

Brussels, 27 January 2025

## CEOs agree: Europe needs a digital industrial plan to get back in the tech race

Dear President Von Der Leyen, EVP Ribera, EVP Séjourné, and EVP Virkkunen,

We look forward to the publication of the Competitiveness Compass on Wednesday. The Draghi and Letta reports paint a clear picture: Europe must **avoid falling further behind in the tech race**. In the past 20 years, 30% of unicorns have left Europe,<sup>1</sup> and Europe lags in seven of eight critical technologies.<sup>2</sup>

This gap risks damaging the wider economy. As Mr Draghi noted, missing out in digital has widened the GDP gap with the US to 30%. We **must adopt a digital industrial plan that ensures the world's best technologies and companies research, build and operate in Europe**. This will require bold measures in the next year to come, not in a decade's time.

We put forward [a three-step gameplan](#) to succeed:

### 1. Close the €800 billion investment gap<sup>3</sup>

The investments needed to become technology leaders are enormous. To get there, we should:

- Allocate **25% of the EU budget to digital: in R&D but also deployment**, prioritising critical technologies like advanced connectivity (like 5G and fibre), space tech, AI, cloud technology and quantum.
- Additional priorities include a dedicated investment programme in the digital resilience of critical infrastructure, in secure connectivity, finance, health, transport, energy and other sectors; dual-use innovation; critical digital skills; and industry's green transformation.<sup>4</sup>
- **Coordinate EU investment incentives like tax credits** to ensure that the world's most innovative companies invest, produce and scale in Europe.
- **Revise competition rules** enabling companies to merge, scale and compete internationally.

### 2. Cut the €200 billion compliance burden<sup>5</sup>

Growing regulation in Europe acts as a brake on investment – we increasingly spend our money on compliance instead of innovation.

We should **take action to streamline overlapping EU sustainability and cybersecurity rules** that require reporting the same data in multiple different ways to multiple different authorities.

**AI is key to our industrial success.** We do not need new rules on AI and data, but **clear and sensible interpretations that won't put us further behind** our competitors. For example, **on AI**

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<sup>1</sup> Draghi report

<sup>2</sup> DIGITALEUROPE (2024) *The Critical Tech Gap*

<sup>3</sup> Draghi report

<sup>4</sup> DIGITALEUROPE (2022): *Digital Action = Climate Action*

<sup>5</sup> Draghi report

**'high-risk' classifications and on data-sharing, we need urgent clarity** in the most affected sectors.

Finally, we **urge you to stop any new rules not aimed at simplification going forward.**

### **3. Create a digital single market**

The single market is our greatest asset, providing access to over 450 million consumers and enabling us to scale, innovate and compete globally. Unfortunately, **in the digital sphere the single market is still more of an aspiration than a reality.**

Recent laws on cybersecurity, data and AI add extra complexity by establishing more authorities at national level. We support **greater European enforcement and coordination, including a one-stop shop where companies can get definitive answers on all digital regulations** within a maximum timeframe of three months.

One set of clear rules, **'a European Business Code'**<sup>6</sup>, would be a game changer for businesses of all sizes, removing existing differences in the rules applicable to our companies in commercial law and beyond. We must also strive towards **more common public procurement**, a simplification and acceleration of procurement processes, as well as a reorientation towards increased procurement of innovative and trustworthy solutions in Europe. This would support our companies to achieve greater scale and be a crucial lever for the European economy.

The EU has made great strides during past crises. **Now is the time for execution and strong leadership.** DIGITALEUROPE's [policy agenda](#) outlines a way forward, and we as CEOs are ready to support.

We kindly ask for a meeting to take this agenda forward.

Yours sincerely,

Cecilia Bonefeld-Dahl, Director General of **DIGITALEUROPE**

Olivier Blum, CEO of **Schneider Electric**

Stefan Hartung, Chairman of the board of management of **Bosch**

Péter Fekete, CEO of **4iG**

Mariusz Gralewski, CEO and Founder of **Docplanner Group**

Roy Jakobs, President and CEO of **Philips**

Christian Klein, CEO of **SAP**

Pekka Lundmark, President and CEO of **Nokia**

Robert Mayr, CEO of **DATEV**

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<sup>6</sup> Mr. Enrico Letta's idea for a '28<sup>th</sup> regime'

## About DIGITALEUROPE

DIGITALEUROPE is the leading trade association representing digitally transforming industries in Europe. We stand for a regulatory environment that enables European businesses and citizens to prosper from digital technologies. We wish Europe to grow, attract, and sustain the world's best digital talents and technology companies. Together with our members, we shape the industry policy positions on all relevant legislative matters and contribute to the development and implementation of relevant EU policies. Our membership represents over 45,000 businesses that operate and invest in Europe. It includes 108 corporations which are global leaders in their field of activity, as well as 41 national trade associations from across Europe.