

# Toward a *digital Europe* in an era of sustainability

The voices of industry

# Executive summary

**Digital transformation is a cornerstone of Europe's competitiveness on the global stage, reshaping industries and driving economic growth.** Eight in 10 executives agree that the digital transformation of large EU industrial organizations is critical to Europe's global competitiveness.

**European organizations continue to prioritize investment in technology and digital tools.** In the aftermath of the pandemic and as war in Ukraine rumbles on, European businesses are wrangling their way through a storm of challenges, including alarming geopolitical fragmentation, an energy crisis, rising production costs, vulnerable supply chains, and skills shortages. However, despite this uncertain market landscape, a majority (53%) of executives are optimistic in respect of organizational growth in the next 12–18 months. Buoyed by this positive outlook, European business leaders are prioritizing investment in digital:

- 39% of organizations will increase and 48% will maintain current investment levels in digital tools and technologies in the next 12–18 months
- Of those organizations planning to increase digital investment, the average increase is projected to be 8.4% from current levels
- 57% of organizations cite AI/generative AI as the top technology investment area.

## 57%

of organizations cite AI/generative AI as the top technology investment area

**Business leaders recognize the interdependence of sustainability and digital transformation.** As

Europe undergoes the transition to a digital and low-carbon economy, a large majority (70%) of executives in our research say they are investing in digital tools and technologies to support the achievement of climate goals. Many (69%) believe that digital transformation is a prerequisite for sustainability transformation. However, only a few (37%) can accurately gauge their current digital footprints.

**Organizations want policymakers to rebuild Europe's business case and strengthen its competitiveness.**

As the digital and green transitions progress, Europe must respond with a holistic approach to competitiveness. Nearly three-quarters (73%) of executives in our research agree that European policymakers must develop a stronger strategic approach to securing future competitiveness. Around half see a lag in innovation and technological progress of their organization compared with their US-based competitors.

**Executives see regulations as a means by which to improve competitiveness.** Regulations are required to reduce uncertainty, scale technologies, protect the economic value of investments, and bolster competitiveness:

- 68% of executives believe clear and fair regulation governing data access will improve their organizational competitiveness; 60% say the same about regulation on fair, transparent, traceable, non-discriminatory, and sustainable AI
- 57% believe regulations on connectivity can help their organizations scale technologies such as 5G and Internet of Things (IoT)
- 54% believe cloud regulations can help them preserve the economic value of their data on cloud.



**Conversely, complex, unclear, and fragmented regulations erode competitiveness and impede innovation.**

A majority (62%) of executives believe that overly complex and stringent regulations can have a negative impact on Europe's competitiveness. Only a few executives consider current European regulations across key technology areas such as cloud (33%), connectivity (34%), cybersecurity (37%), data (44%), and AI/generative AI (46%) to be clear. Moreover, 71% either agree or are neutral to the statement that overly complex regulations will stifle innovation across key emerging technology such as AI/generative AI. A fragmented European regulatory landscape adds to this complexity.

**Our research reveals that organizations want EU policymakers to:**

- **Establish common standards:** 74% of executives want European policymakers to harmonize data protection across EU member states. Executives also want a common certification process across the EU bloc for regulations around key technologies. For example, 73% want this for AI/generative AI and 63% for cloud.
- **Build clear regulatory frameworks:** In order to encourage long-term investment and innovation, organizations want clear regulatory guidance. For example, 60% of executives want European policymakers to establish a clear framework for spectrum deployment and operation.
- **Encourage innovation and collaboration:** Two-thirds (66%) of executives want regulators to encourage innovation around cybersecurity. A large majority (71%) want greater public-private cooperation on developing sustainable technologies. More than half (56%) want policymakers to enable co-innovation in the field of connectivity.

- **Support organizations with best practices, case studies, templates, and guidance documents:** 76% of executives want this kind of support from policymakers for data; 72% for AI/generative AI; and 58% for cloud-related policies and regulations.
- **Influence the direction of investment through economic incentives:** Only one-third of executives believe there to be sufficient financial incentives, subsidies, and/or tax allowances available to European organizations to allow them to scale advancement in technological areas such as connectivity, data, and cybersecurity.

74%

of executives want European policymakers to harmonize data protection across EU member states



# Introduction

This research explores European business leaders' digital transformation and technology investment priorities as specifically related to AI and generative AI, cloud, cybersecurity, connectivity, data, and sustainability. It also explores their perspectives on the current regulatory landscape in Europe across these six key technologies and capabilities; and clarifies their expectations of EU policymakers and regulators in terms of the help they believe they will require to seize future opportunities and secure competitiveness.

To address these key themes, we conducted a survey of 1,800 executives at large organizations headquartered across 30 countries in Europe. The majority (82%) of surveyed organizations have annual revenue above €1 billion. Organizations surveyed operate across 12 industries, including aerospace and defense, automotive, chemicals, consumer-product manufacturing, construction

materials, energy, electronics, industrial manufacturing, life sciences, metals and mining, telecom, media and high tech, transportation, and utilities. For more details on the survey sample, please refer to the research methodology.

**This report comprises four sections:**

## 01

Digital transformation is critical to European competitiveness

## 02

Digital technologies are a key enabler of sustainability transformation

## 03

European industry can be more competitive

## 04

Executives believe regulations can improve competitiveness but require clarification



# 82%

of surveyed organizations have annual revenue above €1 billion





01

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**Digital  
transformation  
is critical to European  
competitiveness**

## Digital transformation is necessary to enhance European competitiveness

Estimates from the Capgemini Research Institute's [previous research](#) indicate that, by 2028, the eco-digital economy<sup>1</sup> will contribute nearly 30%

of Western Europe's<sup>2</sup> GDP. Our current research reveals:

- Eight in 10 executives agree with the statement: "The digital transformation of large EU industrial organizations is critical to Europe's global competitiveness."
- Moreover, 69% agree that it is critical to Europe's supply chain resilience (see Figure 1).

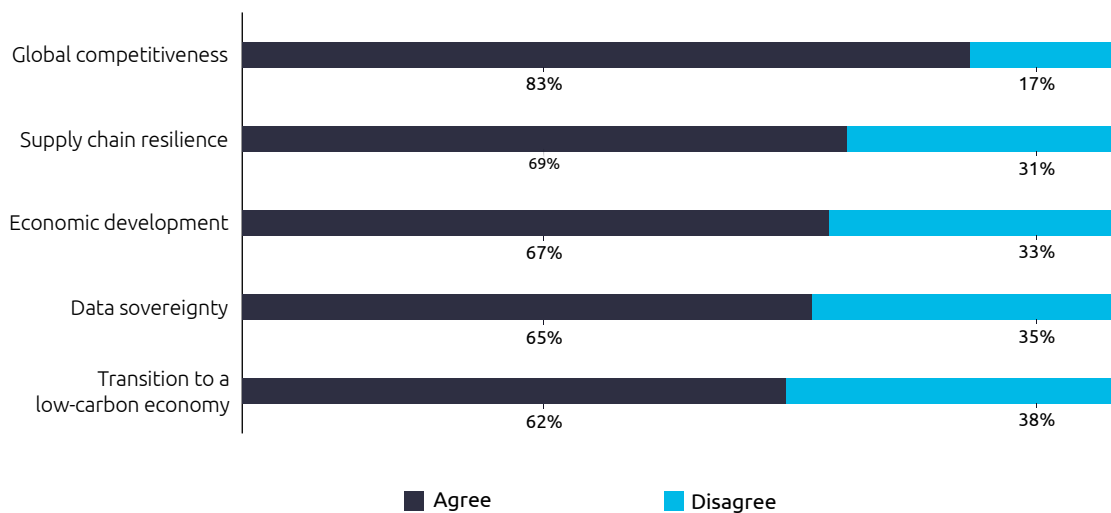
# 69%

of executives agree that digital transformation is critical to Europe's supply chain resilience

### Figure. 1

82% of executives agree that digital transformation is imperative to support Europe's competitiveness

**% of executives agreeing or disagreeing with the statement:**  
**"The digital transformation of large EU industrial organizations is critical to Europe's ..."**



Source: Capgemini Research Institute, European digital transformation priorities survey for the European Round Table for Industry (ERT), February 2024, N=1,240-1,469 European executives expressing a non-neutral answer to the question (sample size varies by category).

## For most organizations, the level of digital transformation investment is likely to remain the same or increase

European business leaders face several challenges from persistent inflation and poor security of energy supplies to skills gaps and broken supply chains,

all against a backdrop of damaging geopolitical conflict. Nevertheless, more than half (53%) of executives in our research are optimistic about the next 12–18 months.

Amid this outlook, organizations see digital as an important growth factor – a majority are either increasing or maintaining investments in digital tech, with a focus on competitiveness, capability, and resilience. As Figure 2 shows:

- 39% of executives say they plan to increase investment in digital tools and technologies in the next 12–18 months

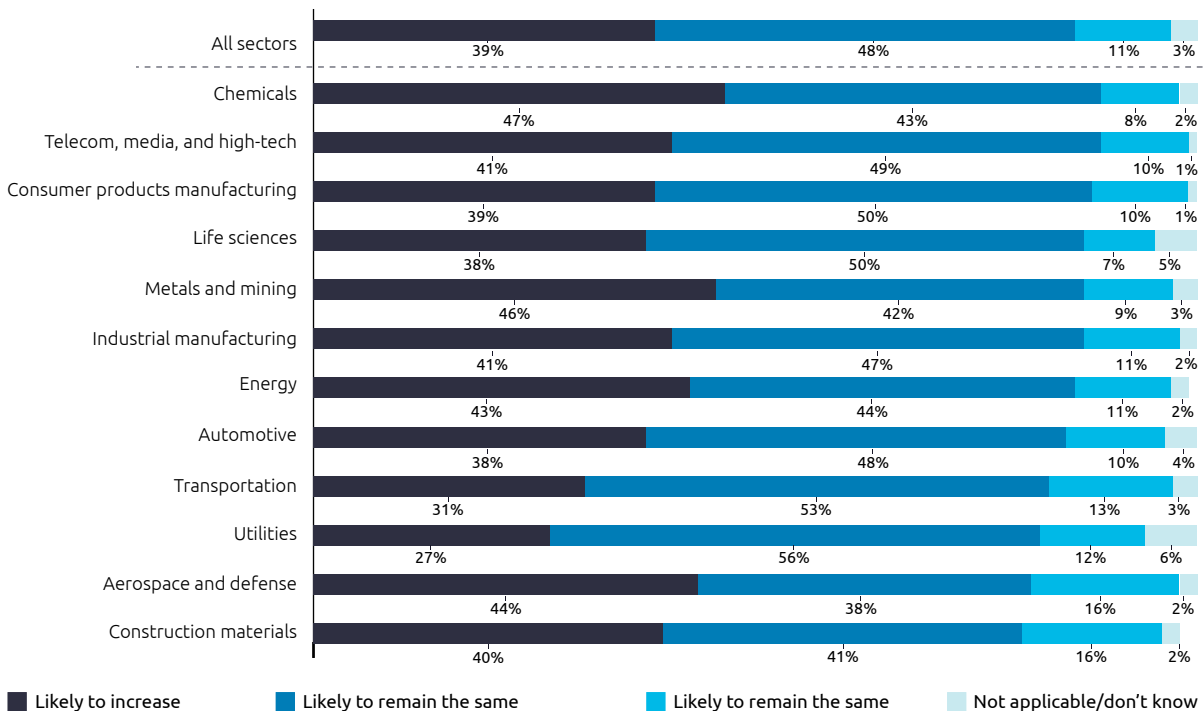
- Nearly half (48%) say they will maintain their current level of investment
- Among the 39% of organizations that plan to increase digital investment in the next 12–18 months, the average forecast increase is 8.4%.

Organizations will look for support from policymakers and regulators to help accelerate their digital investments even further.

**Figure. 2**

Nearly half of executives plan to maintain and nearly 40% to increase digital investments in the next 12–18 months

### % of executives stating their organization's digital investment plans for the next 12–18 months by industry



Source: Capgemini Research Institute, European digital transformation priorities survey for the European Round Table for Industry (ERT), February 2024, N=1,800 European executives



The top priority functional areas for digital investment in the next 12 months are business model innovation (47% of executives say it is a priority for digital investments), design and R&D (43%), and sustainability (40%).

With the use of digital technologies, organizations also expect substantial business benefits – such as pivoting to new business models, improved customer experience, increased sales, reduced costs, streamlined processes, enhanced efficiency, decreased turnaround time, and greater value creation.

- In our research, 56% of executives say they have launched new business models based on digital technologies, such as data-driven models, as-a-service models, or usage-based models.
- Two-thirds (67%) of executives in our research say they are using data to understand the customer lifecycle and improve end-to-end journeys.

## AI and generative AI is the top technology investment area

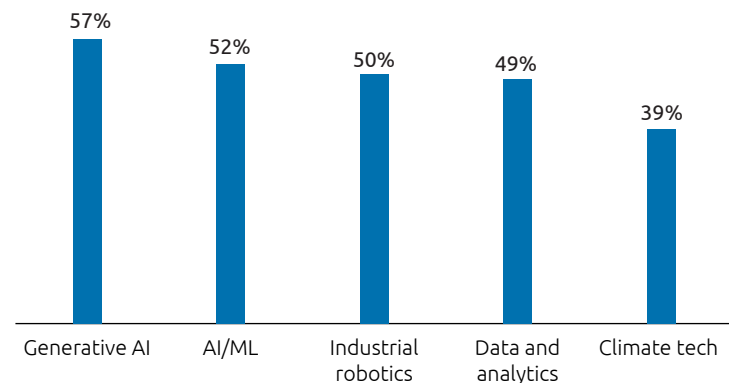
Many organizations see AI and generative AI as powerful tools with which to accelerate growth, enhance capabilities, and unlock new opportunities. The Capgemini Research Institute's [previous research](#) showcases AI's increasing involvement in critical decision-making. Within Western Europe,<sup>3</sup> for example, 27% of critical decisions in the next five years are expected to involve the assistance of AI.

In our current research, more than half of executives rank AI and generative AI among the top technology investment priorities for the next 12–18 months (see Figure 3).

**Figure. 3**

AI/generative AI, industrial robotics, and data and analytics are the top digital investment areas

**% of executives planning to increase digital investment in the following technologies in the next 12–18 months (top 5 ranked)**



Source: Capgemini Research Institute, European digital transformation priorities survey for the European Round Table for Industry (ERT), February 2024, N=1,800 European executives.

**27%**

of critical decisions in the next five years are expected to involve the assistance of AI



# 02

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**Digital technologies  
are a key enabler of  
sustainability  
transformation**

***“Adopting innovative technology will accelerate the digital transformation [of Europe], but the technology used should align with sustainability goals.”***

**–Consumer products manufacturing executive  
in Romania**

## High energy costs, coupled with the need to decarbonize, are top challenges

The industrial sector accounted for over one-quarter of the EU’s final energy consumption in 2021, and the sector has a heavy dependence on fossil fuels today.<sup>4</sup> For decarbonizing, a combination of resource and energy efficiency solutions such as electrification, hydrogen, smart grids, and carbon capture and storage (CCS) is required.

However, economy-wide decarbonization is dependent on cost-effective low-carbon energy solutions and an effective policy mechanism to incentivize deployment of the technologies and infrastructure required for operating a large-scale, low-carbon grid. Despite an estimated 50% year-on-year decline in EU energy prices in 2023, as a result of the war in Ukraine, energy-intensive industries in the region continued to face far higher electricity costs compared with the US and China.<sup>5</sup> Another model from the UK Energy Research Center shows that increased energy prices could delay meaningful investment in

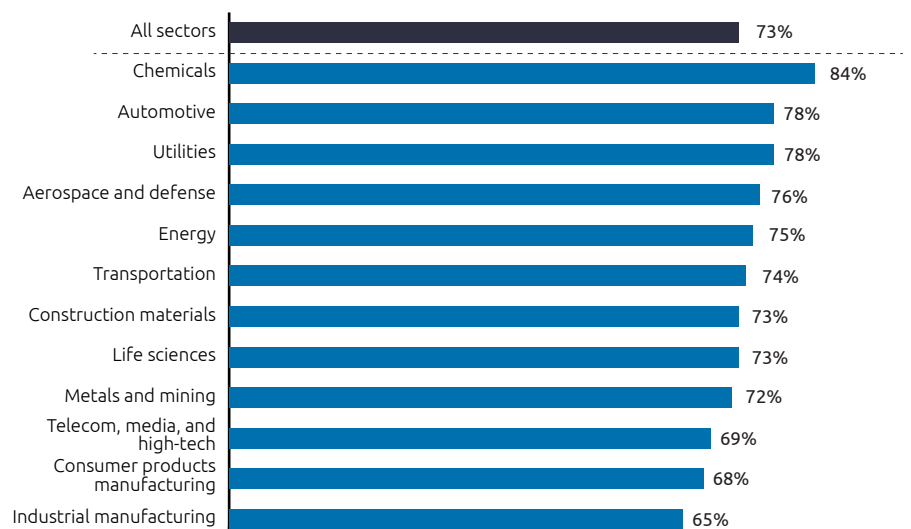
decarbonization by at least five years compared with the default scenario.<sup>6</sup> Figure 3 also highlights that only 39% of organizations are prioritizing digital investments in climate tech – showcasing their need for more support from policymakers.

As Figure 4 shows, high energy costs and a strong need to decarbonize are the top-ranked challenges to the competitiveness of Europe in the next 12–18 months, cited by 73% of executives.

**Figure. 4**

Nearly three-quarters of executives rank high energy costs and decarbonization as a top barrier to Europe’s competitiveness

**% of executives ranking “high energy costs and a strong need to decarbonize” among the top five challenges to the competitiveness of Europe in the next 12–18 months**



Source: Capgemini Research Institute, European digital transformation priorities survey for the European Round Table for Industry (ERT), February 2024, N=1,800 European executives.

## Executives understand that digital will support sustainability transformation

The Capgemini Research Institute's recent [eco-digital research](#) established that the world is currently experiencing a dual transition to a digital and sustainable economy.<sup>7</sup> The European Commission also recognizes the interdependence of the green and digital transitions, considering them parallel, mutually supportive efforts. The digital transition is seen as a critical enabler of the European Green Deal, playing a pivotal role in reducing humanity's environmental footprint.<sup>8</sup>

A large majority (69%) of executives in our research believe that digital transformation is a prerequisite for achieving long-term sustainability. They see digital technologies catalyzing the emergence of sustainable business models towards their sustainability goals; 70% of executives in our research say they are investing in digital technologies to achieve their climate goals as Europe transitions to a low-carbon economy (see Figure 5).

# 69%

of executives believe that digital transformation is a prerequisite for achieving long-term sustainability

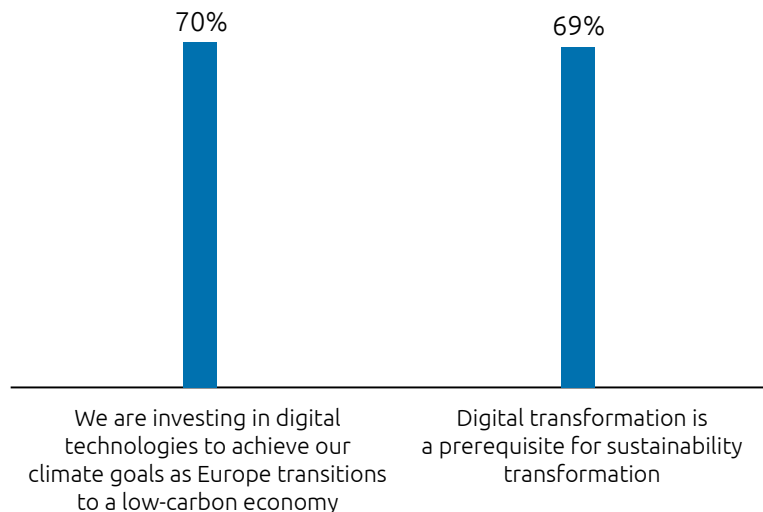
# 70%

of executives say they are investing in digital technologies to achieve their climate goals

### Figure. 5

Most organizations are investing in digital to achieve their climate ambitions and see digital as a requirement for sustainability transformation

#### % of executives who agree with the statements below



Source: Capgemini Research Institute, European digital transformation priorities survey for the European Round Table for Industry (ERT), February 2024, N=1,800 European executives.



Digital technologies such as AI, data/analytics, IoT, AR/VR, and digital twin can offer multifaceted benefits to organizations, including optimizing resource usage, lowering levels of greenhouse gas (GHG) emissions to enhance energy efficiency, reducing environmental impact through data-driven decisions, and promoting transparency and sustainability in supply chains.

- Our current research reveals, however, general usage of IoT/IIoT to monitor or reduce energy consumption is low: only 25% of executives say their organization uses these solutions for energy efficiency.
- By accurately measuring and analyzing Scope 3 emissions data, organizations can identify emissions hot spots within their supplier networks and initiate targeted actions to mitigate emissions. More than half (52%) of executives in our research say they use analytics to track emissions data and progress toward sustainability goals.

## Most organizations lack a comprehensive understanding of digital's environmental impacts

The current digital footprint represents just 3–4% of global emissions,<sup>9</sup> but is expected to increase dramatically as emerging technologies such as generative AI, the metaverse, digital twin, and quantum computing gain commercial traction. The energy-intensive nature of training and operating AI models, for example, especially larger generative AI models, contributes to GHG emissions. Moreover, the computational demands of generative AI models strain the

availability of energy resources and computing infrastructure. This goes beyond electricity; data-center cooling systems often place great strain on local water supplies.

However, most organizations in our survey do not understand the impact of digital tools and technologies they use on the environment. For example, a little over one-third (37%) of executives say they know how much carbon their technology emits and only 18% have published a carbon footprint for their digital products (see Figure 6).

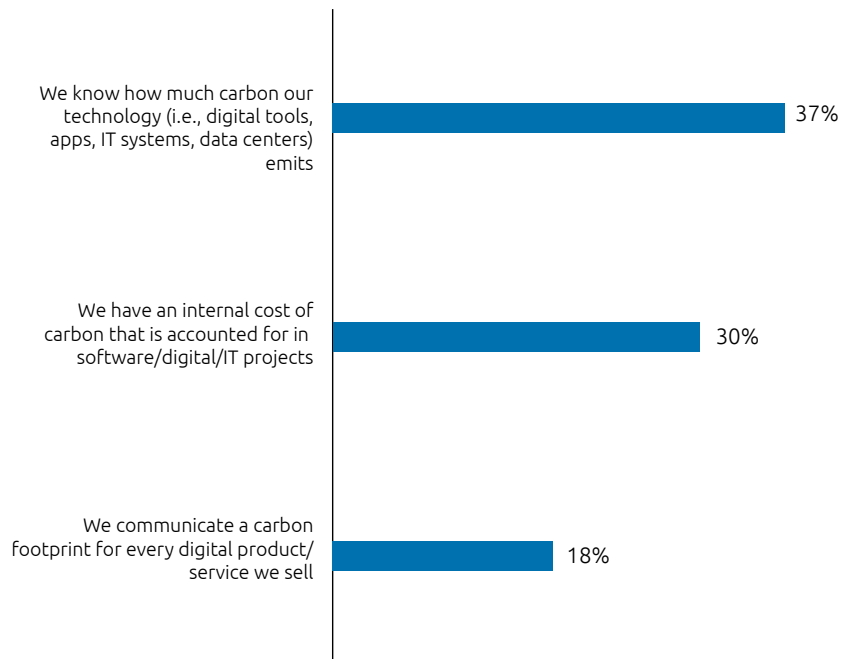
# 37%

of executives say they know how much carbon their technology emits

**Figure. 6**

Few organizations know the full impact of digital tools and technologies on their emissions

### % of executives agreeing with the below statements



Source: Capgemini Research Institute, European digital transformation priorities survey for the European Round Table for Industry (ERT), February 2024, N=1,800 European executives.

03

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**European  
industry can be more  
competitive**

## Half of European business leaders believe they lag US competitors on innovation

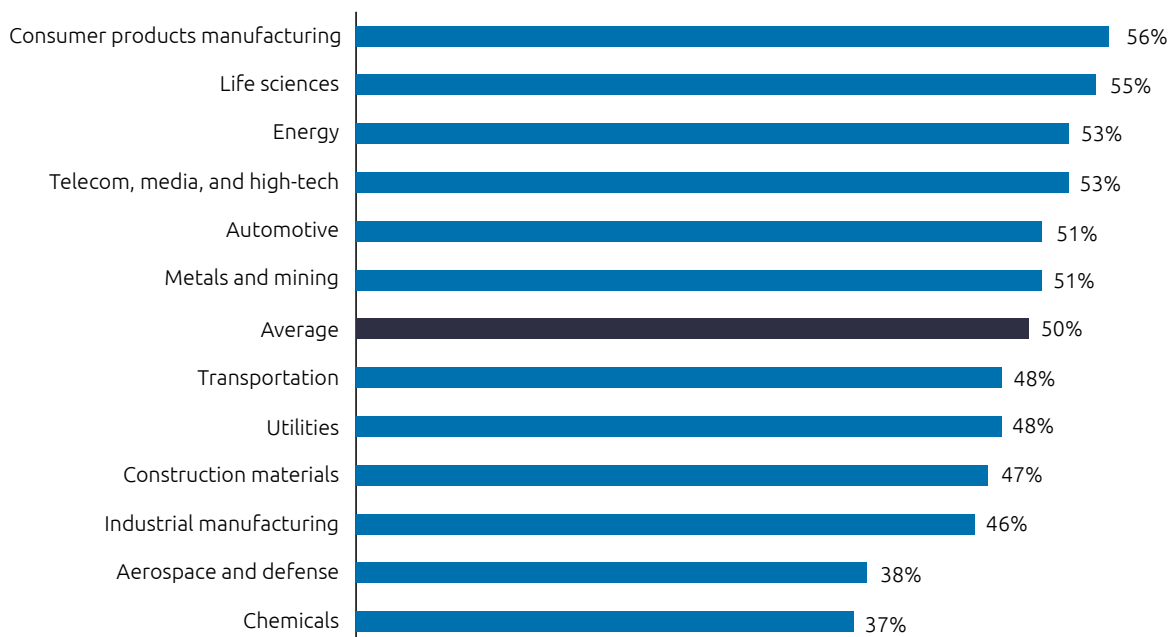
Owing to a multitude of factors, including higher levels of R&D investment, a strong entrepreneurial culture, and solid government support, the US has long been viewed as a global leader in technology innovation. Moreover, the US leads

Europe in sheer volume of venture funding, reaching \$132.4 billion in 2023, compared with \$48.4 billion in Europe.<sup>10</sup> There is also a perception that the greater fragmentation and more complex regulatory landscape of the European market, among other factors, hinders innovation. Our research reveals that half of executives believe their organizations' ability to innovate is higher than that of US competitors – demonstrating the need for policymakers to focus on improving innovation and competitiveness of European organizations (see Figure 7).

### Figure. 7

Half of executives believe their ability to innovate is high compared with that of US competitors

#### % of executives who rate their industry's ability to innovate to be high in comparison with US-based competitors



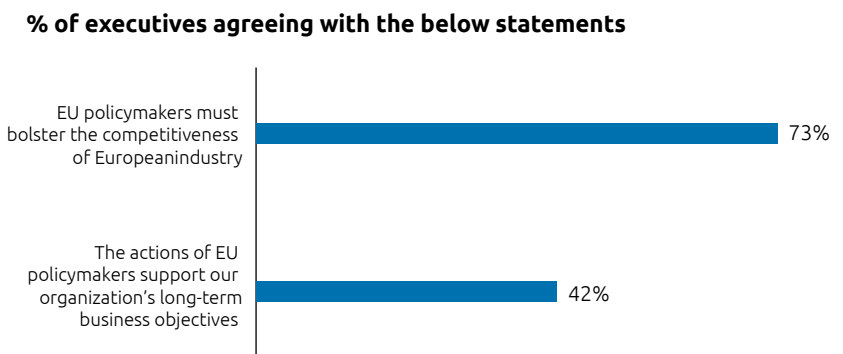
Source: Capgemini Research Institute, European digital transformation priorities survey for the European Round Table for Industry (ERT), February 2024, N=1,800 European executives.

## Executives believe the EU can improve European competitiveness and innovation

European organizations are under increasing pressure from global competitors. Most executives (73%) in our survey agree that EU policymakers must improve the innovative power and competitiveness of European industry. Only 42% of executives agree that the actions of EU policymakers currently support their organizations' long-term business objectives (see Figure 8).

**Figure. 8**

The majority (73%) of executives agree that European industry can be more competitive



Source: Capgemini Research Institute, European digital transformation priorities survey for the European Round Table for Industry (ERT), February 2024, N=1,800 European executives.

# 73%

of executives agree that EU policymakers must improve the innovative power and competitiveness of European industry



## Financial incentives promote innovation

Economic incentives are increasingly directing investment. In our recent research, 57% of executives said that their organization was likely to increase investment in the EU in light of the perceived benefits of the EU Green Deal Industrial Plan.<sup>11</sup> The EU plans to allocate €578 billion (32.6% of its total budget) to climate-mitigation efforts through 2027, while the US Inflation Reduction Act (IRA) offers \$369

billion in incentives to organizations to ramp up clean tech over the next 10 years.<sup>12</sup> However, regulations alone are insufficient to prompt action: organizations require incentives, tax allowances, and subsidies to convince them that investing in key digital and sustainable technologies is worthwhile. Many European organizations argue that long-term tax allowances are better suited to the extended investment cycle required for green industrial projects to enable manufacturers to offset costs while building scale.<sup>13</sup> In our research, a majority (58%) of executives want

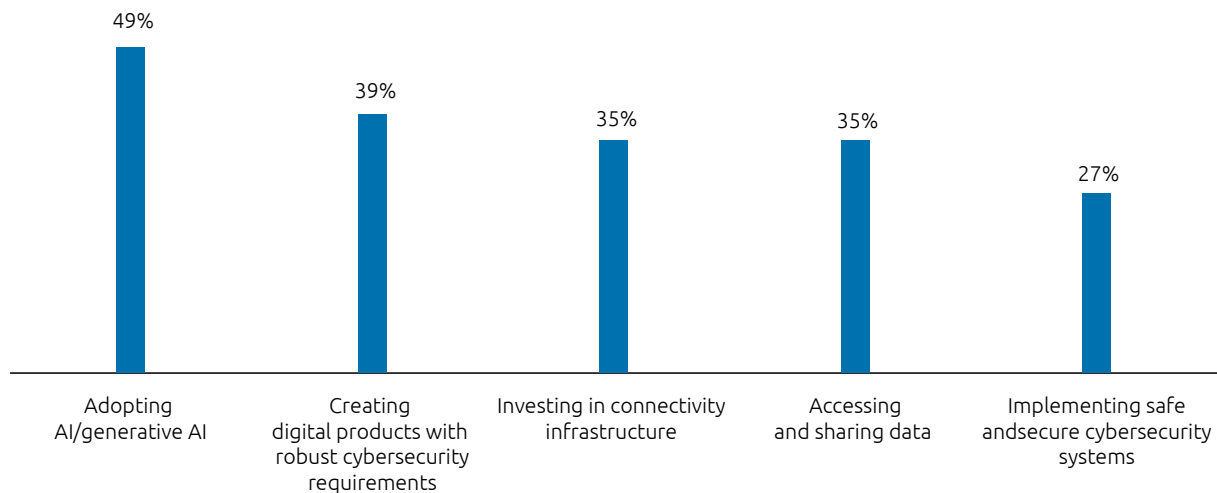
more incentives/subsidies from the EU to help the private sector decarbonize.

Around half (49%) of executives in our survey say there are sufficient financial incentives to give their organization confidence in investing in AI and generative AI, while 27% say the same with regard to implementing safe and secure cybersecurity systems (see Figure 9). An executive from an industrial manufacturer in the Czech Republic shares that it is important for the EU to *“nurture the growth of the digital economy through tax incentives and investment incentives.”*

### Figure. 9

Less than half of executives believe there are sufficient financial incentives to give them confidence in investing in key technologies

**% of executives who agree with the statement: There are sufficient financial incentives/subsidies available to give European organizations greater confidence in...**



Source: Capgemini Research Institute, European digital transformation priorities survey for the European Round Table for Industry (ERT), February 2024, N=1,800 European executives for AI/generative AI, data, and cybersecurity questions; N=1,572 European executives for connectivity questions.

# 04

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**Executives believe  
regulations can  
improve  
competitiveness  
but require  
clarification**

## Executives are optimistic that regulation can be simplified

Europe's regulatory landscape is often considered overly complex and sometimes unclear. Sixty-two percent of executives in our survey believe that this complex and stringent regulation will have a negative impact on Europe's global competitiveness. However, more than half (58%) are also optimistic that EU policymakers will act in this regard (see Figure 10).

Some organizations are also concerned that a complex regulatory framework could stifle innovation, for example around AI/generative AI (51% of executives agree this is a concern, and 20% are neutral). An executive from a UK media and entertainment company adds: *"Regulations need to ensure that there is scope for innovation; they must allow for technological advancement, while maintaining high standards."* Europe has started to take a few steps to assuage concerns in this space. For example, following the political agreement on the EU AI Act, the European Commission announced a new initiative to enable innovative European start-ups and other businesses to access hardware such as supercomputers, as well as computing capacity, to enable them to build and train trustworthy large-scale AI models<sup>14</sup>

# 58%

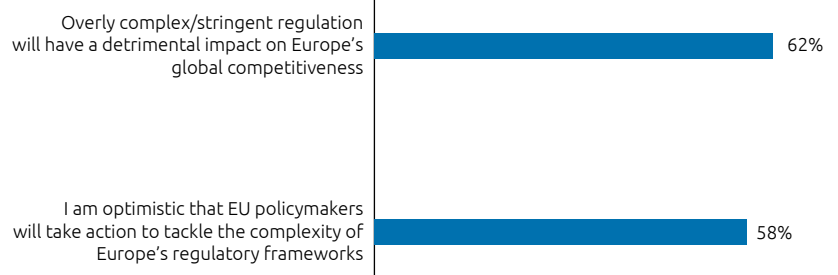
of executives are optimistic that EU policymakers will act to tackle the complexity of Europe's regulatory frameworks



**Figure. 10**

While most executives believe complex regulations hinder European competitiveness, many are also optimistic the complexity can be addressed

### % of executives who agree with the statements below



Source: Capgemini Research Institute, European digital transformation priorities survey for the European Round Table for Industry (ERT), February 2024, N=1,800 European executives.

## Executives believe regulations are necessary to govern tech development and can act as a springboard to stronger competition

Executives have highlighted the need for regulations to scale technologies and to protect the economic value of investments:

- 57% of executives believe regulations on connectivity can help their organization scale technologies such as 5G and IoT

# 57%

of executives believe regulations on connectivity can help their organization scale technologies such as 5G and IoT

# 54%

of executives believe cloud regulations can help them conserve the economic value of their data on cloud

- 54% of executives believe cloud regulations can help them conserve the economic value of their data on cloud, for example by preventing it from being monetized, directly or indirectly, without their express consent.

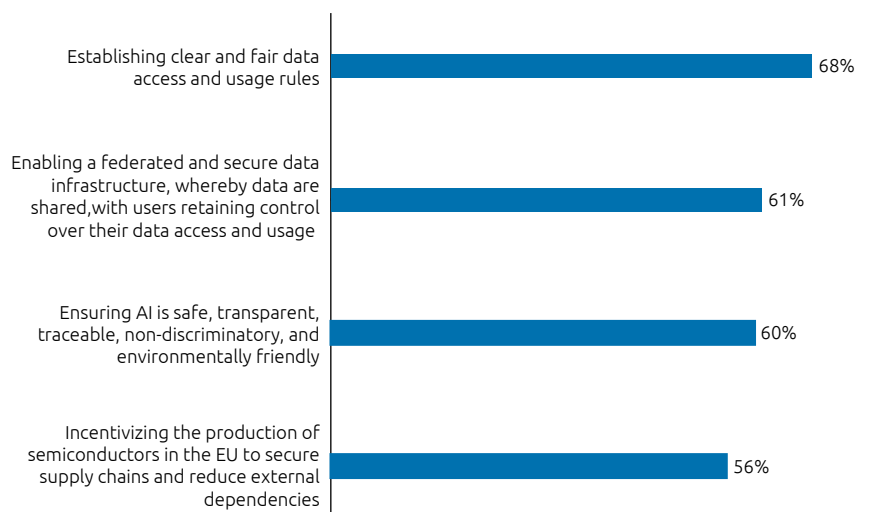
[Previous research](#) from the Capgemini Research Institute also emphasizes that organizations want regulatory frameworks to offer clarity in their development paths; establish required guardrails; and support scaling emerging technologies, such as generative AI. A majority (57%) of Western European<sup>15</sup> business leaders believe that the EU's strong regulatory framework around generative AI offers EU organizations greater confidence in adopting the technology.<sup>16</sup>

We also assessed executives' perceptions of the technology initiatives they believe are critical for improving organizational competitiveness. Most executives (68%) believe establishing clear rules around fair data access and usage will improve competitiveness. Sixty-one percent believe that enabling a federated and secure data infrastructure and 60% believe that ensuring safe, transparent, traceable, non-discriminatory, and environmentally friendly AI will help them to improve competitiveness (see Figure 11).

**Figure. 11**

Establishing clear data access and usage rules and enabling a federated data infrastructure are the top initiatives executives believe will improve their organization's competitiveness

**% of executives who agree that the below initiatives will improve the competitiveness of their organization**



Source: Capgemini Research Institute, European digital transformation priorities survey for the European Round Table for Industry (ERT), February 2024, N=1,800 European executives.

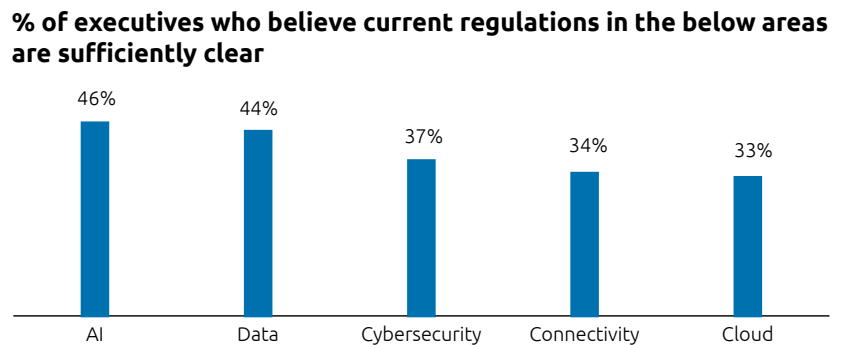


## However, current regulations are fragmented and not entirely clear to executives

Overall, less than half of executives in our survey believe current regulations are clear across the key areas we analyzed. For example, 46% say regulations relating to AI are clear while one-third of executives say the same for connectivity and cloud-related regulations (see Figure 12). A construction executive from France shares: *"The use of AI and generative AI needs to be increased for faster digitalization; however, it should not be done without measuring ethical implications."*

**Figure. 12**

Less than half of executives find current regulation governing the below domains clear



Source: Capgemini Research Institute, European digital transformation priorities survey for the European Round Table for Industry (ERT), February 2024, N=1,800 European executives for AI/generative AI, data, and cybersecurity questions; N=1,572 European executives for connectivity questions; N=1,611 European executives for cloud questions.

Only  
**46%**

of executives say regulations relating to AI

Moreover, organizations also want a coherent, single set of rules and regulations for the EU bloc. There is a stronger consensus among organizations for key areas such as data and AI:

- 74% of executives want policymakers to harmonize data protection across EU member states; a majority (68%) also want regulators to establish common data-governance frameworks and standards
- 73% want a common certification process for regulations around AI/generative AI
- 62% want policymakers and regulators to harmonize climate policies across the EU
- Only half (51%) want EU regulation on cloud sovereignty to align with existing local regulations (e.g., SecNumCloud in France and BSI CS in Germany).



## Organizations are not equipped to seize upcoming opportunities

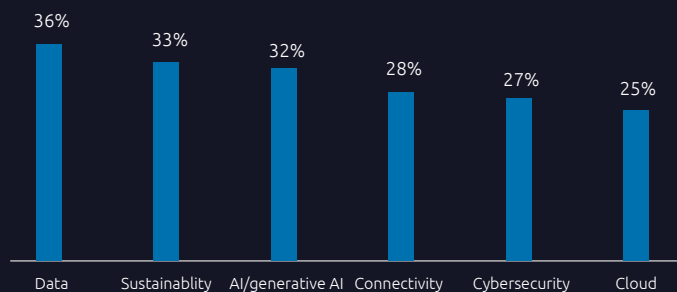
Executives are concerned about the availability of talent and specialist skill sets in their organizations. Our multiple research programs have highlighted talent gaps in several critical technology areas, including product development, software engineering, AI/machine learning (ML), cloud, cybersecurity, data science, and behavioral skills such as design thinking and business modelling.<sup>17</sup>

Similarly, in the current research just one-quarter (25%) of executives believe their organization has the talent and skills required to grasp cloud-related opportunities and 32% said the same for AI and generative AI (see Figure 13). This speaks to a prominent skills gap in the six key technologies and capabilities we analyzed. An executive at an industrial manufacturer in Finland shares: *"Upskilling initiatives should be provided [by the EU] to offer the necessary digital skills needed to improve the rate of digital transformation."* Another executive from an industrial manufacturer in Estonia suggests: *"Governments should partner with academic institutions to ensure that employees are trained and knowledgeable about essential digital skills."*

**Figure. 13**

Around one-quarter to one-third of executives believe their organization is prepared to seize opportunities from a talent and skills perspective

**% of executives who feel their organization has the talent and skills required to seize opportunities across the below domains**



Source: Capgemini Research Institute, European digital transformation priorities survey for the European Round Table for Industry (ERT), February 2024, N=1,800 European executives for data, sustainability, AI/generative AI, and cybersecurity questions; N=1,572 European executives for connectivity questions, N=1,611 European executives for cloud questions.

In the infographic below, we provide an overview of the major expectations that executives have of EU policymakers and regulators regarding six technologies and/or capabilities that we deem critical to the digital transformation and competitiveness of European organizations:

- AI and generative AI
- Cloud
- Connectivity
- Cybersecurity
- Data
- Sustainability

## The top expectations executives hold of EU policymakers and regulators across each domain

*"The EU can develop roadmaps to accelerate digital transformation by prioritizing the industries that need the most attention."*

–Austrian construction materials executive

*"The EU must improve cross-border data flows to streamline digital trade and collaboration."*

–Spanish energy executive

*"Data protection and data sharing should be strengthened by technologies to foster confidence in digital transformation initiatives and scale their implementation."*

–Italian life sciences executive

*"Generate incentives for businesses to invest in digital sustainability initiatives."*

–Slovenian construction executive

*"International connectivity needs to be strengthened across the EU to accelerate cross-border transactions."*

–French industrial manufacturing executive

*"The EU lacks the skills required to undertake digital transformation. A larger training and educational program is needed to elevate the digital transformation."*

–Spanish telecom executive

### AI and generative AI

- 73% of executives want EU policymakers to **develop a common certification process** for regulations around AI/generative AI
- 72% want their support in **providing best practices, case studies, and templates** (i.e., guidance documents)
- 54% want **technical tools** (e.g., regulatory tech) to help them achieve compliance

### Cloud

- 63% want EU policymakers to develop a **simplified and harmonized cloud certification process across the EU**
- 58% want their support in **providing best practices, case studies, and templates** (e.g., guidance documents)
- 56% want EU policymakers to promote **hybrid sovereign cloud models** (i.e., confidential data on local sovereign cloud and non-confidential data on public cloud)

### Cybersecurity

- 71% of executives want **regulations that ensure adequate security features on products**
- 66% want the EU to **encourage innovation in AI** for cybersecurity
- 52% want support in the form of **best practices, case studies, and templates**

### Connectivity

- 60% of executives want EU policymakers to **establish a clear framework** for spectrum deployment and operation
- 56% want them to **enable co-innovation** by promoting collaboration across industries
- 53% want **regulatory incentives for private investment** in networks

### Data

- 76% of executives want EU policymakers to **provide clear guidance on data ownership** (such as IP, privacy, trade secrets vs. free flow, open data principles)
- 74% want them to **harmonize data protection** across EU member states
- 73% want them to **ensure fair and equal access to data**

### Sustainability

- 71% of executives want an **increase in public-private sector cooperation**
- 69% want **faster processes to grant permission and/or approve funding for strategic net zero technologies** (e.g., wind; battery and storage; geothermal energy; carbon capture and storage)
- 64% want policymakers to offer **insight into the impact of the EU's green transition** on skills and jobs

Source: Capgemini Research Institute, European digital transformation priorities survey for the European Round Table for Industry (ERT), February 2024, N=1,800 European executives

# Conclusion

Our research reveals that the digital transformation of industry is a critical factor for Europe's global competitiveness and economic development. Executives anticipate increasing investment in digital tools and technologies in the next 12–18 months and acknowledge that digital is a critical enabler to sustainability transformation. While executives understand that regulations are necessary, they also believe current EU regulations for certain technologies are often complex and unclear. European business leaders, however, are optimistic that the regulatory challenges can be addressed, and more supportive regulations coupled with financial incentives will drive innovation and enhance their organizations' competitiveness.







# Research methodology

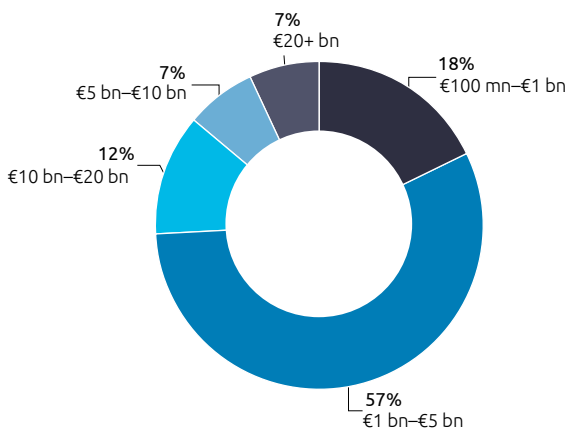
We surveyed 1,800 executives employed at unique organizations across 30 countries within Europe. Most organizations (82%) in our survey have annual revenue exceeding €1 billion. Organizations surveyed operate across 12 industries and executives surveyed were director level and above. To qualify for the survey, executives must be

responsible for or highly aware of their organizations' digital transformation investment plans and priorities, globally and within most or all functions. The survey took place in February 2024. The distribution of executives and their organizations is provided in the following charts.

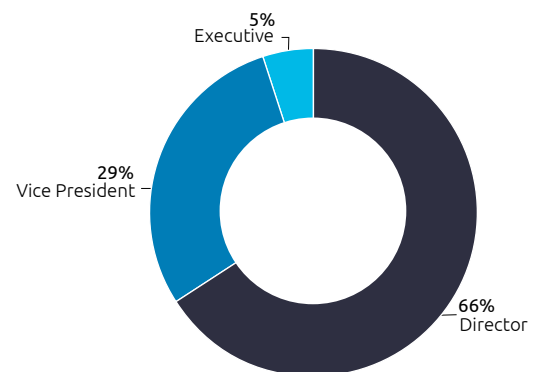
Please note all quotes from executives in this report are from responding participants to our survey. Their insights were shared in an open-ended question in the survey requesting specific suggestions/recommendations for how the European Union can accelerate its digital transformation.

**\*The study findings reflect the views of the respondents to our online questionnaire for this research and are aimed at providing directional guidance.**

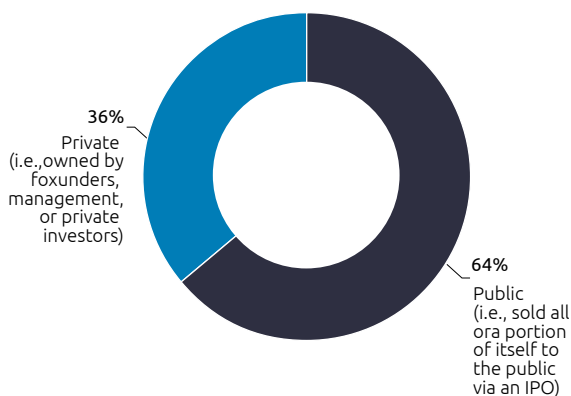
% of organizations by enterprise-level revenue, in EUR



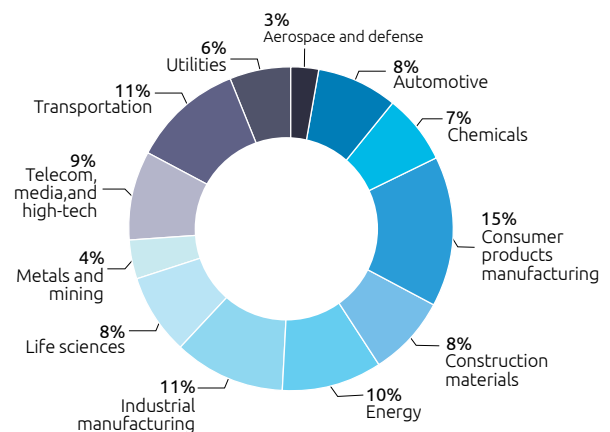
% of executives by job title



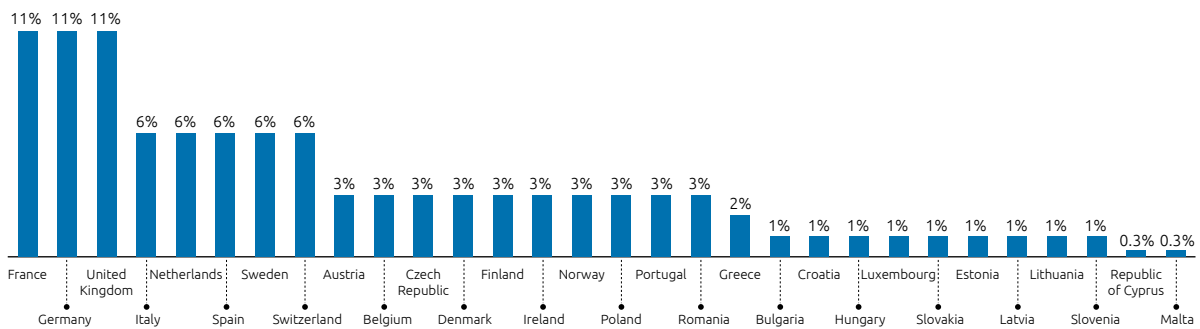
% of organizations by type



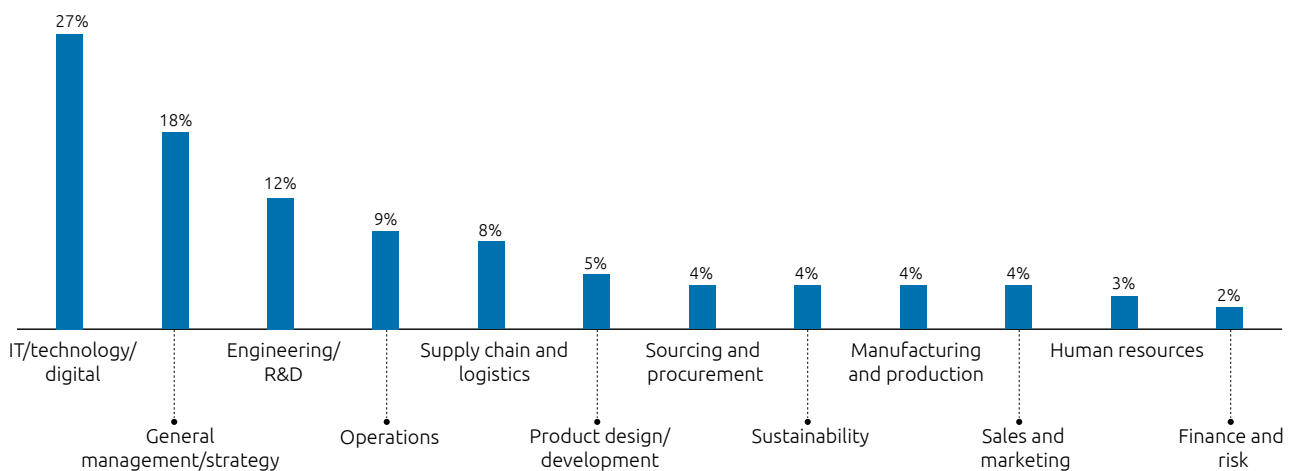
% of organizations by industry



### % of organizations by country of headquarters



### % of executives by function



Source: Capgemini Research Institute, European digital transformation priorities survey for the European Round Table for Industry (ERT), February 2024, N=1,800 European executives.

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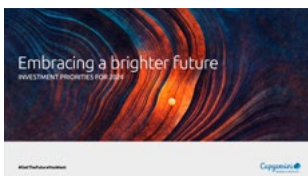
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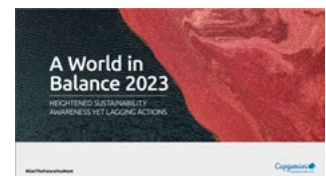
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