



Background Note: The Danish EU Presidency – Priorities for the Second Half of 2025

As Denmark assumes the rotating Presidency of the Council of the European Union in the second half of 2025, the Danish government is preparing to lead the Union through a period marked by geopolitical uncertainty, economic transformation, and institutional renewal. The Presidency will focus on three overarching priorities: strengthening European security and defence, enhancing the EU's global competitiveness, and initiating negotiations on the next Multiannual Financial Framework (MFF) for the period starting in 2028.

1. Security and Defence: Responding to a Changing Threat Landscape

The Danish Presidency will place a strong emphasis on reinforcing the EU's capacity to act in a rapidly evolving security environment. While NATO will remain the cornerstone of the defence of most EU Member States, Russia's continued and unprovoked aggression against Ukraine has underscored the need for a more active role of the EU in security and defence. The Presidency will have to give priority to ongoing legislative work on how to improve the ability of the European Defence Industrial Base to deliver the capabilities that the EU Member States needs. In this regard, following up to the Niinistö report, the White Paper for European Defence Readiness and the upcoming omnibus simplification proposal on defence readiness is expected to be a priority.

But defence is not just about defence capabilities. The agenda is much broader including cyber threats, sabotage, interference in democratic elections and so on. Another key part of the security agenda will be the enlargement of the EU. Continued enlargement brings stability to Europe as a whole. The Danish Presidency will continue the merit-based approach to the enlargement negotiations in line with the Copenhagen criteria.

2. Competitiveness: Revitalising Europe's Economic Engine

Reviving Europe's economic dynamism is another key priority. Based on the Draghi and Letta reports the Danish Presidency will seek to address the EU's declining productivity growth and lagging innovation performance, particularly in comparison to the United States and China. With a highly educated but ageing workforce, Europe must unlock the potential of its internal market, reduce regulatory burdens, and mobilise private investment. The Presidency



will support efforts to deepen the Capital Markets Union, improve access to risk capital for SMEs and start-ups, and foster the commercialisation of new technologies. In line with the European Commission's 2025 Work Programme, Denmark will champion regulatory simplification and a more agile Single Market, while also promoting the twin green and digital transitions as drivers of long-term competitiveness.

3. The Next MFF: Laying the Groundwork for a Modernised EU Budget

A central horizontal task for the Danish Presidency will be to initiate the technical negotiations on the next Multiannual Financial Framework (post-2027). The European Commission is expected to present its proposal on 16 July, with a focus on modernising the structure of the EU budget, streamlining programmes, and adopting a more results-oriented approach.

While negotiations will not be finalized during the Danish Presidency, the Presidency will play an important role in setting the negotiations on the right track aiming to find a balance between the need for fiscal responsibility and the Union's growing ambitions in areas such as defence, competitiveness, and enlargement.