

Brussels, 13 February 2020

**SUBJECT: DIGITALEUROPE and 23 national digital associations call for an EU budget fit for the digital age**



Dear President Michel,

On 20 February you will gather European leaders in Brussels for an extraordinary summit on the EU budget. These discussions will define the EU's role in the world for years to come. The budget is the single most powerful tool to advance the digital transformation of our society, enhance our future prosperity and achieve climate neutrality in Europe.

Sadly, looking at the current proposal for the EU budget, the money allocated to digital is limited to around 3%. We urge you to consider our recommendations in this letter for the EU budget to ensure it will meet Europe's digital ambitions.

Let us look at the facts:

- ▶ Digital companies grow two and a half times faster than non-digital companies. However, over half of citizens need to gain new digital skills in order to do their jobs<sup>1</sup>.
- ▶ Artificial intelligence could add €3.6 trillion to Europe's economic growth by 2030<sup>2</sup>, but right now the US is investing 4 times more than the EU, and China is investing twice as much.
- ▶ Digitally enabled industries could enable a 20% reduction in global CO2 emissions<sup>3</sup>.

<sup>1</sup> World Economic Forum, The Future of Jobs Report, 2018

<sup>2</sup> "Innovation in Europe: Changing the game to regain a competitive edge", McKinsey, October 2019

<sup>3</sup> #SMARTer 2030, GeSI & Accenture, 2015

In order to compete globally and create good, well-paying jobs, companies need a European market in which they can grow quickly. This means focused investments to drive our digital transformation, in areas like data, 5G, artificial intelligence and high-performance computing. To empower our citizens and boost our poorer regions, we need to make sure they have the necessary skills for the jobs of the future. To deliver on the ambitions of the European Green Deal, we need to focus on digitalising our most energy intensive industries.

In short, **we urgently need to boost investment in infrastructure and skills to allow our digitally enabled companies to flourish and help us to sustain the European way of life.**

We need to build on the Horizon 2020 programme's successes and be more effective at using research and development funds to support our digital ambitions. However, the outlook for R&D is long-term and the impact will only be felt by citizens in 10 to 30 years. That is too late. We need investment now to support continent's innovators and job-creators.

The Digital Europe programme proposed by the Commission is a good start. For the first time, money has been earmarked for building up our digital capabilities. This will help drive the short-term development and adoption of important digital technologies. Nevertheless, €9.2 billion is very little when compared with other 'traditional' spending areas.

We at DIGITALEUROPE urge EU leaders to:

- ▶ **Increase the share of the EU budget spending on digital transformation to 10%.**  
It is currently around 3%.
- ▶ **Significantly expand the Digital Europe programme from €9.2 billion to €25 billion** to maximise the short- and medium-term impact on skills, AI and SME digitalisation across the EU.
- ▶ **Integrate digital across the Horizon Europe framework programme** for research.
- ▶ **Earmark specific spending on digital innovation from other funding programmes**, like the Common Agricultural Policy or Cohesion Policy
- ▶ **Increase overall funding on research and development from 2% to 3% of EU GDP.**

To be clear, we are not looking for an increase to the overall budget, but rather a reallocation of resources to those areas that will boost digitalisation and prepare Europe for the future. I look forward to the opportunity to discuss these issues with you further.

Yours sincerely,



Cecilia Bonefeld-Dahl

Director General of DIGITALEUROPE

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## About us:



**DIGITALEUROPE** represents over 35,000 digital companies of all sizes and has 40 national associations across Europe. Our members are committed to helping Europe achieve its digital potential.

## National trade associations that co-signed this letter:

- ▶▶ [AFNUM](#) – France
  - ▶▶ [AGORIA](#) – Belgium
  - ▶▶ [AGEFE](#) - Portugal
  - ▶▶ [Annitec-Assinform](#) – Italy
  - ▶▶ [ANIS](#) – Romania
  - ▶▶ [APDETIC](#) – Romania
  - ▶▶ [APSI](#) – Luxembourg
  - ▶▶ [Bitkom](#) – Germany
  - ▶▶ [CITEA](#) – Cyprus
  - ▶▶ [GZS Chamber of Commerce & Industry of Slovenia](#) – Slovenia
  - ▶▶ [HGK Croatian Chamber of Economy](#)– Croatia
  - ▶▶ [INFOBALT](#) – Lithuania
  - ▶▶ [IT-Branchen](#) – Denmark
  - ▶▶ [ITL](#) – Estonia
  - ▶▶ [IVSZ](#) – Hungary
  - ▶▶ [KIGEIT](#) – Poland
  - ▶▶ [NLdigital](#) – The Netherlands
  - ▶▶ [SEPE](#) – Greece
  - ▶▶ [Syntec Numérique](#) – France
  - ▶▶ [TECH IN France](#) – France
  - ▶▶ [Teknikföretagen](#) – Sweden
  - ▶▶ [Technology Industries of Finland](#) – Finland
  - ▶▶ [ZIPSEE](#) – Poland
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