

9th BUSINESS FORUM BDI - CONFINDUSTRIA

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#ForumBozen19



Joint declaration





CONFINDUSTRIA



BDI

The Voice of
German Industry

The digital transformation represents an exceptional opportunity for European economy and society. Harnessing its potential will be essential for ensuring the future competitiveness of European industry as digital technologies enhance productivity, reduce costs, advance the sustainable development goals related to energy consumption and climate change, create new business models and new tools for market surveillance.

BDI and Confindustria are aware that the ability to exploit the ongoing digital transformation will determine the leadership of tomorrow's economy. It is therefore vital to invest in ensuring long-term competitiveness of our industry, driver of economic growth and job creation in Europe, and to design the **appropriate framework and policies** that foster innovation, that are clear, simple and fit for purpose.

We therefore ask the incoming European Commission to safeguard and further improve Europe's industrial base in the light of the digital challenges by developing a comprehensive long-term strategy for Europe's industrial future. To this respect, the negotiations on the Multiannual Financial Framework (MFF) should be concluded as soon as possible and view the €9.2 billion for the **Digital Europe programme** as the low water mark, together with other EU policies that can contribute to the goal of digitizing our economy while facing regional digital divide such as the EU Cohesion Policy. Funding digital technologies and infrastructures can also foster the creation of an effective immaterial external border for the single market that can strengthen market surveillance tools and oppose the entry of counterfeit goods.

Another major game changer is **data**. Confindustria and BDI believe that the ability to access and use data will determine the leadership in the digital economy. Data is "The" strategic resource for any digitised industry and one of the pivotal factors of competitiveness. Fair competition in the access of data should be strengthened and special attention should be paid to help SMEs and more traditional sectors to become active players in the new data driven economy. Therefore, it will be essential for the incoming European Commission to work for encouraging companies based in or operating within the European Union to share their data.

A.I. applications are particularly data intensive. The potential to derive the benefits A.I. technologies offer will rely very much on the ability of companies to research and test. We therefore ask European legislators to find the right balance between societal protection and innovation given the ability of A.I. to impact different sectors and technologies in several ways. Europe should lead in the development

and application of A.I. in key strategic areas, such as robotics, automotive, health and manufacturing to support the competitiveness of Europe's industrial base.

Moreover to maximise the social and economic benefits of digital technology based on A.I., it is essential to build trustworthy, holistic and future-oriented A.I.. Citizens must be educated and informed on the real use and impact of A.I. as transparency will gain and sustain trust. Also in the B2B context, A.I. business users will benefit from more transparency and accountability. In order to do that, dialogue between policy makers and industrial stakeholders on A.I. should continue and act as a catalyst to explain the reality surrounding A.I.

Europe must encourage the uptake of A.I. technology by continuing the work done on the **Digital Innovation Hubs** (DIH): a strong European network of DIH can help every company, small or large, high-tech or not, to grasp the digital opportunities. DIHs should continue to act as one-stop-shops where companies - especially SMEs - can get access to technology-testing, financing advice and networking opportunities.

Digital economy needs to be based on top quality, stable, secure and robust **infrastructure**. Investments in High Performance Computing (HPC) will be necessary to process data and perform complex calculations at high speeds. In the digital era, HPC is a strategic resource for Europe's future. Our two Governments should continue to put digital infrastructures on top of their agenda to ensure that connectivity will be available to all including SMEs. In particular, the fifth-generation mobile communications system 5G is a key pillar.

A coordinated EU-wide cybersecure deployment of **5G** is required. Progressive 5G network deployment will increase connectivity allowing greater traffic and lower latencies, paving the way also for autonomous vehicles. Confindustria and BDI welcome the actions taken so far by the European Commission for a coordinated European approach for 5G as the security of our networks is fundamental for an increasingly connected industry. It is important to define a strong and shared European response to cyber attacks often sponsored by third countries and aimed at stealing trade secrets and confidential industrial information. To this aim, also a maximum harmonization of intellectual property protection standards should be pursued. Besides, we hope that, thanks to the EU **Cybersecurity Act**, Europe will soon equip itself with cybersecurity certification schemes for the 5G ecosystem. Incentives for companies to voluntarily strengthen their cybersecurity will be important to ensure more security along the entire supply chain.

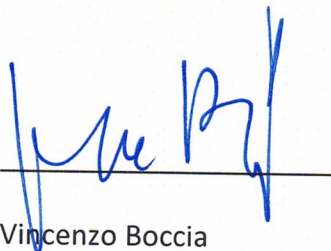


Another important challenge arising from digitalisation is **taxation** which should be faced in a timely manner to ensure a globally fair tax system that incentivises investment, job creation and economic growth. The principles to be developed by the OECD will have far-reaching consequences for all companies. The “tax challenges” of the digitalisation of the economy can only be solved by a comprehensive, globally coordinated consensus. The reallocation of taxing rights and the introduction of a global minimum taxation of corporate profits must not result in double taxation and additional administrative burdens for companies.

To achieve all this above mentioned, a great investment in **human capital** is needed. Education systems should be updated to enable the integration of digital learning solutions. In this respect, an emphasis on STEM (Science, Technology, Engineering and Mathematics) education as a core competence should be fostered. Other non-STEM disciplines that continuously interact with STEM-based working roles (e.g. marketing, legal or HR professionals) will also be crucial. Up-skilling and lifelong learning, also in the public sector, together with awareness and understanding of issues related to online security and data privacy, will support the inclusion of all. Vocational Education and Training (VET) and public-private partnerships can also help to achieve this.

BDI and Confindustria believe that Europe has a number of assets to be used to strengthen its digital sovereignty and to ensure its digital independency. To this regard, R&D and industrial policies should foster and underpin the development of a new level of digital competitiveness for European industries of all sectors.

Going forward, the European industrial sector will only be successful if we work together and actively engage in dialogue with all stakeholders at European, national, regional and local level. We strongly believe that Europe can become a role model for shaping the digitisation of its industry by bringing together industrial competences and digital opportunities.



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