

A Competitiveness Compass for the EU

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“ **Europe has everything it needs to succeed in the race to the top.** But, at the same time, we must fix our weaknesses to regain competitiveness.

The **Competitiveness Compass transforms the excellent recommendations of the Draghi report into a roadmap.**

So now we have a plan. We have the political will. What matters is speed and unity. The world is not waiting for us. All Member States agree on this.

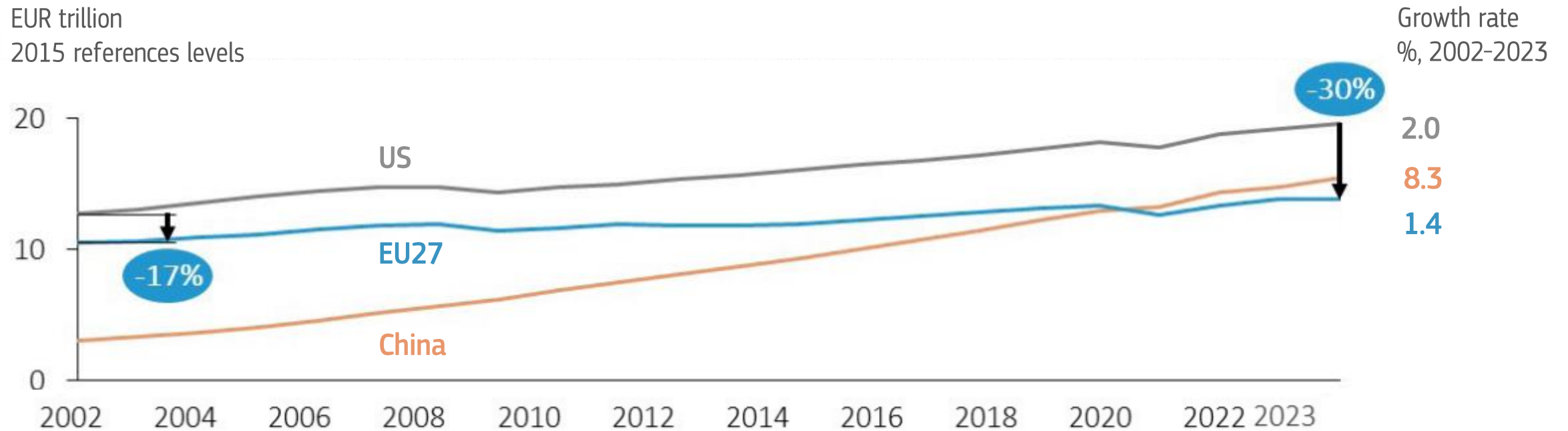
So, let's turn this consensus into action.

*Presentation of the Competitiveness Compass,
European Commission, 29 January 2025*



EU's divergent economic trajectory

Real GDP evolution 2002-2023: EU US and China

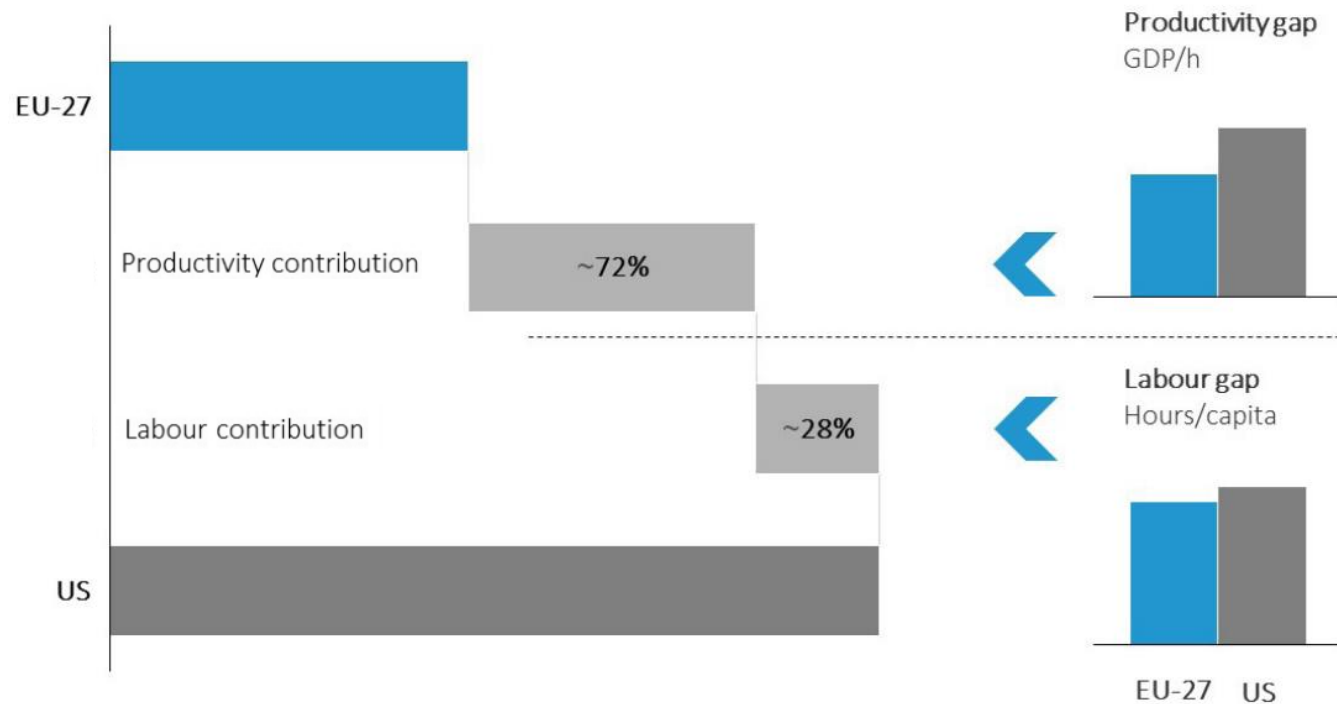


Source: OECD 2024

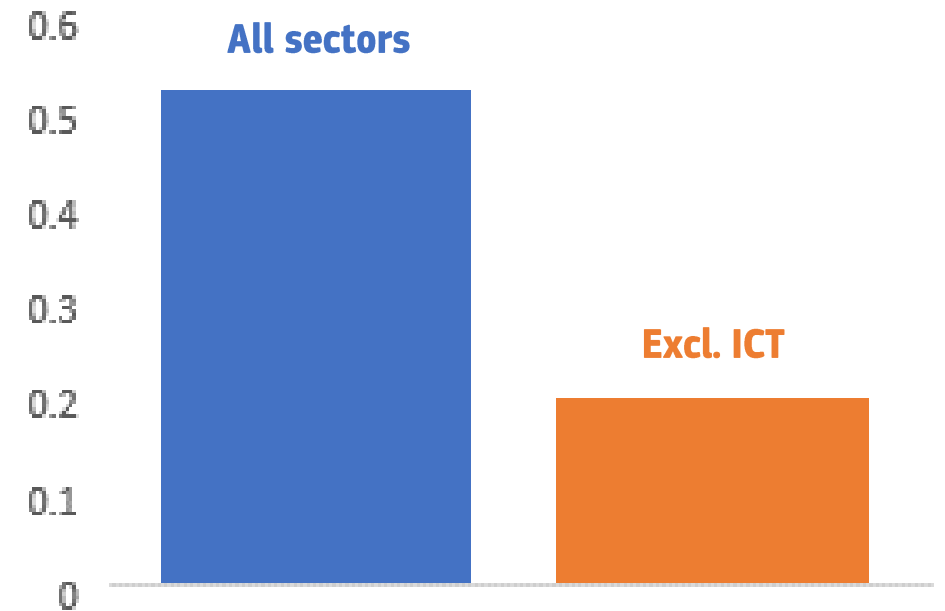


Tech innovation drives productivity growth

GDP per capita 2023 (constant PPP prices in EUR)



US minus EU productivity growth 2000-2019

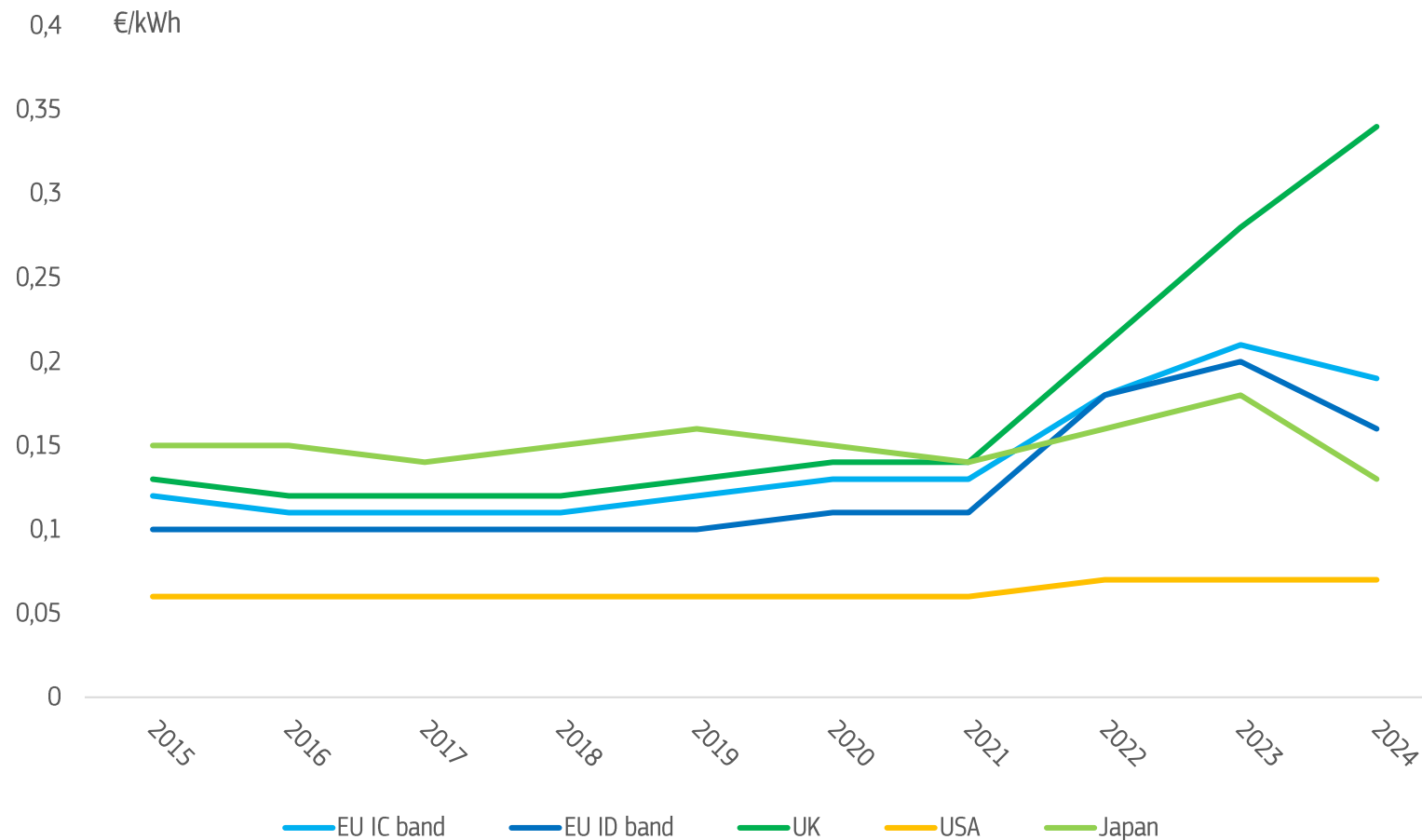


Source: AMECO



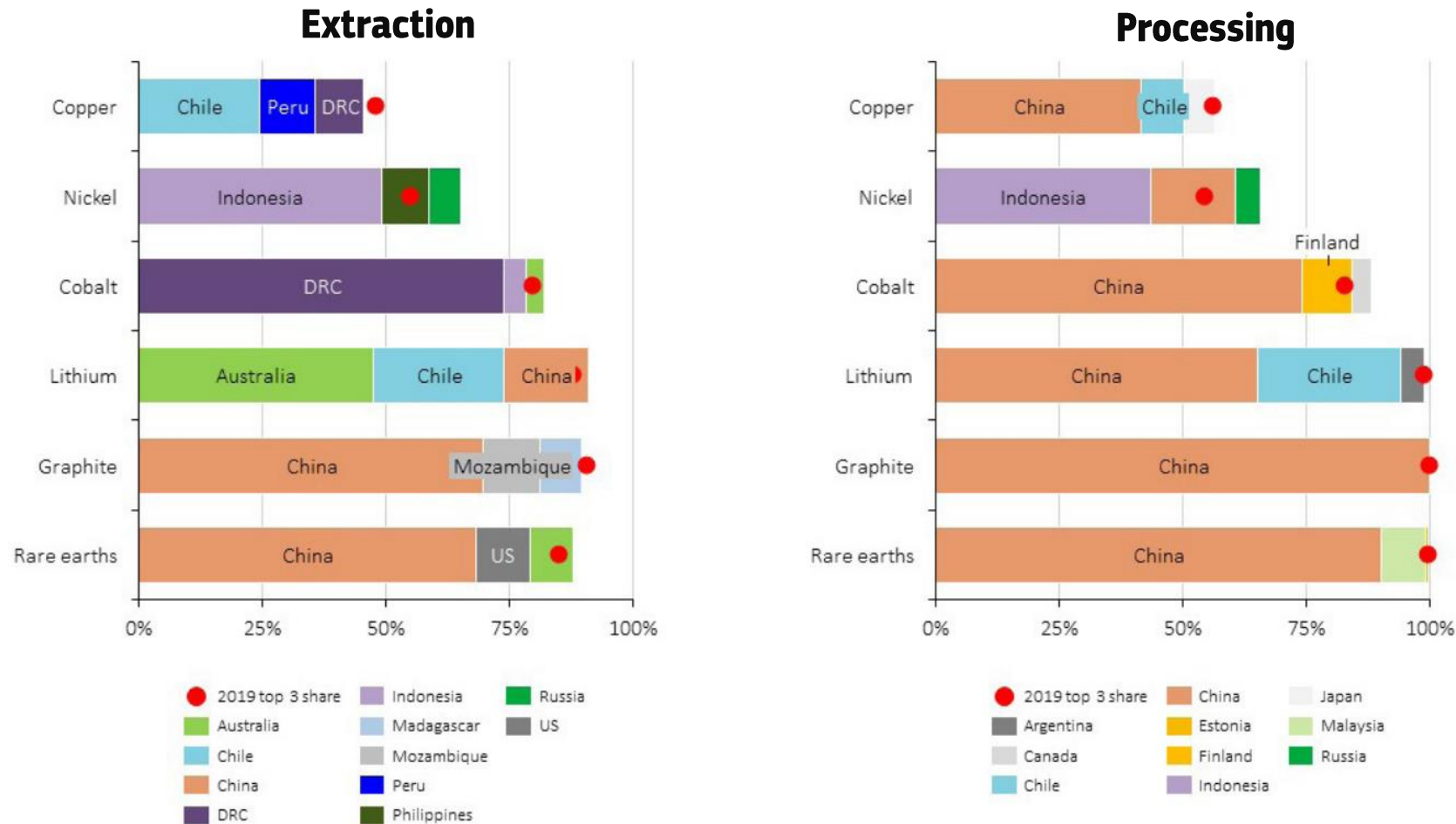
Decarbonisation and competitiveness

Electricity prices in the EU and other advanced economies, Q1-Q2 2024



Excessive dependencies can become vulnerabilities

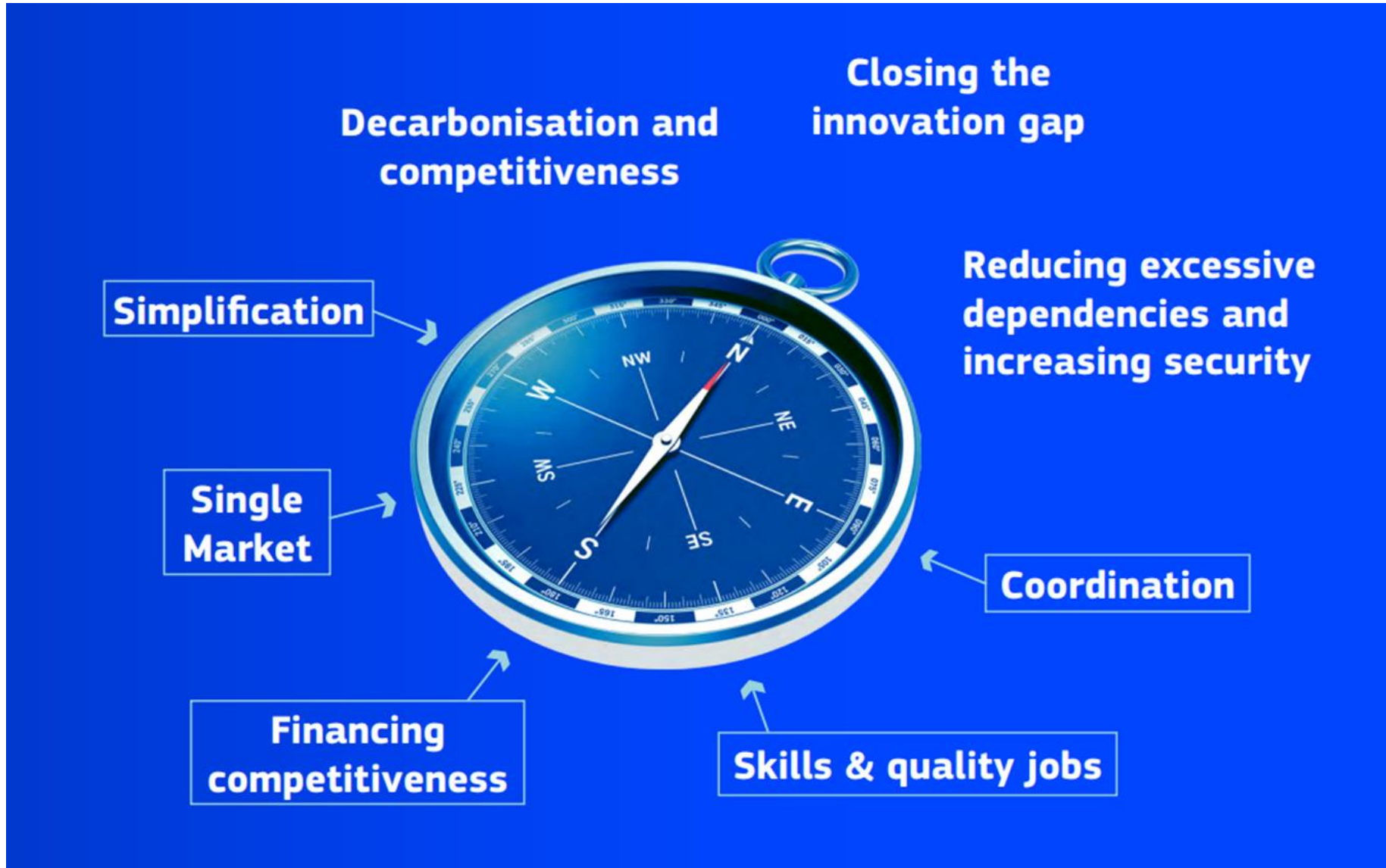
Concentration of extraction and processing of critical resources



Share of top-three producing countries in total production for selected resources and minerals, 2022



EU's Competitiveness Compass



Key Messages | Competitiveness Compass

- Competitiveness is the **EU's overarching principles for action**.
- The new **competitiveness model is based on innovation-led productivity**.
- Europe has many economic strengths, but it must **urgently tackle longstanding barriers and structural weaknesses** that hold it back.
- There are **three transformational imperatives** to boost competitiveness:
 - Closing the innovation gap
 - A joint roadmap for decarbonisation and competitiveness
 - Reducing excessive dependencies and increasing security
- The EU needs to make **simplification and coordination the centre stage of the future policy making**.



Thank you

