

Franco-German Economic Agenda

The President of the French Republic and the Chancellor of the Federal Republic of Germany presided over the 25th Franco-German Council of Ministers on 29 August 2025.

This meeting provided an opportunity to take stock of the work undertaken over the past months to bring the “Franco-German reflex” and bilateral coordination to full swing for a more sovereign Europe, focusing on security and defence, competitiveness and convergence.

Part of this reset is a Franco-German Economic Agenda. Its purpose is to put the Franco-German engine to work at the international, the EU and the bilateral level and to work towards joint initiatives and coordinated positions.

Eight working groups on policy fields such as energy, trade and economic security, industry, cutting-edge technologies, digital sovereignty, competitiveness, Single Market and simplification, convergence/cooperation in the area of labour markets and social policy and finance have elaborated a Franco-German Economic Agenda. It contains concrete, operational projects as well as launching new processes leading to a better bilateral cooperation and joint initiatives. It marks the reset of a continuous process of improved and intensified bilateral cooperation in the spirit of the Franco-German friendship.

Flagship Projects

Energy:

Germany and France are committed to strengthen their bilateral coordination to lead the way in shaping a competitive, secure, sustainable and decarbonized European energy market. The relaunch also seeks to reconcile policy differences and promote joint initiatives that can serve as a model for broader EU collaboration. In pursuit of this goal, Germany and France have agreed on the following Flagship projects:

1. **Cooperation on cross-border energy market integration:** Germany and France will be supporting coordination and progress on a potential new electricity interconnector that the TSOs Amprion, TransnetBW and RTE are assessing. Also, together with Poland, France and Germany will deliver a mandate to their TSOs to jointly conduct a study by 2026, to analyze the interdependencies and improve the economic optimization of grid investments, notably interconnectors, in light of evolving electricity mixes at the European level, particularly in terms of their impact on European grid stability and security of supply.
2. **Timely realization of the Southwestern Hydrogen Corridor:** France and Germany reaffirm their joint focus and long-term commitment to support the timely realization of the Southwestern Hydrogen Corridor, consisting of the pipeline projects H2Med and HY-FEN. Ongoing and future economic and feasibility studies should further confirm the relevance of this infrastructure, the next stages of project development and the decision planning. The initiative, including the private-sector Alliance on the H2Med Southwestern Corridor, will be continuously supported through the Franco-German Working Group on Hydrogen. France and Germany will engage in a joint discussion with Spain, Portugal and the European Commission to ascertain de-risking needs.
3. **Work on a joint position on the Delegated Act on the carbon footprint of batteries:** Electricity in the EU is much cleaner than in most other world regions. The carbon footprint methodology should ensure a competitive advantage to world regions without active energy and climate policy, based on objective, non-discriminatory, unbureaucratic criteria. Germany and France will continue to work together ahead of the Commission's proposal.
4. **France and Germany will establish a cooperative working process which** reflects the perspectives of both France and Germany and develops common perspectives on the role of different energy technologies contributing to European climate goals as well as on how to reduce administrative and regulatory burden. It might lead to joint proposals on e.g. (i) targeted changes to some European energy relevant rules inter alia to facilitate pragmatic implementation and on (ii) the 2040 EU energy architecture, in order to ensure reliability and investor certainty as well as non-discrimination among all net-zero and low-carbon energy technologies in their respective contribution to European energy, sustainability and climate goals.

Trade and Economic Security:

With a view to growing geopolitical tensions and rising trade challenges which the EU and European businesses are facing, closer German-French cooperation on trade and economic security issues is becoming even more important. To this end, we hereby establish the following Flagship Projects:

5. **Structured German-French Trade and Economic Security Dialogue:** to be held bi-annually in France and Germany, which focus on a pragmatic agenda for trade agreements, on ensuring a global level playing field for our companies and on ensuring an efficient implementation of the European economic security strategy.

Industry:

Europe is at a critical juncture. Its industrial foundation, a cornerstone of the continent's economic success and welfare, is under severe pressure. The industries that contributed most to empower our economies are struggling in the face of soaring energy costs, fierce global competition sometimes tied to unfair practices, climate impacts, trade tension and the high investments required to master the twin transition. Additionally, Europe needs to strengthen its economic sovereignty in future technologies and its innovative capability, in order to prevent future dependencies. France and Germany want to work together on measures in order to strengthen the competitiveness of the European industry. Therefore, the improvement of framework conditions and ambitious proposals are needed, complemented by sector-specific measures. The following Flagship projects are an example of the Franco-German ambitions:

6. **CBAM:** Work on CBAM reform, as part of the 2025 review, to address resource shuffling and disadvantages for exporters.
7. **Industrial electricity price:** Acknowledge importance of an industrial electricity price, taking into account a non-bureaucratic flexible application, as an option to support especially energy-intensive industries.
8. **Lead markets:** Develop a shared approach towards lead markets, notably in the framework of the IDAA (Industrial Decarbonization Accelerator Act).
9. **Batteries:** Germany and France jointly push for implementation of the Battery Booster announced as part of the Automotive Action Plan to strengthen the competitiveness of the European battery industry. Furthermore, research on batteries is key for the transition to climate neutrality. The joint HIPOBAT project will strengthen Franco-German battery cooperation in developing high-performance batteries.
10. **European preference schemes:** In core and critical strategic areas of industrial production, including public procurement, we will work towards viable targeted European preference schemes.
11. **Joint initiative on raw materials:** Joint work on critical raw materials (CRM), especially with a view on reaping the benefits of the CRM aspects of the Circular Economy Act – establishing a center of excellence.
12. **Joint initiative on chips** (also see below): Joint effort for the semiconductor sector and extensive collaboration on industrial AI, especially within IPCEI-AI – creation of a future-proof energy infrastructure for AI.

Cutting-edge Technologies:

Cutting-edge technologies are of great importance with regard to European digital sovereignty and to the competitiveness of the economy of our two countries. By extending existing cooperation action in various technology areas, the renewed partnership intends to significantly increase efforts in the field of cutting-edge technologies, like Artificial Intelligence, Quantum, Cloud and in the Space sector.

13. **Joint initiative on Artificial Intelligence projects (IPCEI-AI) and joint expert exchange on high-performance computing:** France and Germany will play a leading role in the IPCEI-AI and/or IPCEI-EI and will support joint projects within this framework in order to reinforce European sovereignty on these technologies. To continue improving the joint capabilities built through EuroHPC initiatives and the AI Factories, expert meetings will be held to promote best practice exchanges on high-performance computing.
14. **Artificial intelligence ecosystems:** we commit to further strengthening the French-German AI Research and Investment ecosystem, existing AI talent programmes as well as supporting the establishment of new ones; we will cooperate on generative AI projects and to deepening existing collaborations in supercomputing.
15. **Quantum Computing Ecosystem:** We will bring together and scale-up the quantum computing ecosystems in Germany, France and the EU. French and German stakeholders will set a focus on quantum applications and quantum software to jointly develop industrial use-cases for quantum computing.
16. **Development of a joint roadmap on space:** Germany and France will develop a joint roadmap on space, defining deliverables for coming months taking into account the ESA ministerial and the negotiations for the upcoming EU long-term budget (MFF), but also to discuss the contemplated International Space Summit to be organized in France in 2026, adequately timed to complement the ESA Ministerial.
17. **Breakthrough innovation:** we agree to launch a high-level expert mission in France, to prepare new recommendations for a future French initiative for breakthrough innovation. In parallel, a Memorandum of Understanding has been prepared between BpiFrance and SPRIND to build a cooperation for future innovation projects, in particular by exchanging experts and best practices, or preparing joint calls for projects.

Digital Sovereignty:

France and Germany are committed to strengthening Europe's digital sovereignty — a state in which individuals, businesses, and public institutions can trust, shape, and benefit from a secure and open digital infrastructure aligned with European values. The following Flagship projects serve this purpose:

18. **Summit on European digital sovereignty on 18 November 2025:** Germany and France will organize a high-level summit focusing on European digital sovereignty on November 18, 2025, inviting the Commission of the EU, other EU Member States as well as business representatives and other stakeholders. This includes a high-level forum with key public and private actors in digitalisation from both countries. The parties will also use the summit as a starting point to mobilise European investment including especially strategic programs with private capital

while making sure to align national and EU funds. Under the umbrella of the invigorated “Zukunftswerk” or “Forum d’avenir” GovTech Campus Germany and La French Tech will present projects for implementation and further development of the common digital agenda.

19. **Franco-German cooperation on cloud sovereignty:** France and Germany reaffirm their support to a high level of protection for the most sensitive data within the appropriate regulatory framework. This includes also the discussion regarding extraterritorial laws when revising the CSA. Both countries will exchange on a report aiming to outline the size of the market for companies wanting to de-risk their multi-cloud strategy with a European pillar.
20. **Franco-German cooperation on digital workplaces, digital public infrastructures and commons:** France and Germany commit to scale up and align the use of sovereign tools for digital workplaces, especially those developed by DINUM (La Suite numérique) and ZenDiS (openDesk), across public administrations, and to establish a common ecosystem that prioritizes solutions developed by the private sector. In addition, France and Germany will work jointly towards the implementation on the Digital Commons EDIC, of which both countries are founding members.
21. **Joint position on digital market competition and joint proposal for simplifying the EU legal framework:** On regulatory topics and EU negotiations, France and Germany will increase their cooperation in order to contribute to the first DMA evaluation and towards the future DMA update; France and Germany coordinate with known partners and member states on this goal. France and Germany will work on a joint proposal to the European Commission in order to simplify the existing EU legal framework, in particular regarding AI, cyber and data policy. The proposal will include a joint position on the overall application of the AI Act.

Single Market and Simplification as Competitiveness levers for European companies:

Germany and France are committed to deepen the Single Market, building on the Commission’s Single Market Strategy. It must become easier for companies of all sizes to develop their business beyond national borders and fully seize the opportunities lying within the European economy. To unleash our companies’ full potential of growth and productivity it is also urgent to substantially ease the complexity and simplify the European Union’s regulatory environment. The following Flagship projects are dedicated to this cause:

22. **New legislative mindset:** Germany and France will act together to avoid creating new administrative burden at EU level by promoting a new legislative mindset. This requires all co-legislators to internalize a true spirit of self-restraint in all legislative activities, when exercising the right of initiative, during all the negotiation process, as well as regarding delegated and implementing acts. Germany and France urge the European Commission to come up with further simplification initiatives of existing legislation covering the entire EU Acquis, also for speeding up permitting and approval procedures. In order to ensure streamlined procedures and simplified regulations for small mid cap enterprises, France and Germany support an ambitious European small mid caps category that would include 250 to 1000 employees and stress the use of digitalization to enhance efficiency for compliance.
23. **Strengthening competitiveness by deepening the Single Market:** Germany and France will work together on the Commission’s project to establish an EU-wide company form (28th regime) to address the fragmentation of rules across the EU which hampers companies from

successfully scaling-up. Such a rulebook should not undermine national labour and social standards. France and Germany will also support a Single Market that ensures a level playing field both within the EU and in relation to third-country companies by, e.g., adjusting assessment rules for killer acquisitions and revising merger rules as well as strengthening market surveillance and the consistent enforcement of the Digital Services Act with regards to very large online platforms (VLOPs).

Convergence/Cooperation in the area of labour market and social policy

Franco-German cooperation in the area of labour market and social policy is to be strengthened in close dialogue with the social partners in order to sustainably improve both the competitiveness of our economies and working conditions. The following flagship projects have been agreed:

24. The **Franco-German Social Summit** as a high-level dialogue between the French and German Ministers of Labour and the leaders of the social partners. It sets the start for an ongoing process of dialogue through several summits. The first on “Shaping the world of work and social protection systems in light of global economic challenges“ took place on 1 July 2025 in Berlin. The next Social Summit will take place in France in 2026.
25. The **Franco-German Expert Group on the Future of Work** is a technical dialogue format between French and German social partners and the corresponding labour ministries. The expert group will develop a work plan for the second half of the year. This plan will include two further meetings of the expert group (October and December). Moreover, the group will issue a joint position paper on the „Fair Labour Mobility Package“ announced by the EU Commission.

Finance:

In order to tackle Europe’s massive investment needs outlined in the Draghi Report, we must deliver to create a true Savings and Investment Union. To this end, we have already launched numerous initiatives aiming at creating deeper and more liquid capital markets. We establish the following Flagship Projects:

26. **FIVE Initiative:** Finance Ministers established a joint task force to enhance the regulatory framework for start-up and scale-up financing in Europe. It is envisaged that the task force will issue a report by the end of 2025.
27. **Promote securitisation:** Finance Ministers committed to support the work led in the Council by the Danish presidency, aiming for a Council position by the end of 2025.

Energy

Germany and France are committed to strengthen their bilateral coordination to lead the way in shaping a competitive, secure, sustainable and decarbonized European energy market. The relaunch also seeks to reconcile policy differences and promote joint initiatives that can serve as a model for broader EU collaboration. This comes in addition to already existing bilateral working groups on flexibility, hydrogen and bidirectional charging for vehicles. This renewed cooperation will focus on six key areas.

1) Affordable grid charges and electricity markets

Affordable electricity prices are key for European competitiveness. This not only concerns low wholesale prices, but also affordable grid charges, with an adequate attention for the specific needs of consumers, in particular those from industrial sectors. France and Germany work jointly together on **grid charges** with regard to the Electricity Market, coordination on **development and implementation of tertiary legislation**, including the *Capacity Allocation and Congestion Management (CACM)* regulation and the upcoming *Network Code on Demand Response (NC DR)* as well as **capacity remuneration mechanisms** for fast and streamlined approval procedures. Moreover, as emerging challenge, we will draw attention to approaches for addressing the **needs of AI and data centers**, including grid connection considerations.

2) Cooperative process to collaborate on the EU energy framework

Germany and France **support the implementation of the Paris Agreement through a strong and coordinated European contribution**. In doing so, it is essential to maintain the economic and industrial competitiveness of Europe, as this is a prerequisite for enabling the investments and transformation in the energy sector needed to achieve climate neutrality by 2050.

France and Germany will establish a cooperative working process which reflects the perspectives of both France and Germany and develops common perspectives on the role of different energy technologies contributing to European climate goals as well as on how to reduce administrative and regulatory burden. It might lead to joint proposals on e.g. (i) targeted changes to some European energy relevant rules inter alia to facilitate pragmatic implementation and on (ii) the 2040 EU energy architecture, in order to ensure reliability and investor certainty as well as non-discrimination among all net-zero and low-carbon energy technologies in their respective contribution to European energy, sustainability and climate goals.

For example, Germany and France already share the view that the **Delegated Act for Low-carbon Hydrogen and the RFNBO DA** should facilitate a pragmatic and cost-efficient ramp up of these types of hydrogen. Based on the outlined working process and wherever necessary, France and Germany will engage with the European Commission towards swiftly implementing respective solutions, in particular in the DAs.

3) Cooperation on cross-border energy infrastructure projects, notably in light of evolving electricity mixes

Germany and France commit to closer **cooperation on cross-border energy infrastructure projects and electricity mixes**, recognizing the strategic importance of developing, modernizing and building more shared energy infrastructure to ensure a secure, flexible, and decarbonized energy supply. In particular they agree to work together on the following points:

- The upcoming **European Grid Package** as a key opportunity to reinforce Europe's energy resilience and global competitiveness.
- supporting coordination and progress on a **potential new electricity interconnector** that the TSOs Amprion, TransnetBW and RTE are assessing.
- together with Poland plan to deliver a mandate to their TSOs to **jointly conduct a study, by 2026**, to analyze their interdependencies and improve the economic optimization of grid investments, notably interconnectors, in light of evolving electricity mixes at the European level, particularly in terms of their impact on European grid stability and security of supply. Under the supervision of the competent Ministries, the study explores how to optimize cross-border grid development in the course of the transformation of the electricity mixes across these three countries in the context of European grid development.
assessing added value, demand and market barriers for possible financial long-term cross-border electricity grid capacity and power purchase agreements contracts along their shared borders.

4) Cooperation on cross-border hydrogen infrastructure and the implementation of a pragmatic and cost-efficient hydrogen ramp-up

Both countries recognize that the development of a dedicated European hydrogen infrastructure can contribute to a diversified, climate-neutral and resilient energy system for countries with electricity mixes with a high share of renewables.

- France and Germany reaffirm their joint focus and long-term commitment to **support the timely realization of the Southwestern Hydrogen Corridor**, consisting of the pipeline projects H2Med and HY-FEN. Ongoing and future economic and feasibility studies should further confirm the relevance of this infrastructure, the next stages of project development and the decision planning. The initiative, including the private-sector Alliance on the H2Med Southwestern Corridor, will be continuously supported through the **Franco-German Working Group on Hydrogen**. France and Germany will **engage in a joint discussion with Spain, Portugal and the European Commission to ascertain de-risking needs**. This discussion could encompass the distribution of risks between market and public actors depending on their respective strategies.
- Through the **H2 Important Projects of Common European interest (IPCEI Hydrogen)**, France and Germany accompanied the emergence of a hydrogen equipment value chain in Europe. Germany and France will act to ascertain the contribution of this European equipment to the different projects feeding the Southwestern Hydrogen Corridor.
- Improving our understanding of the **economic and technical model of electrolytic hydrogen production** is important to devise proper support and incentive mechanisms. Germany and France commit to work together on these questions, including industrial and research stakeholders.

5) Research and innovative technologies in the energy sector

In the frame of the bilateral call for funding „Development of the hydrogen pathway for the future energy mix“ five research projects have been selected for the duration from Nov. 2024 until Oct. 2027. They investigate innovations for electrochemical hydrogen production, hydrogen infrastructure and hydrogen system integration. The aim of the call is to promote high-quality research collaborations. In

order to use the momentum, Germany and France intend to expand the bilateral strategic research cooperation to the European level in the next years.

France and Germany share the vision that collaborative research efforts between the two countries are necessary to combine expertise and resources to tackle the technical and scientific challenges of, in particular, nuclear fusion. Germany and France strive to enhance and strengthen the cooperation in nuclear fusion science and technology, based on a planned MoU between both countries.

Further key areas of collaboration may include: **Grid digitalization**, offshore wind energy (e.g. floating offshore), **innovative renewable energy and hydrogen technologies**, **battery storage solution** and their system integration.

Besides, the **Delegated Act on the carbon footprint of batteries** is a key element for batteries made in Europe. The carbon footprint methodology should ensure a competitive advantage compared to world regions without active energy and climate policy, based on objective, non-discriminatory, unbureaucratic criteria (electricity mix) as, for example, electricity in the EU is much cleaner than in most other world regions. Germany and France will continue to work together ahead of the Commission's proposal.

6) Bilateral relations

Germany and France reaffirm their commitment to close bilateral cooperation notably through ensuring continued financial support for the **German-French Office for the Energy Transition (DFBEW/OFATE) in all areas of mutual interest, especially those reflected above**. Germany and France work together closely with DFBEW / OFATE stakeholders and may regularly evaluate DFBEW / OFATE activities and – if deemed necessary – propose adjustments to improve support for bilateral cooperation between both countries.

Trade and economic security

With a view to growing geopolitical tensions and rising trade challenges which are facing the EU and European businesses, closer German-French cooperation on trade and economic security issues is becoming even more important. We aim for increased cooperation, better understanding of our respective interests and joint action at EU level, in order to support a pragmatic, fair, sustainable and rules based EU trade policy, to diversify our trade with much needed partner countries and regions and improve the EU's economic security and resilience, competitiveness, jobs and growth in the Union. **To this end, we hereby establish a structured German-French Trade and Economic Security Dialogue, to be held bi-annually in France and Germany, supported by three Expert working groups.**

We wish to focus our cooperation on the following points.

First, on a pragmatic agenda for trade agreements. The EU's agenda to negotiate and conclude ambitious and fair trade agreements with partners around the world is key to secure new export markets for EU companies, help diversify value chains and derisk the EU economy while defending core EU interests and ensuring a true level playing field. We should discuss common approaches in support of a more pragmatic bilateral EU trade agenda, including on effective safeguards on strategic/sensitive sectors, in particular agriculture, as well as on how to respect international standards in line with our continued commitment to open, fair, sustainable and rules-based trade.

We will also discuss the relationship between autonomous EU legislation and EU trade policy, WTO law and their economic and trade policy impacts. More generally, we commit to cooperating in support of an ambitious reform of the WTO and the multilateral trading system, as well as envisaged structured cooperation with CPTPP-countries and other like-minded partners.

Second, on ensuring a global level playing field for our companies. The EU industry is faced with unprecedented challenges linked in particular to systemic non-market policies and practices, including industrial subsidies leading to overcapacities, which increases the risk of a protectionist spiral. We will coordinate on trade defence issues, both in specific cases and more broadly on general policies, taking into account our companies interests and the impact on downstream industries and building on all EU instruments on the basis of swifter and robust Commission's investigations. Following the Draghi report and the various sectoral industrial plans, we will encourage the Commission, in the field of trade policy, to continue its newly established monitoring of trade diversions and to use trade defence instruments where justified and relevant, and assess avenues to better protect EU industry from unfair practices under international trade rules.

Finally, on ensuring an efficient implementation of the European economic security strategy on all three pillars (protect, promote, partner). Germany and France will structure their dialogue to strengthen bilateral cooperation in this area and to improve information sharing in a practical manner. This will include, inter alia, de-risking strategies, strengthening the resilience and reliability of supply chains, protecting critical EU technology and infrastructures. The dialogue would also aim at strengthening our cooperation on economic security at EU level (including the question of the governance, and the question of the doctrine) or in other formats, such as the G7.

Industry

Europe is at a critical juncture. Its industrial foundation, a cornerstone of the continent's economic success and welfare, is now under severe pressure. The industries that contributed most to empower our economies are struggling in the face of soaring energy costs, fierce global competition sometimes tied to unfair practices, climate impacts, trade tension and the high investments required to master the twin transition. Additionally, Europe needs to strengthen its economic sovereignty in future technologies and its innovative capability, in order to prevent future dependencies. France and Germany want to work together on measures in order to strengthen the competitiveness of the European industry. Therefore, the improvement of framework conditions and ambitious proposals are needed, complemented by sector-specific measures. France and Germany want to cooperate in the following topics and work together on the below mentioned projects:

Carbon markets (ETS, CBAM)

- Work on the ETS to increase price stability and long-term visibility for industrial consumers, in order to safeguard the required investments for decarbonization keeping in mind that the ETS is a volume-based system.
- Work on CBAM reform in order to improve its climate policy impact by closing possibilities for circumvention and carbon leakage such as WTO-compatible and EU-wide standardised solutions to address resource shuffling including assessing the use of a default-value-based system (e.g. based on country and product) for both direct and indirect emissions under certain conditions; a gradual extension to downstream value chains; improving monitoring and early warning systems; further simplifications to the system and seek an EU-wide standardised solution to address disadvantages for exporters, ensuring international trade law in this context; oppose the extension of CBAM to indirect emissions, where this would lead to restrictions to the ETS indirect cost compensation, at this stage.
- Call on the European Commission – on the basis of a common joint non-paper – to announce as soon as possible the continuation of the indirect carbon costs (ICC, i.e. notably a reform of the ETS State aid guidelines) compensation for electricity prices beyond 2030, with an extended list of aid-entitled energy-intensive sectors (including but not limited to certain activities of basic organic chemicals and the battery value chain), to be announced in 2025 for the post-2025 eligible costs.
- Work towards a cost-effective and fair distribution of emission reduction efforts among Member States, with a view to convergence of Member States' contributions towards climate neutrality by 2050. In addition, a number of factors are essential – among these, the following ones should be prioritized: (i) the swift implementation of effective industrial and energy strategies; (ii) the provision of additional tangible economic and financial resources to support the transition of our industries; and (iii) the implementation of measures to prevent carbon leakage.

Lead markets

- Develop a shared approach towards lead markets, notably in the framework of the IDAA (Industrial Decarbonization Accelerator Act) and on other relevant discussions at EU level with

focus on contributing to an appropriate framework for incentivising investments and creating sufficient demand for resource-efficient, climate-friendly and EU-made basic materials and products. A common FR-DE analysis on the sectors that would be relevant candidates for lead markets (beside steel and cement) could be shared with the Commission.

- To this end, explore common approaches for incentives through appropriate non-price criteria such as sustainability criteria (CO₂ emissions intensity, carbon footprint), resilience criteria and in public procurement and other support schemes, as well as the use of voluntary “carbon footprint” labels, encouraging private procurement and other potential instruments based on the CO₂-emissions intensity of basic materials put on the EU market. When developing non-price criteria, it is important to ensure that economic efficiency, competition and transparency remain central goals.
- Following the Draghi report, discuss a list of technologies and products for which we must aim to establish a robust European production base, and explore means to achieve this.

Energy-intensive industries

- FR and DE work jointly together in the Alliance for energy intensive industries with other MS.
- France and Germany jointly emphasize the paramount importance of competitive electricity prices for energy-intensive industries and thus for maintaining and strengthening the foundations of industrial value creation, prosperity, and resilience in Europe. We will support efforts to keep this crucial issue high on the EU agenda. One instrument can be an industrial electricity price, taking into account a non-bureaucratic flexible application.

Raw materials

- Joint initiative on raw materials: The Circular Economy Act, which is expected to be proposed by the end of 2026, will see several European instruments revised to make circular models more competitive. Within the already existing working group on critical minerals DEU and FRA will work together on the design of the CRM aspects of the Circular Economy Act and coordinate their efforts.

Semiconductors

- Joint effort for the European semiconductor sector, FRA and DEU well aligned on importance, in the goal of advancing technological sovereignty, prosperity and resilience of the EU semiconductor ecosystem.
- Continue close and productive work in three areas:
 - IPCEI AST: wording on importance, thematics, pushing for calendar also vis-a-vis COM, highlighting the upcoming industry workshops, pushing for further process simplification.

- G7: Toronto recap, upcoming topics, jointly advancing strategic interests of EU in this forum (in the domains of supply chain resilience, trustworthiness of microelectronics as well as pre-competitive R&D).
- European Chips Act (Coalition of the Willing, CotW): declaration on strategic and operative re-orientation in a “Chips Act 2.0”, further process.

Digital IPCEIs

- Support extensive collaboration of French and German projects within the IPCEI-AI and/or IPCEI-ECI.

Automotive and batteries

- France and Germany will support the European Commission in ensuring global competitiveness of the European automotive industry, accelerating the uptake of ZLEV vehicles and securing a strong European manufacturing base through decisive action (i.a. by accelerating the roll-out of charging infrastructure, implementing carbon pricing, greening of business fleets, supporting modernisation of automotive suppliers, as well as promoting the production and use of batteries from European production and key European automotive components. Within NZIA discuss effective application of resilience criteria with respect to the components list of the NZIA, including batteries, and discuss within the upcoming IDAA how to implement effective and targeted requirements to secure value-added in the automotive industry in Europe.
- Boost market readiness and commercialisation of automated and connected driving: Support work towards a more harmonised framework across Europe, including on regulation and conditions for enhanced cooperation. Both countries, together with SI, are taking the lead in a JEF-IPCEI working group on a potential IPCEI CCAV.
- CO2 Fleet Regulation: Appreciating the European Commission’s willingness to accelerate the work on the reviews with the objective of having technology-neutral and flexible CO2 regulations in line with the EU climate targets taking into account relevant technological developments.
- Battery Booster: In order to achieve technological sovereignty, national security and create resilient value creation, it is essential to establish an innovative and competitive battery ecosystem in Europe. Given the challenging market situation and the importance of the battery industry to Europe, it is crucial that the existing value chain is further stabilised. Germany and France therefore welcome the Battery Booster announced as part of the Automotive Action Plan to strengthen the competitiveness of the European battery industry. It is now of the utmost importance to implement the measures of the Battery Booster in order to support the scaling-up of European battery industry. The ETS innovation funds could support the ramp-up of existing capacities in Europe, this must be available as soon as 2025. Additionally, France and Germany are committed to promoting and supporting the development of favourable conditions for stakeholders throughout the value chain, particularly by strengthening research and development.

Chemicals

- Strengthen competitiveness support: extend indirect cost compensation to additional electro-intensive sectors within basic organic chemicals as stated in the Commission's Chemicals Action plan of 8 July, and allow flexible State aid for the modernisation of strategic chemical sites (such as steam-crackers).
- Simplify and enforce REACH: support a pragmatic revision focused on reducing burdens, e.g., by streamlining procedures and the use of digitalization to enhance efficiency. Ensure that information and data requirements continue to be practical, tiered and substance-specific, e.g. depending on substance properties, and quantity. Reinforcing border controls and compliance of imports.
- Clarify CLP and CPR reforms in the upcoming omnibus: ensure proportionality of new labelling requirements and simplify the interplay between regulations, especially for cosmetics (e. g. simplification of labelling by transferring the glossary (Art. 33 CPR) into a database managed under the supervision of the European Commission; revision of the labelling rules to ensure they cover both brick-and-mortar and online retail, in order to guarantee fairer competition), without affecting the high level of protection of human health.

In core and critical strategic areas of industrial production, including public procurement, we will work towards viable targeted European preference schemes.

Cutting-edge Technologies¹

Cutting-edge technologies are of great importance with regard to European digital sovereignty² and to the competitiveness of the economy of our two countries. By extending existing cooperation action in various technology areas, the renewed partnership intends to significantly increase efforts in the field of cutting-edge technologies, like Artificial Intelligence, Quantum, Cloud, Batteries³ and in the Space sector. On regulatory topics and EU negotiations, France and Germany commit to strengthen their efforts to find shared negotiation positions. France and Germany want to cooperate in the following projects and initiatives:

EU regulatory cooperation on cutting-edge technologies:

- **France and Germany reaffirm their support to a high level of protection for the most sensitive data** within the appropriate regulatory framework. This includes also the discussion regarding extraterritorial laws when revising the CSA.
- **Regarding the DMA, France and Germany will:**
 - **increase their cooperation by sharing their views** and analysis in order to contribute to the first DMA evaluation and towards the future DMA update;
 - **coordinate their strategy of influence** with known partners on this goal (DMA Friends) and towards other member states.
 - **in the joint Franco-German initiative for a Summit on European Digital Sovereignty seek to coordinate on the scope of DMA core platform services.**

Artificial Intelligence (AI):

France and Germany will strengthen the established **French-German research and innovation network on AI**, through the continuation of joint **German-French projects on AI and the support of new initiatives**. To this effect, French and German authorities will:

- **Support extensive collaboration of French and German projects within the IPCEI-AI and/or IPCEI-ECI.**
- **Encourage the competent French and German institutions to design joint programmes for disruptive innovation⁴,**
- **Foster the joint animation of AI ecosystems and mutualization of expertise all along the value-chain of AI**, notably encouraging:
 - **The establishment of a joint expert exchange around high-performance computing resources hosted in the French and German AI Factories** to strengthen collaboration through EuroHPC initiatives.
 - **The secondment of technological and business experts and exchange of best practices between French and German institutions, in the context of their AI programs.** Through information sharing and ecosystem integration, the seconded experts, will also act jointly to contribute to the go-to-market efforts of the most promising AI projects publicly supported by France and Germany. This initiative will pave the way towards a cooperation

¹ New measures with financial implications are subject to funding availability

² Additional proposals for digital sovereignty in the dedicated chapter of the Agenda

³ Concrete proposals on joint battery cooperation in the industry chapter of the Agenda

⁴ Concrete proposals in the paper "Partnership on breakthrough Innovation"

on disruptive innovation on a broader technological scope by harmonizing practices and a view on early-stage technologies.

Accelerate AI deployment for the public sector, through a close collaboration of AI public sector ecosystems. France and Germany commit to working closely together on the deployment of artificial intelligence in the public sector, with a focus on supporting civil servants and simplifying public services. France will build around the Alliance incubator, to contribute to this shared ambition.

The continuation of French-German dialogues between AI and industrial ecosystems, such as the “Executive Dialogue for AI in Industry”, to encourage the development of productive solutions based on French and German technologies; research organizations from both countries will bring together German and French companies in selected sectors (such as Health, Energy, Robotics) to initiate joint R&D projects on sovereign AI.

Launch a Franco-German Initiative on generative AI and the development of joint AI-models especially foundation models. Support joint innovation projects for consortia from research and industry on generative AI with the aim of creating joint AI models and solutions that secures European technological sovereignty, promote open-source and increase business productivity. French and German companies, and in particular SMEs, are to be broadly involved to identify the most relevant use cases and the data required for model development and training. This initiative will benefit from joint efforts to value French-German AI innovation projects in European innovation policies such as the GenAI4EU initiative.

Foster the availability and usability of European data for AI training and use cases through common data profiles. To strengthen European data and AI sovereignty, France and Germany will aim to include more data sources, information on data quality characteristics and diverse data types in cross border initiatives, such as the current AI initiative, thus enabling a broader range of use cases.

Cybersecurity is a key technology and the basis for functioning democracies. The successful long-term research cooperation of the French-German Center for Cybersecurity is a great example of how technological sovereignty can be improved. We will explore possible ways to strengthen this cooperation.

Quantum technologies:

- **Initiative for next Generation Quantum Computing:** This joint action will focus on setting up a common quantum computing ecosystem including quantum applications and quantum software. French and German stakeholders, such as industry, quantum start-ups (hardware and software related), research institutions and academia, will play a key role. they will foster and scale-up the quantum computing ecosystems in Germany, France and the EU and develop industrial use-cases leveraging synergies with and instruments of the EU Quantum Strategy.
- **Quantum Metrology:** To support the development of European and international standards in quantum technologies, Germany and France aim to use the collective expertise of their National Metrology Institutes to jointly develop and share measurement best practices. They can provide independent and objective testing and evaluation of quantum materials, components, devices and systems, and contribute to the development of reliable and standardized characterization methods and benchmarks.

Cross-cutting cooperation in the field of technology:

- **Seize the opportunities to showcase French-German projects of past and renewed cooperation initiatives, which embody common priorities, notably with Germany's participation as partner country at VivaTechnology 2026, Paris.** The participation of Germany as a partner country in Europe's largest technology and innovation event could be launched as a Franco-German cooperation project and combined with visits by high-ranking politicians from both countries. Joint initiatives in the field of innovation and technology could be presented to the tech community and to the public.

Space

- **Joint road map between Germany and France:** an internationally competitive European space industry is of strategic importance for Europe, so as to satisfy commercial demand, institutional needs and to provide EU citizens with cutting-edge services. To ensure it and also taking into account the diversification of European space industry as a key to build an independent, resilient, demand-oriented and cost-effective space market, Germany and France will **develop a joint roadmap on space**, defining deliverables for coming months taking into account the upcoming ESA ministerial and the negotiations for the upcoming EU long-term budget (MFF), to ensure alignment and clear differentiation of competencies between the two organizations particularly on governmental programs. A dedicated task-force should be put in place to handle our cooperation, in a view to work closely towards the upcoming ESA ministerial, the work of the European Commission on space, but also to discuss the contemplated International Space Summit to be organized in France in 2026 and adequately timed to complement the ESA Ministerial – where a renewed European ambition for space shall be targeted, based on a Franco-German vision for this critical industry.
- **Support to the implementation of the 2023 Sevilla Agreement for access to space:** an independent and autonomous access to space for Europe is key to sovereign capabilities but also in terms of economic growth and stability. As in the short- and medium-term Ariane 6 and Vega C will ensure European Access to space from the Guyana Space Center for larger payloads. Core to European access to space, the coming years will see new European commercial actors join established and evolving actors to guarantee European access to space. France and Germany commit to **the implementation of the 2023 Sevilla Agreement for access to space**, including:
 - the therein agreed support to the exploitation of Ariane 6 to make it scalable and efficient and the intention of the public sector to procure institutional missions;
 - **the ESA launcher challenge** for preparing the future European launch services.

Germany and France will further **join their efforts towards a robust European landscape of space ports** including the timely opening of the Guyana Space Center to new launch service providers.

- **Space connectivity: Promote the effective deployment and operational success of the IRIS² program** in a user-oriented approach, which strengthens the competitive edge of Europe, shall remain the main goal of the EU. France and Germany will work jointly on:

- Ensuring coordinated continuity and resilience by identifying capacities to fill the gap up to the full implementation of IRIS². Moreover, we will promote available European solutions for IRIS² to be ready for use in the mid- and long-term.
 - **identifying further measures which support the competitiveness**, and the commercial leverage IRIS² may provide for the benefit of European users.
- European partnerships, including established actors and NewSpace initiatives, are welcome so as to restore the competitiveness and the innovation capacity of the European industry and to ensure continuity of services for public and private customers.

Digital Sovereignty

France and Germany are committed to strengthening Europe's digital sovereignty — a state in which individuals, businesses, and public institutions can trust, shape, and benefit from a secure and open digital ecosystems aligned with European values.

Both sides work towards the following **strategic objectives**:

1. Strengthen and expand EU's digital sovereignty through concrete joint initiatives and projects, with the aim that all EU partners participate. In doing so, we want to prioritise and bundle various existing frameworks and initiatives.
2. Shape simple EU regulatory frameworks that support secure, innovative, and competitive digital infrastructures and solutions, giving companies more room for innovation.
3. Actively promote cross-border networking and collaboration between the relevant stakeholders in administrations and business with European start-ups.

Both sides take the following **coordinated steps and concrete contributions** toward the long-term fostering of European digital sovereignty:

Reducing Dependencies, strengthening Resilience, fostering Innovation

- a. Invigorate a new "Zukunftswerk" / "Forum d'avenir" as an umbrella to structure networking and matchmaking events. GovTech Campus Germany and La French Tech will work closely with partners such as the EU AI Champions Initiative, as well as partners from civil society and private sector, esp. with start-ups,
- b. Work towards a joint understanding of the base line situation in both countries, as well as towards joint definitions of digital sovereignty and on an open method to evaluate the administrations and businesses' resilience and dependencies,
- c. Work on a joint proposal to the European Commission in order simplify existing EU legal framework, in particular regarding AI, cyber and data policy. The proposal will include a joint position on the overall application of the AI Act.
- d. Exchange on a report aiming to outline the size of the market and preferred adoption strategies of sovereign cloud providers for companies wanting to de-risk their multi-cloud strategy with a European pillar,
- e. Encourage private and non-governmental initiatives to identify sovereign technologies and solutions to promote a comprehensive and coherent package of European products and services.

Digital Public Infrastructure, Government Modernisation and Public Procurement

- a. Align sovereign digital workplaces, especially the DINUM (La Suite numérique) and ZenDiS (openDesk), with the goal of establishing a common ecosystem that includes the private sector and to scaling up their use across administrations,
- b. Work jointly towards the implementation of the EDIC on digital commons (DC-EDIC), of which both countries are founding members.
- c. Establish a Franco-German Expert Dialogue between DINUM and BMDS on Digital Public Infrastructure (DPI) to operationalize the joint vision and ensure policy and technical alignment, both countries will establish a bilateral Digital Sovereignty Expert Exchange,
- d. In particular, France and Germany will work together to pilot implementation of key DPI modules, including on European ID Wallet and pan-European payment schemes,

- e. Exchange on best practices and criteria related to sovereignty in public procurement processes,
- f. Intensify our expert work on sovereignty criteria for public procurement.

Joint Franco-German Initiative for a Summit on European digital sovereignty

Germany and France will organize a high-level summit focusing on European digital sovereignty on November 18, 2025, inviting the Commission of the EU, other EU Member States as well as business representatives and other stakeholders.

A high-level forum with key actors in digitalisation from both countries (both governments and businesses) will be organized at this occasion and serve as a catalyser for public procurement.

In addition, the parties will also use the summit as a starting point to mobilise European investment including especially strategic programs with private capital while making sure to align national and EU funds.

Single Market and Simplification as Competitiveness levers for European companies

Single Market and Simplification as Competitiveness levers for European companies

Germany and France are committed to **deepen the Single Market**, building on the Commission's Single Market Strategy. It must become easier for companies of all sizes to develop their business beyond national borders and fully seize the opportunities lying within the European economy.

To unleash our companies' full potential of growth and productivity it is also urgent to substantially **ease the complexity and simplify the European Union's regulatory environment**.

Therefore, Germany and France strongly welcome the started process of simplification at EU level and support the European Commission in its efforts to further screen existing legislation in order to identify additional relief while maintaining policy goals, relevant standards and the integrity of the single market. As the new political mandate unfolds, Germany and France will also act together to avoid creating new administrative burden at EU-Level by promoting a new "legislative mindset".

1. Strengthening competitiveness by simplifying sector-specific regulations

France and Germany:

- support speedy progress of the negotiations on the **Omnibus Simplification packages** of the Commission to achieve legal certainty for companies and ensure proportionality, especially for small and medium sized enterprises (SMEs), while safeguarding our political ambition and relevant standards. We welcome the recommendation of the Commission on the definition of small mid cap enterprises and support even a more ambitious European small mid caps category of **250 to 1000** employees to take better account of the specific characteristics of these companies and encourage their growth by further simplifying regulations for them.
- generally support, in the chemicals sector, the simplification of the CLP (Classification, Labelling and Packaging of Chemicals) regulation, CPR (Cosmetics Products Regulation), and FPR (Fertilising Products Regulation), based on the Commission's sixth omnibus and action plan proposed on 8 July.
- urge the Commission to come up with **further simplification** initiatives of existing legislation and call for:
 - examination of targeted simplification regarding the Urban Wastewater Treatment Directive (EU) 2024/3019.
 - Simplify and enforce REACH: support a pragmatic revision focused on reducing burdens, e.g. by streamlining procedures and the use of digitalization to enhance efficiency. Ensure that information and data requirements continue to be practical, tiered and substance-specific.
 - The targeted further simplification of the general data protection regulation (GDPR) (beyond the proposed omnibus amendment), to strengthen its proportionality without reopening its fundamental content, in relation with concrete stakeholders' needs in particular specific uses (e.g. by non-commercial entities) and users (e.g. small companies)

- highlight the need to **reform the notification mechanisms** towards increased compliance, notification activity and thus transparency, in particular:
 - streamlining TRIS by establishing a smarter procedure with shortened standstill period;
 - avoiding additional bureaucracy and legal uncertainty through possible extension of TRIS, especially to the services sector; instead: improving notifications after the Services Directive e.g. by inventory of regulations at regional level, discussion of their relevance for the internal market and, based on the results, development of guidelines.
- generally stress the need **to continue to move fast on regulatory simplification**, given the tense economic and geopolitical context.

2. Reducing drastically bureaucracy and ensuring proportionality in European regulation

- stress the need for **speeding up permitting and approval procedures**, through the study of potential targeted simplifications for example with regard to environmental law, to achieve substantial relief for companies while maintaining relevant standards. New legislation (such as the future Industrial Decarbonization Accelerator Act) should focus on simplifying existing constraints, to reduce the workload of the permitting authority;
- call on all co-legislators to show **legislative self-restraint** by **avoiding over-regulation** and the introduction of unnecessary administrative burdens;
 - in addition to ambitiously reducing existing reporting obligations, limit new obligations by introducing a ‘1 for 1’ rule on information transmission obligations, based on the principle that any new obligation to declare, report or transmit information at European level should be accompanied by an equivalent cost reduction.
 - Moreover, drastically reducing unnecessary bureaucracy requires all co-legislators to internalize a true spirit of self-restraint in all legislative activities, both when exercising the right of initiative as well as during all negotiation processes.
- call on the Commission to provide **transparency regarding tertiary legislation** (delegated acts and implementing acts) with the aim to prioritize acts necessary for companies to implement existing legislation, to limit the total number of acts to the necessary minimum, to ensure an unbureaucratic, effective and business and SME friendly design and implementation and to achieve the objectives of the basic legal acts;
- call all EU institutions to take into account both the SME and small midcap category when designing new legislations and defining their scope ; stress the importance to rigorously apply the „**think small first**” principle, notably through the SME test and taking into account clear cost-benefit and impact assessments ;call for and check the use of **reality-checks** that help to identify relevant simplification measures and **digital- readiness checks** that could improve the quality of legislation at Union level; stress the importance of **incentivizing innovative SME and start-up participation** in the important projects of common European interest (IPCEIs) and European programmes and in public procurement, notably by alleviating the related reporting obligations;

3. Ensuring a level playing field for European companies

- urge the Commission to take **stronger and more determined action to prevent non-compliant imports from third countries that are linked to the exponential rise of e-commerce**. Particular attention should be given to further strengthening market surveillance in all Member States and ensuring the consistent enforcement of the Digital Services Act with regard to very large online platforms.
- More broadly, support a Single Market that ensures a level playing field both within the EU and in relation to third-country companies, which can notably be done by:
 - (i) working towards a legally sound solution regarding the assessment of killer acquisitions, (ii) revising the Merger Guidelines to address current competition challenges such as innovation, resilience and competitiveness and (iii) creating clear guidelines for the Foreign Subsidies Regulation with a view to ensure a predictable and coherent legal framework to ensure a level playing field.
 - Defend the need for CE marking as part of the New Legislative Framework, which guarantees consumers that a product complies with the applicable EU requirements in terms of safety, health and environmental protection.
 - Call on the Commission to speed up work on the introduction of the product specific Digital Product Passports (DPP).

4. Introducing a 28th regime and a favourable regime for young innovative companies

- will work together on the Commission's project to establish **an EU-wide company form ("28th regime")** as proposed by the Letta and Draghi reports, which could encompass elements of the Simplified European Company (SEC) while not undermining national labour and social standards. Particular attention should be given to ensuring that this company form is well-suited to the needs of young and innovative companies, while remaining broadly available for all types of businesses. In addition to this 28th regime, support the creation of a European status for Young Innovative Companies (YIC), which would enhance the visibility of the start-up and scale-up ecosystem within the internal market and help channel investment towards these companies.
- welcome the publication of the EU start-up and scale up strategy. We commend the business-oriented approach of this strategy, aimed at enhancing the EU's attractiveness for start-ups and scale-ups and, therefore, its competitiveness.

Convergence / Cooperation in the area of labour market and social policy

Franco-German cooperation in the area of labour market and social policy is to be strengthened in close dialogue with the social partners in order to sustainably improve both the competitiveness of our economies and working conditions. The Franco-German Social Summit offers the labour ministers and the social partners in both countries a format for dialogue and the joint development of concrete measures and recommendations. The results can be incorporated into the national political agenda in France and Germany and make an important contribution to the European social agenda. The Franco-German expert group on the future of work supports the political dialogue by providing expert input on labour and employment policy issues.

- The **Franco-German Social Summit** is a high-level dialogue between the French and German Ministers of Labour and the leaders of the social partners. The Summit on “Shaping the world of work and social protection systems in light of global economic challenges“ took place on 1 July 2025 in Berlin. The French and German Ministers will report on the outcomes of the Social Summit and the joint work with the social partners at the Franco-German Council of Ministers. The next Social Summit will take place in France in 2026.
- The **Franco-German Expert Group on the Future of Work** is a technical dialogue format between French and German social partners and the corresponding labour ministries. The kick-off meeting was held on 1 July 2025 following the Social Summit. Topics were the „Fair Labour Mobility Package“ and the future cooperation of the Expert group. The expert group will develop a work plan for the second half of the year. This plan includes two further meetings of the expert group (October and December). Moreover, the group will issue a joint position paper on the „Fair Labour Mobility Package“ announced by the EU Commission.

Finance

Five Key Areas of Action for a genuine Savings and Investment Union

In order to tackle Europe's massive investment needs outlined in the Draghi Report, we must deliver to create a true Savings and Investment Union. To this end, we have already launched numerous initiatives aiming at creating deeper and more liquid capital markets. For example, the T+1 settlement – i.e. the settlement of securities transactions only one day after trading – has been introduced and now needs to be implemented efficiently. We must keep the ambition level high and catch the current momentum in order to make decisive progress. France and Germany have identified the following **five key areas of action**:

- **Enhance the demand side:** We strive to strengthen the demand side including in the area of pension provision and **boost retail participation in the capital market**. The Finance Europe label, developed by a group of interested Member States, exemplifies this principle. We are committed to the **success of Finance Europe** to make it easier for our citizens to invest in the European economy. Now, it is up to market participants to develop suitable products.
- **Promote securitisation:** France and Germany, together with Spain, Ireland, Portugal and the Czech Republic, had pushed for a review of the EU regulatory framework for securitisation in a joint non-paper. We welcome that the European Commission has put forward a comprehensive proposal on securitisation. We urge the Commission and Member States to **swiftly advance the legislative process** to optimise the securitisation framework in a risk-adequate manner. We fully support the work led in the Council by the Danish presidency and we strive for a Council position by the end of 2025.
- **Simplify financial market regulation:** We urge the Commission and European Supervisory Authorities to screen financial market regulation and to reduce trickle down effects for smaller companies in the real economy. Our aim is to **achieve a simplified and more coherent rule book** that eliminates unnecessary administrative burdens. Simplification and proportionality should include legislation (level 1), as well as regulatory and supervisory standards and guidelines (level 2 and 3) and the structural set-up and interaction of ESAs, Commission and Council. It should also contribute to enhancing the global competitiveness of the European financial sector while ensuring proportionate and robust standards for risk management in the financial sector.

France and Germany will also continue promoting the digital transformation of the financial sector in a way that does not lead to undue bureaucratic burdens in financial market regulation nor jeopardize the level playing field for European companies. In the interest of innovation and digitalization, we are committed to making progress on open finance. France and Germany will therefore pursue their efforts to significantly revise the FiDA proposal in order to improve the efficiency of the text while ensuring that FiDA's design and deployment enables innovative business models and meets the highest standards in terms of efficiency and safety. Particular attention should also be given to the implementation of AI Act in order to ensure that proposed implementing rules remain proportionate and consistent with existing sectoral frameworks, in order to allow innovation while ensuring financial stability and trust.

- **Push for Digital SIU:** Digitalization of the financial market is vital for a competitive and future-oriented financial market. France and Germany will keep supporting the project of **digital euro** as

a key initiative for European sovereignty. To achieve this, we need progress on strong privacy protection, a fair compensation model, mechanisms to preserve financial stability, a well-balanced public-private cooperation, and robust democratic legitimacy. In parallel, France and Germany will keep supporting the Eurosystem work for enabling the **settlement of wholesale tokenized transactions using central bank money**, that will enhance the deployment of a digital SIU. On the basis of MiCA we are committed to develop a vital European market in crypto assets that promotes international competitiveness of MiCA-compliant European crypto service providers; we aim to address potential external financial stability risks for the European Union by comprehensive equivalence and reciprocity agreements with third countries.

- **Improve Supervision:** Uniform, efficient and reliable capital market supervision increases the competitiveness and attractiveness of the EU as a financial centre and of each individual Member State. France and Germany commit to jointly work on this issue, and urge the Commission to make a considerate legislative proposal. We recognize the need to ensure convergent supervisory practices and to work on the conditions for enabling the European supervisory authorities to effectively supervise the most systemic relevant crossborder capital and financial market actors.

Finance Ministers established a joint task force under the leadership of Jörg Kukies and Christian Noyer to enhance the regulatory framework for start-up and scale-up financing in Europe

In order to further advance the Savings and Investments Union (SIU), France and Germany have recently launched another joint initiative: the FIVE initiative (Financing Innovative Ventures in Europe)). To ensure that start-ups and scale-ups in the EU can access the funding they need to grow and innovate, it is crucial to enhance their regulatory framework and address the remaining financing difficulties. To tackle these challenges, the German and the French Finance Ministers during their meeting on 16 July 2025 in Berlin established a task force under the leadership of former German Finance Minister Jörg Kukies and former Banque de France governor Christian Noyer. The task force shall focus on improving access to capital for high-growth companies across Europe, particularly in later development stages. The results of the task force's work will be summarised in a report that, in particular, should address the following aspects:

- Increasing the attractiveness of listing on European exchanges for scale-ups.
- Exploring means to facilitate the emergence of trading platforms for shares in private companies and private equity funds, building on existing successful approaches. This could, for instance, entail creating a regulatory sandbox.
- Improving European public financing mechanisms for innovative European companies, in coordination with national public stakeholders, with the objective of crowding in private capital from institutional investors.
- Exploring mechanisms for EU retail investors to access venture capital and private equity opportunities.

It is envisaged that the report should ideally be completed by the end of November 2025.