

(English version)

**Question for written answer E-001181/25
to the Commission
Michalis Hadjipantela (PPE)
(19 March 2025)**

Subject: EU regulatory environment, artificial intelligence and competitiveness

The Commission has been clear since the beginning of its term of office that the competitiveness of the EU economy is a key priority for this term. Yet, the EU regulatory environment remains fragmented and inconsistent, and is preventing new technologies from reaching Europe. Companies do not have clarity on how to comply with the specific requirements of EU rules and continue to face barriers to entering our market. For example, the world's leading artificial intelligence (AI) and technology developers have withheld the latest cutting-edge products from the EU, blaming this on the EU's strict and incoherent interpretation of rules, particularly related to privacy, data protection and competition.

1. Does the Commission agree that the current regulatory environment is preventing EU consumers, businesses and the public sector from accessing innovation at the same pace as the rest of the world, therefore contributing to limiting EU competitiveness?
2. How does the Commission plan to address these regulatory roadblocks and prevent the EU from falling further behind on innovation, including in the global AI race, while maintaining data protection and privacy?
3. Will the Commission promote the right to innovate in the EU and push for a competitiveness check for existing and new regulatory initiatives?

Submitted: 19.3.2025

**Answer given by Executive Vice-President Séjourné on behalf of the European Commission
(9 July 2025)**

The 2025 Annual Single Market and Competitiveness Report ⁽¹⁾ warns that Europe risks falling behind in the area of innovation. In response, the Commission's Competitiveness Compass ⁽²⁾ includes targeted actions, such as a new EU Start-up and Scale-up Strategy and a 28th regime to address the obstacles preventing new companies from emerging and scaling up.

The Single Market Strategy ⁽³⁾ presents an action plan to improve the functioning of the Single Market and promote cross-border provision of services and cross-border movement of goods and to support competitiveness and innovation more broadly.

The Commission is simplifying EU rules and their implementation to reduce complexity and compliance costs for businesses, including sustainability reporting ⁽⁴⁾.

Further measures are planned in the Commission's 2025 work programme ⁽⁵⁾. In addition, the Commission's goal is to make Europe the 'Artificial Intelligence (AI) Continent'.

The AI Act ⁽⁶⁾ ensures market access, legal clarity and stronger consumer trust, while safeguarding EU citizens' safety and fundamental rights. The AI Continent Action Plan ⁽⁷⁾, launched on 9 April 2025, will boost the EU's AI innovation capabilities.

Evaluations and fitness checks will allow evaluating the potential to simplify, consolidate and codify the EU *acquis* and find opportunities to cut costs.

As part of its simplification agenda, the Commission will conduct an ambitious and comprehensive screening of existing EU legislation to stress-test the EU *acquis* and identify overlaps, contradictions, and obsolete provisions.

The Commission will also apply the new small and medium-sized enterprises (SMEs) and competitiveness checks with a strong sector focus, and analysis on SMEs impacts.

⁽¹⁾ The 2025 Annual Single Market and Competitiveness Report, COM(2025) 26 final.

⁽²⁾ A Competitiveness Compass for the EU, COM(2025) 30 final.

⁽³⁾ The Single Market: our European home market in an uncertain world. A Strategy for making the Single Market simple, seamless and strong, COM(2025) 500 final.

⁽⁴⁾ Sustainability Omnibus: https://finance.ec.europa.eu/publications/commission-simplifies-rules-sustainability-and-eu-investments-delivering-over-eu6-billion_en.

⁽⁵⁾ 2025 Commission work programme: https://commission.europa.eu/strategy-and-policy/strategy-documents/commission-work-programme_en.

⁽⁶⁾ Artificial Intelligence Act, Regulation (EU) 2024/1689.

⁽⁷⁾ AI Continent Action Plan, COM(2025) 165 final.