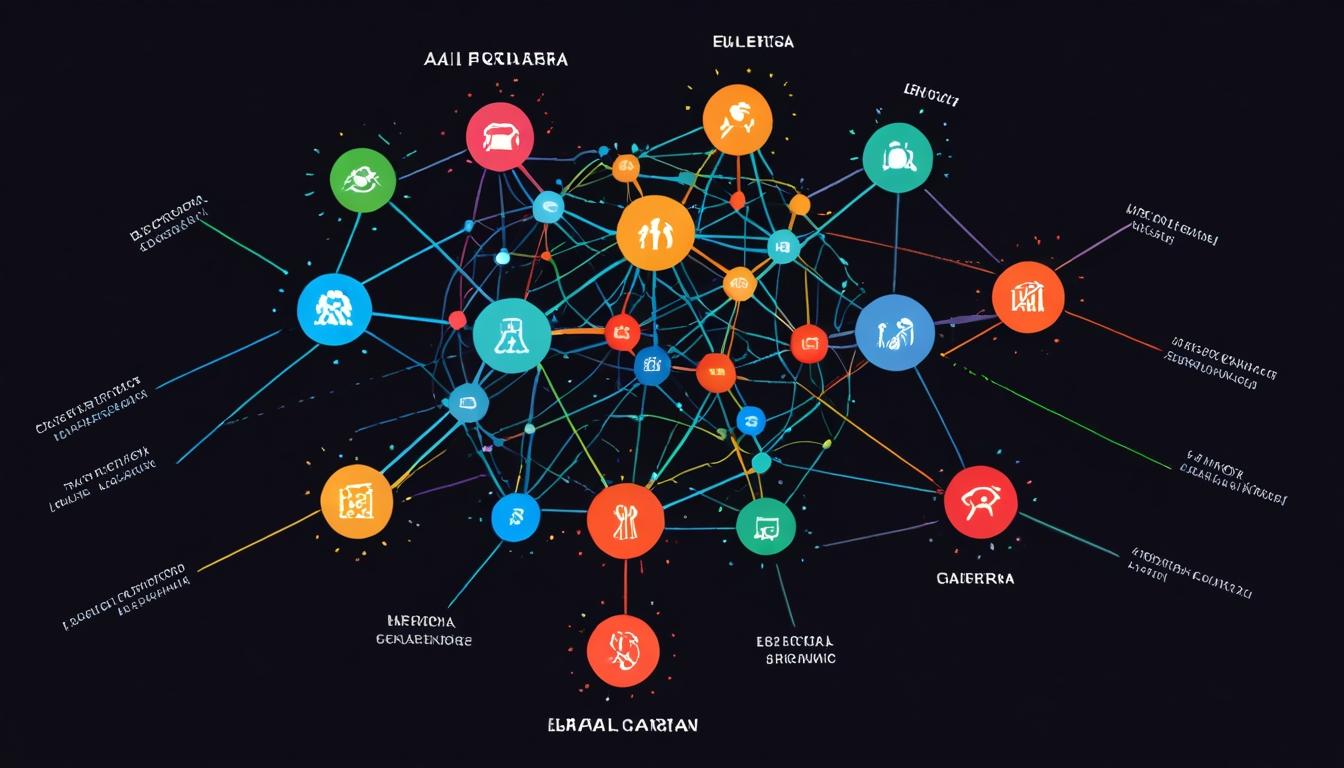
# European Commission’s AI Continent Action Plan faces criticism for lacking ambition against US and China rivals



The European Commission recently unveiled its AI Continent Action Plan, a strategic framework aiming to boost artificial intelligence development across the European Union. However, the plan has been met with scrutiny, especially when viewed against aggressive AI policies in the United States and China. The Center for European Policy Analysis (CEPA) highlights considerable gaps in Europe's AI ambitions, particularly in infrastructure, data policy, AI adoption, talent retention, and regulatory frameworks.

The European Commission's plan proposes an expenditure of €2 billion for university-run supercomputer clusters and €20 billion allocated to developing five “AI gigafactories.” Additionally, the initiative aims to triple data centre capacity by 2032. Despite these investments, the financial commitment pales in comparison to the trillion-dollar AI expenditures underway in the United States and China. Criticism points to a need for accelerated enhancement of data-centre capacity, proposing targets be moved forward to 2028. Another recommendation is that Europe should offer greater market access to US cloud providers, provided they localise data, invest in European research and development, and comply with EU security standards, which could transform current dependencies into domestic capacity.

Data access and management remain critical issues in Europe’s AI development. While the United States and China allow developers relatively unrestricted access to rich datasets from various sectors, including social media and e-commerce, Europe enforces strict regulations through GDPR (General Data Protection Regulation). CEPA suggests revising GDPR to better accommodate the needs of AI innovation by introducing safe-harbor provisions for anonymized, high-value public datasets and fostering open data initiatives. The proposal includes creating a continental data map to catalog significant datasets and offering incentives to organisations that share data under open or public-good licenses.

AI adoption across European businesses lags behind that seen in the US and China, with only 13% of European firms reporting AI as core to their operations, compared with 49% in the US and 83% in China. The current European approach, based largely on strategies, hubs, and pilot projects, is considered too slow. CEPA recommends setting ambitious ‘moon-shot’ goals with defined key performance indicators, such as AI reading 90% of cancer screenings by 2030 and achieving adaptive urban traffic lights in 25% of EU cities by 2027. Outcome-based public contracts, rather than bureaucratic procedures, would be prioritised, encouraging competition from AI-native firms.

Talent acquisition and retention are also highlighted as pressing challenges. European initiatives like the AI Skills Academy and modest migration policy adjustments are seen as insufficient in the face of competition from Silicon Valley and China. CEPA advocates for the creation of 1,000 AI Chairs funded over ten years to attract top researchers back to Europe. It also proposes reallocating parts of existing European scholarship and social spending programmes to support AI-specific education and reskilling, alongside launching an AI Talent Scoreboard to track progress across EU member states.

Regarding regulation, the European Commission's recent withdrawal of the AI Liability Directive and tentative openness to amending the AI Act and GDPR have sparked debate. The current measures do not substantially simplify the legislative framework. Recommendations include establishing clearer safe harbours for business-to-business applications, introducing a passporting system to allow one national authority's decision to be valid throughout the EU, and whitelisting low-risk applications such as route optimisation for public transport and manufacturing inspections.

Notably absent from the Action Plan are concrete strategies on defence and security applications of AI, an area considered vital for modern military capabilities, especially in light of AI’s role in Ukraine's military performance. CEPA urges outcome-driven research and development efforts akin to the US Pentagon’s DARPA agency.

The plan also gives minimal attention to open-source AI, which has emerged as a transformative element in AI development, fostering collaboration and producing cost-effective, high-functioning models. Strengthening the EU’s commitment and funding for open-source AI is suggested, echoing China's embrace of this approach in its AI competition with the US.

Lastly, the report calls on Europe to assume a leadership role in a “rest of the world” coalition promoting open, rules-based AI development in partnership with countries including the UK, Canada, Japan, South Korea, and Ukraine, rather than focusing on protectionist strategies.

Luukas Ilves, a non-resident fellow at the International Center for Defence Studies in Tallinn and advisor to the Vice Prime Minister of Ukraine, who authored the analysis in CEPA’s Bandwidth journal, encapsulates these points as his personal views, reflecting an urgent need for Europe to take bold and concrete steps if it aims to compete effectively with China and the US in the field of artificial intelligence.

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

1. <https://www.reuters.com/world/europe/europe-wants-lighten-ai-compliance-burden-startups-2025-04-08/> - This article discusses the European Commission's efforts to reduce the regulatory burden of the AI Act on startups, aiming to facilitate easier compliance, particularly for smaller innovators. It reflects the EU's initiative to address business concerns about excessive bureaucracy and high operational costs stemming from recent legislation.
2. <https://www.telecomtv.com/content/digital-platforms-services/ec-sets-course-for-europes-ai-leadership-with-an-ambitious-ai-continent-action-plan-52779/> - This source outlines the European Commission's AI Continent Action Plan, detailing the establishment of AI Factories and AI Gigafactories to bolster Europe's AI infrastructure. It highlights the Commission's commitment to enhancing AI capabilities and competitiveness within the EU.
3. <https://www.lexology.com/library/detail.aspx?g=f4b9868c-11ed-4cd6-a3b2-939a97177bf5> - This article provides an overview of the European Commission's new package of AI measures, including the creation of AI Factories, development of Common European Data Spaces, and the GenAI4EU initiative. It underscores the Commission's strategic approach to fostering AI innovation and investment in Europe.
4. <https://www.cna.org.cy/en/press_releases/article/7265341/press-release-european-commission> - This press release details the European Commission's AI innovation package, including the establishment of AI Factories and financial support through Horizon Europe and the Digital Europe programme dedicated to generative AI. It emphasizes the Commission's efforts to position Europe as a global leader in AI development.
5. <https://digital-strategy.ec.europa.eu/en/policies/plan-ai> - This official EU document outlines the Coordinated Plan on Artificial Intelligence, detailing the Commission's proposed investments and actions to enhance AI development and adoption across Europe. It provides insights into the EU's strategic framework for AI innovation and competitiveness.
6. <https://www.cna.org.cy/en/press_releases/article/7976919/press-release-european-commission> - This press release discusses the European Commission's initiatives to accelerate AI innovation, including the establishment of AI Factories and AI Gigafactories, and the investment of €10 billion in these projects. It highlights the Commission's commitment to supporting AI startups and researchers in Europe.
7. <https://news.google.com/rss/articles/CBMid0FVX3lxTE1RSXlGd21fT2FtVWxPV3NZaVgyRzBvWGZhbmhRTXBkdXVTRi1SaUV6TjNTUkNnbUZrbS12RkpHMzdEYmhWY2VwN0d1VlVhc0NDWW4tM1BXbFNQT2lBZjRZUUlLelVvZVd3V2duY0FzSlRFalJGOFNB?oc=5&hl=en-US&gl=US&ceid=US:en> - Please view link - unable to able to access data