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POSITION PAPER

on the Call for Evidence for an "Apply AI Strategy"

Berlin, 04.06.2025

The relevance of artificial intelligence (AI) for the economy will continue to increase in all sectors. A total of 13.5% of companies are already using AI applications in their business models or production processes. In the context of Industry 4.0 and data-driven business models, but also across a range of other business models and sectors, the potential for the use of AI is significant. Moreover, it is imperative to acknowledge that the effective implementation of artificial intelligence within the European economy is a pivotal factor in ensuring the future competitiveness of the EU.

The European Commission anticipates a continued expansion in the utilisation of AI within businesses and projects substantial positive implications for economic value creation and productivity. It is estimated that the extensive integration of AI applications within the European Union could potentially augment the Gross Domestic Product (GDP) by up to 13.5% by the year 2030.

It is therefore essential that the appropriate course of action be established in Europe in order to promote the utilisation of AI. In recent years, there has been a notable increase in the complexity of the regulatory framework, as evidenced by the introduction of the AI Act and other legislative acts within the domain of digital policy.

In this context, eco welcomes the Commission's decision to support the use of AI in businesses and public administration and to fully utilise the existing innovation potential. The Commission also rightly recognises that a large proportion of the development of AI systems and models is currently taking place outside the EU. The establishment of European players in this field can help to offer solutions in some areas that are customised to European specificities and from which European businesses can benefit to a greater extent. In detail, eco has the following comments on the "Apply AI Strategy":

1. Scope of application

In its Call for Evidence, the Commission addresses the relatively low utilisation of AI applications in business and administration as a significant field of action. The internet industry has expressed its support for this paradigm shift towards the promotion of AI systems and the realisation of existing innovation potential. The Commission has indicated its intention to utilise the strategy to increase utilisation, particularly in strategically important industrial sectors and public administration. Europe possesses a robust industrial foundation with the potential to reap substantial benefits from enhanced resource efficiency and productivity.

Consequently, it is vital for the international competitiveness of European industry to successfully integrate AI into its own processes and business models, in order to avoid falling behind internationally. However, it should also be noted that AI applications offer great potential for innovation not only in some industrial sectors, but also in other parts of industry and in the service sector. From the perspective of the internet industry, the implementation of an 'Appy AI Strategy' should not be confined to a limited number of sectors. Instead, it should facilitate the realisation of the comprehensive economic potential of artificial intelligence.

Furthermore, AI systems can be employed in a variety of work processes. When formulating the strategy, it is imperative to consider these factors holistically. The narrowing of the strategy down to individual use cases would not be expedient from the perspective of the internet economy.

2. Supporting investments

The integration of AI applications into production processes and business models is a key element in increasing the productivity and competitiveness of the European economy. Europe has a competitive industrial sector whose potential could be particularly realised by AI applications. This includes, in particular, the optimisation of work processes, predictive demand planning and the needs-based use of resources, as well as quality assurance. Furthermore, a significant proportion of IoT products are dependent on AI applications. It is further anticipated that advancements in the service sector, such as the integration of artificial intelligence in risk assessment, medical diagnostics, and customer advisory services, will contribute to this positive development.

In order to promote the widespread use of AI applications and support SMEs and start-ups in particular, the necessary investments should be supported by funding programmes. It is crucial that the different needs of the various sectors are taken into account in a strategy for the application of AI in the economy. Nevertheless, it is important to note that government support should not be confined to specific sectors to ensure balanced and equitable assistance. It is also worth noting that a significant proportion of European companies spend a comparatively lower proportion of their financial resources on research and development than their competitors in other regions of the world. In order to ensure the continued competitiveness of European companies in the field of smart appliances and other IoT products, this situation needs to be supported.

The European Union must recognise the need to allocate resources to both the fundamental principles and the practical applications of these technologies. In addition to investments in digital infrastructures, it is essential to direct attention towards investments in the digitalisation of companies' own databases. The availability of in-house data is an important cornerstone for the use of AI systems in companies. eco believes that the establishment of these foundations is a prerequisite for the success of any funding programme.

Furthermore, there is a necessity to enhance collaboration between scientific and industrial entities with a focus on accelerating the implementation of innovative applications and providing tailored support to companies grappling with specific

challenges. eco fundamentally supports the fact that the Commission also wants to address this as part of the AI Continent Actions Plan. Moreover, it is crucial to provide support for investment in the necessary infrastructure that forms the foundation for the application of AI. The Commission's intention to address this issue via the 'Cloud and AI Development Act' is a welcome initiative.

3. Supporting businesses

The integration of AI systems into business models and production processes often poses significant challenges for companies. For smaller companies in particular, the initial considerations of how AI systems can be used and what type of application would be suitable are of particular relevance. However, even subsequent to the resolution to utilise a specific system or modify certain processes, further challenges often arise, potentially overwhelming some businesses. This is frequently attributable to a paucity of resources, such as specialised staff or uncertainties regarding the regulatory framework. It is important to note that small companies often lack the internal resources to establish and maintain a legal department with the capacity to oversee the implementation of AI systems from a compliance perspective. Moreover, it is frequently challenging for SMEs to identify suitably qualified specialists to oversee the implementation from a technical perspective. It is evident that consultancy services are of paramount importance for SMEs.

These services should not only provide support with specific questions on regulatory requirements, but also by providing best practices. It is essential that these best practices reflect the various circumstances present in the different sectors, and that they provide an overview of specific use cases and the implementation process. In addition to the AI Office, the European Digital Innovation Hubs could also function as a point of contact for specific technical questions and the transfer of expertise. It is imperative to acknowledge that the integration of these hubs into the respective national ecosystems is crucial to prevent overlap. In certain instances, comparable advisory services are being established in several member states, with some already in operation. However, it is crucial to emphasise that the implementation of the AI Act should be as innovation-friendly and unbureaucratic as possible, in order to avoid further increasing the level of complexity for companies.

To reduce regulatory complexity, further clarification is also needed regarding the overlaps between the AI Act and the GDPR. This should be addressed as part of the 'Data Union Strategy'. The Commission could support businesses in providing best practice for using AI systems in accordance with data protection regulations, thereby ensuring uniform standards across Europe. In order to facilitate the legally compliant use of AI, it is also essential to establish and maintain reliable frameworks for the transfer of data to third countries.

Additionally, promoting and expanding partnerships between companies, as well as between the public and private sectors, is essential, particularly when investing in the necessary AI infrastructure.

4. Utilising potential for the public sector

Artificial intelligence has the potential to offer significant benefits in a variety of fields, not only in business. The integration of AI systems into internal processes has the potential to significantly enhance the efficacy of public administration. On the one hand, citizens stand to benefit from enhanced efficiency and improved accessibility to information. On the other hand, employees can be relieved of routine tasks, a matter of particular relevance during periods of skilled labour shortages. It is therefore welcome that the Commission is also planning to address the public sector in the planned strategy. To date, public administrations in member states have demonstrated a degree of reluctance in adopting AI systems. It has been demonstrated that such entities frequently encounter challenges analogous to those experienced by SMEs. These challenges are often attributable to a lack of access to suitable specialists and a deficiency in understanding the regulatory framework. This is relevant in the context of data protection legislation and issues pertaining to data security. It is therefore crucial that the European institutions assume a pioneering role in the implementation of AI systems. Consequently, best practices can be formulated, from which the public sector in the member states can also benefit. This principle applies to both specific use cases and ensuring compliant use. It is also conceivable that this could engender best practices for adapting internal processes, a necessity which often arises in order to fully utilise the potential of AI systems.

The public sector has the potential to expand the market for specialised AI applications by increasing its own use of AI systems. In addition, it could act as an important customer in certain areas. European SMEs may benefit from this demand in a particular way, given that they are able to offer solutions that are specialised to the European context in some cases.

5. Improving AI literacy

In the coming years, many job profiles will be transformed by the use of AI in individual work steps. This may lead to a reduction in the workload of employees, particularly in the case of repetitive tasks. To meet the challenges associated with this change, it is essential that the workforce is adequately informed and trained to exploit the full potential of AI applications. A basic understanding of the technology and its capabilities and limitations is essential. In addition, Article 4 of the AI Act requires AI skills in the use of AI applications. Support for businesses is essential to reduce existing uncertainties and lower barriers to the use of AI. A potential strategy to promote training and qualification measures specifically aimed at the use of AI in industrial processes could be a solution here, although the effort and costs for the companies using them must remain within reasonable limits.

The changing world of work must also be reflected in education. The teaching of AI skills must not only take place in companies but must already play a role in school education. In addition, the establishment of additional AI professorships in Europe is necessary to counteract the shortage of skilled labour. However, it will not be possible to solve the expected shortage of AI specialists simply by providing more training in Europe. Unbureaucratic rules for the immigration of AI specialists into

the EU are therefore also needed. The use of AI in European companies can only be increased to the desired extent if a sufficient number of trained experts and specialists are available. eco therefore calls for the importance of this issue to be recognised in the political debate.

6. Conclusion

The Commission's recent announcement of the „Apply AI Strategy“, which is part of the „AI Continent Action Plan“, signifies a notable paradigm shift in the Commission's approach to artificial intelligence. Instead of focusing on regulation, the current emphasis is on the promoting applications, a development from which European industry in particular can benefit. As outlined by eco, the following aspects must be considered when formulating the strategy:

Holistic promotion of AI

AI holds transformative potential not only for selected industries but also across broader segments of the economy, including services. To ensure Europe’s global competitiveness and fully realize productivity and efficiency gains, the strategy must adopt a comprehensive approach. AI systems can be deployed across a wide range of workflows and use cases; limiting the strategy to a few isolated applications would fall short of its potential and hinder broader economic impact.

Support investments

Integrating AI into business processes is essential for boosting Europe’s productivity and competitiveness, especially in industry and IoT. To ensure broad adoption—particularly among SMEs and start-ups—targeted funding is needed across all sectors. Support must also address Europe’s R&D gap and invest in digital infrastructure and internal data digitization. Without these foundations, AI strategies and funding efforts will have limited impact.

Support businesses

The implementation of AI systems in business models and production processes presents significant challenges—especially for SMEs. Many smaller firms struggle from the outset, lacking clarity on how AI could be applied meaningfully in their operations. Even after decisions have been made, companies often face further hurdles due to limited resources, technical expertise, or regulatory uncertainty. To close this gap, tailored advisory services are urgently needed. These should go beyond legal guidance and include sector-specific best practices, example use cases, and implementation roadmaps. European Digital Innovation Hubs could take on a key role here but must be tightly integrated into national support structures to avoid redundancy. To reduce regulatory complexity, further clarification is also needed regarding the overlaps between the AI Act and the GDPR.

Utilise potential for the public sector

AI offers significant benefits not only for industry but also for the public sector. Faster processing, improved information access, and relief from routine tasks are especially valuable amid staff shortages. It is therefore welcome that the Commission plans to include public administration in its AI strategy. To drive adoption, EU institutions should lead by example and establish best practices, helping address legal and operational uncertainties. A stronger public sector role in AI could also stimulate demand for specialized solutions—particularly benefiting European SMEs with context-specific offerings.

Improving AI literacy

The transformation of job profiles through AI will be one of the key labor market developments in the coming years. To ensure workers are equipped to benefit from this shift, widespread training and upskilling are essential. Companies must be supported in building AI competencies—not only to meet the AI Act's requirements, but also to reduce uncertainty and ease the practical adoption of AI. A strategic approach to promoting cost-effective training programs for industry is needed. To remain competitive, the EU must also adopt pragmatic immigration policies that attract international AI specialists. Without a sufficient talent pool, the responsible and effective use of AI in European enterprises cannot be achieved.

About eco: With approximately 1,000 member companies, eco (international.eco.de) is the leading Association of the Internet Industry in Europe. Since 1995, eco has been highly instrumental in shaping the Internet, fostering new technologies, forming framework conditions, and representing the interests of its members in politics and international forums. eco has offices based in Cologne, Berlin and Brussels. In its work, eco primarily advocates for a high-performance, reliable and trustworthy ecosystem of digital infrastructures and services.