19 May 2025

International Digital Strategy: Strengthening Europe’s global tech leadership

Executive summary

In a rapidly evolving geopolitical landscape, where the EU’s foreign policy is shaped by pressing challenges – from the Russian war of aggression against Ukraine, to transatlantic tensions and the future of the rules-based system – digital diplomacy is more critical than ever. Digital diplomacy can drive global policies and economies, reinforcing the EU’s leadership, competitiveness and partnerships.

A strategic approach should expand the EU’s digital influence, deepen collaboration with the tech sector, and strengthen critical infrastructure security. Digital diplomacy must reinforce the EU’s economic security and competitiveness by aligning public funding with strategic technologies, ensuring easier access to funding to ensure emerging high growth companies. One example is the deployment of Clean Trade and Investment Partnerships – to bolster the EU’s competitiveness, diversify supply chains and boost economies.

At the same time, cyber diplomacy must tackle global cybersecurity challenges, fostering trust and resilience in the digital ecosystem. Setting concrete targets and measurable KPIs for next steps on digital diplomacy will foster innovation and strengthen Europe’s global digital leadership.

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Digital diplomacy

In July 2022 and June 2023, the Council of the EU (Council) adopted the first and second conclusions on Digital Diplomacy, following an initial debate on the topic in July 2021. These conclusions reinforce the EU's commitment to enhancing its role as a global digital actor.

The conclusions aim to establish a more visible, influential, and coordinated digital diplomacy, using EU tools to address digital, cyber and hybrid threats whilst ensuring alignment with the EU's external policies. In this context, we understand the European External Action Service and the Directorate-General for Communications Networks, Content and Technology (DG CONNECT) are preparing a Joint Communication on an International Digital Strategy.

Driving competitiveness through digital economic diplomacy

Digital economic diplomacy is essential for enhancing Europe's global competitiveness by improving market access and creating an environment conducive to innovation and scaling-up for businesses. To leverage digital transformation effectively, it is crucial for EU delegations to be equipped with cyber and tech specialists who are well-briefed on Europe's leading digital industries. Several Member States have appointed dedicated ambassadors to address digital and cyber issues.

DG CONNECT has staff in major EU Delegations, playing an important role in driving the EU's digital agenda. Digital Officers in EU delegations are vital for promoting Europe's digital strengths and expanding global opportunities for EU businesses. They should focus on facilitating access to markets, harmonisation and simplification of rules, support digital industries abroad and drive strategic digital partnerships. For instance – together with Member State authorities – they could facilitate a more effective integration of export companies into trade promotion planning and encourage public-private collaboration and information-sharing. Additionally, digital diplomacy could be the foundation to support SMEs and mid-cap companies to operate globally. Stakeholder engagement is key to making EU digital diplomacy impactful. This aligns with the EU's digital diplomacy goals, including on global standards, cybersecurity norms and international cooperation.

EU digital economic diplomacy should also play a key role in safeguarding businesses operating in third countries, particularly in navigating complex and challenging environments, for example by making appropriate and proportionate use of the range of the tools at the EU's disposal to address unfair trade practices.

Strengthening digital diplomacy through global partnerships

Advancing cooperation via Critical and Dual Use Technology Councils

Trade and Technology Councils (TTC) and Digital Partnerships have proven key tools for advancing Europe's digital leadership on the global stage in the last mandate. DIGITALEUROPE has supported the EU-US TTC in the past. Important deliverables have been achieved, on critical issues such as AI, semiconductor supply chains and 5G/6G. These efforts underline the EU's commitment to aligning technological development with democratic values and creating a robust framework for innovation and resilience.

Staying ahead in dual-use and critical technologies is vital for economic and military security. Whilst the US leads in many areas, the EU has world-leading strengths in connectivity, green tech, biotech and quantum.

An EU-US Critical and Dual-Use Technology Council would provide a structured framework to align policies, drive digital innovation and strengthen critical infrastructure resilience. It would support secure supply chains, investment in dual-use digital technologies and progress on certification frameworks for emerging fields such as AI, cybersecurity and quantum with defence applications. Building on the lessons of the TTC, this reimagined EU-US Council should focus on fewer issues, with a core set of tech priorities and a more ambitious trade and economic security agenda. It should also leave more room for industry stakeholders' involvement.

The EU-India TTC also plays an important role in fostering cooperation on digital connectivity, AI and critical technologies, expanding Europe's strategic reach.

AI and global engagement

AI is a paradigm shift for businesses and consumers, requiring international norms and standards to enable organisations to collaborate across borders, ensure the responsible development of this technology and spread its benefits as broadly as possible. Strengthening global discussions, informed by evolving AI science and risk evaluation, is essential. We explicitly welcome the convenings of the International Network of AI Safety Institutes.

The G7 also has an important role given the Hiroshima AI Process Code of Conduct,[1] and the decision to ask the OECD to develop a voluntary reporting framework for the Code.[2] This initiative aims to build a centralised body of evidence and represents a step towards unified reporting expectations across borders. However, sustained dialogue among like-minded partners remains essential. As part of this effort, DIGITALEUROPE is raising key areas in the US consultation on the US AI Action Plan, advocating for common standards, regulatory coherence and a governance framework that fosters both trust and innovation.[3]

In addition, the EU should make full use of digital trade chapters in free trade agreements that aim to scale up the free flow of data and combat challenges related to forced localisation, such as the obligation to disclose source code or data storage.

Expanding Digital Partnerships for economic security

Digital Partnerships foster collaboration with like-minded countries, such as Japan, Canada, Korea and Singapore. They are key to advancing collaboration on AI governance framework, semiconductor collaboration and strengthened cybersecurity frameworks.

For example, the EU-Japan Digital Partnership (DPA) established in May 2022 has achieved good progresses in fostering collaboration across some key digital domains such as submarine cable connectivity, semiconductor cooperation, digital identity and trust services. This partnership has initiated joint research in 5G and 6G technologies, high-performance computing and quantum technology, including reciprocal access to supercomputers. Likewise, the EU-Japan DPA enhanced economic security through tools like early warning mechanisms for supply chain disruptions. In 2022, DIGITALEUROPE contributed

[1] https://www.mofa.go.jp/files/100573473.pdf.

[2] https://transparency.oecd.ai/about.

[3] See our *Response to the Request for Information on the Development of an Artificial Intelligence (AI) Action Plan*, available at https://cdn.digitaleurope.org/uploads/2025/03/14.03.2025-Response-to-the-Request-for-Information-on-the-Development-of-an-Artificial-Intelligence-AI-Action-Plan.pdf.

to the establishment of the EU-Japan DPA by publishing industry recommendations with JEITA and JBCE.[4] As strong supporters of the initiative, in the upcoming months we expect progresses on data governance and AI through an increased cooperation between the EU AI Office and Japan's AI Safety Institute, supporting global AI governance frameworks like the G7 Hiroshima AI Process and Code of Conduct.

In parallel, international digital partnerships should support joint efforts to strengthen the resilience of critical infrastructure, with particular attention to cross-border data flows, cybersecurity, secure connectivity and energy systems – domains where dual-use solutions and defence innovations can provide a multiplier effect on societal resilience. In this regard, the focus on dual-use and high-tech sectors should be a priority, as these areas require strong state-level backing and international agreements, especially in today's geopolitical landscape.

By fostering strategic alliances and ensuring a balanced approach to economic security, the EU can strengthen resilience whilst strengthening its leadership in digital innovation. As part of this, the EU should engage with like-minded partners to promote alignment on export controls related to encryption, AI chips and quantum communications. Arguably, the Wassenaar Arrangement has not been functioning as intended in recent years. Tech economies could further align and coordinate export controls of dual-use items and keep most sensitive technologies out of the reach of our common adversaries. Unilateral export controls should be avoided. Greater coordination on export controls of dual-use technologies would support the commercial (civil) sector but would also benefit the industrial defence base of the EU and its partners.

Strengthening global partnerships through global gateway

Digital transformation drives economic and societal progress, improving productivity and decarbonisation across sectors, as well as helping deliver essential public services such as healthcare and education. Bridging the digital divide for the remaining 2.6 billion people who remain unconnected whilst advancing the digital transition of Europe's partners should remain a priority for Europe's external action. As digital technology becomes central to geopolitical competition, Europe must leverage its strengths in digital infrastructure to support global resilience.

Through Global Gateway, Team Europe should prioritise deploying trusted European connectivity infrastructure to reinforce partners' resilience, as well as social and economic growth. The emphasis should be put on improving the competitiveness and attractiveness of the European offer to its partners, notably the financial instruments which can be mobilised to support such trusted connectivity deployments.

Cyber diplomacy and security of critical infrastructure: Securing the digital age

Cyber diplomacy is a cornerstone of a resilient economy. Recent crises highlight the role of digital technologies in defending against cyber threats and disruptions, but fragmented cybersecurity rules continue to drive up costs and create inefficiencies. Global engagement on cybersecurity standards, through initiatives like the EU-US Cyber Dialogue, promote best practices and collaboration amongst partners.

Cyber diplomacy must also address the growing interdependence of digital and physical infrastructures, ensuring that critical systems are protected against cyber-attacks whilst enabling the digital transformation

[4] Available at https://cdn.digitaleurope.org/uploads/2022/03/14.03.Web-Joint-Industry-Letter-for-the-EU-Japan-Digital-Partnership_r-003.pdf.

of key industries. For instance, submarine cables are essential to the global internet, carrying around 95% of intercontinental internet traffic. These cables form the "public core" of the internet, making them a critical element of global communication and digital economies. Frameworks such as the EU-Japan Security and Defence Partnership provide a template for advancing bilateral collaboration. Multistakeholder engagement is critical as well in order to address the risks posed by escalating nation state conflict online that must be hemmed in by the establishment and enforcement of international norms and rules for responsible state behaviour.

DIGITALEUROPE strongly supports the harmonisation of cybersecurity policies across borders, as outlined in our policy paper the imperative of global harmonisation of cybersecurity rules for collective defence on international cybersecurity harmonisation[5] and in a paper co-authored with the Aspen Institute.[6] Cybersecurity is a global issue and requires international solutions – cyber-attacks know no borders and therefore standards and related certifications play a significant role in creating a safer ICT environment. Research, innovation and development of cybersecurity capacities require the involvement of all stakeholders in the global supply chain. Failure to consider the global nature of industry solutions will deprive Europe of crucial solutions, resources and instruments. A coordinated and standards-based approach is essential to safeguarding vital infrastructure, enabling secure digital transformation and preserving global stability in the face of increasing geopolitical tensions in cyberspace.

Conclusions

DIGITALEUROPE calls for a Team Europe approach for a coherent digital foreign policy. EU experience has much to offer, but it is essential to work closely with tech allies. At the same time, we need more inclusiveness and stakeholder engagement in the EU's foreign policy and digital dialogues with partner countries, including at ministerial level.

[5] Available at, The imperative of global harmonisation of cybersecurity rules for collective defence - DIGITALEUROPE

[6] See Aspen Digital, *A Security Symphony: Harmonizing Cybersecurity Regulation*, available at https://www.aspendigital.org/wp-content/uploads/2024/05/Aspen-Digital_A-Security-Symphony_May-2024.pdf.

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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 who operate and invest in Europe. It includes corporations which are global leaders in their field of activity, as well as national trade associations from across Europe.