Shaping Europe's Competitiveness with Artificial Intelligence

Artificial Intelligence (AI) is one of the most crucial drivers of Europe's competitive advantage. This is why the EESC Employers' Group strongly recognises the development of AI in Europe as a significant opportunity. However, this must be done responsibly by identifying and mitigating risks and by involving relevant partners. As AI can deliver concrete benefits across a wide range of sectors, including industry, healthcare, education, science, defence, security, food, services, tourism, commerce and agriculture, the EU must actively promote its advantages to ensure that AI strengthens Europe's industrial base, benefits citizens and contributes to a resilient economy.

Creating the right conditions for businesses

To succeed, Europe needs a supportive and predictable framework for AI.
This means closing the AI adoption gap, especially between large firms and SMEs, as well as between leading and lagging sectors. This can be achieved by:

- Reducing regulatory burden and compliance costs;
- Establishing a new timetable for transparent implementation of the AI Act, involving all relevant stakeholders;
- Strengthening the role of the social partners in the governance of AI deployment.

AI itself can help make better rules, as AI tools can support evidence-based regulatory simplification. By combining a clear methodology with digital instruments, AI can help map, compare, and aggregate regulatory obligations at EU and national levels thus assisting legislators in simplifying existing rules and designing better new legislation. But technology alone is not enough: business leaders must be mentally prepared to adopt AI solutions based on a realistic assessment of benefits, productivity gains, and profitability.

Innovation, investment and sovereignty

If it does not want to lag behind, Europe must move faster from research to deployment. This includes accelerating the implementation of Agentic AI systems, making use, where appropriate, of "soft law" instruments such as codes of conduct. Strategic public procurement also plays a role to stimulate demand for European AI solutions and to strengthen industrial ecosystems. In this context, the next MFF should include dedicated instruments capable of providing the scale, speed, and predictability required for AI infrastructure to develop a sovereign European AI ecosystem.

Digital sovereignty also requires a realistic
assessment of Europe's position. This includes
R&D achievements and its commercialisation,
investments to scaling up innovators, and structured cooperation
with third countries' companies based on trust and respect for EU principles.

Harnessing the potential while mitigating the risks

AI offers substantial potential to enhance productivity, improve organisational performance and support employment across the European economy. To fully realise these benefits, it is essential that societies provide concrete opportunities for all age groups to harness the potential of AI, while anticipating and responsibly managing its human and social implications within the existing EU and national legal frameworks. Attention should be paid to potential challenges related to workforce transitions, the appropriate balance between human decision-making and digital tools in the workplace, evolving forms of work organisation, and the transformation of certain professions.

These challenges can be addressed proactively through forward-looking adaptation strategies. In this context, the EU and the Member States should prioritise the design and implementation of inclusive upskilling and reskilling initiatives, in cooperation with educational institutions and social partners. Such initiatives should focus on developing advanced and future-oriented competences ("Skills 3.0") that enable workers and enterprises to harness generative AI effectively, support the transition towards augmented jobs, and strengthen Europe's competitiveness.

Data training and cybersecurity

AI development depends on data. The EU needs to creates a more enabling environment for AI and Large Language Models training by improving data accessibility while fully respecting privacy and Intellectual Property Rights (IP), avoiding bias and remaining open to reviewing certain GDPR principles. Finally, the EU must tackle the new cybersecurity challenges that generative AI creates. These include advanced social engineering activities, jailbroken models, synthetic media, and data poisoning techniques. To counter all this, the EU should invest in cybersecurity awareness, better policies, and stronger digital hygiene patterns.

Conclusion

Artificial intelligence is a strategic asset for Europe: it can strengthen competitiveness, innovation and productivity across the economy. To fully unlock this potential, the EU should pursue a proactive approach with policies that enable innovation and deployment, while mitigating the risks. This requires the development of simpler and smarter regulation, sustained investment in skills, digital infrastructure and cybersecurity, and close cooperation between public authorities, businesses and social partners. By acting together, Europe can build a trustworthy, competitive and sovereign AI ecosystem that works for companies, workers and society.

Background:
Statistics on Artificial Intelligence

- Around 19–20% of EU enterprises with 10+ employees use at least one AI technology (2024/25), up sharply from 8% in 2023, indicating rapid acceleration of AI diffusion. (Eurostat, 2025).

- More than 50% of large enterprises use AI, compared with fewer than 15% of SMEs, showing a persistent size-related adoption gap. (Eurostat, 2025).

- Across EU countries, AI adoption ranges from 5.21% to 42.03%, with Denmark at 42.03% and Romania at 5.21% (Eurostat, 2025).

- AI adoption increases labour productivity by approximately 4%, driven by capital deepening, with no adverse effects on employment. AI-adopting firms are more innovative and their workers earn higher wages (EIB, 2026).

- Among enterprises that considered but did not adopt AI in 2025, the main barriers were lack of relevant expertise (70.89%), uncertainty about legal consequences (52.52%), and concerns about data protection and privacy (48.83%) [see graph below].
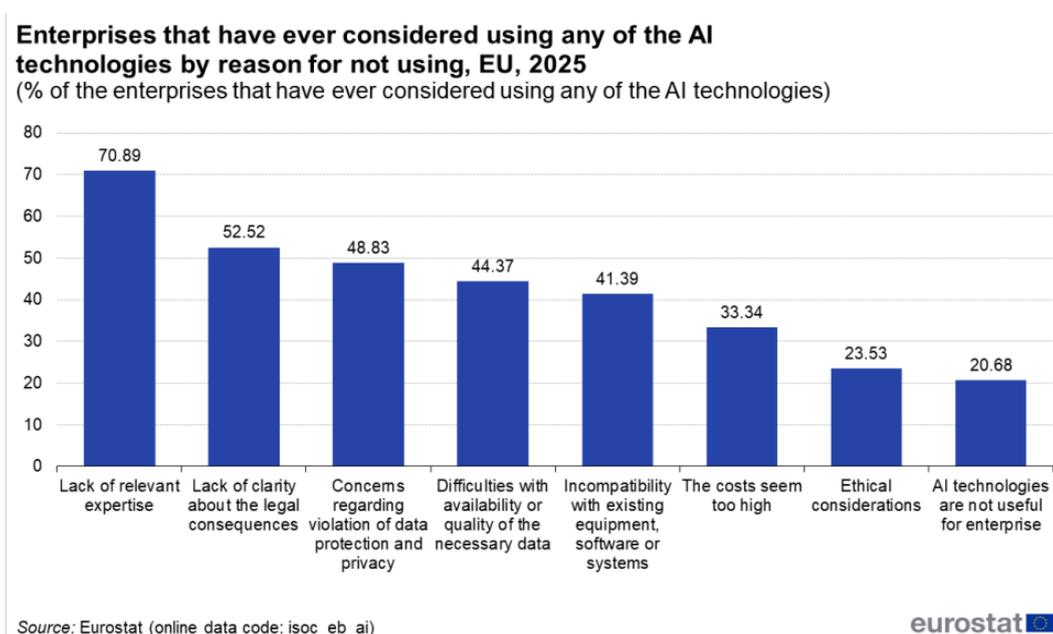

Enterprises that have ever considered using any of the AI technologies by reason for not using, EU, 2025
(% of the enterprises that have ever considered using any of the AI technologies)

Source: Eurostat (online data code: isoc_eb_ai)

Figure 8: Enterprises that have ever considered using any of the AI technologies by reason for not using, EU, 2025 Source: Eurostat (isoc_eb_ai)
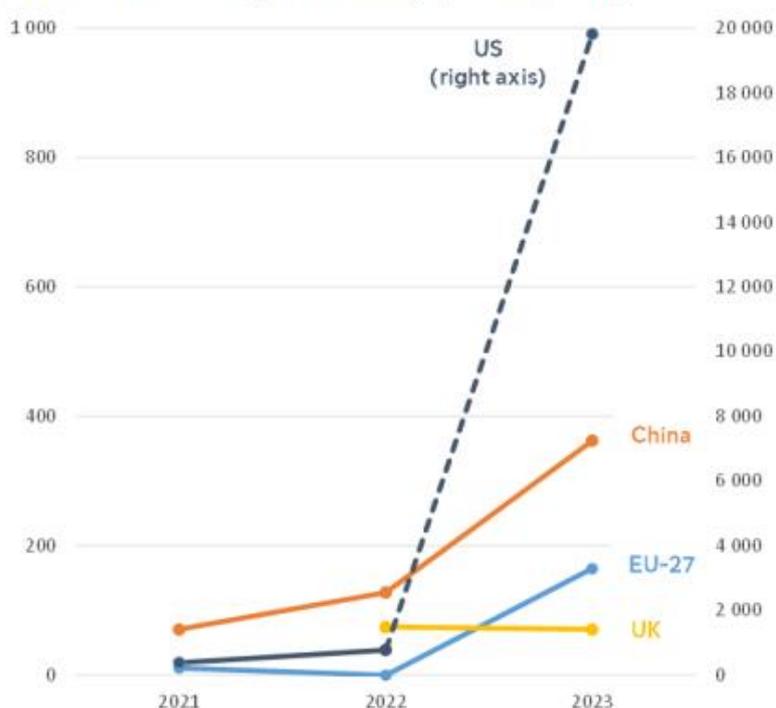
Link to source: https://ec.europa.eu/eurostat/statistics-explained/SEPDF/cache/106920.pdf

- In 2025, 63.8% of young people (16–24) in the EU used generative AI, nearly double the 32.7% adoptionrate of the general population (16–74) (Eurostat 2026).
- The US dominates global AI investment, with private investment over €120 billion (2018-Q3 2023) far outpacing the EU's ~€32.5 billion. US investment is driven by massive venture capital and tech giants, while the EU focuses on regulatory, "human-centric" AI with public funding, causing a widening investment gap. (EPRS, 2024 see graph below).

Figure 2 – Venture capital investment in generative AI by country (€ million)

Source: OECD/Preqin, 2024.