



PRAGUE, 19<sup>TH</sup> OCTOBER 2022

Czech Presidency of the Council of the EU  
President of the European Parliament Roberta Metsola  
President of the European Commission Ursula von der Leyen  
Executive Vice-President of the European Commission Margrethe Vestager  
Executive Vice-President of the European Commission Valdis Dombrovskis  
Commissioner Mariya Gabriel  
Commissioner Thierry Breton

## Joint Industry Letter: EU's Strategic Resilience Requires Openness and International Cooperation in Digital Policy

Dear Czech Presidency, Dear President, Dear Executive Vice President, Dear Commissioner,

As industry associations active in Europe representing a wide range of companies of all sizes that either deliver or rely on digital solutions to grow and innovate and stay globally competitive, we, the undersigned, welcome that the Czech Republic designated “strategic resilience of the European economy” as one of the main priorities<sup>1</sup> for its Presidency of the Council of the European Union, and identified “deepening of free trade with democratic nations in the world” as essential to its achievement.

International cooperation in the field of digital policy is essential. EU Member States and companies rely on integration with other economies for the supply of data and digital services. Recent efforts to build “technological sovereignty” in Europe and wean itself off the dependence on technologies and companies from other parts of the world have negative consequences for the EU. A trusted partnership with international and democratic partners, such as the USA, Canada, UK, Israel or Japan, in trade, technology and investments is critical for joint economic and security leadership, as well as for safeguarding and advancing shared democratic values.

In the current security situation in Europe, new protectionist measures adopted without any previous wider political discussion could undermine economic growth in the EU and our ability to cooperate and build strategic resilience. Such measures could also disrupt our relations with strategic partners and thus cause countermeasures in the form of trade restrictions.

Following this further, we have identified four main risks that shall be considered: (1) **Ensuring growth opportunities for European SMEs** that are relying on tools and services provided by their non-EU partners and platforms (e.g. ability of European start-ups to scale up and compete with U.S. or Asian start-ups). (2) **Negative impact on European research.** Researchers in STEM will have less access to cutting-edge technology that is developed in more advanced markets. (3) **Less benefit for European users and consumers.** The current approach risks impeding innovation and solutions available to European consumers, and – more importantly – impact on economies across the EU. (4) **Long-term effects of protectionist measures on the EU economy**

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<sup>1</sup> “The COVID-19 pandemic and Russian aggression vis-à-vis Ukraine [...] has shown that the EU must drastically reduce its dependence on hostile or unstable regimes [...], however, striving for full self-sufficiency does not seem to be immediately viable. In order to strengthen strategic resilience, targeted support for technological competitiveness based on own production capacities, together with the deepening of free trade with democratic nations in the world, is essential.”



**and the costs for individual Member States.** There are economic differences between Member States; in general, smaller and open economies may be disproportionately affected by the adoption of protectionist measures and new regulatory burdens in comparison with larger Member States. This could negatively affect the competitiveness of the whole of Europe.

We therefore call on you, as representatives of European co-legislators and national policymakers, to:

### **1. Maintain competitiveness on the Single Market**

The Single Market is the EU's biggest asset for supporting economic growth while also contributing to peace and prosperity. Continuing to remove barriers inside Europe can make a significant difference for European businesses, in particular SMEs. At the same time, digital policies that make Europe more inward-looking will affect capacities to exploit these advantages. Restricting access to the Single Market to non-EU businesses in the name of European sovereignty may bring adverse effect in international trade, and distort the market's competitiveness. The EU digital economy is not only an import market but – equally – an export market. **The EU should focus on easing the burden of companies when doing business in the Single Market, including facilitating better access to digital goods and services regardless of where the provider is based. This will support the scale-up and international competitiveness of the EU SMEs in particular that constitute the backbone of the European economy.**

### **2. Ensure Impact Assessments are fully respected**

In line with the EU's Better Regulation Toolbox, policy and legislative initiatives should be subject to proper Impact Assessments. In addition, where possible, the EU should encourage the use of testing in a regulatory sandbox. **We urge the Commission to ensure an open, responsible and fair legislative process by adhering to thorough Impact Assessments.**

### **3. Deliver concrete results via TTC and extend the approach for the collaboration with other global partners**

We are pleased to see that dialogue on important digital issues has been opened on the platform of the Transatlantic Technology Council (TTC). This is an important milestone. However, **we urge the Commission to bring concrete tangible results from TTC working groups, e.g. on standardization, joint collaboration in groundbreaking technologies as well as preventing new market barriers and implement them into practice.** If successful, we believe that a similar platform could be created also for other partners, such as Asian democratic and open economies, to promote technological dialogue with the EU.

We call on European leaders to ensure that European strategic resilience is based on wide and open cooperation with strategic partners who share the same European values. It is essential to ensure that European legislation does not introduce discriminatory measures that would harm the long-term image of Europe as a competitive and innovative economy with business-friendly environment. We are ready to engage for a stronger and more resilient future for Europe together.



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