17 November 2026

A joint call from Europe's digital industry to boost critical tech investment at scale

Dear Member State representatives, Members of the European Parliament, and Commissioners,

Europe says scale matters. Europe says it wants to lead in critical technologies. Europe says it wants to let its best companies grow at home.

There are concrete actions Member States can take to achieve this. First, companies desperately need an ambitious EU Inc. to achieve a real single market. Second, **Europe's digital industry calls on Member States and the European Parliament to match this ambition with funding.**

We build in Europe, hire in Europe and believe in Europe, and we welcome that investment and scaleups are now on the EU agenda. But policies are being watered down and delayed. If this continues, Europe will keep seeing great companies move elsewhere to grow.

The EU needs a budget that drives competitiveness and technological leadership. The negotiations on the next Multiannual Financial Framework (MFF) are an opportunity to unlock urgent investments to develop, deploy and scale critical technologies in Europe.

We call for at least 25% of the next MFF to support critical and digital technologies, backed by faster, more coherent and more scalable EU funding. This builds on the requirement for each Member State to allocate at least 20% of recovery and resilience funding to the digital transition.

1. Invest at scale in critical and digital technologies

An ambitious European Competitiveness Fund is essential to turn Europe's industrial strengths into prosperity and security. The Irish Presidency's negotiating box raises serious concerns about the EU's ambition to lead in critical technologies and innovation. Member States and the European Parliament must at least preserve the proposed €51.5 billion for digital leadership.

The Competitiveness Fund should prioritise investment in digital and critical technologies (such as chips, quantum, AI, cloud, connectivity, cybersecurity) that strengthen competitiveness across all of Europe's strategic sectors. These enabling technologies should receive funding from across the Competitiveness Fund's four funding windows as well as the National and Regional Partnership Plans.

2. Turn research excellence into commercial success

Increasing EU funding for competitiveness will not be enough. Europe must get better at turning research excellence into commercial success. This is why the Competitiveness Fund and Horizon Europe need to form one coherent research-to-market funding pathway. Our innovators need predictable support to bring their ideas to market and help their companies scale in Europe. This requires integrated work programmes, joint governance and close industry involvement. Entities from countries associated with relevant EU programmes should be allowed to participate, with clear and transparent eligibility requirements for funding support across Horizon and the ECF.

The next Horizon Europe programme should support technologies with dual-use potential through a responsible and risk-based approach. Civil and defence innovation increasingly rely on the same

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technologies, such as semiconductors, AI, quantum and drones. EU research rules must reflect this reality and must not put its innovators at a structural disadvantage. Stronger synergies between Horizon Europe and the European Competitiveness Fund should maximise the impact of every euro invested.

3. Accelerate funding decisions

To boost EU competitiveness, public funding must move at the speed of technology. Long and complex application procedures mean Europe funds yesterday's technologies. We call for a single rulebook across major EU funding programmes, simplified reporting and a 90-day time-to-grant deadline, with procedures proportionate to project size and the needs of SMEs.

Companies should have a single digital gateway to access all funding support and clear pathways between instruments at each stage of growth. Funding should allow flexible project adjustments as technologies and markets evolve. Industry should have structured opportunities to advise on investment priorities, application procedures and funding criteria.

4. Mobilise private capital

Every euro of public investment should crowd in several euros of private capital. The next MFF should make greater use of guarantees (InvestEU), equity, loans and public-private co-investment. We call on Member States to redouble their efforts on the Savings and Investments Union to attract patient capital from institutional investors. Deeper and more liquid European capital markets are urgently needed to enable our scaleups to raise growth capital and list in Europe rather than abroad.

Europe must strengthen its capacity to finance companies during their scaleup phase. The €5 billion Scaleup Europe Fund is an excellent first step, but Europe needs two much larger funds to mobilise private capital and pension fund investments into dual use and critical tech. DIGITALEUROPE supports the €50 billion tech equity facility proposed by the Commission in the Tech Sovereignty Package to mobilise large private investments for the development and deployment of digital and critical technologies.

5. Remove barriers to scaling across Europe and implement EU Inc.

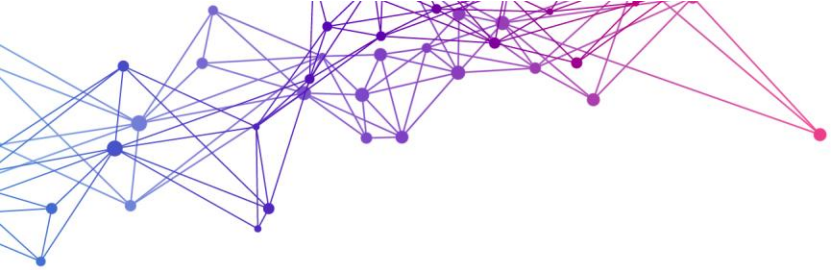
Funding must go hand in hand with reforms that help companies win customers, attract talent and grow across the Single Market. The European Innovation Act and Public Procurement Act should turn public buyers into first customers for innovative solutions from startups, scaleups and other innovative technology providers, including through pre-commercial procurement to develop and test new solutions. Open competition must remain the foundation.

Companies need regulatory simplification and action to strengthen the Single Market. We call for an ambitious 28th regime that delivers real simplification: **one European company form (EU Inc.),** digital-by-default company governance, and consistent employee share option rules to attract and retain talent. The Commission and Member States must systematically reduce regulatory burdens, remove long-standing barriers to the Single Market and prevent unnecessary national requirements.

The EU must act now to invest in its future, scale what it invents and reap the benefits for Europe.

Yours sincerely,

DIGITALEUROPE and the co-signatories




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