

# EuroISPA Vision for the new mandate

2024-2029

The World Economic Forum predicts that 70% of the new value created across the global economy over the next decade will be **digitally enabled**. As digital technologies continue to permeate every aspect of economies and societies, their transformative, disruptive, and inherently global nature have elevated the digital realm into a crucial geopolitical issue.

In this rapidly shifting landscape, where Western norms and values face increasing challenges and the international scene becomes more multipolar, the European Union (EU) remains a significant **global player**. However, its influence is under pressure from long-term trends indicating a relative decline in its competitiveness and productivity driven by factors such as economic and demographic shifts.

**Political fragmentation and an incomplete Digital Single Market** are contributing to Europe's lag behind international powerhouses like the United States, China, Vietnam, Brazil, and India.

This new European legislature presents a pivotal moment to reverse these negative trends. To reclaim its competitive edge, the EU must transition from being a "regulatory hyperscaler" to an "**innovation and pro-investment hub**." Enabling genuine innovation, fostering local production capacity, and enforcing fair competition across all Member States will be key in the next five years. This calls for a **shift in regulatory approach** to focus on reaching key strategic objectives instead of preventing theoretical risks.

Achieving this requires a strengthened partnership between policymakers, the European digital industry, private investors, and key stakeholders, including EuroISPA. Indeed, EuroISPA plays a pivotal role in addressing a wide range of complex challenges – from upgrading digital infrastructure to fostering a more attractive environment for tech talent and entrepreneurship across Europe – and stands as a key stakeholder to consult on critical technical matters.

Among the numerous challenges Europe faces, EuroISPA identifies four key issues that stand out:

- 1) fragmentation leading to a lack of scale
- 2) insufficient technology ecosystems
- 3) underdeveloped risk-capital funding
- 4) a regulatory environment that is not sufficiently conducive to innovation and disruption.

As these concerns are vital to the EU's long-term digital competitiveness, EuroISPA is committed to supporting the European Commission in advancing on the following strategic priorities:

### **1. Completing the Digital Single Market**

Addressing the fragmentation of the EU Digital Single Market is paramount. The EU should keep creating continent-wide standards, which will allow businesses to innovate and compete without facing the challenge of navigating different national rules. The EU should aim to reduce harmful regulatory fragmentation where it creates unjustified barriers to entry or scale, while preserving the diversity of national contexts and market needs. Avoiding 'gold plating' is essential, but equally critical is addressing the structural asymmetries, including fiscal advantages granted by certain Member States and disproportionate compliance burdens. A true Digital Single Market must respect subsidiarity, reduce unnecessary layers of bureaucracy, and focus on removing distortions that prevent fair competition and internal growth. Rules must ensure that cross border market entry is less expensive for newcomers and national legislation must be aligned where possible and streamlined drastically through EU law to reduce the costs of compliance.

This might be beneficial to European competitiveness – as outlined by the European Commission on the proposed Single Market Strategy – and is considered by EuroISPA as a preferential approach for upcoming reviews. Concrete examples that would help in this sense and that EuroISPA sees as a necessity, are a uniform European Data Single Market as well as the development of standards and regulation in cooperation with the industry.

### **2. A simplified regulatory environment that supports disruption and innovation**

Today, European companies, especially SMEs, are spending more on compliance than on innovation. To foster growth, Europe needs to embrace regulatory flexibility and simplify the EU acquis, including reducing unnecessary bureaucracy and ensuring effective implementation and enforcement of existing laws. A more supportive regulatory environment will encourage investment in disruptive technologies, therefore boosting European competitiveness. A fundamental shift is required to reduce the regulatory burden, especially on SMEs, and to re-establish the principle of proportionality in the application of obligations. Certain directives, such as NIS2, have introduced requirements that, by designating even small operators with limited infrastructure as "essential entities," risk imposing obligations that may not be commensurate with their actual impact on security. This approach fosters a market for compliance consultants, not a culture of security or innovation. True support for disruption requires fewer, clearer, and smarter rules, combined with strong antitrust enforcement and policies that restore fair competition across Member States.

Hence, EuroISPA welcomes the European Commission's commitment for simplification through the Omnibus proposals as well as the Digital Package, for instance. This nevertheless does not mean that the emerging challenges posed by future technologies should go unnoticed, especially where additional regulation may be necessary; but the need for additional regulation should be critically reviewed and extraterritorial effects always be assessed.

A good balanced approach might be to address 1) simplification by maximising horizontal legislation, 2) simplification or reducing legislative burden by recognising the distinction between consumer and micro/small business services and (large) enterprise services and exempt enterprise services from consumer-protection regulation and 3) the use of industry-led, global standards, especially in a world where supply chain compliance is becoming increasingly important.

### **3. Building a resilient and secured technology ecosystem**

Building robust digital infrastructures is essential to foster innovation and security. The European Union must focus on developing a comprehensive European Digital Infrastructure that supports businesses, startups, as well as emerging and critical technologies like artificial intelligence (AI), quantum computing, and cloud services. This includes focus on platform diversity, service redundancy, cybersecurity and genuine operational autonomy. Investments in critical technologies should be supported by interoperable and transparent solutions that facilitate cross-border collaboration and strengthen Europe's strategic capabilities. Promoting common standards and fostering technological cohesion across Member States will be key to building a robust and future-proof digital ecosystem. Failing to stay competitive in these critical sectors could jeopardize Europe's leadership in traditional industries, such as automotive manufacturing. For example, Europe has been a leader in automotive technology but risks falling behind in autonomous driving if it does not invest in the necessary digital infrastructure. This means creating an environment where private investment in these infrastructures can happen.

In the context of the rising geopolitical tensions and their impact on the sovereignty of the bloc, EuroISPA intends to keep providing its expertise on the upcoming debates on the Digital Networks Act, the Subsea Cable Act as well as on the ongoing Cybersecurity-related initiatives, and reminds that the increasing risk of cyberattacks should not lead to the conclusion that building resilience within the current legal framework requires digital isolation.

### **4. Defending European rights and democratic values**

Europe must continue to champion its values of human rights, data privacy, and democracy. Technology is evolving rapidly and so is the digitalisation of our culture and economy, but rule of law, the right to privacy, and the protection of personal data are

non-negotiable cornerstones of the European project. EU legislation must preserve these rights by design.

EuroISPA remains committed to promoting a safe online environment that upholds fundamental rights of privacy and protection of personal data. This is not possible without clear rules on data access, coherent with CJEU and ECtHR case law, and a firm stance on protecting encryption, especially on discussions around the proposal for a Regulation laying down rules to prevent and combat child sexual abuse. In particular, any attempt to weaken encryption, whether directly or indirectly, must be firmly rejected. The role of the internet is essential to pursue an environment that respects democratic values and defends European rights; creating a safe DNS space is part of this endeavour and primarily tackled through self-regulation (e.g. through global multi-stakeholder bodies such as ICANN). Self-regulation is also relevant in instances such as the important work of independent hotlines.

EuroISPA will contribute to these discussions, notably ensuring that EU legislation is based on the most relevant technical options and does not negatively affect the functioning of the Internet.

## **5. Maintaining openness to international cooperation**

Europe's openness to global trade and foreign direct investment (FDI) is a strategic asset. This openness supports innovation, enhances customer value, and contributes to economic growth. Europe's openness to global trade and foreign investment must be guided by the principles of reciprocity, strategic autonomy, and technological sovereignty. Openness is not a value, unless it delivers balanced benefits and avoids creating structural dependencies. Foreign direct investments should be welcomed only when they contribute to local development, respect EU legal standards, and do not jeopardize Europe's ability to retain control over critical digital infrastructure and data flows. At the same time, as global markets continue to evolve, the EU must leverage trade policies to open new markets and expand opportunities for European firms. By doing so, Europe can continue to benefit from high-quality services and attract investment while driving innovation and enhancing its global competitiveness.

This is why EuroISPA stays committed and open to transatlantic dialogues and to collaboration with actors of the international fora (for example, the Internet Governance Forum, the Council of Europe or the International Telecommunications Union), to actively contribute to position the EU as a pro-innovation, open and dynamic continent.

## **6. Addressing climate change and energy transition**

The EU must reconcile its environmental objectives with the urgent need to restore a competitive, stable, and affordable energy supply. Without accessible energy and a strong internal market, sustainability goals will remain unattainable. Any long-term

strategy must start by re-establishing Europe's energy security and industrial competitiveness as preconditions for feasible decarbonisation.

This is why EuroISPA will continue to stress the key role of digital technologies and infrastructures in making the green transition a reality and achieving greater sustainability. In this context, recognising the need for a uniform application of European sustainability standards is essential, especially in a future where the transition to climate-friendly practices must go hand in hand with staying at the forefront of technological developments. Data centres serve as a compelling example in this context, as they are both critical enablers of digital infrastructure and significant contributors to energy consumption. Their role in the climate-friendly transition is therefore twofold: on one hand, they support the digital transformation, essential step to achieving sustainability goals; on the other, they highlight the need for stringent energy efficiency standards and the adoption of greener technologies to align with the EU's climate objectives.

By addressing these strategic priorities, EuroISPA and the broader European digital sector can help the EU navigate the complexities of the digital age and ensure its position as a global leader in innovation, competitiveness, and sustainable economic growth.

Our membership renews its support and collaboration with EU institutions, agencies and governments to shape sound public policies towards growth and responsible innovation.