NEWS — EUROPE — INVESTMENT — USA

# EU should "Buy European" to support tech industry against US, China says EuroStack group

Europe "cannot regulate itself out of its laggard position" warns group.

NOAH BOVENIZER

March 17, 2025 . 5:41 PM — 2 min read

Image Credit: https://unsplash.com/@antoine_schibler

Europe risks becoming totally reliant on non-domestic techr

three years if it does not invest in its tech industry, a group i

Airbus, Proton and IONOS has warned.

In an open letter, around 80 organisations backed recommendations made by the EuroStack initiative to focus less on regulation and more on investment through creation of a sovereign infrastructure fund and requirements for the public sector to "buy European".

They said: "Europe's current multiple dependencies create security and reliability risks, compromise our sovereignty and hurt our growth. It has been clear for some time that Europe cannot regulate itself out of its laggard position. It needs to take proactive industrial action."

Citing the US' tariff war and the rising power of China's tech industry, signatories warned that "without sweeping and urgent change", Europe's reliance on foreign technologies "will become almost complete in less than three years."

Addressed to European Commission President Ursula Von der Leyen and tech sovereignty EVP Henna Virkkunen, the letter called for a sovereign fund to invest in "capital-intensive parts of the value chain" such as quantum computing.

The group also said the EU should reassign funds under its Digital Decade Initiative with a focus on "tangible" result-oriented projects.

## See also: Europe quietly kills off its AI Liability Directive

Matthew Hodgson, CEO of E2E messaging platform Element, a signatory of the letter, told *The* Stack the fund should ensure funding translated into "real-world adoption rather than fragmented pilots."

He said: “This is not just about competitiveness, it’s about security, autonomy and long-term sustainability in a world where digital infrastructure is as critical as energy and defense.

“Europe has the talent and assets to lead, but it requires bold action, coordinated investment and a shift from dependency to digital self-determination.”

The letter highlights a growing concern in Europe that the early dominance of US and China in the AI sector could leave its own companies in the dust as the technology only grows its power.

In 2023 the seven largest US tech companies had a market value 20 times that of their EU counterparts, and not much has happened to indicate this may have changed.

The EuroStack initiative, which first published a report on its recommendations in January, said one way to combat the size of US companies was by adopting a “pooling and federating” approach to sharing assets in an open source environment.

However, Amanda Brock, CEO of open source development non-profit OpenUK, told *The Stack* that this approach risked dampening innovation and warned government “must understand that tech and AI development needs to be collaborative.”

She said: “I am deeply concerned by all of these consequences of geo-political shifts driving the development of so-called ‘European technology’.

“This concept of localising a sovereign software stack risks bifurcating underlying open source and operating in silos is absolutely counter intuitive to what makes open source work."