

Recommendations for the upcoming Danish Presidency of the Council of the EU

From the European Tech Association Leaders Summit – Copenhagen, 15-16 May 2025

Europe's future prosperity, resilience and security depend on our ability to develop, apply and commercialise critical technologies and apply them to create security and welfare for citizens and competitiveness for companies. It is time to accelerate scalable digital investment, drive regulatory simplification and drive procurement, economic incentives and investments in critical technologies across the EU not nation by nation and in a way that will create real commercial competitiveness and security not in the long run but in the next one to three years.

We have missed too many opportunities to leverage the digital revolution, failing to fully benefit from consolidation, scalability and rapid innovation cycles. As a result, our productivity gap with the US and China has widened to a level that now risks undermining our long-term prosperity and way of life.

The geopolitical landscape is becoming more volatile, and the stakes for Europe are rising. Europe must lead by example, standing firm as a pillar of stability, openness and democratic values. Like-minded democracies still have the chance to shape the future, but only if Europe steps up.

Stakeholders engagement is key to making EU digital diplomacy impactful. The Danish Presidency should also foster international cooperation in defence and innovation to bolster Europe's strategic resilience, in alignment with the EU's digital diplomacy goals.

We need a bold digital industrial strategy that ensures the world's best technologies and companies grow, invest and thrive here, especially in critical areas such as microchips, energy tech, AI, quantum, health tech, secure connectivity, space tech, drone tech, undersea cables, dual-use technologies, and digital manufacturing.

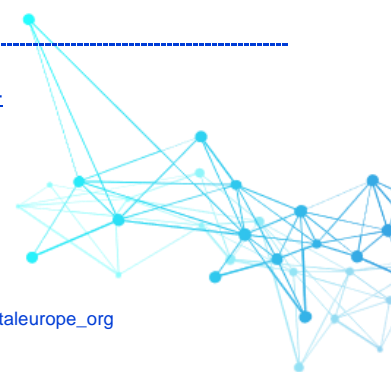
With the Danish Presidency approaching, we see an opportunity to bring Member States together around a shared agenda to support companies ready to grow and scale in Europe.

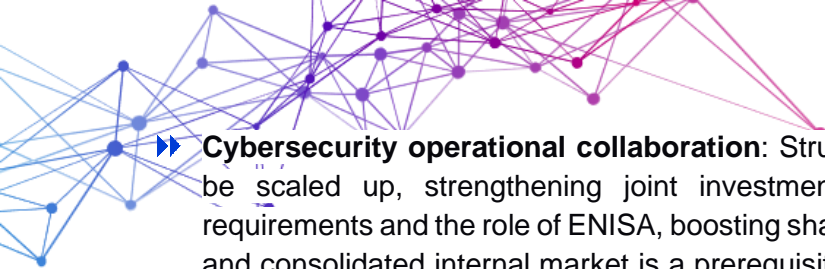
Our recommendations to the Danish Presidency, building on our comprehensive *Winning the tech race* gameplan:¹

Strengthening the single market: Scale, security and cross-border growth

The single market remains Europe's greatest underused asset, and it needs further consolidation to accomplish the aforementioned goals. The Danish Presidency should mobilise Member States behind a practical agenda to make it work, especially for digital businesses who'll drive most of Europe's competitiveness. Four areas require immediate political coordination:

¹ Available at <https://cdn.digitaleurope.org/uploads/2024/11/DIGITALEUROPE-TECH-RACE-REPORT-FINAL-WEB-1.pdf>.





▶▶ **Cybersecurity operational collaboration:** Structured cooperation across Member States should be scaled up, strengthening joint investments in cyber capabilities, interoperable security requirements and the role of ENISA, boosting shared threat intelligence and cyber defence. A secure and consolidated internal market is a prerequisite for digital growth. There is no need to build new structures when we have existing that works, we should build on the current public private collaboration in the ISACs for critical infrastructure, where efficient processes and companies talent are already in place solving severe cyber issues everyday in an environment of trust.

▶▶ **EU-wide procurement for strategic dual use technologies to protect critical infrastructure:** Critical infrastructure is the second battlefield and all-around EU we are facing attacks every day, Europe must be prepared for large scale attack that might paralyse out societies.

EU-wide public procurement programmes to protect critical infrastructure like, water, energy, hospital, airport, ports and connectivity should be launched. Europe leads in many of these technologies like drone tech, secure connectivity, energy tech, AI, health tech, cyber software etc. This will give European tech suppliers a meaningful European domestic scalable launchpad in the tech race and will drive uptake of innovative solutions and driving cross boarder security and readiness though interoperability.

▶▶ **Startup and scaleup support:** Cross-border frictions for fast-growing companies should be removed. This means: streamlining national implementation of EU tech rules; coordination of Employee shares rules and taxation, accelerating access to infrastructure and talent; expanding innovation-friendly visa pathways; and supporting startup access to public procurement and early-stage finance.

▶▶ **A 28th regime for pan-European businesses:** Development of a voluntary, harmonised legal regime for company law, e-commerce and cross-border commercial activity should be sped up. This would give businesses the option to operate under one predictable, pan-European framework, especially beneficial for SMEs.

A functioning single data market is also key, enabling data interoperability and innovation. With decisive coordination, the single market can finally become the seamless environment it was designed to be. Furthermore, strengthening Europe's ICT sector must be a priority, with support for skills, financing and innovation.

Driving investment: Tools and targets for Europe's tech leadership

Strategic technologies require strategic capital. The Danish Presidency has a key role in uniting Member States around shared priorities for Europe's next major budget cycle, and in accelerating immediate tools to unlock investment where it is needed most.

The investments required for Europe to reclaim its position as a global technology leader are substantial. Whilst the next Multiannual Financial Framework (MFF) will be central, all available tools must be mobilised in the short term:

▶▶ EU should focus on deployment and use R&D funds in concrete scalable procurements and projects, that lead to commercialisation of innovations. We need to prioritise the **deployment of innovative technologies** that serve the European public interest. This includes critical technologies such as advanced **connectivity, drone tech, AI, quantum and space tech, to enhance digital resilience for infrastructure in sectors like water, energy, connectivity, finance, hospitals, airport and ports**; and dual-use innovation that enhances both civilian and security capabilities; digital skills development to equip Europe's workforce; and digital industrial transformation to cut emissions in the most polluting sectors.

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- ▶▶ The **European Investment Bank**, through its new TechEU programme, can play a pivotal role in delivering targeted financing for critical technologies, including AI, quantum, semiconductors and more. Remaining resources from the Recovery and Resilience Facility and other EU instruments should be fully deployed to support competitiveness and innovation without delay.
 - ▶▶ Looking ahead to the next MFF, we call for at least **25 per cent** of the EU budget to be dedicated to digital innovation. Funding mechanisms must become simpler, faster and more predictable. EU investment should complement national funding and private capital. Furthermore, we support the rapid implementation of the Saving & Investment Union to foster private investment. We also call for placing companies at the heart of the European Innovation System.

Europe has no time to waste — every delay cedes ground to competitors. Investment must match our strategic ambition.

An ambitious digital package – cybersecurity, data and AI

A dense web of digital rules has emerged in the past five years, with multiple reporting obligations, overlapping scopes and limited coordination. The upcoming digital simplification package presents a decisive opportunity to streamline compliance and strengthen Europe's innovation base. We urge the Danish Presidency to help build a strong coalition of Member States calling for a comprehensive regulatory reset. This must include:

- ▶▶ **Coherent and harmonised cybersecurity rules** that avoid redundant reporting and national fragmentation and prioritise early threat detection, rapid response and protection of critical assets.
- ▶▶ **Simplified and harmonised data obligations**, ensuring that new rules incentivise data sharing and processing, rather than making it more complex.
- ▶▶ A **narrowing of the AI Act's high-risk scope**, clarifying obligations and aligning implementation with the availability of harmonised standards.

This initiative should be the Commission's flagship digital proposal under the Danish Presidency, signalling Europe's determination to cut regulation to empower its most promising digital and digitising businesses.

Conclusion

The Danish Presidency has an opportunity to elevate competitiveness, investment and simplification to the top of the EU's agenda. By forging consensus and momentum behind these priorities amongst Member States, Europe can signal it is ready to lead in the global tech race.

Through this joint statement, DIGITALEUROPE and national tech associations across Europe reaffirm our readiness to support these efforts with clear proposals, shared ambition and the commitment to help deliver results.

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