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Tech-Alliansen

Priorities for the next EU-mandate 2024–2029

To enhance Europe's competitiveness, a dynamic tech sector and a well-functioning digital economy are essential to drive digital transformation and fuel economic growth across the continent. Here, The TechAlliance presents our proposals to make this vision a reality.

As the European Union is looking ahead towards a new political cycle, tech issues are once again high on the agenda. Ursula von der Leyen's vision for the next five years, as stipulated in the political guidelines and mission letters, makes it clear that **Europe's tech policies will be central to economic growth, the green transition and resilience.**

The incoming European Commission has good reasons to single out digital transformation as a key driver for growth and competitiveness. The low level of diffusion of modern digital technologies has severely harmed Europe's competitiveness and ability to use tech to develop and scale new services and business models. The productivity gap between the US and the EU - that Mario Draghi refers to as an existential challenge for Europe - can largely be explained by the lack of a competitive tech sector in the EU, in part driven by different regulatory regimes, difficulties to scale up and limited uptake of digital technologies.

EU initiatives in this field during the next five years will therefore be more important than ever. If we want Europe to rise to the challenge, we need a vibrant tech sector and a well-functioning digital economy that drives digital transformation and ignites economic growth in Europe.

Sweden and its likeminded partners play a particularly important role in championing a regulatory environment that can spur more growth and competitiveness. The Swedish TechAlliance looks forward to supporting a strong and active Swedish voice in the EU to encourage decision makers to take into account our recommendations for the next mandate.

These are our proposals:

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1. Simplification and Enforcement

The new EU-mandate presents a good opportunity to execute on the Draghi proposal to **stress test** the bulk of EU legislation for innovation and competitiveness and to repeal or withdraw. **Cutting red tape** and getting rid of overlapping regulations and extensive documentation and reporting obligations in the digital sector are essential to unleash the full potential of the tech sector. We very much support the target to reduce reporting obligations for businesses up to 35% and look forward to working closely with decision makers to make this happen.

We have in the last five years seen many new regulations in the digital field with good intentions to strengthen safety, security, competition and conditions for innovation. The amount of new regulatory and sometimes conflicting provisions, however, have resulted in additional burdens and legal uncertainties for European businesses, regardless of size.

We are strongly committed to work together with public authorities to secure a **timely and effective implementation of the digital rulebook**, these new rules, many of which still require significant clarity for example when it comes to definition of key terminology. Predictable rules that hold over time are important to encourage and facilitate the use of new technology needed to solve societal challenges. It is therefore important to prioritize the clarification of such rules and allow them to have effect before considering any need for additional regulations in the same space.

2. Access to Data and Leadership in AI

The new data strategy as outlined in President Von der Leyens political guidelines **should harmonize and simplify access to data**. Access to personal and non-personal data is crucial for innovation and therefore a key ingredient for increased competitiveness in Europe. Existing data rules in Europe need to be simplified and harmonized if we are to unlock the true potential of Europe's data economy. Data sharing obligations of business data should be streamlined to the EU Data Act and no additional sector specific data access rules should be added beyond this horizontal framework.

AI-adoption in all sectors is crucial for European competitiveness and the EU should strive for global leadership in AI, becoming a world-class hub for AI. By increasing computational capacity and providing targeted support, the EU should aim to facilitate greater and wider access to AI technologies and drive innovation across industry. Key industrial applications of AI should be identified within the EU, in line with Draghi's recommendations for an EU Vertical AI Priorities Plan and harmonized national AI sandbox regimes, alongside the Apply AI Strategy and the AI and Cloud Development Act highlighted in Executive Vice-President-designate Henna Virkkunen's mission letter as means to encourage new industrial uses of AI. AI-adoption requires cloud-based solutions and the announced "Single EU-wide cloud policy for public administration and public procurement" could, if developed in a transparent and open manner that allows for consultation with cloud industry, introduce much-needed clarity and coherence to the European cloud market, to facilitate compliance, reflecting best practices in self-regulation and simplifying implementation of relevant EU regulations.

The single market and a **consistent regulatory framework** are important for Europe's opportunity to stay globally competitive in the AI-field. Recent fragmented and unpredictable decision-making, including overlap with pre-existing sector specific legislation and guidance by data protection authorities, have created uncertainty, slowed down AI-uptake jeopardizing the benefits stemming from, for example, open-source AI-models and products. Further harmonization and a modern interpretation of the GDPR is crucial for the next generation of AI models, to reflect European knowledge, culture and languages. While we agree with the principles for data protection outlined in GDPR, there is a need to rethink the documentation and reporting obligations, which demand extensive resources for many companies. To the extent possible, these should be simplified without impacting the principles of the

legislation. To limit the creation of unjustified burdens when applying data protection rules, one could consider introducing a data flow test of all existing and new EU regulation.

3. Connectivity and Scale Up

Incentivizing investments in advanced connectivity is crucial for Europe to catch up with other global regions in the deployment of midband-5G, as indicated in both the Draghi report and the mission letter to Executive Vice-President-designate Henna Virkkunen. The current persistent connectivity investment gap will have a decisive impact on Europe's future competitiveness.

President von der Leyen and Mario Draghi are both calling for a modernization of the regulatory framework for telecoms to break the fragmentation of digital networks by investing in connectivity through a new Digital Networks Act, as well as to enforce compliance with the EU Toolbox for 5G security. We need coordination of spectrum conditions and a fresh approach to competition policy to allow businesses to scale. Another important aspect to bridge the digital divide, as highlighted by Draghi, is satellite connectivity. A modernization of spectrum allocation rules should further balance demand for coverage and functionality for a diverse set of services.

Creating opportunities for EU businesses, including SMEs, to scale up, through deepening the Single Market by harmonizing, streamlining, and simplifying legislation is important. Building a supportive regulatory environment for businesses of all shapes and sizes, small businesses in particular, will help to deliver increased competitiveness in Europe and is therefore important to consider when adopting **the new Single Market Strategy** in 2025. The strategy should focus on how to use digital tools and one-stop-shops to simplify for SMEs, such as simplified VAT requirements, a renewed focus on a competitive circular economy, consistent and digital labelling for consumers and harmonizing the enforcement of single market rules.

4. International Cooperation

Promoting an open strategic autonomy and securing digital resilience calls for cooperation with trusted global partners. The ability to access skills, human capital, labour, technology and research from all over the world will continue to be of vital importance for Europe's competitiveness and ambitions to build increased capacities. Trusted global value chains, driving productivity, should be combined with a level playing field, especially in tackling import from third countries that do not meet the requirements in EU legislation via clear security and sustainability standards and via enforcement, in cooperation with EU's likeminded partners.

Given AI's cross-border impacts and opportunities, EU policy should also align as much as possible to emerging **international AI governance norms and standards** so as not to isolate the continent and its businesses from state-of-the-art AI development and to foster, and not hinder, the EU's global competitiveness.

Safeguarding a strong transatlantic relationship builds not only peace but also supports the creation of jobs, green growth and prosperity in both the US and the EU. Cooperation and alignment, ideally reciprocity, on technical standards, for example in the field of AI, 6G, IoT, immersive technologies and charging infrastructures, must be a key objective for transatlantic cooperation, aiming to achieve maximum interoperability between the US and the EU. Concrete outcomes from the Trade and Technology Council are important and keeping the dialogue alive should continue to be a priority.

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The TechAlliance seeks to educate, encourage and stimulate policymakers and civil servants to prioritize tech. Current members include **Schibsted, Google, Klarna, Meta, Ericsson, Volvo Cars, Kry, Microsoft, IKEA** and **Amazon**.

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