

Call for Action on the OMNIBUS I Simplification Package

We wish to call to your attention our opinion on the current state of the European Commission's proposal for the 'Omnibus I package' for the vote taking place on 13 November 2025, which we expect to have your support for.

The European Commission has started what it refers to as an "**unprecedented simplification effort**" to rid European businesses of needless regulatory expenses and constraints. Decision-makers are urged to make progress toward this goal and increase the competitiveness of the European market as quickly and efficiently as possible, and understanding the urgency of this call requires looking at the hard economic context in which European businesses currently operate. According to [Bruegel](#), the European Union's industrial gas and power rates in 2023 were **345 percent** and **158 percent** higher than those in the US, respectively (China, meanwhile, continues to heavily subsidise energy for strategic industries). Such stark disparities in energy costs directly translate into a **competitiveness gap** for European manufacturers. At the same time, foreign direct investment (FDI) into the EU has plummeted. It is clear by comparing [FDI inflows in 2022 to 2017](#) that **Europe is the only region** that experienced significant declines in FDI inflow (**-31pp**), although the US (**+10pp**) and China (**+4pp**) managed to boost FDI influx. Labour productivity growth has also stalled in [Europe](#) at about **0.5% per year**, barely one-third the pace of the [United States](#) (where it is **~1.3% annually**).

Taken together, the figures paint a worrying picture of **Europe's eroding global competitiveness**, one affecting manufacturing activity, technology adoption, and the availability of high-value jobs across the continent. The administrative burden is especially heavy for firms operating in multiple jurisdictions. In some cases, [businesses](#) are finding they must assemble **entire reporting teams (dozens of full-time employees)** devoted solely to keeping up with CSRD requirements. This emerging "**reporting bureaucracy**" is growing much faster than the underlying sustainability transformation it is meant to support. Ultimately, every **euro** and every **hour** spent on duplicative reports is a euro and an hour **not spent on reducing emissions or improving competitive capacity**.

A further concern is how these obligations **cascade down the value chain**. Large companies in the scope of CSRD (Corporate Sustainability Reporting Directive) and the CSDDD (Corporate Sustainability Due Diligence Directive) are now pressing their suppliers and partners to provide extensive ESG data, effectively imposing compliance on many **medium-sized firms that are technically out of scope**. In Europe, where [SMEs](#) represent **99% of businesses and about two-thirds of private-sector employment**, this indirect regulatory burden becomes a **structural economic threat**. The smallest firms (typically with the least resources) are being pulled into mandatory-like reporting via contractual requirements, adding to their costs and complexity. Policymakers must recognise that in a market so dominated by SMEs, **onerous reporting demands can reverberate broadly**, squeezing the very segment that drives much of Europe's innovation, employment, and growth. If current trends continue unabated, European firms could lose global market share *not* for lack of innovation or climate ambition, but because **compliance costs erode their ability to invest at the necessary scale and speed**.

The **Omnibus I package** represents a crucial chance to change course, because it does not abandon sustainability commitments, but **rebalances them with competitiveness in mind**. Aligning sustainability reporting with Europe's strategic economic interests means introducing much-needed **simplifications and flexibilities**: reducing duplicate or non-material disclosures, offering more realistic phase-in timelines, preserving flexibility for companies to protect commercially sensitive information, and preventing a scenario where a "**reporting bureaucracy**" grows faster than the green transition itself. At this stage of Europe's industrial development, **simplification is not a bureaucratic**

nicety; it is a precondition for success. Good regulation should drive sustainability *while* enabling companies to thrive.

Rebalancing the Omnibus I Package should focus on three core principles:

- **Proportionality:** Requirements must be scaled to the company size and the relevance of impacts. A one-size-fits-all approach overburdens smaller firms disproportionately.
- **Cost-effectiveness:** Sustainability budgets should fund *carbon cuts and innovation*, not excessive paperwork. It is important to rationalise the reporting so that climate action finances are spent on *actual emissions reductions*, not compliance overhead.
- **Administrative simplification:** The focus must be on cutting red tape, simplifying obligations, and reducing unnecessary compliance complexity across the Single Market.

What Europe needs now is maximum simplification of reporting requirements, providing that businesses can focus on transformation, not administration. As the measures do not **delay** climate action, **they make it feasible to deliver** because companies can devote resources to real decarbonisation projects by cutting noise and focusing on material information. Conversely, without such changes, Europe may struggle to meet its Green Deal targets, because businesses will remain **financially and administratively constrained** from investing in the necessary transformations.

A Call to Action: Simplify Reporting, Empower Europe

We urge Members of the European Parliament and policymakers across the EU to ensure the Omnibus I package becomes a genuine instrument of **simplification and competitiveness**. Europe can and must build sustainability leadership on a foundation of **strong, competitive, innovative** companies that can compete globally, including against rivals operating under far lighter regulatory regimes. Achieving this will require pragmatic adjustments to the sustainability reporting framework, not to weaken environmental ambition, but to **remove needless friction** in getting there.

In this spirit, we call on all stakeholders and all Member States to join in conveying this message. The message we are giving in Brussels is clear: **Europe needs sustainability reporting that enables growth, not one that accelerates industrial decline**. Only a competitive Europe can be a truly sustainable Europe. The decisions made in the coming weeks will determine whether the Omnibus I empowers European companies to *lead* the green transition or whether compliance costs become another force driving industrial capacity and skilled jobs away from our continent.

List of Signatory Organisations

- [AFEOSZ-COOP Federation](#) *
- [BeePartner a.s.](#) *
- [Bulgarian Industrial Capital Association](#)
- [Business Centre Club](#) *
- [Croatian Chamber of Trades and Crafts](#) *

*The organisations marked with an asterisk support this call as independent associations and are not members of the European Enterprise Alliance.**

- [CTP – Confederação do Turismo de Portugal](#) *
- [Czech Chamber of Commerce](#) *
- [Estonian Chamber of Commerce and Industry](#) *
- [European Entrepreneurs CEA-PME](#) *
- [European Enterprise Alliance](#)
- [Europäische Wirtschaftssenat e. V. \(EWS\)](#) *
- [European Association for Chemical Distributors \(Fecc\)](#) *
- [Federation of Employers' Associations of the Slovak Republic \(AZZZ SR\)](#) *
- [Federation of Finnish Enterprises](#) *
- [Latvian Chamber of Commerce and Industry](#)*
- [Greek Tourism Confederation \(SETE\)](#) *
- [Malta Employers' Association](#)*
- [National Builders' Merchants Associations and Manufacturers](#) *
- [PIMEC](#) *
- [Taxpayer Association of Europe \(TAE\)](#) *
- [Związek Przedsiębiorców i Pracodawców / Union of Entrepreneurs and Employers](#)



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**Taxpayers Association
of Europe**



Europäischer Wirtschaftssenat e.V.
Wirtschaftskompetenz für Europa



**ESTONIAN
CHAMBER OF COMMERCE
AND INDUSTRY**



**C Z E C H
CHAMBER
OF COMMERCE**



**MALTA
EMPLOYERS**



**HRVATSKA OBRTNIČKA KOMORA
CROATIAN CHAMBER OF TRADES AND CRAFTS**

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