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Brussels Info Flash

16 October 2026

H/Advisors' Analysis

EU institutions review progress on Single Market reforms ahead of 2027 deadline

Brussels reaffirms its commitment to competitiveness, regulatory simplification and economic integration, as institutions assess progress on key legislative priorities

The **European Parliament, Council and Commission** have conducted their second joint review of the **One Europe, One Market roadmap** and the **2026 legislative priorities**, reaffirming their commitment to delivering a more integrated and competitive **Single Market by the end of 2027**. The review covers **93 priority legislative proposals** aimed at reducing barriers, strengthening competitiveness and supporting Europe's economic resilience.

Since the previous review in June, the institutions have launched **13 legislative proposals**, obtained **10 negotiating mandates**, opened **six negotiations** and reached **one agreement**. Progress includes the **Public Procurement Act**, the **European Grids Package**, the **Digital Euro** and the **European Business Wallet**, alongside initiatives on affordable housing, labour mobility and regulatory simplification. The roadmap also prioritises the **Savings and Investments Union**, affordable energy and the digital transformation of Europe's economy.

Despite this progress, several major initiatives remain at an early legislative stage, including the **28th Regime for Innovative Companies** and the **Industrial Accelerator Act**. Politically, the review highlights the challenge of translating shared institutional ambitions into concrete legislative results. With the **2027 deadline** approaching, sustained cooperation between the three institutions will be essential to completing reforms and strengthening Europe's competitiveness and strategic autonomy.

Highlights of the week

- **European Council and competitiveness.** EU leaders called for faster progress on the One Europe, One Market agenda, regulatory simplification and industrial competitiveness, while pushing for an agreement on the 2028–2034 EU budget before year-end.

- **Energy prices and carbon markets.** The European Council called for measures to address high energy prices and carbon market volatility, welcomed proposed flexibility under the Methane Regulation and requested a reassessment of ETS2.

- **Ukraine, sanctions and defence.** The EU adopted its largest-ever package of sanctions listings against Russia's military-industrial complex, while the Commission disbursed €2.86 billion in defence support to Ukraine and allocated new funding to European defence production.

- **EU enlargement.** Ukraine and Moldova opened negotiations on 17 accession chapters each, while Montenegro and Albania advanced their accession processes. EU leaders reaffirmed the importance of enlargement and internal EU reforms.

Main Issues in the EU

The Council

16 October 2026

- **European Council.** EU leaders adopted conclusions on competitiveness, energy, the 2028–2034 Multiannual Financial Framework and enlargement. They called for faster progress on the One Europe, One Market agenda, measures to address high energy prices and carbon market volatility, and an updated assessment of ETS2. They also urged agreement on the next EU budget before the end of 2026 and reaffirmed their commitment to enlargement, highlighting Montenegro's accession progress.

- **Education Ministers.** EU education ministers met informally in Dublin to discuss shared priorities and challenges across primary, secondary and higher education, as well as opportunities for stronger European cooperation, ahead of the formal Education Council in November.

15 October 2026

- **European Council**

- **Education Ministers**

14 October 2026

- **Tripartite Social Summit**. EU leaders and social partners discussed the next Multiannual Financial Framework and the Single Market, emphasising the need to strengthen competitiveness, support quality jobs and protect workers' rights. Discussions also addressed skills development, high energy prices, affordable housing and the impact of AI on employment.

13 October 2026

- **EU enlargement.** The EU opened accession negotiations with Ukraine and Moldova on the internal market and competitiveness and inclusive growth clusters, covering 17 chapters for each country. It also provisionally closed negotiations with Albania on enterprise and industrial policy, bringing its total to four chapters provisionally closed.

- **Democratic resilience.** The Council adopted conclusions calling for greater citizen participation, stronger civil society engagement and more transparent decision-making across the EU, supporting the implementation of the European Democracy Shield and the work of the European Centre for Democratic Resilience.

- **General Affairs Council.** Ministers discussed the Irish Presidency's revised negotiating box for the 2028–2034 Multiannual Financial Framework ahead of the October European Council, reviewed progress on the One Europe, One Market roadmap and

legislative simplification, and assessed the rule of law situation in Hungary under the Article 7 procedure.

12 October 2026

- **EU enlargement.** The EU and Montenegro provisionally closed three accession negotiating chapters covering economic and monetary policy, statistics, and social policy and employment, bringing the total to 21 of 33 chapters provisionally closed.

- **Climate and biodiversity.** The Council adopted conclusions setting out the EU's positions ahead of COP31 and COP17, calling for accelerated implementation of the Paris Agreement, a transition away from fossil fuels, clean electrification and stronger climate resilience, alongside increased action and financing to protect biodiversity and meet the 2030 global conservation targets.

- **DPRK sanctions.** The Council added three individuals and four entities to its sanctions lists over North Korea's nuclear and missile programmes and growing military and economic cooperation with Russia, including missile support, deployment of workers and oil shipments.

- **EU security mission in Lebanon.** The Council established a new three-year CSDP mission in Lebanon to strengthen the Lebanese Armed Forces and Internal Security Forces through training and advisory support, focusing on border security, maritime security, counter-smuggling and cybercrime. Operational planning will continue ahead of a separate decision to launch the mission.

- **Russia sanctions**. The Council adopted its largest-ever package of individual sanctions listings, targeting 1,569 individuals and entities linked to Russia's military-industrial complex, including 826 companies and 743 executives involved in supplying components for missiles, drones, aircraft and other military equipment.

- **Ukraine territorial integrity.** The Council imposed sanctions on 77 individuals involved in the September 2026 Russian State Duma elections held in occupied Ukrainian territories, including 74 candidates and three Russian electoral officials, citing violations of Ukraine's sovereignty and territorial integrity.

- **Chemical weapons sanctions**. The Council extended the EU sanctions framework against chemical weapons proliferation and use until October 2031, while renewing individual restrictive measures against 31 persons and six entities until October 2027

- **Defence innovation**. The Council formally adopted the €115 million AGILE programme to accelerate defence innovation by SMEs, start-ups and scale-ups, providing fast-track funding and support for developing and deploying emerging defence technologies. The first call for proposals is expected in early 2027.

- **Environment Council**. Ministers debated the proposed revision of the EU Emissions Trading System (ETS1), focusing on the post-2030 emissions reduction trajectory, international carbon credits, carbon removals, free allowances, carbon leakage and the potential extension of the system to additional sectors, while balancing climate ambition with industrial competitiveness.

- **Foreign Affairs Council.** Ministers discussed the security implications of EU enlargement, agreeing to deepen defence cooperation with candidate countries. They also addressed Russia's hybrid threats, Ukraine's financing needs for 2027, tensions in the Gulf and Red Sea, freedom of navigation and the humanitarian situation in Gaza.

The Commission

16 October 2026

- **Human trafficking.** The European Commission presented a new strategy to combat trafficking in human beings, focusing on technology, cooperation with businesses, organised crime, migration-related risks, crisis preparedness and stronger victim protection.

- **Merger approvals.** The Commission approved two acquisitions involving AES Corporation in the electricity sector and Dentsu Soken in enterprise services and software, finding no competition concerns.

- **New European Bauhaus.** The European Commission awarded 13 projects promoting sustainability, inclusion and innovation, including initiatives on water resilience, affordable housing and circular economy. It also recognised 20 small municipalities for their contributions to sustainable urban development.

15 October 2026

- **EU competitiveness and employment.** EU leaders and social partners met at the Tripartite Social Summit to discuss the next Multiannual Financial Framework, competitiveness, quality jobs and a Single Market that benefits workers and businesses.

- **Cohesion policy funding.** The European Commission launched a €3.5 million call for media projects promoting independent coverage of EU cohesion policy, with applications open until 12 January 2027.

- **Disaster risk management.** The Commission presented a new Compass on Space and Disaster Risk Management following an international dialogue, promoting satellite data, early warning systems and stronger cooperation to improve disaster preparedness.

- **Geographical indications.** The Commission approved four new protected geographical indications for food products from Italy, Croatia, France and Guatemala, expanding the EU's register of protected product names.

- **Merger approvals.** The Commission approved two transactions involving Crédit Agricole Transitions & Energies and Primeo Energie in the electricity sector, and Waterland's acquisition of Bode and Ventura in transport equipment, finding no competition concerns.

- **AI research and innovation**. The European Commission launched the RAISE pledging initiative to mobilise private and philanthropic support for AI-driven scientific research, providing access to advanced AI models, computing capacity, data and training. Initial contributors include Nvidia, Mistral AI and Google DeepMind.

14 October 2026

- **Recovery and Resilience Facility.** The European Commission disbursed nearly €1 billion in RRF funding to Sweden (€333 million) and the Netherlands (€661 million), supporting reforms and investments in clean energy, housing, employment and digitalisation.

- **Defence industry.** The Commission allocated €168.2 million under the European Defence Industry Programme (EDIP) to eight projects aimed at expanding European production of components for missiles, drones and ammunition, mobilising €1.26 billion in industrial investment.

- **Internal security.** The Commission announced new capabilities for the Schengen Information System, enabling Member States to share intelligence from international partners on suspected terrorists and serious criminals in real time.

- **Climate resilience.** The Commission announced a €12 million grant to improve irrigation, flood forecasting and water management in Thailand, alongside financing from the French Development Agency.

- **Intergenerational fairness.** The Commission launched a new pledge encouraging local and regional authorities to integrate the interests of younger, older and future generations into policymaking, supported by a new Intergenerational Fairness Index.

- **Artificial intelligence.** A new Eurobarometer survey found that 42% of surveyed European SMEs and mid-cap companies already use AI or algorithmic management tools, while a further 21% plan to adopt them.

- **Merger approval.** The Commission approved the acquisition of joint control of BRUC Japan and BRUC Japan 2 by Sun Trinity and Mitsubishi HC Capital Energy, finding no competition concerns.

- **Pharmaceutical competition.** The European Commission made Sanofi's commitments legally binding to address concerns over alleged anticompetitive practices targeting a competing flu vaccine in France and Germany.

- **Ukraine defence support.** The Commission disbursed €2.86 billion to Ukraine under the €90 billion Ukraine Support Loan to finance drones, air defence systems, missiles, radars, electronic warfare systems and ammunition.

- **Methane Regulation.** The Commission proposed greater flexibility for fossil fuel importers to reduce costs amid high energy prices ahead of winter.

13 October 2026

- **Democratic resilience.** The European Centre for Democratic Resilience extended its cooperation to EU candidate countries and potential candidates, supporting joint initiatives against foreign information manipulation and threats to democratic institutions.

- **Quality jobs.** The Commission's 2026 European Employment and Social Outlook report highlighted improvements in pay, job security and working conditions, while warning of slowing employment growth and labour shortages. The Commission plans to present a Quality Jobs Act later this year.

- **Merger approvals.** The European Commission approved seven acquisitions across the port infrastructure, steel, bottled water, banking, land registration, industrial materials and consumer goods sectors. While six transactions raised no competition concerns, Kimberly-Clark's acquisition of Kenvue was approved subject to commitments.

- **EU bond issuance.** The European Commission raised €10 billion through its ninth syndicated EU-Bond transaction of 2026.

- **EU–Türkiye trade relations.** The EU and Türkiye held their third High-Level Dialogue on Trade in Brussels, co-chaired by Commissioner Maroš Šefčovič and Turkish Trade Minister Ömer Bolat.

12 October 2026

- **Defence innovation.** The European Commission welcomed the adoption of the €115 million AGILE programme, providing fast-track funding to SMEs and start-ups developing innovative defence technologies.

- **Automotive merger.** The Commission approved Harman International's acquisition of ZF Capri, concluding that the transaction would not raise competition concerns in the automotive technology sector.

- **Telecommunications merger.** The Commission approved the acquisition of Belgium Tower Partners and Vodafone Antennelocaties by DigitalBridge, TD Asset Management and Legal & General, finding no competition concerns.

- **Furniture retail competition.** The Commission opened an in-depth investigation into XXXLutz's proposed acquisition of Porta over potential competition concerns in European furniture markets.

The European Parliament

15 October 2026

- **Customs reform and product legislation.** The IMCO Committee examined the implementation of the EU customs reform, including the €3 temporary customs duty and proposed handling fee, and held a hearing on the European Product Act.

- **Pharmaceutical policy.** The SANT Committee voted on questions to the Commission and Council concerning the impact of US pharmaceutical policies on medicine availability and pricing in Europe.

- **Cohesion policy.** The REGI Committee and the European Committee of the Regions discussed the future of EU cohesion policy and its role in the next long-term EU budget.

12 October 2026

- **EU budget.** The BUDG Committee voted on the draft report for the 2027 EU budget, financial assistance for displaced workers in Finland and EU Solidarity Fund support for Malta, Italy, Portugal and Spain following severe storms.

- **Fisheries**. The PECH Committee voted on the draft report concerning the multiannual plan for demersal stocks in the western Mediterranean and held a hearing on EU support for small-scale fisheries.

- **EU ETS.** The ENVI Committee examined a proposed objection to the revised benchmark values for free allocation of emission allowances for 2026–2030, alongside a separate objection concerning hydrofluorocarbons.

- **Fair labour mobility.** The EMPL Committee held exchanges of views with Executive Vice-Presidents Roxana Mînzatu and Stéphane Séjourné, focusing on the Fair Labour Mobility package and EU industrial strategy.

- **EU long-term budget.** The ENVI and REGI Committees jointly discussed financing for environmental and climate policies under the next Multiannual Financial Framework.

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