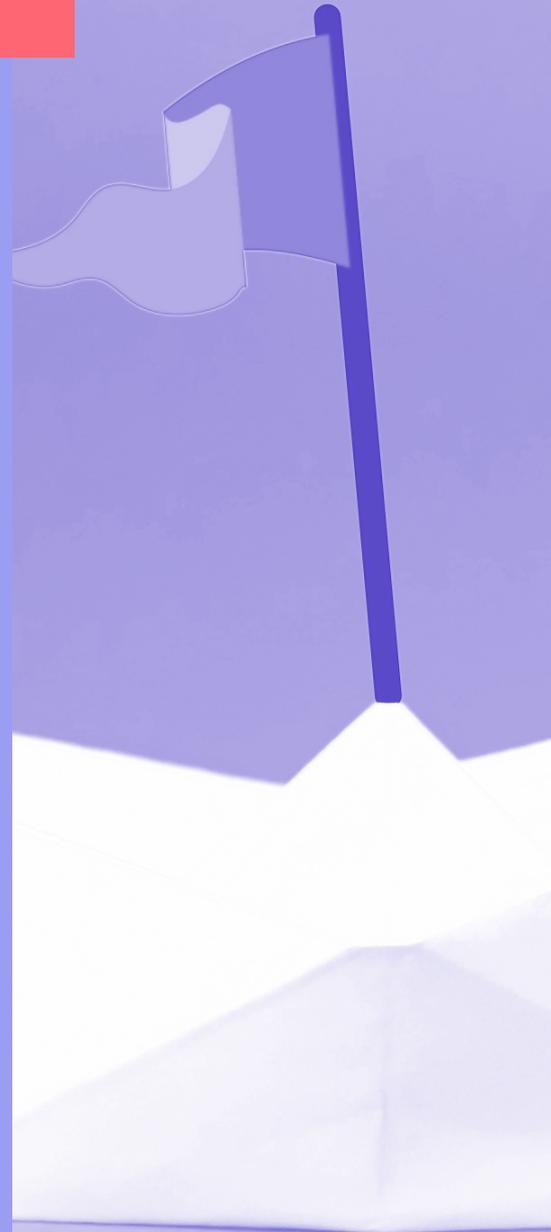


Safeguarding openness and fair competition for a competitive Europe

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Executive summary

- Public procurement has evolved from a largely technical policy domain into a central instrument of Europe's economic, industrial and geopolitical strategy.
- The dinner explored how the EU can safeguard openness and fair competition in procurement while responding to rising economic security concerns and increasing global contestation.
- Participants broadly supported the objectives behind new market access and competition instruments, but raised concerns about regulatory layering, unclear sequencing and administrative bottlenecks.
- The Foreign Subsidies Regulation (FSR) emerged as a focal point: viewed as legitimate in principle, but often described as operationally burdensome and poorly aligned with procurement timelines.
- A recurring tension throughout the discussion was how to preserve credible enforcement and competitive neutrality without deterring participation, investment, and innovation. Some participants warned that extensive data requests and compliance burdens risk deterring not only SMEs, but also major international suppliers from bringing their most advanced solutions to EU public tenders.
- Particularly in fast-moving, innovation-driven sectors, some participants noted that lengthy regulatory reviews are often incompatible with product lifecycles.
- Participants converged on priorities including simplification, stronger digitalisation, investment in administrative capacity and clearer EU-level guidance on how overlapping instruments interact in practice.
- The dinner concluded that procurement reform must be embedded in a wider competitiveness agenda, including progress on the internal market, capital markets and regulatory predictability.

Purpose and guiding questions

This policymakers' dinner, held under the Chatham House rule, convened senior stakeholders from EU institutions, member states, industry, and civil society to discuss how Europe can balance openness and fair competition in public procurement while strengthening resilience and economic security. The discussion took place in the context of a rapidly densifying EU regulatory landscape affecting market access, including the Foreign Subsidies Regulation (FSR), foreign direct investment screening, and merger control.

The conversation was structured around three guiding questions:

- 1.** How can the EU safeguard fair competition in public procurement while maintaining openness to global suppliers?

2. How should the FSR be implemented in procurement contexts to ensure credible enforcement without undermining participation or slowing delivery?
3. What reforms are needed to ensure procurement supports Europe's broader competitiveness, industrial policy, and economic security objectives?

The dinner took place at a moment when public procurement has moved from a largely technical policy area to a central instrument of Europe's economic and geopolitical strategy. What emerged from the conversation was not simply a debate about procurement rules, but a broader reflection on Europe's economic model, its place in a more contested global order, and the tensions between openness and protection, speed and safeguards and competition and security.

Participants broadly agreed that public procurement has become far more than a mechanism to purchase goods and services at the lowest price. It is now expected to deliver on a complex and sometimes conflicting set of objectives: strengthening industrial capacity, enhancing resilience of supply chains, advancing sustainability goals, supporting innovation and safeguarding economic security. While many saw this evolution as inevitable, there was also concern that procurement risks becoming overloaded with expectations that contracting authorities are neither equipped nor resourced to manage effectively.

A central thread of the discussion was the growing density of the EU's regulatory landscape affecting market access in procurement. Tools such as merger control, foreign direct investment screening and the Foreign Subsidies Regulation (FSR) are reshaping how companies interact with the Single Market and with public buyers. Participants did not fundamentally question the objectives behind these instruments, but they repeatedly highlighted the practical challenges created by overlapping regimes, unclear sequencing, divergent national implementation and administrative bottlenecks. Several warned that even the perception of uncertainty, independent of actual enforcement, can deter investment and participation in tenders.

The FSR became a focal point for this debate. While there was recognition that addressing distortions from foreign subsidies is a legitimate policy aim, many participants described its application in procurement as cumbersome, slow and disproportionately burdensome in routine cases. Concerns were raised that lengthy procedures and extensive data requests could discourage suppliers from bidding, particularly smaller firms or occasional market entrants. At the same time, others in the room stressed that credible enforcement tools are necessary to ensure fairness and competitive neutrality, especially when abnormally low bids raise questions about underlying support. This tension, between protecting competition and maintaining an accessible market, ran throughout the evening.

Beyond the specifics of the FSR, the conversation pointed to deeper structural challenges. Several participants argued that Europe's competitiveness problem cannot be solved through procurement reform alone. They pointed to an incomplete internal market, particularly in services, fragmented capital markets that limit scale-up financing, and regulatory processes that are often perceived as slow and unpredictable. While Europe is still widely seen internationally as a stable, rules-based environment, participants cautioned that this reputation depends increasingly on implementation speed and consistency.

Against this backdrop, the dinner generated a set of ideas to take forward, aimed at making procurement both more strategic and more workable.

A first and overarching recommendation was the need for simplification. Participants urged policymakers to reduce unnecessary procedural complexity, streamline documentation requirements, and promote greater standardisation of contracts and templates across member states. The goal would be to lower barriers to participation, especially for SMEs, while also easing the burden on contracting authorities. Simplification was framed not as deregulation, but as smarter regulation that preserves policy objectives while improving usability.

Digitalisation emerged as another key priority. Strengthening e-procurement platforms, improving interoperability between systems, and expanding the use of e-invoicing were seen as practical ways to increase transparency, efficiency and accessibility. Several participants suggested that better digital tools could also enhance oversight and integrity, including through the use of data analytics and artificial intelligence to detect bid-rigging or unusual bidding patterns.

Equally important was the recommendation to invest in administrative capacity. Many contracting authorities, particularly at local and regional levels, lack the expertise and staffing needed to navigate complex EU rules. Participants called for greater investment in training, clearer guidance from EU institutions, and more systematic sharing of best practices across member states. Without this, even well-designed policies risk failing in practice.

On regulatory coherence, there was broad agreement that the EU needs to clarify how different market access instruments interact in procurement contexts. Participants recommended clearer sequencing between FSR reviews, FDI screening and merger control processes, as well as efforts to avoid duplicative reporting requirements. Greater transparency in timelines and responsibilities was also seen as essential to reduce uncertainty for both suppliers and public buyers.

With respect to the FSR specifically, several targeted recommendations were put forward. These included developing streamlined procedures for low-risk cases, aligning review timelines more closely with real procurement schedules and providing clearer, more practical templates for both authorities and suppliers. The aim would be to preserve the credibility of the instrument while making it less disruptive to procurement processes.

Another major theme was the need to strengthen Europe's attractiveness as an investment destination. Participants stressed that this depends less on any single regulation than on the overall predictability of the policy environment. They recommended that EU and national policymakers avoid sudden rule changes that create uncertainty, ensure consistent application across countries and maintain objective award criteria focused on quality, security and performance rather than ad hoc political considerations.

Finally, there was a strong sense that procurement reform must be embedded in a broader competitiveness agenda. Several participants argued that progress on completing the internal market, especially in services, would do more for European growth than any procurement tweak. Others highlighted the need for deeper capital markets, better support for scale-up financing, and policies that help retain and diffuse innovation across the EU rather than concentrating it in a few regions.

What participants ultimately converged on was less a single solution than a common commitment to continued dialogue and practical reform. There was agreement that procurement must remain rooted in core principles of transparency, non-discrimination and value for money, even as it evolves to serve broader strategic goals.

In this sense, the dinner was not about choosing between openness and protection, but about finding a more coherent, efficient and credible way to pursue Europe's interests in a changing world.



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