



Commission proposes new initiatives to strengthen economic security

Brussels, 24 January 2024

The Commission adopted five initiatives to strengthen the EU's economic security at a time of growing geopolitical tensions and profound technological shifts. The package aims to enhance the EU's economic security while upholding the openness of trade, investment, and research for the EU's economy, in line with the June 2023 [European Economic Security Strategy](#).

Today's proposals are part of a broader three-pillar approach to EU economic security by **promoting** the EU's competitiveness, **protecting** against risks and **partnering** with the broadest possible range of countries to advance shared economic security interests.

The initiatives adopted today aim at:

- further strengthening the protection of EU security and public order by proposing improved screening of **foreign investment** into the EU;
- stimulating discussions and action for more European coordination in the area of **export controls**, in full respect of existing multilateral regimes and Member States' prerogatives;
- consulting Member States and stakeholders to identify potential risks stemming from **outbound investments** in a narrow set of technologies;
- promoting further discussions on how to better **support research and development involving technologies with dual-use potential**;
- proposing that the Council recommends measures aimed at **enhancing research security** at national and sector level.

Future EU actions will continue to be informed by the on-going risk assessments and by strategic coordination with Member States to reach a shared understanding of the risks that Europe faces and of the appropriate actions.

Legislative proposal to strengthen foreign investment screening

Foreign investments into the EU benefit the European economy. However, certain foreign investments may present risks to the EU's security and public order. The Commission has reviewed over 1,200 foreign direct investment (FDI) transactions notified by Member States over the past 3 years under the existing FDI Screening Regulation. Building on this experience and extensive evaluation of the functioning of the current regulation, today's proposal addresses existing shortcomings and improves the efficiency of the system by:

1. ensuring that all Member States have a screening mechanism in place, with better harmonised national rules;
2. identifying minimum sectoral scope where all Member States must screen foreign investments;
3. extending EU screening to investments by EU investors that are ultimately controlled by individuals or businesses from a non-EU country.

Monitoring and assessment of outbound investment risks

The EU is one of the biggest foreign investors in the world and recognises the importance of open global markets. It also acknowledges the growing concerns regarding outbound investments in a narrow set of advanced technologies that could enhance military and intelligence capacities of actors who may use these capabilities against the EU or to undermine international peace and security.

This is currently neither monitored nor controlled at EU or Member State level. The Commission's White Paper on Outbound Investments is therefore proposing a step-by-step analysis of outbound investments to understand potential risks linked to them. This analysis will include a [three-month stakeholder consultation](#) and a 12-month monitoring and assessment of outbound investments at national level, which will contribute to a joint risk assessment report. Based on the outcome of the risk assessment, the Commission will determine, together with Member States, if and which policy

response is warranted.

More effective EU control of dual-use goods exports

Today's increasingly challenging geopolitical context requires action at EU level to improve the coordination of export controls on items with both civil and defence uses - such as advanced electronics, toxins, nuclear or missile technology – so that they are not used to undermine security and human rights. Today's White Paper on Export Controls proposes both short and medium-term actions, in full respect of the existing rules at EU and multilateral level. The Commission proposes to introduce uniform EU controls on those items that were not adopted by the multilateral export control regimes due to the blockage by certain members. This would avoid a patchwork of national approaches.

The White Paper also provides for a senior level forum for political coordination and announces a Commission Recommendation in Summer 2024 for an improved coordination of National Control lists prior to the planned adoption of national controls. The evaluation of the EU Dual-Use Regulation is advanced to 2025.

Options to support research and development in technologies with dual-use potential

With a White Paper on options for enhancing support of research and development (R&D) of technologies with dual-use potential, the Commission launches a [public consultation](#). Announced by President **von der Leyen** in November 2023, the White Paper contributes to the 'promote' dimension of the European Economic Security Strategy, aiming at maintaining a competitive edge in critical and emerging technologies with the potential to be used for both civil and defence purposes.

The White Paper reviews current relevant EU funding programmes in the face of existing and emerging geopolitical challenges and assesses whether this support is adequate for technologies with dual-use potential. It then outlines three options for the way forward: (1) going further based on the current set-up, (2) removing the exclusive focus on civil applications in selected parts of the successor programme to Horizon Europe, and (3) creating a dedicated instrument with a specific focus on R&D with dual-use potential. Public authorities, civil society, industry, and academia can have their say in an open public consultation and inform the Commission's next steps until 30 April 2024.

Enhance research security across the EU

In today's complex geopolitical context, the openness and borderless cooperation in the research and innovation sector may be exploited and turned into vulnerabilities. Results of international research and innovation cooperation can be used for military purposes in third countries, or in violation of fundamental values. Higher education and research institutions can fall victim to malign influence by authoritarian states.

Against this background, the Commission presents a proposal for a Council Recommendation to provide more clarity, guidance and support to Member States and the research and innovation sector at large. EU action is required to ensure consistency across Europe and to avoid a patchwork of measures. By joining forces at all levels and across the Union we can mitigate the risks to research security and ensure that international research and innovation cooperation is both open and safe. The overall approach follows the principle 'as open as possible, as closed as necessary' as regards international research cooperation.

Background

On 20 June 2023, the European Commission and the High Representative published a Joint Communication on a [European Economic Security Strategy](#), to minimise the risks in the context of increased geopolitical tensions and accelerated technological shifts, while preserving maximum levels of economic openness and dynamism. It provides a framework for assessing and addressing - in a proportionate, precise and targeted way - risks to EU economic security, while ensuring that the EU remains one of the most open and attractive destinations for business and investment.

The strategy identified **four risk categories** to be addressed as a matter of priority: supply chains; physical and cyber-security of critical infrastructure; technology security and technology leakage; weaponisation of economic dependencies or economic coercion.

To address these risks, the Strategy is structured around three pillars:

- Promoting the EU's competitiveness and growth, strengthening the Single Market, supporting a strong and resilient economy, and strengthening the EU's scientific, technological and industrial bases.
- Protecting the EU's economic security through a range of policies and tools, including targeted

new instruments where needed.

- Partnering and further strengthening cooperation with countries worldwide who share our concerns and those with which we have common economic security interests.

For more information

[Communication: advancing European economic security: an introduction to five new initiatives](#)

[Proposal for a Council Recommendation on enhancing research security](#)

[White Paper on options for enhancing support for research and development involving technologies with dual-use potential](#)

[White Paper on export controls](#)

[White Paper on outbound investment](#)

[Proposal for a new regulation on the screening of foreign investments](#)

[Memo](#)

[Factsheet - Proposal for a Council Recommendation on enhancing research security](#)

[Factsheet - White Paper on options for enhancing support for research and development involving technologies with dual-use potential](#)

[Factsheet - White Paper on export controls](#)

[Factsheet - White Paper on outbound investments](#)

[Factsheet - Proposal for a new regulation on the screening of foreign investments](#)

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Quotes:

"The EU's economic security relies on nurturing our technological edge and avoiding undesired leakage of technologies. We need a joint approach on research and development of technologies with dual-use potential in order to strengthen our competitiveness and resilience. We also want to enable the research community navigate today's complexity with a balanced approach to enhancing research security across our Union. We must de-risk international cooperation in an effective and proportionate way, joining forces to ensure we can cooperate responsibly in a way that is both open and safe. We look forward to ideas from the public on how best to do this."

Margrethe Vestager, Executive Vice-President for a Europe Fit for the Digital Age - 24/01/2024

"The EU has benefitted greatly from being an export powerhouse, investing abroad and keeping its market open to trade and foreign investors. But to keep making the most of these opportunities, we must be more clear-sighted about the risks we face at this time of profound geopolitical turmoil and fast technological shifts. We must improve our understanding and coordination in tackling these shared challenges so we can better protect ourselves, make investments safer and control the export of sensitive products to avoid them getting into the wrong hands. Improving our economic security will allow us to maintain our open economic model and act more effectively against risks."

Valdis Dombrovskis, Executive Vice-President and Commissioner for Trade - 24/01/2024

"Openness and collaboration are part of the DNA of great science, but they can also make it vulnerable to malign influence and the undesirable transfer of critical technologies which can undermine our security. Today, we propose a set of measures to the Council that will help higher education institutions and research performing organisations identify and reduce risks of misuse of our home-grown critical technologies while keeping research cooperation open and strong. We also invite public authorities, civil society, industry and academia across Europe to have their say on options for better support to research and development of technologies that can be used for both civil and defence purposes. Your input will inform the Commission's next steps."

Iliana Ivanova, Commissioner for Innovation, Research, Culture, Education and Youth - 24/01/2024

Press contacts:

[Olof GILL](#) (+32 2 296 59 66)

[Johannes BÄHRKE](#) (+32 2 295 86 15)

[Sophie DIRVEN](#) (+32 2 296 72 28)

[Robert VERBANAC](#) (+32 2 298 24 98)

General public inquiries: [Europe Direct](#) by phone [00 800 67 89 10 11](#) or by [email](#)

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