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An International Digital Strategy for Europe

Aligning the EU's Digital Policy Ambitions Globally

Guiding Principles

In an era where digital technologies shape global influence and control over data, infrastructure, and standards defines strategic power, a guiding International Digital Strategy is essential to protect European democratic values and strengthen our economic resilience. Bitkom, therefore, highly welcomes the European Commission's initiative to set out its international digital policy efforts in a holistic approach to represent its interest on a global stage. Europe should not only support international rules, fair competition, cooperation, and free trade, but also actively uphold these values and build new strategic partnerships.

To be effective, the strategy should pursue the following key objectives:

Boost Competitiveness: Strengthen Europe's digital economy by streamlining regulation, ensuring legal clarity, and facilitating secure cross-border data flows.

Defend Multilateralism: Promote free, rules-based trade and counter the emergence of fragmented digital ecosystems that divide the world into isolated spheres with conflicting norms and standards.

Ensure Security and Resilience: Our digital infrastructure as well as institutions must be secure and resilient in the face of crises, with strong protection against cyberattacks. To combat international cybercrime, the European Union should take a leading role in fostering international collaboration.

Leverage Digitalization to Advance Sustainability: Digitalization must contribute to climate protection, help achieve climate targets and foster more sustainable economic practices globally.

Attract Global Talent and Drive Innovation: Position European research institutions and digital programs for global success, making Europe a magnet for the world's best talent.

Furthermore, the strategy should build on existing national-level international digital strategies to avoid duplication or contradiction. A well-aligned European strategy will enhance digital sovereignty - not as a move toward isolation, but as a means to preserve Europe's ability to act autonomously and to secure access to critical technologies. If grounded in the right priorities, the International Digital Strategy can become a cornerstone for deepening international cooperation, advancing global digital governance, and reinforcing Europe's competitiveness.

Areas of Action

In order to achieve the objectives outlined above, the International Digital Strategy should focus on the following strategic areas of action:

Upholding Free and Rules-Based Trade: Global trade and stable value chains are fundamental to the success of Europe's digitally connected economy. The recent surge in protectionism and deliberate violations of international rules threaten the foundation of free and rules-based global commerce. In the end, it is businesses and consumers who bear the consequences. Bitkom supports open and fair trade based on clear rules, low and consistent tariffs, and the removal of non-tariff barriers. Protectionist measures, especially unilateral tariffs, such as those currently imposed by the United States, undermine these principles and jeopardize the stability of global trade.

Each EU member state has a clear interest in responding to trade provocations collectively, rather than individually. Reciprocity should be the guiding principle of European trade and customs policy, applied consistently to all partners. This means making mutual concessions, considering cross-sector impacts, and ensuring non-discriminatory practices. Even when faced with unilateral escalations, any response should reflect the nature of the original measure. Europe needs to act decisively, but with a sense of balance. It should not give in to the temptation of protectionist countermeasures that go beyond what is reciprocally justified. The goal must be to break the cycle of escalation, not to intensify it.

Additionally, Europe must build new partnerships with trustworthy alternatives to diversify its trade networks and reduce dependencies. Diversifying European trade relations should be a top priority, as this strengthens Europe's digital sovereignty and economic competitiveness. New free trade agreements can provide valuable opportunities to broaden and deepen these connections. Such agreements, for example with countries in Asia or Latin America, should not merely reaffirm existing WTO rules. They should also include provisions for digital services, e.g., in the form of Digital Trade Agreements, the reduction of non-tariff trade barriers, and technical standardization.

Ensuring Security and Resilience: In 2024, theft, industrial espionage, and sabotage caused damages to German businesses totaling €266.6 billion.[1] Small and medium-sized enterprises (SMEs), in particular, remain inadequately prepared for cyberattacks and are especially vulnerable due to the ongoing shortage of skilled professionals. They also face considerable challenges in complying with increasingly complex regulatory requirements. Public administration and political institutions are also at the center of attacks, which not only seek financial gain but also aim to undermine our democratic systems.

The EU has taken great efforts in putting regulation in place such as NIS2 and the Cyber Resilience Act. It must now ensure their unbureaucratic and effective implementation. The goal should be heightened security and not heightened administrative burdens. This is particularly true for SMEs, which require practical

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[1] Bitkom. 2024. Wirtschaftsschutz 2024.

support in meeting the new requirements. To combat international cybercrime furthermore, the European Union should take a leading role in promoting international collaboration and further develop its cyber foreign policy. Regulation should be harmonized with international standards to ensure interoperability, reduce compliance complexity, and strengthen Europe's role in global cybersecurity governance. Strengthening cooperation with international security agencies, as well as enhancing collaboration among European security authorities, is essential. Additionally, research into software vulnerabilities must be intensified, alongside a broader investment in cybersecurity research.

Increasing Data Availability by Enabling Trusted Data Flows: Data-driven innovation depends on access to domestic and cross-border data. To promote competitiveness while ensuring data protection, international data transfers must be designed to be permanently legally secure, even in the face of new court rulings. This applies to personal data but also sensitive non-personal business and public sector data. Europe must therefore proactively seek and support international partners for data sharing on the legislative level and increase cooperation on the enforcement level. This requires proactive engagement, removal of data localization requirements where such exist here and abroad, integration of data transfer regimes in Free Trade Agreements, as well as shared practices on technical and organizational measures. In addition, global minimum standards for data processing and an international data transfer framework - for example, within the OECD or G7 - are essential to bridge different jurisdictional paradigms. The protection of personal data, trade secrets as well as public sector data plays a crucial role in this context. It must be strengthened, internationalized, and effectively enforced. To support this, Europe should pursue the gradual Europeanization of supervisory structures, enabling the EU to negotiate from a stronger position with a harmonized and efficient framework for data flows.

Promoting Global Norms, Standards and Governance: Standardization has both strategic and industrial policy dimensions. Currently, the world risks fragmenting into separate technological spheres. The European Union must support and actively promote the system of standardization and norm-setting. Strategic initiatives such as the European High-Level Forum on European Standardization foster dialogue between academia, industry, and policymakers. These initiatives must be funded through to implementation at both the European and international levels - without being hindered by overly complex procedures.

Standardization and norm-setting should be a core component of funding strategies for key technologies such as artificial intelligence, quantum computing, smart grids, 6G, autonomous driving, and semiconductors. The existing system should not be used as a tool for enforcing political goals. The creation of high-quality norms and standards requires expert discussions within standardization bodies that focus on technical matters and reach consensus based on expertise. European norms and standards will only remain trusted and of high-quality, and therefore globally relevant if they are the result of a technical, not political, debate. Therefore, the existing system built on the public-private partnership between standardization bodies and government institutions, and the link to international standards should be reinforced.

Moreover, it is crucial to raise international awareness of EU regulations once they are in place. The EU should actively promote its regulatory models and work to encourage

partner countries to adopt similar approaches. The goal should be to contribute to a more coherent global regulatory environment for business.

Shaping Artificial Intelligence on a Global Stage: Artificial Intelligence, more than any other technology, will revolutionize our society as a whole - transforming everything from the way we work to how we communicate, make decisions, and interact with the world around us. Europe must actively participate in this pivotal stage of shaping responsible and human-centered AI development and deployment. To this end, international fora such as the G7, G20, OECD, and the Hiroshima AI Process should be actively utilized to develop interoperable standards and promote European values.

The AI Act will set international standards as the first comprehensive regulation for this transformative technology, impacting both European and global companies. However, it is important to reduce the bureaucratic costs associated and regulatory uncertainties with the AI Act and to achieve a more effective balance between promoting innovation and regulating artificial intelligence, while ensuring the protection of fundamental rights.

Closing the Global Digital Divide: Access to the internet and adequate digital skills are questions of global justice. A key objective of European development cooperation must be to help close the global digital divide. To make these efforts more effective, development cooperation and economic promotion tools must be more closely aligned.

This is because the goals of development cooperation and economic promotion often overlap — for example, in areas such as secure networks, training of skilled professionals, and fostering equitable economic partnerships. A better integration of efforts could be achieved by aligning initiatives such as the Global Gateway more closely with private sector needs.

Protecting Freedom of Expression Online: An increasing number of authoritarian states are using digital technologies to suppress democratic movements and minority groups. Tools of repression include unjustified data localization requirements, biased content moderation, and targeted internet shutdowns. Whenever such measures fall outside a democratically negotiated and proportionate framework, the European Union should address these issues in cooperation with its international partners. The goal must be to protect minorities and uphold human rights.

Fostering Innovation Through Global Research Networks: Innovation increasingly emerges from global networks. To ensure that Europe remains a world leader in research and successfully translates knowledge into practical applications, the international digital strategy must also provide clear guidance in this area. It is essential to consider the full spectrum of research networks, including businesses, research institutes, universities, and colleges. Investing in research and development of new digital technologies, in cooperation with international partners, will furthermore allow Europe to remain competitive, while also strengthening its digital independence. In times in which the validity of independent academia is questioned, the EU should remain firm in its support of free science, including in the digital and technological sphere. International research collaborations on dual-use technologies should be enhanced with trusted partner countries. Strengthening academic exchange through study partnerships and mobility programs is equally important. Above all, research policy should be understood as an offer of cooperation to international partners.

Leveraging Digital Technologies for Sustainability: Sustainable digital technologies can play a vital role in achieving global climate targets. At the same time, their ecological footprint can be further reduced through the establishment of global standards, ensuring that the net balance between CO_2 reduction and emissions continues to improve. An effective international digital strategy should address both aspects: promoting the global rollout of sustainable digital technologies — for example, through export support and international knowledge sharing — and advancing the development of a common global framework for fair competition. The European Union's sustainability requirements for digital products represent a key contribution to climate protection. However, it is crucial to ensure that these regulations do not merely shift production to countries with lower sustainability standards. The international digital strategy should therefore include two key commitments. First, the European Union must ensure that its digital sustainability standards are upheld in the context of international economic relations, including trade agreements. Second, trade relations must not be excessively restricted as a result.

Attracting Talents to Europe: Europe must attract and retain skilled IT professionals to remain competitive on the global stage. According to a study by Bitkom, there will be a shortage of around 663,000 IT specialists in Germany alone by 2040 if policymakers do not take decisive action. In order to even begin to meet this demand, immigration of skilled workforce is also essential.

Establishing an EU Talent Pool bringing together jobseekers from third countries and employers in the EU and simplified procedures for the mutual recognition of professional qualifications from third countries can help to reduce the talent gap. Becoming a magnet for the brightest minds is critical to Europe's digital competitiveness. Europe's initiative «Choose Europe for Science" to present the continent as a safe haven for free and independent research is a step in the right direction.

Cross-border opportunities to learn, research, and work should be strengthened through agreements with international partners. Facilitating international mobility, including remote work, will help make Europe more attractive to global talent. This includes coordinating social security systems in international partnerships and establishing OECD-level criteria to determine when cross-border remote work does or does not create a permanent establishment for income tax purposes.

Bitkom represents more than 2,200 companies from the digital economy. They generate an annual turnover of 200 billion euros in Germany and employ more than 2 million people. Among the members are 1,000 small and medium-sized businesses, over 500 start-ups and almost all global players. These companies provide services in software, IT, telecommunications or the internet, produce hardware and consumer electronics, work in digital media, create content, operate platforms or are in other ways affiliated with the digital economy. 82 percent of the members' headquarters are in Germany, 8 percent in the rest of the EU and 7 percent in the US. 3 percent are from other regions of the world. Bitkom promotes and drives the digital transformation of the German economy and advocates for citizens to participate in and benefit from digitalisation. At the heart of Bitkom's concerns are ensuring a strong European digital policy and a fully integrated digital single market, as well as making Germany a key driver of digital change in Europe and the world.

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