

# EUROPE NEEDS TO STAY OPEN

## Joint Industry Statement

*Based on discussion during the international roundtable "Europe at the Crossroads: Open Cooperation or Protectionism?", which took place on 18th March 2021, we propose the following joint industry statement:*

The digital transformation is key to a prosperous Europe. The digital transformation has rightly been defined as one of two flagship priorities by the European Commission. The COVID-19 pandemic has further shown how indispensable digital technologies are, not only in overcoming a global health crisis, but also in allowing our societies to stay open for business in a time when physical distance has been the necessary norm.

While the pandemic has significantly accelerated the digital transformation, it has also brought to the fore the need to address Europe's vulnerabilities in key supply chains. As we move towards a post-Covid-19 economy, Europe has an opportunity to build a more digital, resilient and sustainable economy. *Europe's Digital Decade: digital targets for 2030* lays down an ambitious framework for scaling European technological capacities in strategic areas in order to achieve this, while ensuring a digital economy based on European values.

We, the 16 undersigned national federations from 11 countries, represent export-driven industrial sectors that are highly integrated into global supply chains. We are convinced that the answers to the challenges exacerbated by the COVID-19 pandemic, including the aim to ensure greater open strategic autonomy for Europe, must be built on a positive and outward-looking vision for Europe.

Striving for the self-sufficient Europe, where all technologies are produced at home, is not the right way forward. Rather, strengthening Europe's technological capabilities and competences in key technological areas should be based on open global exchanges, mutual interconnectedness, and by strengthening strategic partnerships with like-minded countries that share European values. We emphasise the need to ensure a level-playing-field in relations with third country actors operating in the EU by means of a workable and efficient system for the enforcement of obligations under EU law towards such entities.

Therefore, we call on the EU to embrace an **open strategic autonomy** approach to fulfil the vision set out in "Europe's Digital Decade":

- **Technological leadership through an open global exchange:** Europe's Single Market is a success story that benefits from international investments and collaboration, fostering alliances with like-minded partners who share European values, regardless of their origin.
- **Facilitate open trade:** The EU should pursue secure ambitious rules on digital trade and data flows in free trade agreements with our trading partners and in the WTO Joint Statement initiative negotiations on e-commerce. The EU is an export-driven economy, where exports account for 33 – 35 % of its GDP. Europe has more strategic interdependencies that can be further leveraged. EU trade policy should further promote Europe's interests in industrial and services sectors. Protectionist policies are likely to have a detrimental net negative impact, not only on the European economy, but also on our global influence.
- **Freedom of choice:** European citizens and businesses must have the freedom to choose partners, suppliers, collaborators that are the best in class, and whose value proposition meets Europe's rigorous data protection, security and privacy standards. This includes an open transparent and secure digital ecosystem, where data and services can be made available, collated, and shared in an environment of trust.

- **Regulatory environment enabling innovation:** Competitiveness and technological leadership depends on a solid and consistent regulatory environment – if there is too much red tape or disproportionate complexities the uptake of innovations is slow.
- **Appropriate protection against coercion:** The EU must respond adequately to possible situations of economic or political coercion. Such risks may result from its dependency on few suppliers of vital products or technologies. To mitigate this risk, the EU has to clarify instances where these dependencies may occur, and use competition policy proportionately to address market power concerns within Europe’s digital economy.
- **Doubling down on international commitments:** The EU should strengthen strategic partnerships with reliable allies through rules harmonization and global standards setting. Furthermore, the EU should work together with our allies, preferably in WTO, to develop common rules with which to support digital trade, creating safe and secure global data spaces via common approaches to data protection as well as rules for their further use.

Open strategic autonomy encapsulates a bold and positive vision to strengthen Europe’s technological capacities and competences. It draws on Europe’s strategic assets and remains grounded in its values. This is, in our view, how we continue to enable competitiveness and strengthen European resiliency and innovation in the long run and in the spirit of international collaboration.

We call on European leaders to strive for open strategic autonomy. We are ready to engage for a stronger and more resilient future for Europe today.

