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Europe's digital sector calls for a budget that matches our ambitions

“Digital companies grow two and a half times faster than non-digital companies. Yet only 3% of the proposed EU budget is devoted to the digital transformation of our society. This should be at least 10% if we are serious about bringing Europe into the digital age, with half of that focused on deploying new technologies.”

On Thursday EU leaders will have to decide whether to invest in the industries of the future, or those of the past. The European social model is at stake.”

Cecilia Bonefeld-Dahl, Director General of DIGITALEUROPE.

DIGITALEUROPE and 24 national digital associations¹ have written letters to President Charles Michel and national leaders ahead of the extraordinary European Council on 20 February.

Cecilia Bonefeld-Dahl continued:

- “ *“This European Council will define Europe's future. Spending on digital can deliver economic growth, good well-paying jobs, and energy efficiency.”*
- “ *We have five recommendations that will help transform Europe into a digital powerhouse. We need to look across the whole budget and see where digital can make a difference – that could be in agriculture, in research and development or elsewhere. If we don't act, this will be a huge missed opportunity.”*
- “ *We are not necessarily asking for an overall budget increase, rather that the money is allocated to those areas which can make the biggest difference to our future prosperity.”*

Our recommendations:

- ▶ **Increase the share of the EU budget spending on digital transformation to 10%.** It is currently around 3%.
- ▶ **Significantly expand the Digital Europe programme from €9.2 billion to €25 billion** to maximise the short- and medium-term impact on skills, AI and SME digitalisation across the EU.

¹ See opposite page. PIIT joined campaign later.

- ▶ **Integrate digital across the Horizon Europe framework programme** for research.
- ▶ **Earmark specific spending on digital innovation from other funding programmes**, like the Common Agricultural Policy or Cohesion Policy.
- ▶ **Increase overall funding on research and development from 2% to 3% of EU GDP.**

Background

- ▶ Digital companies grow two and a half times faster than non-digital companies². However, over half of citizens need to gain new digital skills in order to do their jobs³.
- ▶ Artificial intelligence could add €3.6 trillion to Europe's economic growth by 2030⁴, but right now the US is investing four times more than the EU, and China is investing twice as much.
- ▶ Digitally enabled industries could support a 20% reduction in global CO2 emissions⁵.

National trade associations that co-signed the letter:

- | | |
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| ▶ AFNUM – France | ▶ IT-Branchen – Denmark |
| ▶ AGORIA – Belgium | ▶ ITL – Estonia |
| ▶ AGEFE - Portugal | ▶ IVSZ – Hungary |
| ▶ Anitec-Assinform – Italy | ▶ KIGEIT – Poland |
| ▶ ANIS – Romania | ▶ NLdigital – The Netherlands |
| ▶ APDETIC – Romania | ▶ PIIT – Poland |
| ▶ APSI – Luxembourg | ▶ SEPE – Greece |
| ▶ Bitkom – Germany | ▶ Syntec Numérique – France |
| ▶ CITEA – Cyprus | ▶ TECH IN France – France |
| ▶ GZS Chamber of Commerce & Industry of Slovenia – Slovenia | ▶ Teknikföretagen – Sweden |
| ▶ HGK Croatian Chamber of Economy – Croatia | ▶ Technology Industries of Finland – Finland |
| ▶ INFOBALT – Lithuania | ▶ ZIPSEE – Poland |

² 'Digital Spillover: Measuring the true impact of the digital economy', Oxford Economics, Huawei, 2017

³ 'The Future of Jobs Report', World Economic Forum, 2018

⁴ 'Innovation in Europe: Changing the game to regain a competitive edge', McKinsey, October 2019

⁵ #SMARTer 2030, GeSI & Accenture, 2015



FOR MORE INFORMATION, PLEASE CONTACT:



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About DIGITALEUROPE

DIGITALEUROPE represents the digital technology industry in Europe. Our members include some of the world's largest IT, telecoms and consumer electronics companies and national associations from every part of Europe. DIGITALEUROPE wants European businesses and citizens to benefit fully from digital technologies and for Europe to grow, attract and sustain the world's best digital technology companies. DIGITALEUROPE ensures industry participation in the development and implementation of EU policies.

DIGITALEUROPE Membership

Corporate Members

Airbus, Amazon, AMD, Apple, Arçelik, Bayer, Bosch, Bose, Bristol-Myers Squibb, Brother, Canon, Cisco, DATEV, Dell, Dropbox, Epson, Ericsson, Facebook, Fujitsu, Google, Graphcore, Hewlett Packard Enterprise, Hitachi, HP Inc., HSBC, Huawei, Intel, Johnson & Johnson, JVC Kenwood Group, Konica Minolta, Kyocera, Lenovo, Lexmark, LG Electronics, MasterCard, METRO, Microsoft, Mitsubishi Electric Europe, Motorola Solutions, MSD Europe Inc., NEC, Nokia, Nvidia Ltd., Océ, Oki, Oracle, Palo Alto Networks, Panasonic Europe, Philips, Qualcomm, Red Hat, Ricoh Europe PLC, Rockwell Automation, Samsung, SAP, SAS, Schneider Electric, Sharp Electronics, Siemens, Siemens Healthineers, Sony, Swatch Group, Tata Consultancy Services, Technicolor, Texas Instruments, Toshiba, TP Vision, UnitedHealth Group, Visa, VMware, Xerox.

National Trade Associations

Austria: IOÖ

Belarus: INFOPARK

Belgium: AGORIA

Croatia: Croatian
Chamber of Economy

Cyprus: CITEA

Denmark: DI Digital, IT
BRANCHEN, Dansk Erhverv

Estonia: ITL

Finland: TIF

France: AFNUM, Syntec
Numérique, Tech in France

Germany: BITKOM, ZVEI

Greece: SEPE

Hungary: IVSZ

Ireland: Technology Ireland

Italy: Anitec-Assinform

Lithuania: INFOBALT

Luxembourg: APSI

Netherlands: NLdigital, FIAR

Norway: Abelia

Poland: KIGEIT, PIIT, ZIPSEE

Portugal: AGEFE

Romania: ANIS, APDETIC

Slovakia: ITAS

Slovenia: GZS

Spain: AMETIC

Sweden: Teknikföretagen,
IT&Telekomföretagen

Switzerland: SWICO

Turkey: Digital Turkey Platform,
ECID

Ukraine: IT UKRAINE

United Kingdom: techUK

DIGITALEUROPE

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