



The European Business Summit 2024 highlighted the critical challenges and opportunities shaping Europe's future competitiveness. With a focus on AI regulation, the green transition, and the digital economy, the Summit emphasised the need for balanced policies that foster innovation while ensuring safety and sustainability. Urgent priorities were also addressed, including the need for updated strategies to tackle the growing issue of water scarcity and the role of digital transformation in driving economic growth, particularly for small businesses. The Summit also emphasised the importance of green financing and industrial transformation to achieve climate goals and ensure economic prosperity. As Europe navigates these complex challenges, collaboration across sectors and effective policy frameworks will be key to securing its competitive edge on the global stage.

## OPENING INTERVIEW WITH ALEXANDER DE CROO, PRIME MINISTER OF BELGIUM

Europe's economic landscape is influenced by its significant purchasing power and innovation capacity, but it faces several challenges, such as limited access to capital and a fragmented defence industry. The political outcomes in the US have a considerable impact on EU policies, underscoring the need for common interests, especially in relation to China. The lack of a unified capital market and existing gaps in innovation are key obstacles that need to be addressed. To navigate these challenges, collaboration and strategic adaptation are essential for Europe to remain competitive in a rapidly changing global economy.

## OPENING REMARKS - ECONOMIC REFORMS AND EU ENLARGEMENT: SYNERGIES FOR SUSTAINABLE GROWTH

Moldova's recent presidential election marks a crucial step in the country's efforts to deepen its relationship with the European Union.

The government has outlined a comprehensive reform agenda focused on improving the business environment, attracting foreign investment, and enhancing living standards, all while managing the ongoing challenges from the war in Ukraine. Key initiatives include implementing favourable taxation policies, fostering an open labour market, and advancing governance reforms to create a more transparent and efficient state.

Additionally, Moldova is shifting its trade focus away from Russia, prioritizing stronger economic ties with the EU. This strategic pivot reflects Moldova's resilience and its determination to integrate further into the European economic space.

## RELAUNCHING EUROPEAN COMPETITIVENESS THROUGH THE GREEN TRANSITION

Revitalising European competitiveness through the green transition is crucial, with a strong emphasis on fostering innovation and ensuring sustainability across industries.

A key challenge in this process is driving technological advancements while also supporting small and medium-sized enterprises (SMEs), which are vital to Europe's economy. Another challenge lies in finding the right balance between stimulating economic growth and meeting environmental goals, particularly in the face of rising energy costs and the pressures of geopolitical tensions. Surplus savings can influence investment decisions, highlighting the importance of creating an environment that encourages long-term investments.

## FIRESIDE CHAT: UNLEASHING EUROPE'S COMPETITIVE EDGE IN THE AGE OF AI AND INVESTMENT

European competitiveness is under significant pressure, as highlighted in the Draghi Report.

One of the key challenges is lower profitability compared to the US, attributed to stringent regulations and high energy costs. To address these issues, improving energy security is crucial, alongside considering deregulation as a means of creating better conditions for investment. Additionally, increasing defence spending is regarded as a vital driver of technological innovation, which can help make Europe a more attractive destination for capital investment. These measures are considered essential for enhancing Europe's competitiveness in a rapidly evolving global economic landscape.



## **FIRESIDE CHAT: GREEN MOLECULES TO FOSTER EUROPE'S INDUSTRIAL COMPETITIVENESS**

Investments in biofuels and hydrogen are essential for positioning Europe as a leader in the green molecule sector, addressing energy demands that cannot be met solely through electrification. These renewable energy sources provide key alternatives to traditional fuels, especially in sectors like heavy industry and long-distance transport.

Clean energy plays a critical role in maintaining Europe's competitiveness on the global stage, particularly against fossil fuel-rich nations. In addition, streamlining subsidy mechanisms for green energy projects is vital for accelerating the transition towards a more sustainable and self-sufficient energy future, making green technologies more attractive for investment and fostering long-term growth. The development of a robust infrastructure to support these technologies will also be crucial in ensuring their widespread adoption and effectiveness.

## **REFUEL EU AVIATION: SAF PROGRESS TOWARDS NET-ZERO**

The EU is making significant strides toward achieving net-zero emissions, with sustainable aviation fuel (SAF) playing a pivotal role in its strategy.

However, the high production costs of SAF and the slow adoption of synthetic fuels within the aviation industry remain major challenges. Addressing these issues requires a robust legislative framework and effective market mechanisms to promote the widespread use of SAF. Advancing innovative technologies and fostering international collaboration will be critical in meeting aviation's decarbonisation goals.

By tackling these obstacles, the EU seeks to dramatically reduce aviation emissions and strengthen its contribution to global sustainability efforts.

## **FIRESIDE CHAT: FOSTERING COLLABORATION FOR AN ACCELERATED ENERGY TRANSITION IN THE EU**

Collaboration between the public and private sectors is vital for achieving a successful energy transition. Insights from COP 29 highlight a sense of optimism and underscore the pivotal role businesses play in driving meaningful change. A strong emphasis on sustainability and energy security is crucial to advancing this transition. The discussion highlighted the importance of resilient energy supplies and the adoption of innovative technologies, including electrification and nuclear energy, to support the shift.

Furthermore, global sustainability standards, such as the Corporate Sustainability Reporting Directive (CSRD), demonstrate a growing commitment among businesses to embrace sustainable practices and contribute to overarching environmental goals.

## **FIRESIDE CHAT: AI REGULATIONS: A THREAT OR A WAY TO INNOVATION?**

The EU's Artificial Intelligence Act is designed to ensure the safe adoption of AI across Europe, with a focus on high-risk applications to mitigate potential harm. As the Act comes into effect early next year, concerns have been raised about its potential to stifle innovation, particularly given the perception that EU companies are falling behind North American firms in AI development.

The legislation aims to strike a balance by establishing quality standards across industries while ensuring fair and equal application of rules to all companies. The challenge lies in regulating AI in a way that promotes innovation without compromising safety and ethical considerations, particularly as Europe strives to maintain its competitiveness in the global AI arena.

A key factor will be finding ways to encourage collaboration between regulators and industry leaders to ensure that the regulations evolve alongside rapid technological advancements.

## **AI REGULATIONS: A THREAT OR A WAY TO INNOVATION?**

AI regulation is critical to ensuring the responsible development and use of artificial intelligence, safeguarding its integration into various sectors while mitigating potential risks. The effective implementation of the AI Act will be essential not only for building trust among consumers and businesses but also for encouraging innovation across industries. Regulations must support a dynamic and competitive AI marketplace, addressing key challenges such as technological complexity, the need for consistent enforcement, and the risk of creating barriers for smaller enterprises.

A balanced and adaptive approach is necessary—one that fosters technological advancement while upholding safety, transparency, and ethical standards. Striking this balance is vital to avoid stifling progress or discouraging investment in AI. By doing so, Europe can create an environment where AI technologies can flourish, driving economic growth, enhancing productivity, and delivering tangible benefits for both businesses and society as a whole.

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## **REWATER EU: HOW TO ACCELERATE EU COMPETITIVENESS THROUGH WATER**

Water scarcity is an increasingly urgent issue, with significant impacts on health, the economy, and the environment. Addressing this challenge requires a revision of EU water management strategies and increased funding for research. Key considerations in this process include raising consumer awareness, improving crisis management, and simplifying regulations to facilitate more effective responses.

Additionally, there is a strong emphasis on the need for water reuse in agriculture, greater investment in water management infrastructure, and a focus on preventing pollution. Encouraging cross-border collaboration will also be essential, as water scarcity often affects multiple regions and demands coordinated solutions. These efforts must align with broader EU policies to ensure sustainable and effective responses to water scarcity across the region.

## **FIRESIDE CHAT: A COMPETITIVE AND RESILIENT EUROPEAN UNION**

Supporting small businesses and improving market access are critical components of driving economic growth in Europe. To achieve this, new legislation has been introduced to simplify VAT processes, making cross-border trade more accessible and efficient. Workforce development is also a key focus, with initiatives aimed at enhancing skills across industries and promoting gender diversity in employment.

However, geopolitical tensions, particularly the UK's exit from the EU, are seen as significant trade barriers that could impact European market dynamics. Despite these challenges, there is a strong commitment to continued investment in Europe, ensuring the region remains competitive on the global stage. Looking ahead, there is a clear emphasis on fostering ongoing conversations about digital transitions, which will be essential for adapting to the changing demands of the global economy and ensuring Europe's future economic resilience.



## **CAN THE DIGITAL TRANSITION FOSTER INNOVATION, SUSTAINABILITY, AND COMPETITIVENESS?**

The digital transition in Europe is focused on driving innovation, sustainability, and competitiveness across industries.

Emerging technologies, particularly AI, are recognised as essential for achieving these goals, with new legislation positioning the EU to take a key regulatory role in shaping the digital landscape. Collaboration between businesses and governments is seen as crucial for ensuring a smooth and effective digital transformation.

A strong emphasis is placed on the role of SMEs, highlighting the need for their digitalisation, investment in cybersecurity, and skills development. Equally important is fostering a culture of innovation within smaller enterprises, enabling them to adopt cutting-edge technologies and contribute more effectively to Europe's digital economy.

These efforts are vital to boosting productivity and ensuring long-term competitiveness in a rapidly evolving global economy.

## **FIRESIDE CHAT: AI AND THE FUTURE OF MANUFACTURING**

Artificial Intelligence (AI) plays a pivotal role in enhancing efficiency and driving growth in the manufacturing sector. AI is leveraged to streamline operations, optimise production, and improve decision-making processes.

However, the adoption of AI comes with challenges, including high implementation costs and regulatory fragmentation, which complicate its widespread use. Additionally, national policies impact innovation, with growing calls for responsible regulation that encourages technological advancement while addressing potential risks, such as ethical concerns and privacy issues. Ensuring that smaller manufacturers have access to the tools and resources needed to implement AI effectively is also critical to avoiding a technological divide within the sector. A balanced regulatory approach is seen as essential to fostering innovation while ensuring that AI technologies are developed and deployed safely.

## **HOW ARE THE EU STRATEGIC PARTNERSHIPS SHAPING GLOBAL CONNECTIVITY?**

EU strategic partnerships are crucial in shaping global connectivity through active engagement and collaboration. These partnerships are strengthened through continuous efforts to deepen cooperation. The EBRD plays a key role in supporting market transitions and infrastructure investments, while the Global Gateway strategy marks a shift in EU development assistance towards more authentic, long-term partnerships. Geopolitical rivalries are a significant factor influencing engagement strategies, as nations adapt to shifting global dynamics.

The role of digital and green transitions in these partnerships is increasingly evident, highlighting the need for shared commitments to sustainability and innovation.

The future of multilateralism is also a focal point, emphasising the importance of sustained collaboration to address global challenges and promote shared prosperity in the coming years.

## **FIRESIDE CHAT: POLICY AND PROGRESS IN THE DIGITAL ERA**

The digital era has had a profound impact on policy and progress, particularly in Europe, where companies have experienced substantial growth. A key topic was the role of regulations, especially the AI Act, in fostering innovation while ensuring safety and ethical standards. The skills gap in AI readiness among companies was also discussed, highlighting the need for investment in workforce development to bridge this divide.

It was emphasised that regulations should be viewed not as obstacles but as opportunities to gain a competitive advantage, even in challenging times. By aligning with regulations, businesses can strengthen their market position and drive technological progress responsibly. Collaboration between governments and private enterprises was identified as a cornerstone for advancing digitalisation while maintaining compliance with regulatory frameworks.

Additionally, the importance of supporting small and medium-sized enterprises (SMEs) in navigating these transitions was underscored, as they are critical drivers of innovation and economic resilience.



## ARE EU TECH REGULATIONS A THREAT TO GLOBAL GROWTH AND INNOVATION?

EU tech regulation plays a critical role in shaping global growth and innovation, particularly through the implementation of the Digital Markets Act and Digital Services Act.

These regulations are designed to ensure fair competition and enhance safety in the digital space, but they have also raised concerns about potential barriers to growth, particularly for smaller companies. Trade relations with key players like Asia and the US are crucial for Europe's ability to remain competitive, while also maintaining effective regulation.

However, there is a growing concern that overregulation could hinder innovation, making it essential for the EU to strike a balance—one that fosters technological progress and economic growth, while ensuring protection and fairness in the digital marketplace.

## A ROADMAP FOR A RESILIENT AND PROSPEROUS EUROPE: SUPPORTING SMALL BUSINESSES IN THE TWIN TRANSITION

Small businesses in the EU are crucial to the economy but face numerous challenges, particularly in the wake of the COVID-19 pandemic. Issues such as supply chain disruptions, slow digitalisation, and limited access to finance have hindered their growth and competitiveness. Emphasising digitalisation is key for these businesses to gain a competitive edge and adapt to the evolving market.

Supportive EU policies are essential to create a more business-friendly environment, improve financial access, and encourage innovation.

Additionally, enhancing cybersecurity is vital for safeguarding digital operations, while fostering public-private partnerships can further drive innovation, helping small businesses thrive in a rapidly changing economy.

Strengthening training and skills development for workers is also critical, ensuring that SMEs can leverage emerging technologies and maintain their relevance in a highly competitive global market.

## OPENING REMARKS - EMPOWERING EUROPE'S BUSINESS IN THE DIGITAL AGE

The digital transition is widely recognised as a critical factor for enhancing competitiveness and fostering innovation across Europe, with a strong emphasis on accelerating AI development to improve diverse sectors, including healthcare, energy efficiency, and urban living.

To achieve these goals, substantial investments in digital technologies are necessary, complemented by the establishment of regulatory frameworks designed to encourage private sector investment and innovation.

One notable proposed solution is the introduction of a digital wallet, intended to simplify business interactions and streamline transactions, thereby boosting efficiency.

Moreover, Denmark's strategic vision for the ethical implementation of AI serves as an inspiring model for responsible innovation, underlining the importance of incorporating ethical considerations into AI deployment to ensure that societal benefits are maximised while potential risks are effectively minimised.

## FIRESIDE CHAT: STRENGTHENING THE RULE OF LAW FOR A COMPETITIVE AND FAIR EU

The future of the EU focuses on strengthening the single market and reinforcing the rule of law to build trust and boost competitiveness. Competitiveness is regarded as vital for driving trade and investment, with particular emphasis on ensuring equal treatment in public procurement processes. E-commerce regulations face challenges, especially concerning third-country companies, highlighting the need for a balanced regulatory approach that supports fair competition. The GDPR continues to be recognised as a global model for digital regulation, ensuring data protection and privacy across borders. Efforts to harmonise regulations through a European business code are viewed as essential for creating a unified business environment.

Additionally, the digitalisation of justice is emphasised as a critical step to improve access, efficiency, and interoperability within the EU, making it easier for businesses and citizens to navigate legal systems.



## TOWARDS DATA-DRIVEN GOVERNMENT

The transformative potential of artificial intelligence is being recognised, but governments often lack the necessary preparation to fully harness its benefits. Key challenges include the absence of large-scale, high-quality datasets and fragmented accountability for data use. Poor data practices and limited sharing across agencies hinder effective decision-making, creating inefficiencies in systems already strained by resource constraints. National and international frameworks are urging governments to leverage data to enhance public services and outcomes. As resources, budgets, and skills remain limited, adopting data-driven strategies alongside AI and automation is increasingly vital.

Becoming "data ready" by building robust data ecosystems and fostering collaboration will enable governments to drive innovation, improve efficiency, and meet policy goals effectively, while also ensuring transparency and accountability in the use of AI and data technologies.

## EUROPE'S GREEN AND CLEAN TRANSITION: INVESTMENTS AS THE KEY TO IMPLEMENTATION?

Europe's path to achieving its climate and energy ambitions hinges on significant investments and strategic collaboration. A successful green transition requires the alignment of public and private resources with integrated market strategies. Central to this effort is the European Clean Industry Deal, which aims to decarbonise industries and promote energy innovation.

Key challenges include scaling investments in renewable energy, improving energy efficiency, and advancing clean technologies to expedite climate neutrality. Financial mechanisms such as green bonds and sustainable investment funds play a crucial role in enabling this transition, ensuring inclusivity and fairness across sectors. Equally important is the integration of diverse energy sources with advanced digital technologies, which will strengthen Europe's industrial base, making it more competitive and resilient in the face of global challenges.

## AI OPPORTUNITY FOR EUROPE: WORKING TOGETHER TO BUILD AI FOR EVERYONE

Artificial intelligence offers significant economic opportunities for the EU, particularly in enhancing competitiveness and fostering innovation. Building on insights from the recent Draghi report, a collaborative approach is essential to promote AI development while ensuring inclusivity. This involves creating an AI landscape that benefits underserved communities, including women, individuals with disabilities, migrant workers, and displaced populations. AI's transformative potential spans various sectors, from creative industries and tourism to pharmaceuticals and public administration.

Strategic adoption of AI technologies can drive improvements in productivity, elevate European living standards, and bolster the region's competitiveness on the global stage. By embracing practical applications and inclusive policies, Europe can position itself as a leader in harnessing AI for sustainable growth.

## GREEN FINANCING AND INDUSTRIAL TRANSFORMATION: THE PATH AHEAD FOR EUROPE

Achieving Europe's ambitious green transition targets requires a significant alignment of industrial policy and financial markets to drive decarbonisation effectively. Key priorities include creating regulatory frameworks that facilitate innovative financial instruments such as green bonds, carbon markets, and sustainable investment funds. Capital markets will play a critical role in advancing the objectives of the European Clean Industry Deal, fostering investment in clean technologies and sustainable practices. Digital innovations such as AI, blockchain, and fintech solutions are poised to revolutionise green financing, enhancing transparency and efficiency in allocating resources. Industries must leverage tools like Next Generation EU funding and foster public-private partnerships to accelerate the adoption of clean technologies while ensuring competitiveness.

By evolving together, the financial and industrial sectors can meet Europe's climate neutrality goals, with successful case studies serving as blueprints for transformative collaboration.

## **THE FUTURE OF AGRICULTURE: BALANCING SUSTAINABILITY, SUCCESSION, AND GLOBAL TRADE**

Agriculture faces mounting pressures to balance sustainability goals with the economic viability of small-scale farmers, as highlighted by recent protests. To address this, strategies such as sustainable intensification, agroecology, the Farm to Fork initiative, and closed-loop farming are vital for building environmental resilience while supporting agricultural productivity and ensuring food security for future generations.

The sector also grapples with a demographic shift, underscoring the urgency of policies that facilitate farm succession and attract a new generation of farmers. Creating a sustainable agricultural future requires fostering collaboration and crafting policies that bridge the gap between environmental sustainability and the livelihoods of farming communities.

## **INNOVATIVE SOLUTIONS: LEADING THE CHANGE IN CHEMICAL SUSTAINABILITY**

In the face of escalating environmental challenges, the EU has a pivotal role in embedding chemical sustainability into its geopolitical and competitive strategies. By championing multilateral environmental agreements (MEAs) and advocating for responsible chemical and waste management across global supply chains, the EU can assert its leadership in sustainable innovation and practices. Promoting technology neutrality within these frameworks ensures that solutions are evaluated on their environmental impact and efficacy, fostering innovation without bias.

Success will depend on harmonising international MEA standards with national policies, corporate accountability, and global cooperation. Additionally, investing in research and development for safer chemical alternatives and circular economy models will be crucial for achieving long-term sustainability.

By aligning these efforts, the EU can address critical environmental issues while unlocking opportunities for sustainable economic growth on a global scale.

## **FIRESIDE CHAT: CATALONIA AND THE ROLE OF REGIONS IN BOOSTING EUROPEAN ECONOMY AND COMPETITIVENESS**

Regions play a critical role in strengthening Europe's economic strength and global competitiveness. Catalonia is dedicated to shaping Europe's future by collaborating closely with the Spanish government and contributing to the EU's overall prosperity. Unity within the EU is essential to preserving the European way of life in the face of global challenges. With a new government in place, Catalonia is focused on driving investment, enhancing public policies, and ensuring inclusive growth.

As Europe navigates evolving geopolitical complexities, Catalonia is committed to reinforcing the EU's resilience and competitiveness through regional leadership and strategic cooperation.

Furthermore, Catalonia's commitment to innovation and sustainability will be key to driving future growth and shaping a more integrated European economy.

## **HARMONISATION OF TAX RULES: UNLOCKING THE FULL POTENTIAL OF THE EU**

The European Union's full potential relies on the development of consistent and forward-thinking common rules and standards. These are crucial for driving investment, increasing competition, and ensuring the free movement of goods and production resources across the Union.

To avoid trade disruptions and ease administrative burdens, the EU has put in place harmonised tax regulations for excisable goods, which support economic integration and improve resource efficiency. However, these rules must be regularly updated to keep up with market shifts, as clear and uniform policies are essential for adapting to the evolving dynamics of the Single Market and protecting the EU economy from external challenges. A unified approach to excisable goods offers predictability and stability for investors, safeguarding current investments, preserving jobs, and fostering technological innovation. Without such harmonisation and with outdated rules governing excisable goods, the EU risks undermining its ability to attract foreign direct investments (FDIs) and maintain efficient operations.



## EUROPE'S INDUSTRY AT A CROSSROAD - HOW TO REDUCE THE COST OF THE ENERGY TRANSITION?

The energy transition presents a critical challenge for Europe's industry, demanding strong collaboration across policy, economy, science, and society. Modernising outdated regulations, particularly regarding access to electricity, is essential to overcoming barriers to progress. Innovative solutions, such as low-cost, zero-emission technologies, are key to decarbonising sectors like food production, clean fuel, and chemicals, providing scalable opportunities for industry-wide transformation. Reducing the cost of the energy transition will require both structural reforms and the adoption of new technologies, ensuring Europe's industries remain competitive while achieving ambitious climate goals.

Furthermore, fostering public-private partnerships will be vital in driving the innovation needed to accelerate the transition and ensure long-term sustainability.

## FIRESIDE CHAT: EU-CHINA ECONOMIC RELATIONS

The EU-China economic relationship is shaped by two major challenges critical to Europe's future competitiveness. First, securing a sustainable and affordable energy supply for the EU's manufacturing sector is essential.

Energy accessibility is a key driver of industrial progress, and without it, Europe's industrial capacity could be hindered. Second, Europe faces significant risks in the digital economy, particularly with the advancement of artificial intelligence. If Europe falls behind in adopting and advancing AI technologies, it could be left trailing in the global tech race. Addressing these challenges is vital for Europe's long-term competitiveness, particularly as both the energy transition and digital transformation are pivotal to shaping the future of the EU-China economic relationship.

Additionally, strengthening cooperation with China in these areas could provide mutually beneficial opportunities for innovation and sustainable growth.

## DEFENCE INDUSTRIAL STRATEGY: WHAT'S AHEAD FOR EUROPE?

A coordinated European Defence Industrial Strategy is critical to addressing evolving security challenges. Establishing a long-term framework that aligns defence priorities across EU Member States is key to boosting investment in innovation and ensuring Europe's resilience against future threats. Strengthening Europe's security and defence capabilities is essential to effectively counter emerging risks. Additionally, EU-NATO collaboration plays a vital role in maintaining transatlantic security. Shared solutions to common threats, enhanced interoperability, and defence standardisation are necessary to sustain strong cooperation, even amidst complex operational environments.

The integration of new technologies, such as artificial intelligence and cyber capabilities, will be crucial in enhancing defence preparedness. By fostering a culture of innovation and cooperation, Europe can remain agile in responding to unpredictable geopolitical shifts. For Europe to achieve greater strategic autonomy, unity, innovation, and collaboration are essential to secure its defence and safeguard its future security.

## QUESTIONS OR REMARKS? CONTACT US!

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