



Council of the  
European Union

Brussels, 2 February 2024  
(OR. en)

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**LIMITE**

**POLCOM 6**  
**COMER 9**  
**FDI 8**  
**RELEX 14**  
**DUAL USE 7**  
**RECH 12**  
**ENER 35**  
**ENV 83**

**NOTE**

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From: General Secretariat of the Council  
To: Delegations

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Subject: European economic security strategy:  
*State of play*  
*Guidance for further work*

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**DOCUMENT PARTIALLY ACCESSIBLE TO THE PUBLIC (20.03.2024)**

Delegations will find in the Annex a synthesis report prepared by the Presidency on the European economic security strategy presented by the Commission and the High Representative in June 2023, providing an overview of discussions held in the Council and its preparatory bodies and considering the follow-up to the strategy.

## I. Background

The Commission and the High Representative published their joint communication on a European economic security strategy <sup>1</sup> on 20 June 2023.

The strategy is intended to provide a framework for an assessment and management of risks to the EU's economic security, to contextualise the implementation of the existing tools (including a number that have recently been put in place), and to identify possible new measures to address gaps that are identified. The communication focuses on minimising risks arising from certain economic flows in the context of increased geopolitical tensions and accelerated technological shifts, while preserving maximum levels of economic openness and dynamism. The communication covers a very broad set of policy areas related to the internal market, industry, trade, and the common foreign and security policy.

The communication identifies the following actions to be taken:

- develop with Member States a framework for assessing risks affecting the EU's economic security; this includes establishing a list of technologies that are critical to the Union's economic security and assess their risks with a view to devising appropriate mitigating measures;
- engage in a structured dialogue with the private sector to develop a collective understanding of economic security and encourage businesses to conduct due diligence and risk management in light of economic security concerns;
- further support EU technological sovereignty and resilience of EU value chains, including by developing critical technologies through a new Strategic Technologies for Europe Platform (STEP);
- review the Foreign Direct Investment Screening Regulation;
- explore options to ensure adequate targeted support for research and development of dual-use technologies;
- fully implement the EU's export control regulation on dual-use items and make a proposal to ensure its effectiveness and efficiency;
- examine, together with Member States, what security risks can result from outbound investments and on this basis propose an initiative.
- propose measures to improve research security to ensure a systematic and rigorous enforcement of the existing tools and to identify and address any remaining gaps;
- explore the targeted use of the Common Foreign and Security Policy (CFSP) instruments to enhance EU economic security including the Hybrid and Cyber Diplomacy toolboxes and the foreign information manipulation and interference (FIMI) toolbox;
- instruct the EU Single Intelligence Analysis Capacity (SIAC) to work specifically on the detection of possible threats to EU economic security;

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<sup>1</sup> ST 10919/23

- ensure that the protection and promotion of EU economic security is fully integrated in the EU's external action and intensify the cooperation with third countries on economic security issues.

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### III. Implementation of the economic security strategy

Since the publication of the strategy on 20 June 2023, the following steps have been taken:

- In July 2023, the Commission established a **group of experts on outbound investment** to assist the Commission in examining what security risks can result from outbound investments.
- In addition, the Commission has organised discussions in the **Industrial Forum** on economic security, to launch a structured dialogue with the private sector to develop a collective understanding of economic security and provide further input.
- On 3 October 2023, the Commission adopted a **recommendation on critical technology areas for the EU's economic security**, to be subject to a collective risk assessment <sup>2</sup>. The recommendation identified four technology areas that are considered highly likely to present the most sensitive and immediate risks related to technology security and technology leakage. These are: (a) advanced semiconductors; (b) artificial intelligence; (c) quantum technology; and (d) biotechnology.
- The **European Council** in its conclusions of 26-27 October 2023, **called for** work to start on **joint risk assessments**, in view of the recommendation on critical technology areas.
- Risk assessments on the four technologies identified in the recommendation on critical technology areas for the EU's economic security are currently ongoing within dedicated technical expert groups<sup>3</sup>, set up by the Commission and including relevant EU Member States and Commission services. These risk assessments, on which the Commission is supposed to report in February, will contribute to informing decisions on whether further action is necessary to mitigate risks of technology security and technology leakage.

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<sup>2</sup> ST 13892/23 + ADD1

<sup>3</sup> Expert group on AI and Digitalisation of businesses; the Informal Quantum Expert Group; EU Semiconductor Board; Ad Hoc expert group on biotechnologies.

- On 24 January 2024, the Commission adopted an **economic security package**, which includes: a chapeau communication on economic security, introducing five new initiatives, a proposal for a review of the Foreign Direct Investment (FDI) screening Regulation; a white paper on export controls; a white paper on outbound investments; a white paper on dual-use research and a proposal for a Council recommendation on enhancing research security.

#### **IV. Handling the follow-up to the strategy in the Council**

Following the adoption by the Commission of the economic security package on 24 January 2024, it is proposed to structure the follow-up in the following way:

- The Working Party on Dual-Use Goods will consider the proposed white paper on export controls and would take note of other initiatives that directly or indirectly relate to dual-use export control.
- The Working Party on Trade Questions will consider the review of the FDI Screening Regulation.
- The Working Party on Trade Questions will also consider the white paper on outbound investments. Where appropriate, it will coordinate with the Working Party on Dual-Use Goods.
- The Working Party on Research will consider the white paper on dual-use research and take forward the Council recommendation on enhancing research security. Where appropriate, it will coordinate with the Working Party on Dual-Use Goods. The Horizontal Working Party on Enhancing Resilience & Countering Hybrid Threats will also hear a presentation of the Council recommendation on enhancing research security.
- Coreper will co-ordinate the overall process, discuss horizontal aspects and prepare for the annual follow-up in the European Council.

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