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#### **OUTCOME OF PROCEEDINGS**

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Subject:	Conclusions on European Competitiveness in the Digital Decade - Council Conclusions (5 December 2025)

Delegations will find in the annex the Council Conclusions on European Competitiveness in the Digital Decade as approved by the Transport, Telecommunications and Energy Council at its meeting on 5 December 2025.

**EUROPEAN COMPETITIVENESS IN THE DIGITAL DECADE**

THE COUNCIL OF THE EUROPEAN UNION,

**RECALLING**

- The Decision of the European Parliament and of the Council of 14 December 2022 establishing the Digital Decade Policy Programme,
- The European Declaration of 23 January 2023 on ‘Digital Rights and Principles for the Digital Decade’,
- The Joint Communication from the Commission of 20 June 2023 on ‘European Economic Security Strategy’,
- The Niinistö Report of 20 March 2024 ‘Safer together: A path towards a fully prepared Union’,
- The Letta Report of 17 April 2024 ‘Much more than a market: Speed, Security, Solidarity’,
- The European Council Conclusions of 18 April 2024 on ‘A New European Competitiveness Deal’,
- The Council Conclusions of 24 May 2024 on ‘A competitive European industry driving our green, digital and resilient future’,
- The Draghi Report of 9 September 2024 ‘The future of European competitiveness’,
- The Communication from the Commission of 29 January 2025 ‘A Competitiveness Compass for the EU’,
- The Communication from the Commission of 5 March 2025 on ‘the Union of Skills’,
- The Communication from the Commission of 5 March 2025 on ‘the Action Plan on Basic Skills’,
- The Communication from the Commission of 5 March 2025 on ‘A STEM Education Strategic Plan: skills for competitiveness and innovation’,
- The Communication from the Commission of 9 April 2025 on ‘AI Continent Action plan’,
- The Communication from the Commission of 28 May 2025 on ‘The EU Startup and Scaleup Strategy – Choose Europe to start and scale’,

- The Joint Communication from the Commission and the High Representative of 4 June 2025 on ‘An International Digital Strategy for the European Union’,
- The Report from the Commission of 16 June 2025 ‘State of the Digital Decade 2025’,
- The Communication from the Commission of 8 October 2025 on ‘Apply AI Strategy’,
- The European Council Conclusions of 23 October 2025,

## BUILDING ON

- The Council Conclusions of 21 May 2024 on ‘The Future of EU Digital Policy’,
- The Council Conclusions of 6 December 2024 on the Commission White Paper ‘How to Master Europe’s Digital Infrastructure Needs?’,
- The Council Conclusions of 6 June 2025 on ‘Reliable and Resilient Connectivity’,
- The Council Conclusions of 21 November 2025 on ‘Advancing an International Digital Strategy’.

## **I. Strengthening European Competitiveness with the Digital Decade as a strategic compass for a sovereign digital transformation**

1. STRESSES that strengthening the EU’s global digital competitiveness while safeguarding fundamental rights and EU values is a core strategic objective, critical to fostering innovation, productivity, welfare and prosperity, sustainable growth and economic security across the EU.
2. NOTES with concern that the *2025 State of the Digital Decade* report and country assessments indicate that the EU is not on track to fully meet all of its 2030 targets, particularly in areas vital to digital competitiveness such as AI uptake, SME digitalisation and digital skills. STRESSES the need for accelerated and aligned initiatives and efforts at EU, national and regional levels to address this shortfall, while UNDERLINING the importance of taking national and geopolitical circumstances, and changing technological environments into account.
3. REITERATES that the Digital Decade Policy Programme (DDPP) serves as the EU’s strategic compass for advancing and investing in Europe’s digital transformation, reinforcing its digital sovereignty in an open manner, strengthening its own open digital ecosystem and building long-term digital competitiveness.

4. UNDERLINES the importance of maintaining the DDPP's ambition and coherence, while updating it in a targeted and evidence-based manner to ensure its continued relevance and effectiveness.
5. Looking ahead to the upcoming 2026 review of the DDPP, RECOMMENDS that the Commission seizes this opportunity to reinforce, in cooperation with Member States, the EU's digital competitiveness and sovereignty in a sustainable and inclusive way, thus safeguarding fundamental rights and EU values.
6. RECOGNISES that the achievement of the Digital Decade targets should be supported by an effective, coordinated and strategic use of relevant EU policies and programmes, as illustrated by the Recovery and Resilience Facility and the existing Multiannual Financial Framework (MFF), including inter alia, the Cohesion Policy, Horizon Europe and Digital Europe programmes, and the Connecting Europe Facility – Digital (CEF Digital).
7. NOTES the prominent role of digital transformation, including the DDPP, in the Commission's proposal of 16 July 2025 for the post-2027 MFF, notably through the proposed European Competitiveness Fund and the National and Regional Partnership Plans.

## **II. Digitalisation, data and AI as key drivers for competitiveness**

8. EMPHASISES the central role that the development and uptake of digital technologies, digital skills and talent play in enhancing the EU's digital competitiveness and sovereignty, and STRESSES the urgent need to strengthen the EU's capacity to understand, access, develop, manage, protect and responsibly adopt such technologies and their underlying infrastructure.
9. RECOGNISES the importance of building on the EU's competitive strengths and removing remaining unnecessary barriers in the single market as the foundation for accelerating digital innovation, development and uptake.

10. STRESSES that AI is a key driver of productivity, innovation and quality public and private services across the EU. WELCOMES the Commission's AI Continent Action Plan as a major roadmap for the EU's AI leadership, and REITERATES the commitment of the Commission and the Member States to jointly foster the European AI innovation ecosystem ensuring access to services and solutions across the EU, including by developing and deploying AI Factories, Antennas, Gigafactories and European Digital Innovation Hubs, and by cultivating, attracting and retaining AI talent. UNDERLINES the need for consistent implementation of a regulatory framework that supports innovation and scalability within the single market, while maintaining a high level of protection of health, safety and fundamental rights, as well as respecting rights of third parties, such as intellectual property rights.
11. RECALLS that the EU's global digital competitiveness, digital transformation and AI leadership depend on structured access to high-quality data. In this context, STRESSES the importance of open standards, interoperability solutions and open-source software, and in this context, NOTES the relevance of the European Data Union Strategy.

### **III. An effective, simplified and coordinated regulatory framework**

12. EMPHASISES the importance of a simple, clear, proportionate and predictable regulatory framework for digital and data-driven societies in order to reduce and avoid unnecessary barriers, complexity and compliance costs for businesses, in particular SMEs; to give certainty, enable competition and innovation, while ensuring a high level of protection including for consumers, and building trust in new technologies.
13. NOTES the importance of the Digital Package by the Commission, and RECOGNISES its ambition to reduce unnecessary regulatory burdens, increase coherence and ensure fitness of the EU's digital acquis. COMMITS to allocate its full attention to the Commission's digital simplification proposals in view of delivering swiftly on the shared objective of simplifying and streamlining regulation, including reporting obligations, and facilitating seamless administration and effective enforcement to achieve a competitive single market, while maintaining the key objectives of the digital acquis.

14. ADVOCATES FOR the systematic use of stress-tests of the digital acquis with a strong focus on competitiveness, simplification, coherence and enforcement feasibility. In this context, STRESSES the importance of impact assessments, digital-ready policymaking and the Commission's consistent use of interoperability assessments and the resulting digital statements, in order to clearly communicate digital impact and support more efficient implementation of new EU legislation.
15. EMPHASISES that delivering on the EU's digital ambitions requires the full and coherent implementation and application of newly adopted rules, including through enhanced cooperation and the exchange of best practices among Member States and relevant stakeholders. CALLS FOR more proactive dialogue between relevant enforcement authorities and EU institutions, including through structured forms of cooperation to support consistent and predictable implementation and application. This may be achieved through joint guidance and better alignment of definitions, governance bodies and regulatory frameworks. Possibilities for shared supervision models and digital tools, including interoperable national infrastructures, could also be explored where relevant, involving political and strategic direction from the Member States.
16. STRESSES that digital tools, such as the European Digital Identity Wallets and the forthcoming European Business Wallets, should be well-designed and can play a key role in strengthening the EU's competitiveness by reducing administrative burdens and regional disparities, and by improving the user experience including for businesses and public administrations. STRESSES that such tools should be developed considering comparable state-of-the-art digital solutions with proven use in the Member States and through a use-case-driven approach where there is clear need and added value – particularly for SMEs – and implemented in a way that respects national digital infrastructures, existing well-functioning solutions and best practices and that ensures interoperability. INVITES the Commission to harness the full potential of digital tools as part of its efforts to reach the 25% burden reduction target for all companies and 35% for SMEs set out in the Competitiveness Compass, and to monitor and report, where possible, on their contribution to these reductions.

17. ENCOURAGES Member States to implement and promote the uptake of the European Digital Identity Wallets, ensuring citizens and residents can access services in a safe, reliable, trusted and privacy-preserving manner. UNDERLINES the importance of applying a “wallet-by-default” approach where and when appropriate in upcoming as well as existing EU legislation, with a view to empowering citizens, streamlining digital solutions, avoiding fragmentation, and promoting interoperability. In this context, CALLS FOR fully realising the potential of the upcoming European Business Wallets, and for mainstreaming the use of wallets as well as the Digital Product Passport, eInvoicing and other already established digital tools, to simplify and digitalise business-to-government and business-to-business interactions.
18. Furthermore, UNDERLINES the need for simpler, more transparent assessment of progress towards the EU digital targets and objectives, and for a more strategic and targeted reporting cycle to ensure a stronger focus on the added value of policy, while considering resource constraints in both the Commission and Member States. In particular, INVITES the Commission to reduce duplication in reporting requirements as well as to explore the possibility to decrease the frequency of publication of full country reports, including recommendations, given that policy effects often take time to materialise and may depend on broader synergies. This should not be at the cost of consistent monitoring of progress.
19. RECALLS that the Digital Decade Board is intended to serve not only as a forum for coordination, but also for providing early input and political guidance on Union-level digital policy<sup>1</sup>. ENCOURAGES the Commission and Member States to further develop this strategic role by strengthening the Board’s capacity to support coherent implementation, foster coordination with other governance bodies established under the digital acquis, facilitate mutual learning and best practice exchange, and enable joint analysis and stress-testing of regulation.

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<sup>1</sup> Cf. Commission Decision C(2022) 7141.

#### **IV. Fostering innovation and uptake of digital technologies**

20. ACKNOWLEDGES that long-term European competitiveness depends on a dynamic, innovation-driven digital economy, and STRESSES, in line with the EU Startup and Scaleup Strategy, the importance of improving framework conditions for the development, testing, scaling and uptake of sustainable digital technologies across all sectors.
21. UNDERLINES that this requires a forward-leaning approach rooted in research excellence, regulatory agility, access to capital and talent, and the removal of unnecessary barriers to experimentation, innovation, commercialisation and growth. HIGHLIGHTS the need to effectively bolster the full “research-to-market” pathway for digital technologies and to have this ambition more accurately reflected in the DDPP.
22. ENCOURAGES continued cooperation between Member States and the Commission including through multi-country projects and pooling of resources to support effective implementation of the DDPP.
23. WELCOMES the Commission’s Apply AI Strategy and its sectoral approach to accelerate the development, deployment and integration of trustworthy AI across key sectors, public administrations and the scientific community. UNDERLINES the importance of enhancing opportunities for SMEs and mid-caps, including by ensuring legal predictability, clear guidance and targeted support measures. ACKNOWLEDGES the proposed sectoral flagship actions as well as the Frontier AI Initiative and the revision of the European Interoperability Framework.
24. INVITES the Commission and Member States to implement the Apply AI strategy to foster AI adoption and integration in strategic sectors to strengthen the EU’s digital competitiveness and sovereignty and its own open digital ecosystems. In this context, CALLS ON the Commission and Member States to sustain collective efforts, and to cooperate, facilitate exchange of best practices, develop guidelines and monitor the implementation of this strategy through the AI Board.



## **V. Reinforcing digital sovereignty in an open manner**

25. UNDERLINES the importance of strengthening the EU's digital sovereignty and economic security through a coherent, bold, effective, open, risk- and evidence-based strategic approach. STRESSES that this requires mobilising investments and mitigating strategic dependencies, as well as close cooperation with the business sector, investors, researchers and international partners, including the mobilisation of private capital and expertise, to ensure diversified, secure, resilient and trusted digital supply chains. RECOGNISES that critical digital technologies, including those with dual-use potential, are often interdependent and mutually reinforcing, and that a holistic approach is therefore needed.
26. SUPPORTS greater EU capacity and leadership in development and adoption of critical digital technologies. STRESSES that digital sovereignty equally relies on competitiveness and a strong and well-functioning single market, with fair and effective competition, clear, innovation-friendly rules and better framework conditions for growth. UNDERLINES that this depends on open strategic global collaboration, trade and investment to ensure openness and diversified, secure, resilient and trusted digital supply chains, through reinforced international partnerships and close collaboration with trusted partner countries and international organisations on digital innovation and governance. In this context, EMPHASISES the importance of a common understanding of the fundamental principles of digital sovereignty and its implications for competitiveness.
27. CONSIDERS that such a balanced and open approach to digital sovereignty could be integrated in the DDPP review. To this end, INVITES the Commission to consider reflecting the following elements in the DDPP, with particular attention to key digital areas such as semiconductors, quantum, cloud, AI, cybersecurity and connectivity:
- i. facilitating development of and access to critical digital infrastructure capacities in the EU,
  - ii. enhancing transparency, interoperability and competition, while reducing vendor lock-in and reliance on single providers, including through open standards, open-source and interoperable solutions,

- iii. strengthening access to and uptake of advanced digital skills, in particular among women, to secure and maintain a diverse talent pool in the EU to develop, deploy and harness key digital technologies,
- iv. supporting research, innovation, development and deployment to increase the demand for and market share of EU suppliers, thereby reducing strategic dependencies, including through the targeted use of public procurement where appropriate.

UNDERLINES that the review could present an opportunity to assess the design and implementation of European Digital Infrastructure Consortia in support of the abovementioned elements.

- 28. HIGHLIGHTS that sustainable digital technologies and infrastructure contribute to our climate action while also improving our resilience through energy, water and resource efficiency, and RECALLS the invitation to the Commission to add a target related to a greener digital transition and to incentivise the deployment of innovative sustainable technologies to the benefit of climate action in the review of the DDPP.
- 29. LOOKS FORWARD to a proposal on the forthcoming EU Cloud and AI Development Act, which has the potential to become a key initiative to enhance access to data centres and cloud capacity in the EU and foster a more diverse and competitive cloud landscape, including for SMEs both as users and providers. In this context, CALLS for common criteria for sovereign cloud services, allowing for addressing market transparency and risks associated with dependencies, including extraterritorial effects of legislation adopted by third countries for highly critical use cases.

## **VI. Next steps**

30. ENCOURAGES the Commission to carefully assess whether some of the existing DDPP targets reflect technological, geopolitical, or market realities – such as on edge nodes – and could be adjusted, withdrawn or replaced by new targets, following the political direction given in these Council Conclusions, considering their policy relevance, feasibility of monitoring, availability of data and overall administrative burden. UNDERLINES that any new or revised targets should be based on a user perspective and technology neutrality. STRESSES that targets should be concrete and possible to implement in a simple, resource-efficient and transparent manner.
31. Furthermore, INVITES the Commission to continue its ambitious agenda to simplify the digital acquis, while ensuring that all new legislation, including implementing and delegated acts, are simple, clear, proportionate, predictable and digital by default.
32. LOOKS FORWARD to continued discussions in the Council and the Digital Decade Board on strengthening the EU's digital competitiveness, within the framework of the Digital Decade and beyond.

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