

Food and Drink CEO survey points to emerging confidence challenges in Europe's business environment

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A new survey of 77 food and drink CEOs representing 49 large companies and 28 small and medium-sized enterprises (SMEs) across 13 EU Member States reveals Europe's largest manufacturing industry is losing confidence in Europe's business environment.

FoodDrinkEurope's [State of the Industry 2026 survey](#) signals a broad weakening of optimism across the food and drink industry with only **13%** of companies reporting improved business conditions over the past year. Over half (**61%**) of SMEs report low confidence that their business will grow in the next 12 months.

Worryingly, Europe has slipped to **third place** as an investment destination in the latest CEO ranking, with Asia overtaking it this year. In last year's survey, Europe still held second position, just behind North America. Today, **only 31%** of respondents consider Europe an attractive place to invest in innovation relative to other global markets.

This shift is driven by a combination of mounting threats, including **input cost inflation (52%)**, **reduced consumer purchasing power (49%)**, and **geopolitical conflicts destabilising markets (43%)**. Such pressures continue to erode operating stability for manufacturers across the food and drink sector.

Further worrying trends show that unfair trading practices are a growing concern, with **62%** of respondents reporting the latter have increased over the past five years. And while **82%** of companies are reformulating products to support healthier diets, they say their progress is constrained by **consumer preferences, education gaps** and **cost**.

These challenges reinforce the need for urgent policy action, as confidence in EU decision-making declines. **60%** of business leaders are not confident that the EU can deliver a regulatory environment that supports competitiveness and sustainability. One SME respondent commented that there are "*too many regulations, too much administrative burden, too many quality documents to fill out for customers...*", underscoring growing frustration with regulatory complexity.

Policymakers have a crucial role to play in supporting Europe's largest manufacturing sector by helping food and drink manufacturers to be more sustainable, to feed people with quality and affordable products, and to improve Europe's global competitiveness.

As reiterated by FoodDrinkEurope's Director General, Dirk Jacobs: "*Our latest CEO survey points to **weakening confidence** in Europe's business environment, with **growing indications that investment and innovation are being redirected elsewhere**. For over a year, we have consistently called for a comprehensive **Action Plan for the Food and Drink***

Industry; the need for it is now undeniable. Such a plan for Europe’s largest manufacturing sector must unlock **investment and innovation**, boost **trade** while safeguarding a well-functioning **Single Market**, ensure **fairness** along the value chain, and support companies and the wider value chain in delivering on **decarbonisation**. A targeted **Food Omnibus II** to reduce unnecessary regulatory burden should be part of this effort. With a coherent framework in place, the sector can reinforce Europe’s growth, food security and resilience.”

Note to the editor:

More data points may be provided upon request. Please consult the [key insights deck](#) for a deeper analysis.

Note to the editors

FoodDrinkEurope is the organisation of Europe’s food and drink industry, the largest manufacturing sector in Europe, a leading employer and a key contributor to the economy (300,000+ companies, 99% SMEs, 4.7 million employees).

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