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Danish Industry
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Contribution from the Confederation of Danish Industry (DI) on Cloud and AI Development Act: call for evidence

The Confederation of Danish Industry (DI) is grateful for the opportunity to share insights to the European Commission development of a Cloud and AI development act. In our response, we have chosen to focus on the areas we consider to be most central to strengthening the development and use of cloud and artificial intelligence in Europe.

DI is Denmark's largest and most influential business organization with more than 20,000 member companies – from start-up entrepreneurs to Denmark's largest industrial groups – across the industrial, service and technology sectors.

General comments

At DI, we welcome all technology and innovation that can ensure the continued growth of companies in Europe. We acknowledge the efforts being made to strengthen Europe's position as a global frontrunner in the development and deployment of cloud technology and artificial intelligence. With the Cloud and AI Development Act, the EU has an opportunity to strengthen its technological capacity and future competitiveness. This requires long-term investment in the digital space and improved framework conditions for Europe to meet the growing need to ensure that businesses and the public sector have access to cutting-edge, secure, resilient, scalable and sustainable services.

However, it is also important to us that the work of developing cloud and AI infrastructure considers the technological differences that exist. Cloud technology is not a generic service, but a technology that encompasses an entire infrastructure and value chain that enables everything from AI models and data sharing to public services and industrial digitalization. In this context, it is essential that any regulation is designed in such a way that supports and considers the differences.

1. **Strengthen the Digital Single Market**

   The ambition to strengthen cloud and AI in Europe depends on our ability to create a well-functioning Digital Single Market. To achieve these goals, the EU should put forward policies that strengthen the Digital Single Market by encouraging Member States to prioritize harmonization, introducing modernized procurement practices that account for new ways of procuring services effectively, and avoiding restrictive national policies that could create barriers to adopting innovative and secure solutions.

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DI supports the Commission's assessment that the challenges facing the cloud and AI sectors cannot be addressed through national approaches alone. Individual Member States lack both the capacity and the prerequisites to build independent ecosystems that can compete globally and ensure access to the best, most secure, resilient and sustainable solutions. Europe should therefore be seen as a single digital market, where Member States jointly contribute to a coordinated European approach and put the EU before themselves.

2. Transparency and interoperability are essential for the cloud market

For some organizations, the cloud market can be complex to navigate. Its users – especially SMEs and public actors – may find it difficult to understand terms, data security and contractual conditions. They lack knowledge and experience with cloud services when choosing solutions, which is further complicated when several providers are involved. Therefore, guides and tools should be developed to help – especially SMEs – to assess technical solutions.

To promote a more open and well-functioning market, the EU should actively support interoperability, data mobility, and the ability to switch and port between cloud providers. This can be achieved through clear and practical guidance that ensures harmonized implementation across Member States – helping to enhance transparency, predictability, and reduce costs for businesses. Portability should be a central focus if companies are to effectively avoid dependency on individual providers – and in this regard, neutral contracts play a crucial role.

DI therefore calls for the upcoming strategy for a data union to ensure clear and uniform guidance for data sharing and interoperability, so that the possibility of switching cloud providers is strengthened in a way that does not harm access to innovative and diverse solutions or lead to increased costs for companies and opportunities.

3. Sustainable and scalable infrastructure

Today, many players face barriers in the form of lengthy and unpredictable permitting procedures, which vary between Member States when it comes to building data centers. This creates uncertainty for investors and delays necessary projects that are intended to support the increasing demand for cloud and AI. We therefore welcome the Commission's ambitions to introduce uniform and predictable permit processes, which can reduce complexity and promote a faster and more coordinated roll-out across the member states.

To support the rollout of data center capacity, it is essential that there is access to stable, affordable and sustainable energy sources, as well as sufficient grid connectivity and suitable locations. Without access to competitive green energy, Europe risks losing competitiveness compared to regions with lower energy costs and better framework conditions.

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Denmark has concrete examples of local areas such as Esbjerg, where access to green electricity, fibre cables (submarine cables connecting Europe, the UK and the US) and heat recycling have created an ideal platform for data centres. A European plan for data centre locations should therefore take into account such local advantages.

Finally, we would also like to draw attention to the fact that technology, including cloud technology, in itself enables significant energy efficiency, which should be actively exploited as part of the EU's climate action. The EU should therefore prioritize investment in research and development of energy-efficient technologies and circular data centre solutions that support a more sustainable digital infrastructure. Such an approach can thus also contribute to green cloud solutions becoming a European export potential.

3. Use Procurement Strategically

In parallel with the Cloud and AI Development Act, the European Commission is also setting out relevant ambitions regarding a single EU-wide cloud policy for public administrations and public procurement. We support the idea that the public sector should not only regulate digital development but also play an active role in shaping and building it. Public procurement must be used as a strategic lever to strengthen Europe’s competitiveness, innovation, and digital capacity.

Targeted requirements in selected areas that enhance European presence and control – particularly in the public sector, but also in private markets – will help build the necessary capacity and strategic options that enable us to act more sovereignly. This could include requirements related to service continuity, access to source code, and similar provisions – all based on a risk-based approach that avoids rigid and overly prescriptive procurement procedures.

At the same time, the European Commission should focus on fixing the underlying challenges in public procurement – particularly around the implementation of existing directives and the lack of effective competition. Introducing new criteria without addressing the root causes of declining bidder participation risks exacerbating the very issues the EU seeks to solve. Instead of adding sector-specific guidelines, the Commission should prioritise consolidating fragmented rules across EU legislation and initiate a thorough revision of the existing procurement directives.

The Commission should promote risk-based requirements with respect for international agreements by advancing harmonization efforts and implementing measures that foster open and competitive procurement markets. Measures should be inclusive of global providers that meet high European standards for security, transparency and accountability. Narrowing the

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field of potential suppliers' risks undermining trust, limiting access to advanced solutions, and slowing digital progress across both the public and private sectors.

Private sector buyers can also contribute to scaling European solutions or enhancing control when using foreign services, by applying contractual obligations and relying on shared practices in selected critical domains.

5. Accelerate Skills Development and Talent Attraction

The digital transformation must not be slowed down by a lack of skills. The EU should therefore invest purposefully in cloud and AI education and mobility programs that support upskilling across Member States. In addition, the EU must be able to attract and retain international talent. This requires flexible visa and work arrangements so that Europe can compete globally for specialized skills.

Finally, the Commission should promote cooperation between universities and industry. Public-private partnerships play a key role in translating research into concrete applications.

6. Build Digital Sovereignty Through Openness and Strategic Strengths

Europe must be able to develop solutions and make independent choices, without turning its back on global cooperation. Digital sovereignty should therefore not be confused with technological isolation.

We call on the Commission to continue to uphold an open, market-driven approach, while pursuing a proactive industrial policy that strengthens Europe's technological resilience, fosters competition, and reduces vulnerabilities**.** Joint investments in computing infrastructure should not exclude global players – but ensure that they meet high European standards of security, transparency and accountability.

We recommend that the EU focus on areas where technological dependencies pose a real risk – especially in critical sectors. Here, investments should be prioritized, and clear requirements should be set for suppliers to ensure technological control and societal resilience. In this context, we also call on the Commission to provide a clear and narrow definition of "highly critical use cases. A lack of precision in this area risks creating uncertainty for providers and public authorities alike, and could lead to disproportionate restrictions being applied to non-critical workloads

To further support an open and responsible approach to digital sovereignty, the EU should increasingly promote the use of technological solutions that ensure data sovereignty – including technologies that enable the use of international cloud services without compromising GDPR compliance, data security, or the protection of intellectual property

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rights. Such technical solutions should be recognized as important tools for enabling responsible data handling while strengthening European companies' access to global services without undermining European values and regulations.

DI remains at the Commission's disposal to further elaborate on these points and contribute to the next steps in the process.

Regards,
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