



A SOVEREIGN, SECURE AND COMPETITIVE UNION

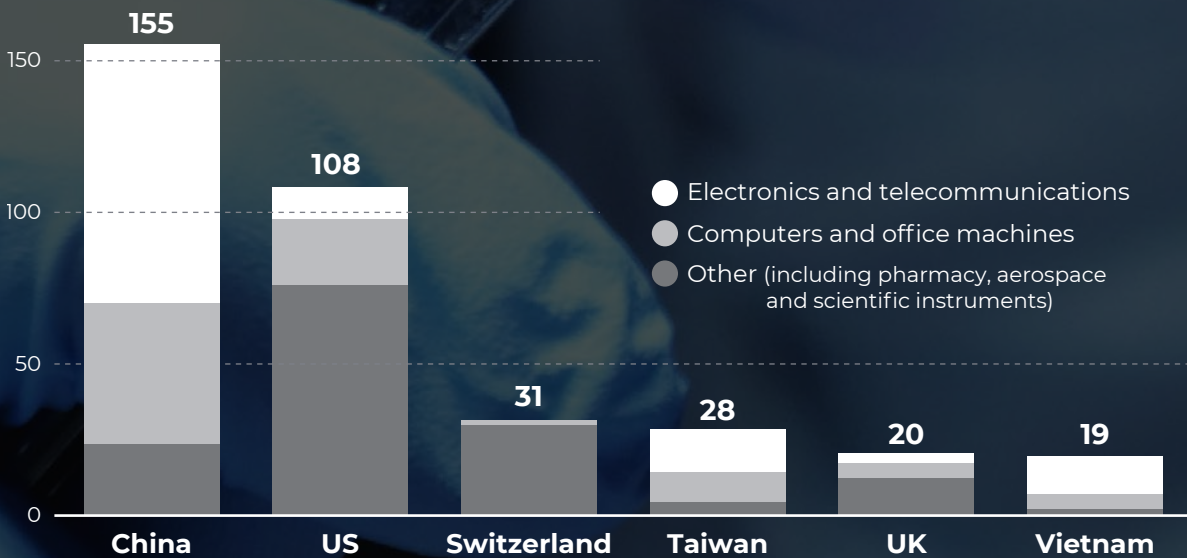
EPP GROUP POSITION PAPER ON DIGITAL POLICY



Europe stands at a digital crossroads: The AI revolution rapidly transforms society and industry, reshaping economic models and widening the knowledge gap between policymakers and the tech sector. The inability to adapt to these changes fast enough, fragmented markets, underinvestment, and foreign tech dependence in certain sectors leave the EU strategically and economically exposed. While US and Chinese approaches to digital transformation dominate global innovation, they often clash with European values like privacy, safety, and democratic participation. Despite past efforts, the EU remains too slow where speed is needed and too fragmented where unity is vital. The EPP Group wants to change that.



EU imports of high-tech products by product group
€ billion, 2023



Source: Eurostat

To secure Europe's digital future, we must unite around a bold, value-based vision, anchored in technological sovereignty, strategic investment, and a fully integrated Digital Single Market.

That means applying AI across industries, scaling startups, modernising and simplifying laws, interlinking research and computing capacities, and building infrastructure where it is needed for the economic security and competitiveness of the EU. Also internally, the EPP Group must act as one: this paper defines its shared priorities and paves the way for coordinated action across the Parliament, Member States, and allied institutions in order to shape a sovereign, secure, and globally competitive Europe.



1. Expanding EU technological sovereignty and competitiveness

1. Strategic planning and vision

To safeguard its security and competitiveness, Europe must act swiftly and decisively with a vision and a data-driven strategy. The EPP Group urges the European Commission to convene a high-level collaborative Tech forum - “a permanent war room” - composed of leading tech CEOs, researchers and policymakers, with appropriate geographical balance. This forum should lead to a comprehensive assessment of the EU’s current technological strengths, capabilities and resources, identifying critical gaps and opportunities where European capacity must be strengthened, and where strategic international partnerships could be beneficial. The evaluation should cover areas such as Critical Raw Materials, digital infrastructure, supply chains, and final products. Its outcomes should underpin a coherent, future-proof EU digital strategy that prioritises areas of strength and scalability, as well as diversification needs. To support this, the EU must leverage its regulatory power and technical expertise to shape global digital governance.

The EPP Group calls on the European Commission to create a high-level Tech forum bringing together top tech CEOs, researchers and policymakers



CEOs

+



Researchers

+



Policymakers

2. European digital infrastructure

Digital infrastructure comprises the network, hardware and software elements related to connectivity, computing, and intermediation services. Open strategic autonomy and resilience must be at the core of EU policies, and a comprehensive approach integrating procurement and ambitious funding is urgently required to achieve a more resilient, accessible, competitive and trusted digital infrastructure that can withstand geopolitical tensions and supply chain disruptions.

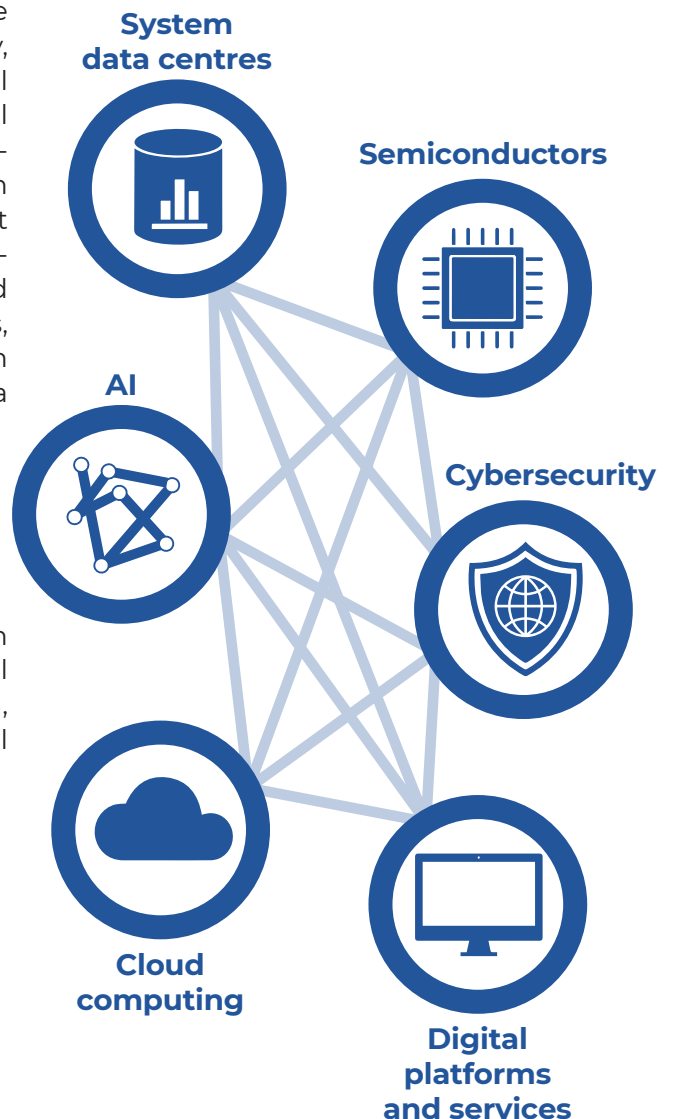
A Enable a foundational European digital infrastructure, including cloud:

The EPP Group is concerned about the existing structural dependencies through market concentration and foreign control in our digital infrastructure, operating systems data centres, semi-conductors, Artificial Intelligence (AI), and cybersecurity, cloud computing, and various digital platforms and services, all of which pose a high risk to the EU's democracy and freedom, security, and competitiveness. The foundational layer of a sovereign European digital infrastructure with open-source, privacy-preserving technologies and an EU API-ecosystem must be rolled out through targeted but ambitious policies that enhance investment into and market share of European companies, leveraging European supply of clean energy in the development of data centres and cloud infrastructure. At the same time, these policies should promote market-driven initiatives, such as joint ventures or federated networks in areas of AI Gigafactories or cloud services. The EPP Group calls for the immediate implementation of this foundational European digital infrastructure to foster a sovereign, secure, and innovation-driven digital ecosystem in Europe.

A comprehensive approach integrating procurement and ambitious funding is urgently required

B Reinforcing European electronic communication infrastructure:

The development of innovative digital technologies needs speed, low latency, reliable and secure connectivity networks for super-fast transmission and processing of data. However, Europe is falling behind in 5G, SA 5G and 6G deployment. The European Commission estimates that closing the investment gap will require at least around €200 billion to reach the EU's Digital Decade 2030 goals. Therefore, a regulatory framework that incentivises the transition to advanced networks and the development of very high-capacity networks is critical for digital innovation and boosting Europe's competitiveness. The EPP Group calls for rapid and mandatory implementation and enforcement of 5G Toolbox across the Union.



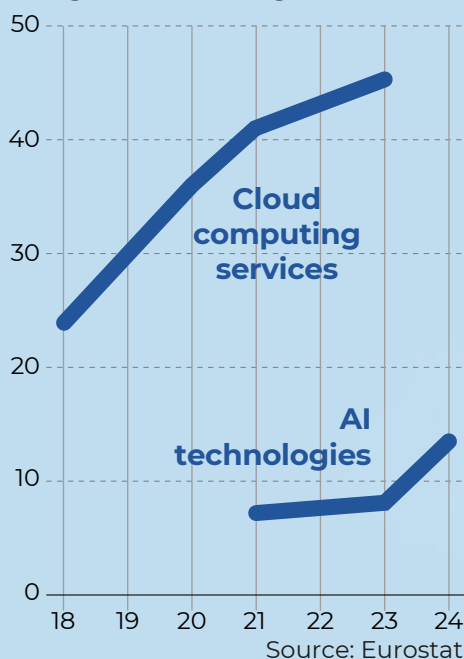
C Ensure control over data and critical infrastructure: The European data economy is at risk due to its critical dependency on a few foreign actors, notably regimes such as China, which pose a complex security threat. European data, by default, should not be subject to third country laws (e.g. storing restricted, sensitive or confidential data, as for example in the future Customs Data Hub or biomedical and genomic data within biotechnology research). The EPP Group is calling for a complete ban on high-risk foreign devices and technologies from the EU Internal Market and better protection of European critical infrastructure, combining as well as expanding the existing terrestrial, submarine cables and satellite networks, to ensure uninterrupted connectivity, essential for both competitiveness and security. The EPP Group therefore calls for a more effective strategy regarding high-risk vendors to protect our critical infrastructure and strengthen our tech sovereignty. To that end, we also call for the establishment of a Trans-European Digital Network allowing their coordinated planning and development.

3. Apply AI to unlock productivity and innovation-led growth

Europe must accelerate the adoption of AI across all industries, with a strategic focus on sectors where it holds global competitive advantages, such as manufacturing, robotics, automotive, pharmaceuticals, and biotechnology. Geographically balanced targeted incentives and innovation programmes should prioritise these areas to maximise impact and global positioning. The EPP Group urges the Commission to revise the AI Act Implementation Strategy, to ensure a clear, transparent, and timely communication on the expected timelines for the development of the technical standards and implementation guidelines, as well as to outline concrete steps to guarantee decision-making autonomy and operational agility of the AI Office ensuring it is fully prepared to lead on implementation, enforcement, and support for private sector compliance with the new rules.

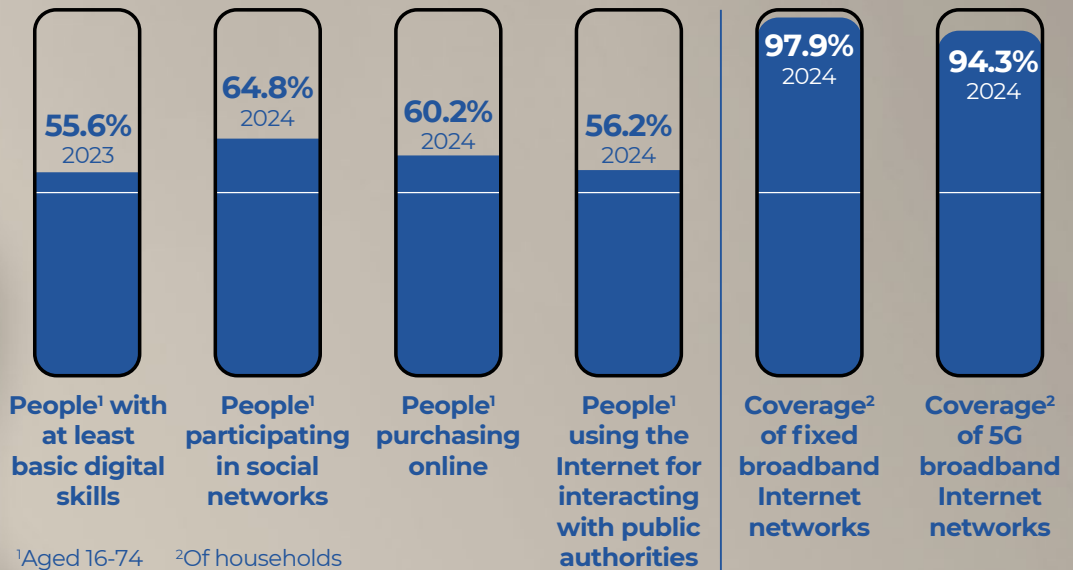
Europe must accelerate the adoption of AI across all industries, with a strategic focus on sectors where it holds global competitive advantages

Percentage of businesses using ICT technologies in the EU





Digitalisation in the EU



Source: Eurostat

4. Capacity building of people and businesses

A Enhance digital education, literacy and upskilling and foster digital talents in Europe: The EPP Group urges the EU and Member States to promote digital education at all levels. We must strengthen digital literacy, media literacy and equip citizens with the necessary skills to navigate a digital future, also by aligning mandatory technology and STEM curricula across the EU with industrial and future labour market needs. We need targeted upskilling and reskilling programmes to help workers adapt to technological change, as well as fostering the growth of digital talent by investing in STEM education, innovation hubs, and industry collaboration. In addition, new programmes for retaining and incentivising domestic digital talent (i.e. stock option framework) and proactively attracting high value-added global talent plugging temporary local shortages (i.e. Blue Card reform) are necessary.

B Promote digitalisation of businesses and society:

The EPP Group advocates for the adoption of digital administrative solutions by default, while ensuring all citizens, including those in remote areas or abroad, can easily access these services. We call for the swift implementation of the eIDAS Regulation to provide Europeans with digital identity solutions, enabling interoperable access to public as well as private services, while allowing them to continue using physical identity cards if they choose. The European Business Wallet should help businesses simplify their interactions with public authorities across the EU, supported by user-centred design, interoperability, and a reduction of bureaucratic complexity. The promotion of digital tools, such as e-invoicing, is often a catalyst for the adoption of other tech like AI and cloud. Moreover, the EPP Group believes that linguistic and cultural diversity must be safeguarded in the digital era, ensuring the presence of all the EU official languages and where possible the inclusion of regional and minority languages in digital systems and AI to protect democracy, equality and Europe's cultural heritage.

5. Redesigning funding and investment mechanisms

A Strengthen existing instruments

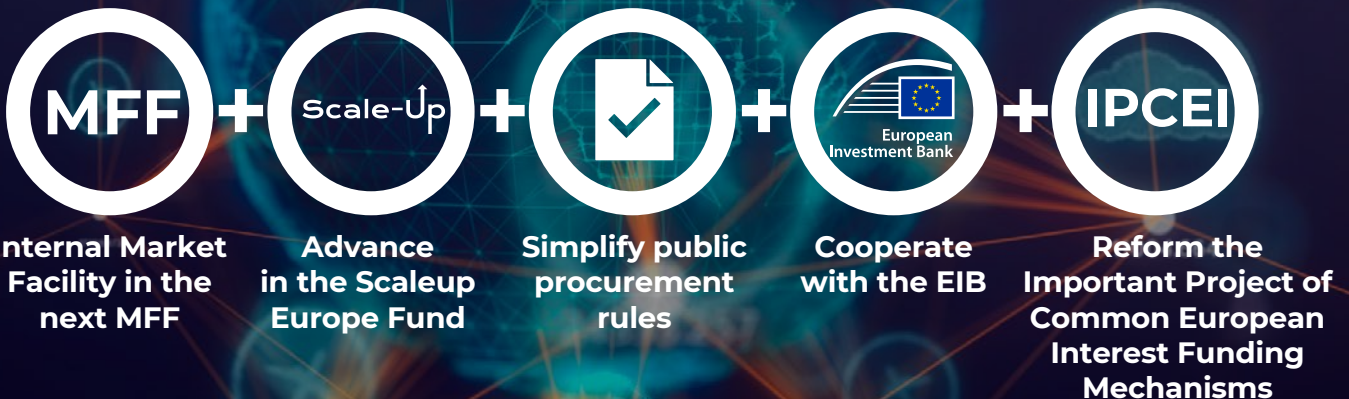
(MFF): The EPP Group calls for an Internal Market Facility in the next Multiannual Financial Framework (MFF) ensuring that resources are prioritised for projects that deepen the Internal Market and drive innovation, the digital transition and developing and applying AI in a geographically balanced way. A clear mechanism should be put in place to ensure alignment between the Internal Market Facility and other relevant funding mechanisms.

B Consider new investment mechanisms (Scaleup Europe Fund):

We also call for the speedy advancement of the Scaleup Europe Fund, by pooling public and private capital to close the scaleup financing gap, particularly in technology areas critical to the EU's economic security.

This includes incorporating dedicated provisions in the current and upcoming MFF to support the creation of a fund built on private market standards, co-financed by European public and private investors, and managed by an independent fund manager. Funding instruments should be designed to specifically support regional clusters, SMEs, and startups across the EU, thereby helping to ensure that ideas and solutions can go from research to market swiftly. In parallel, a clear coordination mechanism should be put in place to ensure alignment between these various instruments and Europe's long-term strategic infrastructure goals—avoiding overlaps, unlocking synergies, and channelling investment where it is most needed.

Key approaches





C Simplify public procurement rules and encourage innovative home-grown solutions in strategic sectors:

The EPP Group supports the use of additional award criteria besides the pricing criteria in order to strengthen home-grown businesses that provide secure and trusted solutions in sectors strategic for the economic security and defence of the Union, particularly in specific, high-impact digital sectors with high dependency on non-trusted third-country providers. Targeted initiatives, such as simplified procurement procedures for SMEs and scaleups, should be explored.

D Completing Savings and Investment Union (SIU):

We need new investment strategies for the tech sector in close cooperation with the EIB. Access to capital markets, especially for high-potential and high-risk ventures, is currently scarce in Europe. Progress on SIU must be made an absolute priority to ensure capital markets can secure the funding needed to grow and scale. We must encourage the diversification of resources by responsibly tapping into retail investors and insurance funds to support homegrown startups and high-tech companies across the Internal Market. The EPP Group is also calling upon encouraging private-sector funding by minimising investor risk through tools such as loan and guarantee programs backed by EU institutions.

E Reform the Important Project of Common European Interest (IPCEI) funding mechanisms:

the EPP Group calls for a simplification and reduction in bureaucracy and focusing on impactful allocations to support the continued development of AI and edge-cloud technology at scale.

6. Strategic international cooperation and diversification

The EU needs to cooperate with trusted partner countries and diversify supply chains where necessary. The EPP Group welcomes the recently concluded digital trade agreements (DTAs) with the Republic of Korea, Japan, Canada, and Singapore and urges the Commission to swiftly secure similar agreements with other partner countries (e.g. India, Australia, New Zealand, Indonesia, Thailand, Malaysia as well as African and South American countries). We reiterate the importance of finding a permanent solution to the e-commerce moratorium, and welcome ongoing efforts by the JSI on e-commerce, to find multilateral rules that allow the free flow of data across borders. The EPP Group also supports the revival of the Trade and Technology Council (TTC), which previously served as a strong platform for exchange of digital practices and areas of transatlantic cooperation; in this context also calls on advancing dialogue under the TTC between India and EU.

7. Trusted technology ‘Made in the EU’ as a unique selling proposition

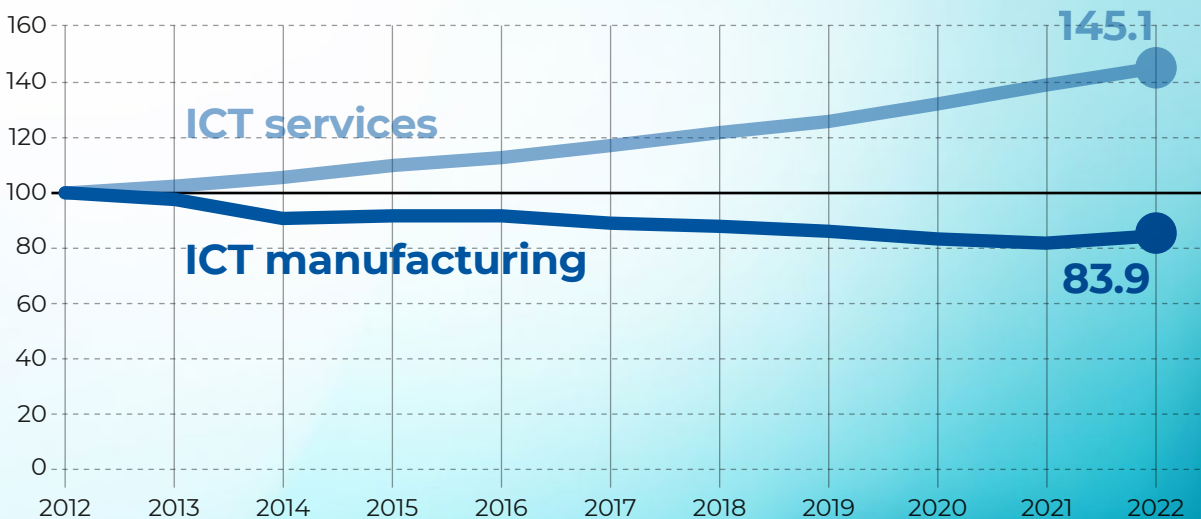
Trusted technology ‘Made in the EU’ positions Europe as a global leader in high-quality, trustworthy, secure, sustainable digital solutions. This offers a unique competitive advantage based on trust, transparency, and democratic values. Accordingly, we urge the reduction of administrative burdens and increasing the competitiveness of AI solutions “Made in Europe.” We welcome new initiatives in advancing European research into digital technologies, in particular semiconductors AI, robotics and quantum. We propose continued and geographically balanced support for industry-academia cooperation in AI and other emerging technologies, in particular by promoting innovation-friendly intellectual property frameworks, technology transfer mechanisms, and smart licensing schemes that help scale up research results while preserving European IP ownership, as well as the development of relevant European infrastructure, such as European High-Performance Computing centres.

8. Digital infrastructure with defence and cybersecurity

To advance strategic autonomy, the EU must ensure greater integration between digital infrastructure, cybersecurity, and defence policy. Cybersecurity frameworks such as NIS2, the Cyber Resilience Act, and the Cyber Solidarity Act must work in alignment to support secure-by-design standards and avoid regulatory fragmentation. Existing structures such as ENISA and the ECCC must be strengthened, also to develop standardised advanced tools (e.g. tools to detect and neutralise hidden malware). Dual-use infrastructure—like resilient data centres scattered across the EU—is essential for operational continuity in the face of hybrid or wartime threats. The EU should also prioritise investments in military mobility and secure communications, including the urgent and prioritised deployment of space-based capabilities like IRIS², which will provide encrypted services for public and defence use.

Employment in the ICT sector in the EU

2012=100



Source: Eurostat

2. Completing the Digital Single Market (DSM)

The Digital Single Market—especially for services—remains highly fragmented. Europe needs a large-scale initiative to break down barriers and harmonise legislation, jointly owned by Member States and the Commission. European digital champions must be able to scale once across the EU, not 27 times across Member States. Overregulation is one of the primary drivers hindering European companies from developing and scaling digital solutions. The Union must adopt a coherent, cost-based approach that offsets costs imposed by EU legislation.

1. Legislative simplification and harmonisation

A Digital Omnibus: The EPP Group urges the rapid adoption of a comprehensive digital omnibus package that will cut red tape, remove legislative overlaps or contradictions and simplify rules for citizens and businesses, in order to make the EU's Digital Market more competitive and prosperous. Cross-compliance and harmonised definitions can also be considered. Alleviations available for SMEs must be further extended to small mid-cap enterprises.

Overregulation is one of the primary drivers hindering European companies from developing and scaling digital solutions



B Modernisation and simplification of GDPR: The EPP Group urges addressing the fragmented enforcement and different interpretations of the GDPR across the EU and to assess modernisation of the GDPR with a focus on strengthening the risk-based approach and adjusting legal grounds for processing personal data, to meet the needs of EU businesses for innovation and competitiveness on a global scale. The EPP Group calls on the Commission to consider a “GDPR-light” for SMEs, which face a substantial compliance burden.

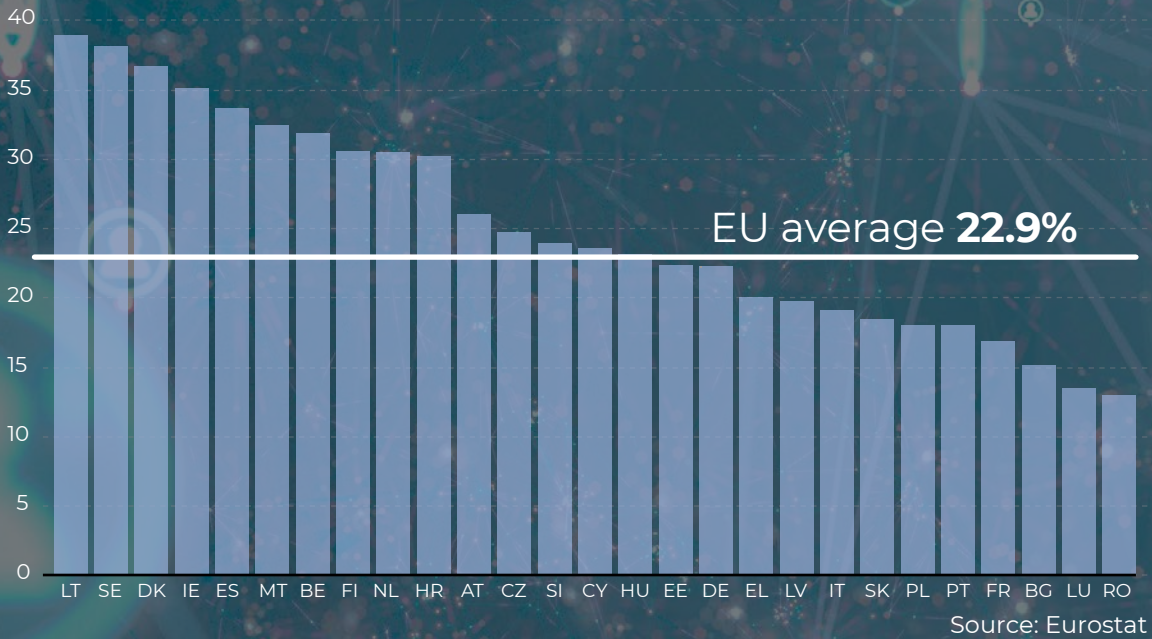
C 28th regime: Create a regime allowing companies to choose to operate and scale under a single, EU-wide legal framework. Establish harmonised rules such as tax exemptions in the first year of activity, lower registration costs, fully digitised, and faster company registration procedures and propose tax breaks for R&D investments to encourage innovation.



Provide subsidies and tax-breaks to companies that voluntarily share data among businesses or SMEs that invest in and research modern technologies. Such a regime should contain harmonised rules for an EU Employee Stock Option Plan (ESOP) to attract and retain top talent and encourage a culture of smart risk-taking. The regime should be introduced as an “opt-in” model, should the Council not find agreement.

D Interoperability, standards and data sharing: The EPP Group calls for the Data Union Strategy to enhance data availability across all sectors by streamlining and simplifying rules for access to data, especially for our research community and industry, while ensuring EU jurisdiction applies to avoid unauthorised access to data by third countries. Enabling the sharing and accessing of large amounts of high-quality data will be crucial to boost innovation and to improve public services. The EPP Group also advocates for the launch of a robust standardisation strategy to ensure that emerging technologies are built with interoperability and regulatory compliance in mind.

E Address compliance burdens, especially for SMEs: The EPP Group calls for reducing compliance costs and strengthening the “once-only principle,” which would streamline compliance with a single designated public authority. To this end, the Single Digital Gateway should be refined into an ambitious EU one-stop shop and regulatory sandboxes and digital innovation hubs expanded. The EPP Group also calls for the introduction of the “One-in-Two-out” principle, ensuring that for every additional euro of cost introduced by new legislation, two euros are offset by reducing costs in other legislative acts within the same policy area.

Businesses making e-sales as % of total businesses, 2023

The EPP Group calls on the Commission to cover the increased supervisory costs incurred by the exponential increase of e-commerce packages

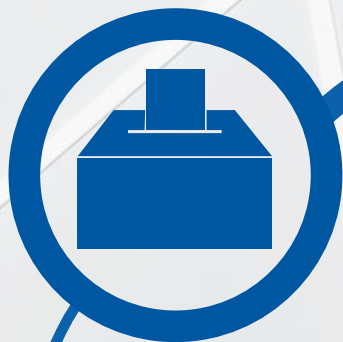
2. Implementation and enforcement

A Fully enforce digital legislation and ensure adequate funding and autonomy for authorities to pursue enforcement: Staffing and financing of the relevant units within the European Commission in charge of implementing the relevant digital legislation should be increased and at least doubled and their operational autonomy should be guaranteed. Accurate determination of the number of users and other criteria are essential to ensure correct enforcement of the DSA for all platforms operating in the EU market.

B Effective enforcement of the DMA in response to the growing dominance of a few global players in cloud computing and AI: We urge the Commission to assess whether certain gatekeepers' cloud computing services should be designated specifically under the DMA. We also call on the Commission to launch a market investigation to assess whether AI services should be added to the list of core platform services.

C E-commerce: The EPP Group calls on the Commission to cover the increased supervisory costs incurred by the exponential increase of e-commerce packages for national customs authorities through a fast introduction of a handling fee and the creation of a European Customs Authority.

3. Protecting European values and democracy in the digitalised world



1. Democracy Shield

We need to tackle coordinated, persistent FIMI operations and campaigns, as well as individual phenomena that are increasingly posing a danger in our digital space, notably the use of fake accounts, bots, and algorithm manipulation conducive to selective amplification of particular political content or candidates to influence outcomes of elections. This is particularly important in light of hybrid threats and the impact of opaque platform mechanisms on electoral processes, which – under the DSA – VLOPs are required to manage through regular risk assessments and the implementation of mitigation measures. Moreover, the impact of online influencers and their level of compliance with EU law must be carefully evaluated. Ultimately, the EU should impose clear liability rules and an environment towards establishing an interactive fact-checked information platform, with continuously updated and diverse scientific information to effectively tackle disinformation and protect a substantive and nuanced right to free speech, along with appropriate governance structures.



2. Foster safe online environment, including for minors

The EPP Group is committed to fostering a safe online environment for consumers and users of all ages. We must particularly protect minors who are exposed to numerous risks, such as cyberbullying, profiling and harmful commercial practices, manipulation, and sexual abuse and exploitation. Trustworthy and privacy-preserving online age verification should shield minors from age-inappropriate content, such as online gambling or pornography.

In addition, we propose that minors under 16 cannot register on social media platforms without parental consent. The EPP Group also calls for highly effective and privacy-preserving age assurance for social media and video-sharing platforms to be introduced.

We also call for prohibiting platforms from incentivising so-called “kidfluencing”. The CSAM Regulation should be finalised, whereby effective and proportionate measures should be taken without resulting in the encryption or security of communication apps being weakened, while respecting the principle of “no general monitoring” under Union law and without introducing data retention obligations in a disproportionate and generalised manner. Algorithms should be required to incorporate safeguards that actively protect minors from harmful content, manipulation, and other online risks.

3. Ensure algorithmic transparency and accountability

We must ensure meaningful transparency, explainability and accountability of algorithms for social media platforms, notably content moderation, recommender systems and online ads with a strong impact on shaping public opinion, through robust enforcement of the Digital Services Act as well as the Artificial Intelligence Act.



4. Uphold privacy, data protection and digital rights

The EU must uphold its standards of fundamental rights in the online space, particularly the right to privacy, the protection of personal data and freedom of expression. At the same time, the EPP Group stresses the importance of fostering the use of data to support the EU's competitiveness. The Commission should strictly enforce the DMA in relation to ad tech obligations to ensure transparency and a level playing field, tackling market distortions caused by Gatekeepers. Online platforms operating in the EU market must abide by and implement applicable EU legislation. The EPP Group calls for valuing EU data as a strategic asset and explore mechanisms to assert greater strategic control over it in ways that benefit European innovation and society, and that fairly reflect its economic value.



5. Protect intellectual property rights

The EU must adapt and strengthen enforcement mechanisms to defend creators' rights and preserve the integrity of creative content in the digital age, in particular by AI tools, ensuring that Europe's cultural and creative industries — which contribute significantly to jobs, growth, and global competitiveness — can continue to thrive in a fair and sustainable digital economy that values innovation and cultural diversity. IP is a cornerstone of Europe's digital competitiveness, economic growth and cultural leadership. The EPP Group calls for a robust and forward-looking European IP Strategy that fosters investment in innovation, protects rights holders, provides legal certainty for users, and ensures the effective enforcement of IP rights – including in digital environments and in response to new challenges posed by Artificial Intelligence.



6. Strengthening independent media and the digital public sphere

The EPP Group affirms its strong commitment to free, pluralistic and independent media as a cornerstone of a vibrant European democracy. We stand for media diversity in the digital age and recognise the vital role of independent journalism and our particular attention and support goes to journalists who are increasingly subject to verbal and physical violence. Initiatives such as the European Centre for Press and Media Freedom (ECPMF) make an essential contribution in this regard — especially in the digital sphere, where journalism is under increasing pressure. Their work to support media professionals, monitor threats and promote media pluralism is a key component of a resilient digital Europe.



7. Operationalisation and coordination

The political objectives listed in this document should be swiftly adopted, which will require a highly coordinated effort within the EPP Group as well as in the EU Institutions. The EPP Group shall appoint a group of Members to lead this coordination process.





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