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Answer given by Mr Dombrovskis
on behalf of the European Commission
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Over the past 20 years, US productivity has grown faster than in the EU. This was highlighted in the Draghi report, which identified the EU-US productivity growth lag as a main reason for the widening the gap competitiveness.

As shown in that report, key reasons for the EU-US productivity gap is a lower investment in the EU in the years after the 2008 financial crisis and especially lower growth in so-called total factor productivity, reflecting slower innovation, weaker adoption of new technologies, and less economic dynamism. Differences between the EU and the US performance were particularly visible in the Information and Communication Technology and digital sector, with EU young innovative firms not in the position to achieve the sufficient scale to compete on a global scale.

The Commission has addressed the concerns raised in the Draghi report in its Competitiveness Compass agenda published in January 2025, which aims to strengthen innovation, decarbonisation and economic security by cutting red tape, removing single market barriers, promoting investment financing and skills, and improving policy coordination. The Commission has been delivering at record speed detailed action plans and legislative proposals on most items of the agenda. However, action at EU level only cannot be the only solution to the productivity problem. Whereas the regulatory and incentives framework can be spurred by EU-level action, a concerted effort between EU institutions, Member States and the private sector is needed to bring the changes necessary to boost European competitiveness, as highlighted in the Draghi report, the Competitiveness Compass and the One Europe, One Market roadmap.