neutral answers.

TAKEAWAY 5

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

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



Source: BCG C-level survey on European competitiveness (Nov 2025).
Note: Leaders expressed overall agreement on the potential consequences to European competitiveness if current risks of decline remain unaddressed.