B9+ Statement on Dutch D9+ Presidency: 26-27 March 2025

21 March 2025

Europe is at a critical crossroads to its digital future. The B9+¹ calls on D9+ and EU policy makers to quickly (a) optimise conditions for investment and innovation to boost competitiveness across the EU's digital economy ('digital competitiveness'); and (b) maintain an open² and ambitious digital trade agenda combined with a smart approach to economic security and resilience³, with an eye on relevant geopolitical developments.

There are external pressures, including geopolitical developments, rapid technological innovations and increasing global competition, particularly in digitalisation. Europe's competitiveness is also hindered by significant internal structural pressures⁴, that have been identified by both Dr Draghi⁵ and the D9+ itself⁶, and these are within the shared control of the EU and its Member States. Quickly addressing these internal pressures and working to mitigate vulnerabilities in digital capacities will help the EU to maintain a competitive edge, retain a seat at the table in global value chains, and weather external pressures. We urge the D9+ group to lead the EU's response; intensify work with business and other partners to shift the EU policy microscope⁷ and resources to policies that attract investment and stimulate the digital growth and strength of Europe.

The B9+ has a longstanding engagement with the D9+. The initiative is important to business, and we encourage its further development. This statement builds on previous work and shared ambitions⁸, and we stand ready to support the D9+ further.

¹ The B9+ Group is composed of the main business confederations of 12 digitally progressive (D9+) Member States: CEOE (Spain), VBO-FEB (Belgium), SPCR (Czech Republic), DI (Denmark), EE (Estonia), EK (Finland), Ibec (Ireland), FEDIL (Luxembourg), VNO-NCW (Netherlands), LEWIATAN (Poland), CIP (Portugal) and Confederation of Swedish Enterprise (Sweden)

² This means open to further international co-operation and trade with likeminded partners, while encouraging capacities across Europe, so Europe can access and safeguard the economic benefits of further digital transformation. See BusinessEurope 2020, <u>Smart technological sovereignty: how it could support EU competitiveness</u>.

³ See footnote 2 and BusinessEurope (2024) Business views on a European economic security strategy

⁴ For example, the identified need to: (1) Address regulatory hurdles; (2) Deepen the Single Market e.g., provide an integrated capital market to support our digital innovation ecosystem; and (3) Enhance Al innovation and adoption in the FLI

⁵ Draghi Report (2024) and Financial Times (2025) "Forget the US – Europe has successfully put tariffs on itself"

⁶ The D9+ Dublin Declaration was raised at Competitiveness Council (Internal market and industry), 24 May 2024

⁷ The Netherlands is home to early global innovators in microscopy including Janssen and van Leeuwenhoek.

⁸ B9+ (2024) <u>A Digital Europe – Open, competitive and Resilient: B9+ vision and priorities for D9+ and EU policymakers for a Digital Europe, 2024-2029; and D9+ (2024) Ministerial Declaration, April 19, 2024 Dublin</u>

Our Recommendations

A. Build competitive positions in key digital technologies and get the infrastructure in place for further growth

- 1. Take a smart approach⁹ to long-term economic security and resilience related to key digital technologies¹⁰ by prioritising 'promote measures'¹¹:
 - a. Nurture Europe's talent, R&D and ecosystem in the semiconductor sector.
 - b. Invest in research in Quantum's potential across different domains (including cybersecurity effects).
 - c. Refrain from outbound investment screening as this would harm an open investment climate, could trigger counter measures affecting the single market and limit European companies in getting access to crucial digital technologies and hinder innovation. EU has comprehensive and effective export controls in place.
 - d. Simplify and create more synergies between the different European funding programmes. Set ambitious targets for funding digital innovation and adoption across all relevant EU programmes, especially when contributing to competitiveness, sustainability and security goals ¹².
- 2. Support and promote initiatives of private and public investments in infrastructure capacity required to allow further development and adoption of AI and the transport, storage and processing of AI-driven applications and related data.
 - **a.** Channel more investment into compute infrastructure, digital networks, and digital and Al skills the foundations of a thriving digital economy.
 - **b.** Facilitate the step up in private investments that is required to secure the availability of state-of-the-art networks¹³ including Gigabit-access for end users, and development of 5G/6G and cloud-/edge infrastructure.
 - **c.** Invest further in AI infrastructure e.g. HPC-capacity. We are positive about the ambition that European Commission president von der Leyen has proposed to further strengthen supercomputing capabilities and urge Member States to actively contribute to the 'CERN-like' public private partnership.
 - **d.** Develop a European investment agenda for sustainable data centres with a long-term scope and predictable and stable requirements that avoids unnecessary insecurity for

⁹ See Footnote 3

¹⁰ <u>EU Strategy</u> has identified 4 technology areas: AI, advanced semiconductors, quantum computing and biotechnology.

¹¹ E.g. completing the common and capital markets, building skills and supporting capacities.

¹² E.g., The funding for digital innovation and adoption should go beyond the 20% provided for digital initiatives in the Recovery and Resilience Fund.

¹³ https://www.businesseurope.eu/sites/buseur/files/media/position_papers/internal_market/2024-09-27 reaction to the white paper how to master europes digital infrastructure needs.pdf

investors based on existing measures to increase the sustainability of data centres being developed by the European Commission. Enhance long-term grid planning, streamline permitting processes, and modernize the transmission infrastructure to meet electricity demand and ensure grid reliability to support the pace of the digital transition.

e. Leverage the initiatives under the IPCEI CIS and explore additional steps that are required for further strengthening Cloud infrastructure in Europe, if needed by the IPCEI instrument. Stimulate industrial development of concepts and infrastructure elements that are differentiating vs current infrastructure as well as the deployment of these in networks.

B. Accelerate Al-development and adoption as key drivers for a productive Europe

1. Unlock public and private investment in AI development and adoption

- a. Ensure certainty and coherence in regulatory interpretation and application ¹⁴ promote data flows/sharing, safeguard IP and trade secrets, and support the development of sectoral data spaces. Enable coherent and accessible structures for data exchange that facilitate efficient data sharing along value chains and between information systems. Enable the development and deployment of AI 'made in Europe'.
- b. Ensure meaningful consultation with interested businesses in the development of evidence and risk-based secondary legislation and guidelines. Ensure simplicity and coherence across the AI Act, the EU digital acquis and sectoral regulation.
- c. Ensure the General-Purpose AI Code of Practice is a workable document, aimed at facilitating effective compliance, that aligns with AI Act requirements and does not go beyond its scope, and supports wide adoption across the EU's digital economy. The Code should not create uncertainty in the supply chain or a *de facto* means to create further legislation. Provide clear definitions (for example on fine-tuning) to prevent legal uncertainty and overburdening of downstream entities.
- d. Accelerate deployment of best-in-class technologies across key industries and promote investment in cutting-edge innovations in the most promising areas of the AI value chain.
- e. Support the public sector to remain at the forefront of technological advancement, by leveraging innovation to deliver better services and improve the lives of citizens.
- f. Foster a competitive landscape through open scientific innovation. Enabling many diverse, overlapping technology development ecosystems, including open and proprietary models, is critical for competition, vibrant AI ecosystem and for transparent and safe governance of AI throughout its lifecycle. Choice and flexibility allow users to deploy a variety of AI models and move their data and applications across multiple environments.

¹⁴ Al adoption and innovation in the EU have dependencies on the Al Act and other EU data regulations.

- 2. Accelerate the development of European Digital Innovation Hubs (EDIHs) and the proposed network of regulatory sandboxes. Align them with regional and local initiatives to build strong Al ecosystems, through clear and accessible support to interested companies.
- 3. Accelerate the adoption of fundamental and applied AI research results in the private sector.
- 4. Invest in skills. Develop a framework to identify and qualify AI competences and drive standardisation at EU-level to allow for certification and acknowledgement throughout the EU, taking into account existing and upcoming international standards to the extent possible. Share best practices in educating business users on implementation of the AI Act, aiming at an understanding of what risk category is applicable for their AI development project.

C. Remove hurdles to our digital competitiveness

1. Engage and support digitalised business to start, scale and stay in the EU. Support and enable more European success stories in entrepreneurship and innovation and to promote their competitiveness globally. Share best practices to enable learnings from successful digital unicorns. Overcome hurdles such as limited access to capital 15, regulatory challenges, and talent acquisition, that are crucial for digital only companies and upscaling. Recognize the specific needs of Digital Only companies e.g., the relative importance of availability of digital talent and digital skilled workforce. EU Member States should promote digital innovations that are aimed at developing applications. Focusing on vertical solutions can provide a competitive edge as it allows for leveraging the strengths of European business in different sectors.

2. Enable simple, workable, efficient and coherent regulation.

- a. Take stock of and identify concrete actions to deliver action on regulatory coherence, predictability and reduce burden to support our digital innovation ecosystem;
- b. Undertake an economic assessment of existing regulation and set a high threshold (evidence-based necessity) for any proposed regulation ('better regulation')¹⁶; and
- c. Implement the necessary institutional reforms to ensure all relevant EU and member states institutions and authorities act collectively to achieve the goals set out in the Competitiveness Compass and Simplification Communication and ensure effective enforcement of the regulatory framework. Easy practical implementation of the digital regulations needs to be boosted, including meaningful regulatory simplification and certainty to stimulate the much-needed uptake of digital technologies. Existing reporting and notification overlap within NIS2, CER Directive, CRA and the GDPR need to be addressed in the European Commission's proposed digital package regarding

¹⁵ Deliver an integrated capital market.

¹⁶ In line with D9+ Ministerial calls on April 19, 2024 and at the Competitiveness Council, 24 May, 2024.

- cybersecurity reporting as well as simplifying reporting and notification within the AI Act, Data Act and GDPR in the forthcoming digital omnibus.
- 3. Secure an effective and ambitious Capital Markets Union¹⁷ to mobilise funding and boost access to capital. We need to both deepen the pool of capital in the EU as well as develop complementary sources of finance to bank lending (venture capital). Diversifying the financing landscape will not only improve the EU's economic resilience but also unlock additional funds necessary to finance the twin (green and digital) transition (up to €500 billion a year until 2030¹⁸) and provide fast-growing (innovative) companies with the right financing for their growth trajectory.
- 4. Deliver a meaningful framework and programme to support digital-first, openness, interoperability and deepen the Single Market, particularly in services ¹⁹. For products, explore digital adoption that could simplify regulatory requirements e.g., e-labelling, and facilitate cross border free movement of goods.
- 5. Provide a catalyst for further digital progress, adoption and innovation. Support SMEs by implementing one-stop-shops on digitalised public services for business at member state and EU level. At Member State level, use innovative procurement and co-development strategies ensuring a level playing field, an environment for enterprise, with a focus on engaging and nurturing startups from early stage to scale up, and cross-sectoral collaboration to accelerate digital innovation and adoption (e.g., testbeds). Aid companies, especially SMEs, in the uptake of new technologies, in order to make policy ambitions concrete in practical business environments. Consider guidance at EU level on the procurement of digital services based on the principles of non-discrimination and an open and competitive market to avoid fragmentation across the EU.
- 6. Engage industry and ensure effective and coherent implementation of digital business identity wallets across Member States, ensuring that EU businesses can easily do business in other EU Member States through a streamlined and coordinated approach to simplify transactions, compliance, and movements. Ensure and boost its widespread adoption by meaningful harmonisation of and interoperability between digital identity wallets.

ENDS

¹⁷ Savings and Investment Union

¹⁸ Ursula von der Leyen (2024) Europe's Choice Political guidelines for the next European Commission 2024-2029

¹⁹ https://www.businesseurope.eu/publications/joint-call-comprehensive-long-term-single-market-agenda and https://www.businesseurope.eu/publications/priorities-single-market-beyond-2024-reigniting-engine-europes-global-economic

Signatories























