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# DIGITAL INDUSTRIAL POLICY

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# Industrial policy is back but needs fresh approach

Industrial policy is “a deliberate attempt by the government to orientate industrial development towards specific paths”

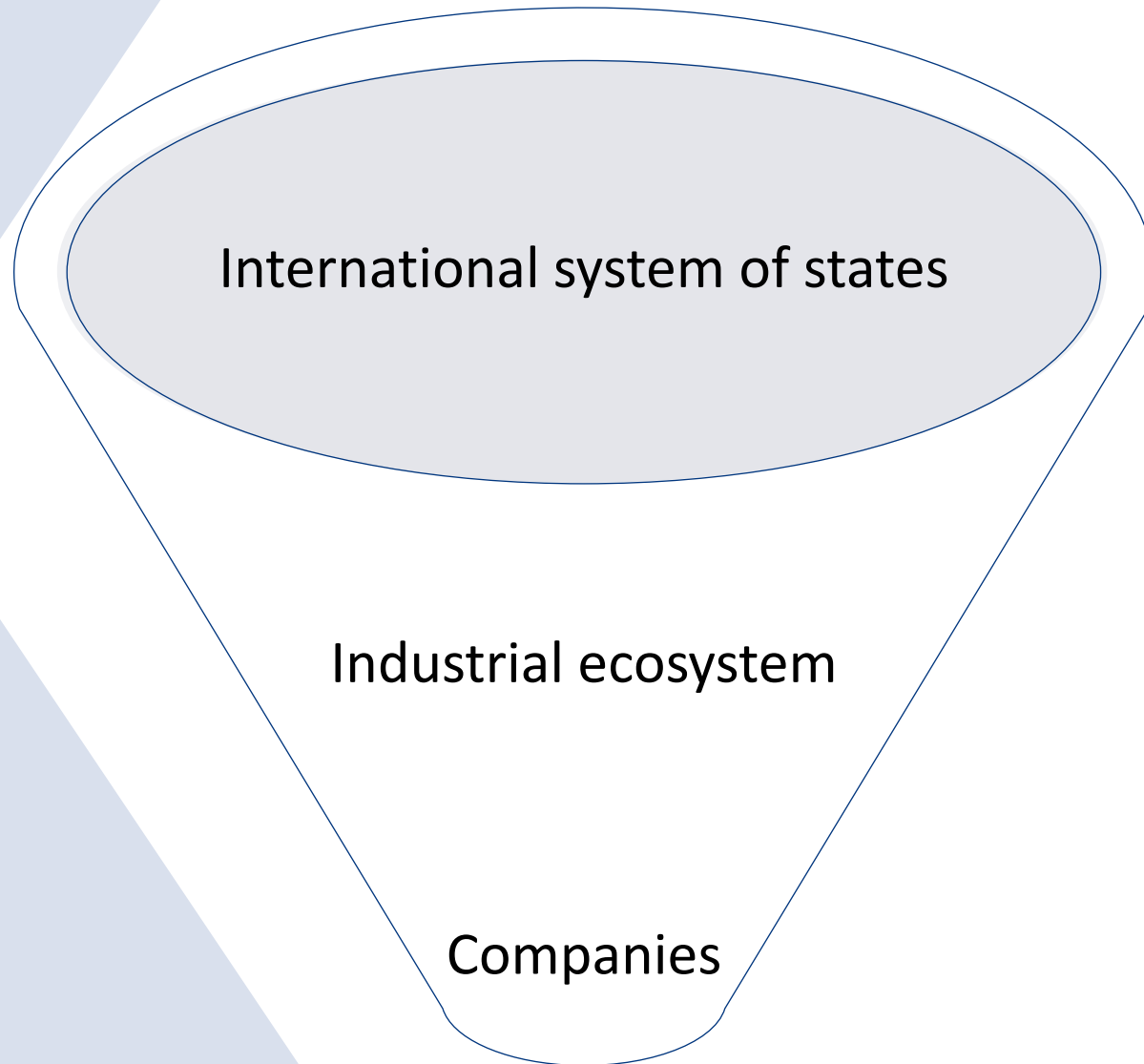
**Geopolitics/International relations**

**Industrial ecosystem/national competitiveness**

**Industrial economics/business strategy**

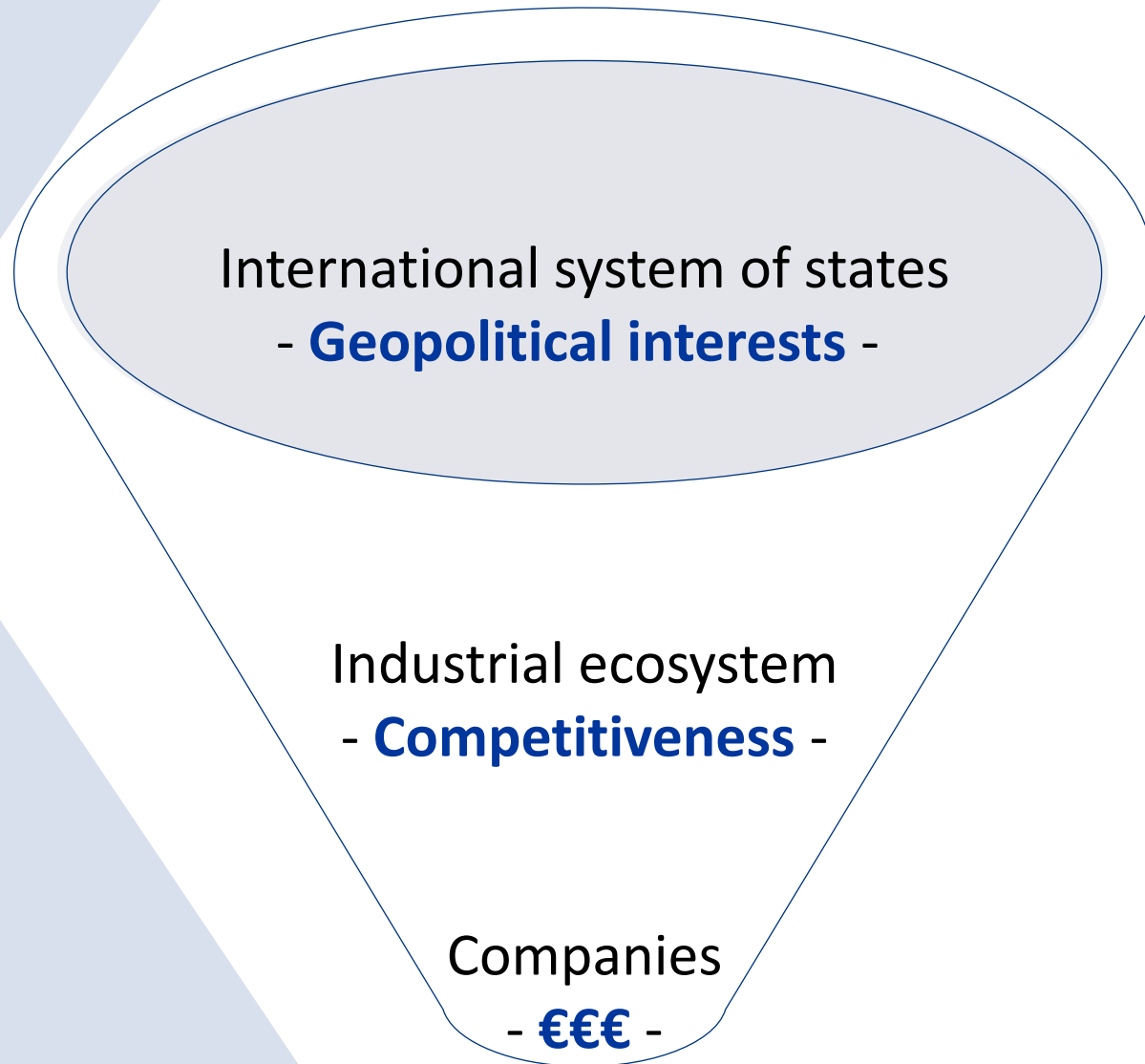


# THREE PERSPECTIVES



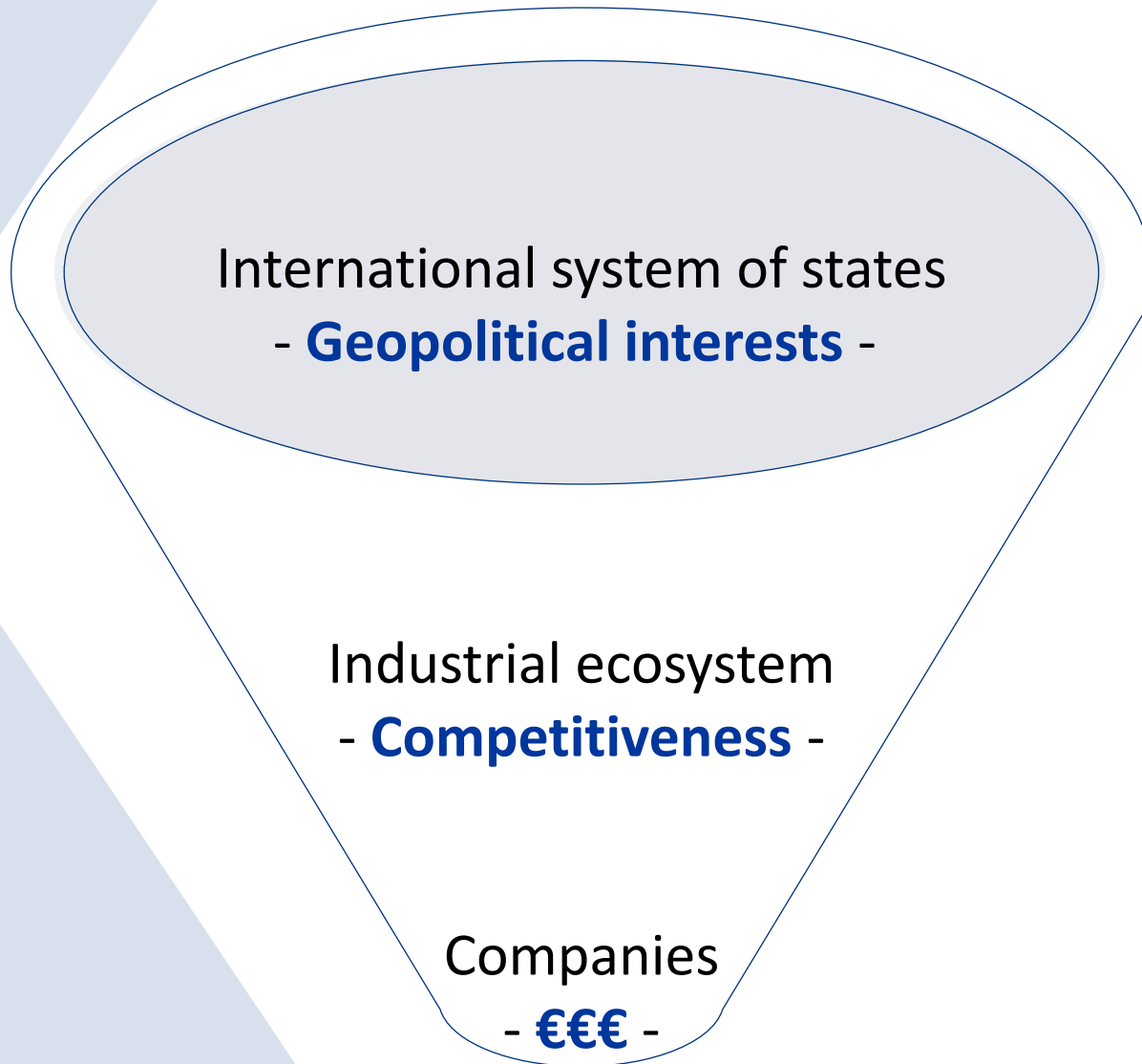


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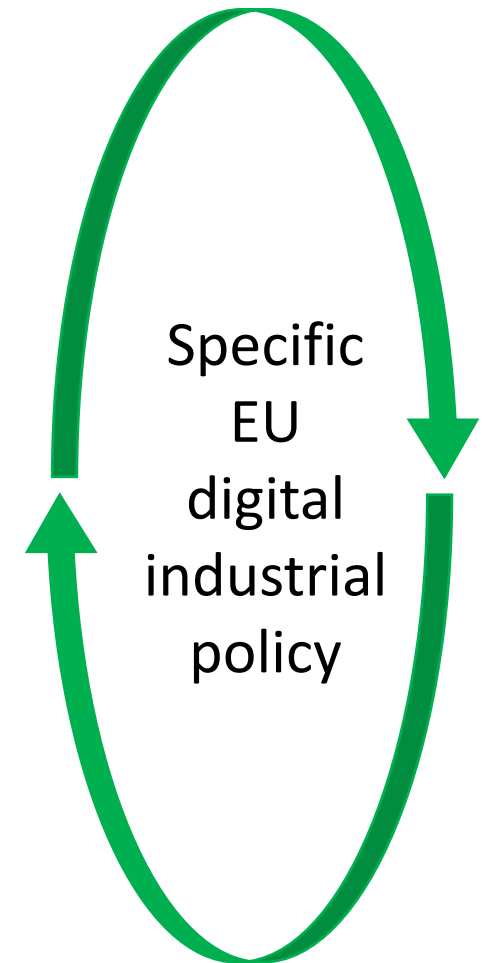
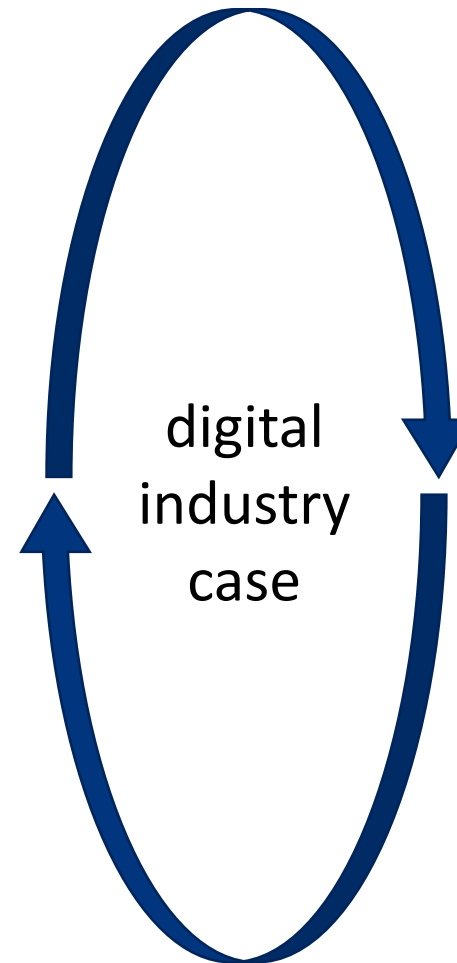
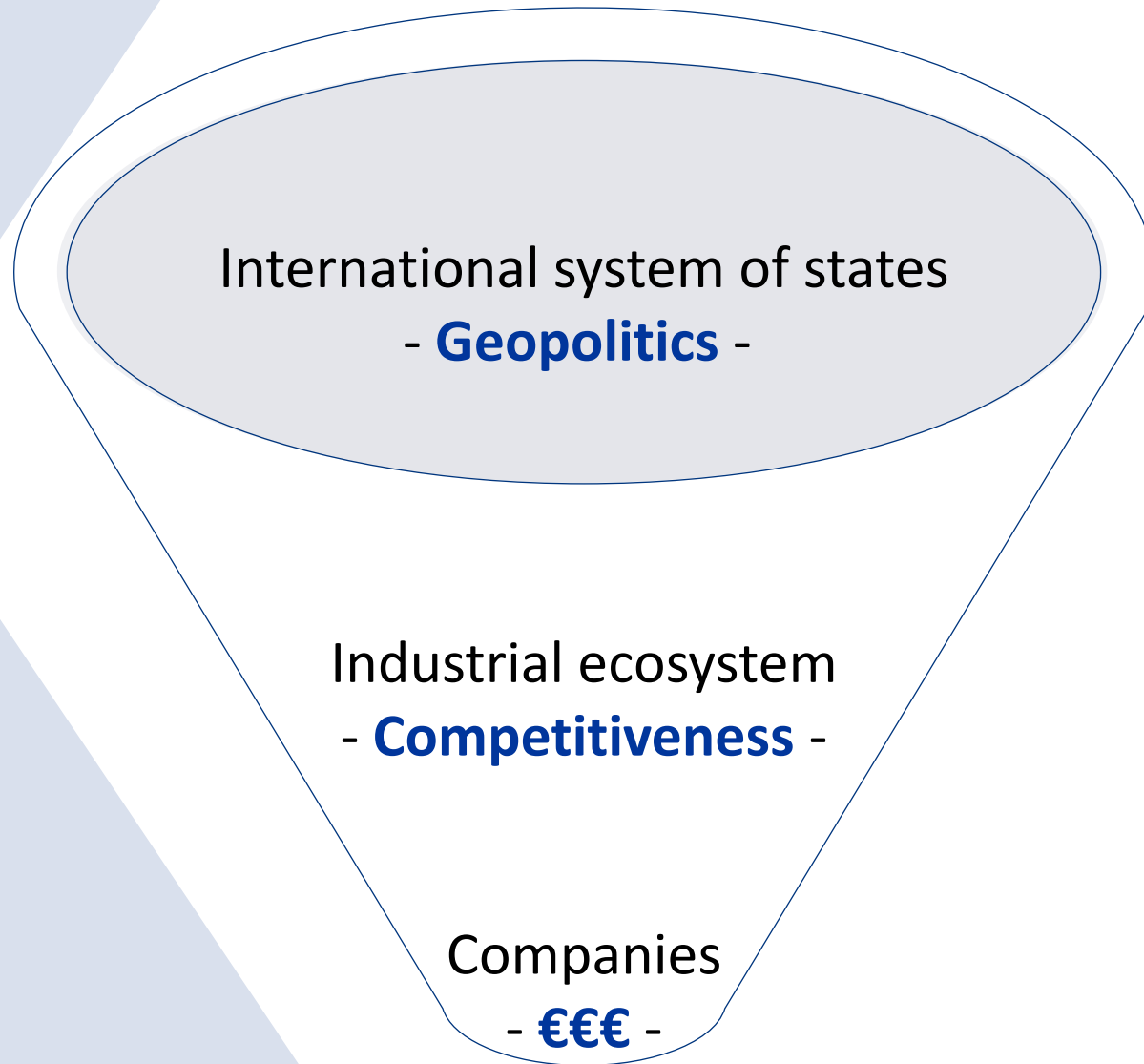


*States*

*Firms*



# THREE PERSPECTIVES: COMBINE & APPLY



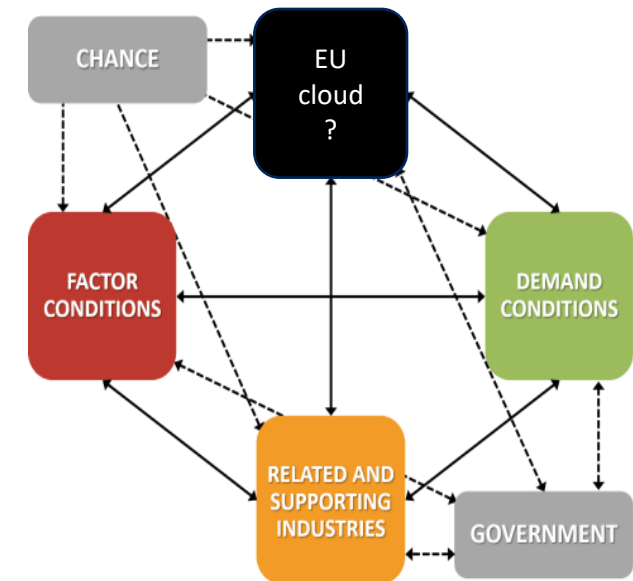


# SEMICONDUCTORS: ENSURE GEOPOLITICAL 'FIT'

Risks	Gap or inconsistency	Proposed policy action
<b>Geo-political developments</b>	Respond to subsidy/export issues	Rolling impact assessment; Cooperation with like-minded
<b>Investment needs</b>	Funding gap	Rolling impact assessment
<b>Intellectual property extraction</b>	No IP control obligations	IP obligations to get EU funding
<b>Foreign take-overs</b>	Limited guardrails for M&A	Governmental shareholding
<b>SMEs get side-lined</b>	Lack of SME voice	Include SMEs in Chips Platform

# CLOUD: ADDRESS THE 'HOLE' IN THE ECOSYSTEM

Risks	Gap or inconsistency	Proposed policy action
<b>Market confusion, strategic ambiguity</b>	Lack of fully coherent EU cloud policy	Complete EU cloud policy
<b>Erosion of EU strategic autonomy</b>	Lack of coherence of policy elements	Coherent edge cloud policy
<b>Reduced impact of EU digital policies</b>	Lack of comprehensive strategy	Link EU cloud policy to other digital policies







# DIGITAL IDENTITY: REAL INDUSTRIAL POLICY ASAP

Risks	Gap or inconsistency	Proposed policy action
<b>Low take-up, loss of value for EU, sovereignty erosion</b>	No true EU digital identity industrial policy	Prioritise EU digital identity industrial policy
<b>Underused international potential of EU digital identity</b>	Strength of international policy	Establish international EU digital identity policy
<b>EU companies taken over by foreign actors, sovereignty</b>	Little attention for foreign investments	Digital identity market watch



# GENERAL RECOMMENDATIONS (1)

## Digital Industrial Policy (DIP) needs:

- **Completeness**
  - from international relations to trade, to R&D, to investment, to skills
- **Consistency**
  - between the three levels; especially geopolitics (related to strategic autonomy)
- **Institutional capabilities and capacities**
  - EC, the Member States, industry and SDOs; policy development and execution (!)
  - Democratic accountability
  - Competition policy & industrial policy; industrial policy & foreign policy



# GENERAL RECOMMENDATIONS (2)

- **Pro-active monitoring**
  - Urgency to have a critical dependencies policy
  
- **Beyond chips, cloud, ID:**
  - Quantum technologies, 6G, Cybersecurity, AI, open source
  - Perspective of major EU user industries



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