Benelux Business Roundtable

How the Benelux can trailblaze European industrial competitiveness

February 2026

How the Benelux can trailblaze European industrial competitiveness

European industry stands at a critical juncture, facing unprecedented competitive pressure. The European Union is challenged by global powers at a scale that **demands action beyond what any single Member State can deliver alone**. This convergence creates both an urgent imperative and a unique window of opportunity for coordinated, transformative action.

This paper positions the **Benelux as a trailblazer of European Industrial Competitiveness**, leveraging its mandate under Article 350 of the Treaty on the Functioning of the European Union (TFEU). By pursuing deeper integration, the Benelux aims to chart a path toward fully unlocking the EU Single Market's industrial potential.

This paper presents the outcomes of an intensive dialogue between Benelux Business Roundtable (BBR) members, comprising amongst others leading industrial, energy, and infrastructure players, to identify critical actions where the Benelux can play a distinct role in advancing industrial competitiveness. In summary, the **BBR industry members call on Benelux policymakers to urgently act to:**

Critical actions by domain		Timing
A.	**Lower system cost for enhanced competitiveness**	
1.	Leverage the CISAF to provide urgent energy price relief	Short-term
2.	Joint planning of networks overseen by Benelux taskforce	Short-term
3.	Develop strategic cross-border corridors rapidly	Short-/mid-term
4.	Secure state guarantees for early-stage deployment of CO2 transport networks	Short-/mid-term
B.	**De-risk the business case for industrial transformation investments**	
1.	Leverage ETS revenues to scale and deploy CCfD instruments across Benelux	Short-term
2.	Provide double burden protection and state backed insurance	Short-term
3.	Create lead markets for low-carbon and circular industrial products	Mid-term
C.	**Establish a unified rulebook, in support of A. and B.**	
1.	Establish a Benelux working group to develop a unified rulebook	Short-term
2.	Centralize permitting for strategic projects and reduce complex legislative interactions	Mid-term
3.	Harmonize national rules to improve functioning of the internal energy market	Mid-term

The actions are captured under three interconnected domains designed to position the Benelux as a catalyst for European industrial renewal. These domains are tailored to the present moment and to the region's distinctive capabilities. They represent pragmatic, achievable actions spanning short-term actions, deliverable within six months and medium-term actions, to be implemented over one to two years. The dialogue recognized that while Europe faces many industrial challenges requiring long-term solutions, the Benelux must focus its immediate efforts on domains where the region possesses unique advantages and can deliver rapid impact.

European industry is at an important crossroads

Following the Draghi[1] and Letta[2] reports, industry leaders called for urgent action through the Antwerp Declaration[3]. Soon after, the Clean Industrial Deal[4] (CID) was launched aiming to turn decarbonisation into a driver of growth and providing urgent support to European industry. Competitiveness is being recognized as a precondition for decarbonization.

The urgency is not theoretical. It is a hard deadline that should accelerate decision-making. Critical investment decisions in clean energy and carbon capture and storage infrastructure must reach Final Investment Decision (FID) by 2026 to meet 2030 targets. Since the launch of the CID, the competitive position of the industry continued to deteriorate, illustrated by the numerous announcements of closures and capacity rationalisation. Europe's industrial base is on fire and requires water urgently, not continued discussion on the construction of a fire department.

The Benelux as a testing ground for European cooperation

The Benelux possesses the **unique ability to pioneer policies and undertake cooperation** beyond what the EU requires as a minimum standard (Article 350, TFEU). This provision is not merely symbolic. It is a powerful tool that enables the Benelux to move faster than the EU-27, and to demonstrate feasibility before scaling to the broader European level.

The Benelux possesses far more than a legal mandate to act. The region combines a **distinctive constellation of economic, industrial, geographic, and innovation assets** that position it uniquely to lead Europe's industrial transformation. With a combined GDP of €1.5 trillion[5] (approximately 8% of EU total), the Benelux is home to 40% of Europe's chemical and refining industry[6], world-class coastal ports handling over 40% of EU maritime trade[7], and one of Europe's most interconnected energy networks. The ecosystem is further supported by top class knowledge centres, allowing the industry to take an innovation frontrunner position. As gateway to Europe, the Benelux's strategic position and developed infrastructure seamlessly connect the continent with North Rhine-Westphalia, the broader Rhine-Ruhr region, Northern France as well as UK and the Nordics, creating a critical industrial ecosystem.

Our collective surface area reflects the size of a post stamp, but our industrial base is amongst the best globally. The Benelux must seize this moment to demonstrate that **deep borderless integration** can drive **industrial competitiveness, productivity and innovation**, thus supporting industrial transformation. The Benelux model will demonstrate to Europe that coordinated regional action on focused priorities is the pathway to competitive advantage. This is not a regional agenda; it is a European imperative that begins with Benelux action.

---

[1] The future of European competitiveness, September 2024.
[2] Much more than a market, April 2024.
[3] Antwerp Declaration signed by over 1,200 organizations, spanning 25 sectors in February 2024.
[4] Clean Industrial Deal, launched by the European Commission on 26 February 2025
[5] Eurostat 2023
[6] ARRRA cluster data
[7] Port of Rotterdam &Antwerp-Bruges annual reports, 2023

Three domains for targeted action

The three domains represent actions tailored to the present moment and to the Benelux's distinctive capabilities. They are not a comprehensive industrial policy but rather a focused set of initiatives the Benelux can act on immediately.

A. Lower system cost for enhanced competitiveness

To secure Benelux industrial competitiveness, energy networks should be recognized as strategic infrastructure. The system should be designed to integrate renewable energy and achieve the lowest possible cost for its industrial end-users.

Essential measures include the utilization of the **Clean Industrial Deal State Aid Framework (CISAF)** to provide urgent relief regarding energy costs, notably electricity tariffs. Central to the objective is the **close collaboration of Transmission System Operators (TSOs) through joint development plans designed to deliver a cost-effective energy backbone** and **rapid development of cross-border connections.**

Furthermore, the establishment of a dedicated infrastructure taskforce and a harmonized regulatory approval process will ensure the cohesive execution of cross-border projects by eliminating bureaucratic friction.

Industrial competitiveness within the Benelux region depends **on the development of an interconnected, flexible and affordable energy backbone** for the transport of key energy vectors, including electricity, gas, CO_2 and hydrogen. A coordinated regional and system-level approach—leveraging integrated flexibility mechanisms like demand response, storage, and cross-border balancing—will unlock renewable potential and optimize asset utilization. By streamlining these systems, we can improve resilience and significantly reduce costs for industrial end-users across the region. These networks should be recognized as strategic infrastructure of equal importance to national road transport infrastructure.

1. Leverage the CISAF to provide urgent energy price relief (short-term)

Immediate action regarding energy costs is essential to maintain industrial resilience of Benelux industry. Beyond the affordability and reliability of energy networks, industrial competitiveness also depends on access to competitively priced energy commodities. The Benelux should therefore strategically leverage **the CISAF to provide urgent energy price relief**. Central to this effort is a discount on energy prices and transmission tariffs, aimed at cost-competitiveness for energy-intensive industries to level the playing field with Germany and France, who have implemented similar measures. Both Belgium and the Netherlands already have instruments prepared or under development to operationalise such measures, which can be rapidly deployed at Benelux level.

2. Joint planning of networks overseen by Benelux taskforce (short-term)

As an immediate action, TSOs and industry should **jointly prepare comprehensive network development plans**, at the Benelux level and for each vector. These plans must focus on industrial clusters and cross-border projects, ensuring that the "backbone" of future industry is constructed in a cost-effective manner. This includes grids, pipelines and terminals, to unlock, for instance, North Sea offshore wind potential and linking industrial clusters to North Sea CO_2 storage sites. Selecting primary arteries for each vector will concentrate capital and accelerate the timeline and predictability for deployment. Within 6 months a decision should be taken on priority corridors, giving the necessary confidence to industry. Structural close collaboration between TSOs is expected to significantly benefit the Benelux region long-term infrastructure development.

To oversee TSOs' joint network planning, **a dedicated Benelux infrastructure taskforce, headed by the appropriate ministers, is recommended.** In addition, this taskforce should oversee **investment sequencing and regulatory alignment** across electricity, gas, CO_2 and hydrogen networks. This governance framework will ensure that infrastructure decisions are taken coherently to ensure system costs are transparent, and the benefits of integration are effectively passed through to industrial end-users.

3. Develop strategic cross-border corridors (short-/mid-term)

The **rapid development of strategic cross-border corridors** is a priority. These corridors will connect major industrial centres and facilitate the transport of electricity, CO_2 and hydrogen, effectively positioning the Benelux as the energy gateway to Europe. As an immediate action, the Benelux can leverage the revised Trans-European Networks for Energy (TEN-E) Regulation to ensure these projects receive priority status and streamlined permitting.

4. Secure state guarantees for early-stage deployment of CO2 transport networks (short-/mid-term)

To address **early-volume / underutilization** risk, Benelux governments should **provide government backing**, for instance through anticipatory loans, ensuring affordable tariffs from the start while volumes ramp up and thus avoiding first movers from bearing disproportionate system costs. For cross-border infrastructure initiatives aimed at enhancing the EU's energy network, the Benelux region should **seek EU funding** through designation of Projects of Common Interest (PCIs) and joint application to Connecting Europe Facility (CEF).

B. De-risk the business case for industrial transformation investments

To safeguard its industrial leadership, the Benelux should establish a robust and predictable framework for industrial transformation investments.

Key actions include the scale-up **Carbon Contract for Difference (CCfD) mechanisms** to close the gap and level the playing field across the Benelux, supported by the **commitment of the full share of Emissions Trading System revenues (ETS 1)** to the industrial sector to facilitate decarbonization. Furthermore, the Benelux should pioneer a **lead market for low-carbon and circular products** characterized by revised public procurement.

Finally, other emitter-side **risks, inherent to ramping up the Carbon Capture and Storage (CCS) value chain, should be mitigated through state-backed insurance** and fair distribution of liabilities.

The transition to a low carbon economy necessitates an unprecedented scale of capital investment. To preserve the status of the Benelux region as a global industrial leader, the business case for such investments must be reinforced through strategic instruments, complementary to essential competitiveness conditions such as affordable energy and infrastructure access. **De-risking is not merely an auxiliary incentive but a fundamental prerequisite** for mobilizing private capital and ensuring the long-term viability of energy intensive sectors. By establishing financial predictability, these instruments bridge the structural gap between current market conditions and the elevated costs associated with emerging low carbon technologies.

1. Leverage ETS revenues to scale and deploy CCfD instruments across Benelux (short-term)

Investment certainty for industrial transformation projects should be anchored in the **deployment of CCfD instruments** as a core de-risking instrument, addressing the cost differential between conventional and low-carbon production and circular routes. In the Benelux context, this requires the progressive establishment of CCfD schemes to level the playing field and should take place in 2026. To fund these de-risking mechanisms, the Benelux countries should commit to allocating the **full share of Emissions Trading System (ETS 1) revenues** to industrial transition support. This approach ensures that carbon pricing revenues are directly reinvested to neutralize transition cost disadvantages created by climate policy itself, while enabling the scalable deployment of low-carbon industrial projects across the region. Further, harmonization of instrument functioning would allow reducing administrative barriers for companies active across borders and support cross-border projects.

2. Provide double burden protection and state backed insurance (short-term)

Specific measures are required to address the substantial risks of early-stage CCS investments. A priority is **double burden protection,** ensuring that industrial operators deploying CCS are not simultaneously exposed to residual ETS liabilities and CCS transport and storage costs, when forced to vent CO_2 in the event of unforeseen value-chain disruptions. Clear regulatory guidelines and contract frameworks are crucial, particularly concerning the allocation of risk, which should be distributed fairly across all actors in the value chain. In parallel, Benelux governments should provide **state backed insurance** to cover non-commercial risks beyond the control of project developers, including cross-chain and cross-border operational risks.

3. Create lead markets for low-carbon and circular industrial products (mid-term)

To support the **creation of markets for low-carbon and innovative circular industrial products**, the Benelux should focus on effective implementation of existing market-based instruments, notably the combination of ETS and CBAM with **green public procurement** and/or demand-side mandates. By acting as early and coordinated buyers, public authorities can accelerate demand for verified low-carbon and circular products and reinforce investment signals for first movers. Combination of these measures is expected to be particularly effective for those sectors with effective CBAM implementation and significant local markets. For **other sectors**, particularly chemicals, the limits of this approach must be explicitly acknowledged: the absence of a global level playing field, combined with limited CBAM coverage and no effective mechanism to support exports, raises the question of whether additional safeguards are required, until comparable international conditions emerge.

C. Establish a unified rulebook

Essential measures include the **establishment of a dedicated Benelux working group** commissioned to develop a **unified rulebook for environmental issues**. In the short-term the working group should develop **measures for coordinated permitting**. Furthermore, the working group should address other **barriers to the functioning of the internal energy market**, specifically those relating to **harmonized interpretation and application of EU legislative measures**. Alignment of national implementation of EU environmental law and reduction of gold-plating will reduce complexity and create a more agile, transparent regulatory environment that drives industrial competitiveness across the region.

Regulatory complexity is a significant competitive disadvantage. Benelux industries face overlapping, sometimes contradictory requirements across national and EU frameworks. Permitting timelines stretch for years, delaying critical infrastructure and industrial projects. The Benelux must adopt a **pragmatic approach: simplify regulations, harmonize rules, avoid gold-plating and accelerate permitting** for projects of strategic importance.

1. Establish a Benelux working group to develop a unified rulebook (short-term)

A dedicated **Benelux working group should develop a unified rulebook for environmental issues**. The working group has two key distinct mandates. As a first field of action, the working group should address **fast-track permitting** procedures, submitting a comprehensive plan in 2026. Secondly, the working group should address **regulatory barriers to the internal energy market**, such as misaligned implementation of EU legislation or conflicting national measures.

2. Centralize permitting for strategic projects and reduce complex legislative interactions (mid-term)

Cross-border energy projects in the Benelux fail and delay primarily due to misaligned timelines and appeal processes. The working group must propose concrete measures: establishing a **Benelux framework for strategically important projects with coordinated or centralized permitting**; prioritizing permitting within designated industrial and port clusters using a cluster-based approach; and introducing digital and fast-track permitting mechanisms; single point of contact and sufficient handling capacity. The working group should prepare guidance and a common interpretation for implementation of EU directives.

3. Harmonize national rules to improve functioning of the internal energy market (mid-term)

Internal inconsistencies and misalignment between regulatory frameworks create significant obstacles to cross-border collaboration within the Benelux. Given that transpositions and regulatory frameworks across the region are still emerging, there is a unique opportunity to proactively **harmonize regulations as they take shape**. Regulations should be lean and simple, especially to avoid overregulation of emerging markets.

There is a need for a **unified set of standards and specifications** for infrastructure, commodities, waste, equipment, and operational processes. These standards should be developed with a bottom-up approach based on practical industry expertise, scientific data and evidence. Harmonization of technical guidelines and interconnectivity criteria, purity and quality standards for CO_2 and hydrogen, and tariff conditions should ensure system integrity, seamless compatibility and driving down costs for efficient and non-discriminatory transport of electricity, CO_2 and hydrogen, and derived molecules as well as intra-EU trade of waste across borders.

Our commitment and call to action

The Benelux Business Roundtable stresses the urgent need for action to restore industrial competitiveness in Europe and sees a **unique opportunity to act decisively in this moment of crisis**. Our objective is to drive solutions out of the Benelux that safeguard economic prosperity while supporting the industry's transformation.

We are **fully prepared to co-create solutions with the public sector**, invest in the establishment of future-proof cross-border value chains, and enhance collaboration through cross-sector projects, increased transparency, and joint information-sharing platforms, such as working groups and roundtables.

The time to act is now.

Eric ter Hark- Executive Chairman BBR

Brussels, 9/2/2026,

eric.terhark@Beneluxbusinessroundtable.org

info@Beneluxbusinessroundtable.org

www.beneluxbusinessroundtable.org