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A call from the digital frontrunner industries of Europe to enable the full competitive potential of our economy through digital excellence and open trade

Digital transformation, innovation, and adopting cutting-edge technologies are essential for Europe's economic growth and social prosperity. They support other industries in adopting new technologies and attracting investment, which is especially important for the rapidly developing digital sectors of Central, Eastern, and Southern Europe. To maintain this progress and ensure long-term competitiveness, **the European Union must remain committed to trade openness with like-minded countries**, such as e.g., United States, South Korea, Israel or Singapore. **This openness should constitute the foundation of achieving open strategic autonomy**, allowing European entrepreneurs to benefit from global markets while also protecting our own values and interests. **As members of CEE Digital Coalition together with Adigital we hereby call upon the Spanish Presidency of the Council of the European Union and the European heads of state to safeguard this principle which is a fundamental pillar of our regions' competitiveness.**

Leadership in digitalization and new technologies in its current stage of evolution will determine the role of the European Union globally. The reality is that, in general terms, our continent did not lead the first stage of development of digital innovations. In order to lead and grow in the following years, **we must stimulate start-ups, scale-ups and large companies to grow and invest in technology and innovation.** This will, in turn, encourage

these innovative companies and investors from other non-EU countries to consider Europe as a strategic territory to develop their innovations generating know-how and technologies. **Fostering these digital technologies has a positive impact on one of our economic strengths - the sphere of digital services, which must be one of the essential avenues of action for the open strategic autonomy.** In that context, we foresee the need to accelerate and encourage the development and adoption of new information and communication technologies with a non-protectionist approach. If Europe wants to be a leader in digital services, now and in the near future, we need to collaborate with both EU and non-EU organizations that develop information and communication technologies and services, with the aim to attract talent and smart investment to Europe. This requires more than an open approach, **especially in the case of Spain, we need to improve our European digital single market to achieve economies of scale and define interrelations and alliances beyond borders to have global investors and digital companies investing in our territories.**

The role of digitalization as a key driver of CEE economies is also beyond question, as shown by a wide body of research. The [latest data](#) regarding the CEE countries from the Three Seas Initiative, shows that **the region's ICT sector's value added has amounted to nearly 5 percent of Three Seas countries' total GDP in 2020.** The sector also provides 1,64 million jobs across the Initiative. The region's vibrant digital ecosystems are already driving innovation, setting global e-governance standards and attracting venture capital investment in startups. It is beyond doubt that **Central Eastern European countries are among the fastest growing digital economies globally.** Three Seas ICT sector's value added is approximately 73 billion USD in 2023 ([PIE 2023](#)). According to an earlier report, the digital economy could secure up to 206 billion EUR in growth in Central Eastern European countries by 2030 ([McKinsey 2022](#)). Nevertheless, this progress will not be achieved without further investment, also in artificial intelligence, which has the potential to create opportunities for further growth and increased competitiveness of the region. According to estimates **as much as 160 billion EUR needs to be invested in digital infrastructure alone in the Three Seas countries by the end of the decade** (PIE 2023).

Meanwhile, United States-based investors account for 76 percent of all of foreign investment in European tech companies ([European Unicorn & Soonicorn Report 2022](#)), and **Europe is the top-ranked exporter of digitally-enabled services to the US, and vice-versa, the US is the top exporter of digitally enabled services to Europe.** This technologically-driven integration enables more than \$3.75 billion in goods and services to be traded across the Atlantic every day, with trade and investment supporting more than 16 million jobs on both sides ([AmCham Transatlantic Economy 2019](#)). This illustrates how fundamental the transatlantic trade cooperation is. However, the transatlantic partnership, **the enduring partnership between the United States and Europe, have long been anchored in not just the economic cooperation, but also shared values of democracy, human rights, and the rule of law, which fostered peace, stability, and prosperity on both sides of the Atlantic.** This

technologically-driven economic integration is a key driver of our competitiveness, our security integration and prosperity, especially in a time of increasing global instability.

Looking ahead, we believe that the **United States and Europe should strengthen their cooperation** - including through public-private partnerships in strategic areas - to tackle global challenges and promote shared interests:

- **Industry and Trade:** Reinvigorate transatlantic trade relations will boost economic growth on both sides and promote global economic stability.
- **Climate:** Lead the global fight against climate change by aligning climate policies and supporting the transition to a low-carbon economy.
- **Energy and Automotive Industry:** Joint investments in electric and autonomous vehicle technologies can drive economic growth and address energy and climate concerns.
- **Technology:** Cooperation in tech innovation and cybersecurity can address global challenges and promote technological advancement.

The members of the CEE Digital Coalition together with Adigital are united in their strong belief that by strengthening the transatlantic cooperation and safeguarding trade openness we ensure further development of the digital sector, while still achieving open strategic autonomy. Informed by the experience of the pandemic, economic downturn and global trade tensions, the digital pillar is a vital factor for regional growth more than ever, and we remain committed to ensuring that our sector continues to drive economic growth and overall benefits to the society.

***Adigital** - Asociación Española de la Economía Digital (Spain)*

***American Chamber of Commerce in Bulgaria** (Bulgaria)*

***APDETIC** - Association of Producers and Dealers of ICT (Romania)*

***CEA** - Croatian Employers' Association (Croatia)*

***Digital Poland Association** (Poland)*

***Confederation of Industry of the Czech Republic** (Czechia)*

***DNA** - Digital National Alliance (Bulgaria)*

***INFOBALT** (Lithuania)*

***ITAS** - IT Association of Slovakia (Slovakia)*

***IVSZ** - IT Association of Hungary (Hungary)*

***SAPIE** - Slovak Alliance for Innovation Economy (Slovakia)*