

Finnish business and Industry sector's view of the European Commission's Competitiveness Fund's Digital Leadership funding

1 General Remarks (Art. 3 (2c))

The European Commission's proposed Competitiveness Fund (European Competitiveness Fund, ECF) Digital Leadership funding window is set at approximately €51.5 billion for 2028–2034. The total proposed budget for the ECF is €234.3 billion. The actions under Pillar 2 of the upcoming Horizon Europe programme (commercial innovations) are closely linked to the new Competitiveness Fund. From the business community's perspective, this is important for enabling synergies and a lifecycle model for funding.

Digital Leadership funding is a strategic investment in Europe's digital competitiveness, security, and expertise. The proposal is commendable, though it remains at a quite general level.

For Finland, the Digital Leadership window is welcome, as it addresses many of the strengths and needs of our business and research sectors. It can offer an opportunity to remain at the forefront of the global digital and clean transition, strengthen its own digital capabilities and resilience, and influence the EU's digital future.

In further negotiations, it is essential to maintain Digital Leadership funding at the proposed level:

- **Global competition is intensifying** – The United States and China are investing massively in digital technologies, capabilities that threaten Europe's security and well-being, and digital infrastructure (e.g., AI, quantum computing and semiconductors, telecommunications). The EU must respond with its own strengths to enhance Europe's digital competitiveness and technological sovereignty/resilience.
- **Strategic dependencies and security** – Europe and Finland rely heavily on technologies from non-European suppliers for their digital infrastructure. Growing geoeconomic tensions have highlighted the need to assess and manage risks related to these dependencies. Digital Leadership funding enables the development of European solutions and top expertise, improving digital security of supply and the ability to diversify risks.
- **Innovation and knowledge ecosystems** – The Digital Leadership section supports the entire innovation chain from research to commercialization. It strengthens Europe's knowledge base and enables the emergence and internationalization of new growth companies.
- **EU-level synergies and impact** – Digital Leadership funding can combine the resources of the EU and Member States, unlocking greater investment potential, broader networks of expertise, and a better ability to influence EU digital standards and regulation.

- **Digitalization of the public sector and modernization of society** – The funding enables the development of digital infrastructure and data mobility in public services, genuinely advancing the transition towards a real-time economy.

2 Finland's Strengths in the Context of Digital Leadership Funding (Art. 39(1))

Finland is a European digital frontrunner: Infrastructure, expertise, public sector digital services, and business digitalization are internationally top-class. Finland has deep expertise in digital technologies and particular strengths in the following EU-defined critical technology areas, which especially support the development of data-driven business. The areas listed below should be prioritized regardless of the final funding allocation.

- Quantum computing and related technologies
- Cybersecurity
- Artificial intelligence
- High-performance computing
- Advanced semiconductor technology and photonics
- 6G and other advanced communication/connectivity technologies
- Space technologies and satellite solutions
- Advanced materials and manufacturing technologies

Business-driven innovation ecosystems: Finland hosts strong research and development clusters, startups, and internationally significant companies around which globally attractive centers of expertise have formed. Several business-driven innovation networks have emerged in Finland with the support of Business Finland's flagship funding.

Reliability and sustainability: Finnish technology is internationally recognized for reliability and responsibility, supporting Europe's ability to develop competitive and secure digital solutions. Finland is a high-trust society, combining technological excellence and an independent media environment. This is part of Finland's digital competitiveness and strengthens Europe's ability to develop secure and reliable digital solutions.

3 Key Measures to Emphasize in the Further Preparation of Digital Leadership Funding (Art. 39(2))

Finland has internationally high-level and diverse expertise, especially in the above-mentioned areas of strength. Development areas include especially the shortage of experts in critical technologies, leveraging technology convergence, accelerating commercialization, and building reliable international partnerships. To reinforce EU's strategic position, it is important to strengthen Europe's current and emerging strengths, building a more balanced global

interdependence. The EU must create conditions for digital innovations to emerge in Europe and scale globally.

3.1 Focus on Skills in the Following Areas

Expert base in critical technologies: Europe's technological competitiveness and resilience are based on skilled professionals. The shortage of experts, especially in critical technologies and their intersections (e.g., quantum + AI and cybersecurity), is a significant bottleneck. The EU must promote education and talent mobility both from outside Europe and between Member States, while ensuring that talent also remains in Europe.

Convergence of critical technologies: Future competitiveness is based on the merging of technologies (e.g., quantum-AI, 6G, cybersecurity). This requires broad expertise and the ability to build hybrid solutions for the market.

Commercialization and internationalization: Europe's research and development expertise is strong, but Europe must invest in commercialization and international scaling, as well as the skills and support required for these.

Critical supply chains: The EU's technological competitiveness and resilience require long-term and deep strengthening of supply chains together with trusted non-European partners.

3.2. Invest in Agile Access to Funding

The Competitiveness Fund will offer funding through a wide range of instruments. Funding **should be based on the principles of competitiveness and excellence**. Funding criteria and processes must ensure that companies of all sizes, including SMEs, have a genuine opportunity to receive funding.

Digital Leadership funding should recognize that competitiveness and resilience are built not only on technologies but also on reliable information and an open data economy. This also supports the EU's freedom of expression and ability to combat disinformation.

It is important to invest in:

- Research, development, and innovation projects in business-driven value networks (e.g., EU Tech Frontrunners model)
- Industrial piloting and scaling (e.g., pilot lines, increasing production capacity)
- Convergence projects in quantum and AI technologies
- Procurement and deployment of modern cybersecurity solutions developed in Europe
- Piloting and commercialization of advanced communication technologies (e.g., 6G)
- Acceleration and internationalization of deep tech startups and SMEs Infrastructure investments (e.g., data centers, quantum and HPC infrastructure, cyber hubs)
- Building data economy ecosystems and standardizing data sharing infrastructure for the public and private sectors (e.g., European platforms, common data spaces, digital ID, business wallet)
- Seamless RDI and commercialization pathways for companies of all sizes

- Reliable information, information security of supply, and digital trust (e.g., media innovations and AI-based data solutions that strengthen information infrastructure, support EU digital resilience, and combat disinformation).

3.3. Ensure Key Success Factors in Utilizing Funding

- The benefits of the Digital Leadership funding window will only be realized if the funding is channelled correctly. This requires business-driven approaches, agile piloting, and a strong connection to the EU's strategic objectives.

Success factors:

Consortia and ecosystems: The ECF favours large, international, and interdisciplinary consortia involving companies, research institutes, and public actors. These should primarily be business-driven, for example, based on the EU Tech Frontrunners model proposed in the Competitiveness Fund.

Rapid piloting and scaling: Funding should be directed to projects where research results can be quickly piloted and brought to market. Ensuring the competitiveness of funding is crucial.

Connection to EU strategic objectives: Finland must proactively influence measures that demonstrate Finland's capability to contribute to building EU technological sovereignty, resilience, and competitiveness.

Connection of the Digital Leadership funding window to defence and preparedness: The importance of breakthrough and dual-use technologies is emphasized as the geopolitical environment changes. One of the Competitiveness Fund's policy windows is reserved for this purpose (Resilience and security, defence industry and space). We must ensure flexible and seamless funding pathways between different windows and that export controls do not create unreasonable burdens for services or products intended for civilian markets.

National bridging: Finland must ensure, through national funding and other support measures, that Finnish companies have access to key roles in EU-level business-driven innovation ecosystems (e.g., EU Tech Frontrunners). At the same time, a permanent model must be created for national co-financing of EU projects and for resourcing project preparation. Co-financing should be reserved especially for Finland's areas of strength in critical technologies.

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