

POLICY BRIEF JULY 2025

Al Continent Action Plan

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1. Context

The European Union recognises artificial intelligence as a transformative force essential to future economic growth, societal resilience, and global competitiveness. This initiative, encapsulated in the AI Continent Action Plan, underscores the urgency to establish Europe as a global leader in AI, specifically through trustworthy and human-centric approaches aligned with democratic values and fundamental rights. The necessity for the initiative arises from the competitive international environment where AI breakthroughs continuously redefine technological capabilities. Despite Europe's existing strengths, comprising high-quality research, robust AI startup ecosystems, significant computational resources, and a unified regulatory environment such as the AI Act, further acceleration and scaling are essential to safeguard global competitiveness.

2. Objectives

The AI Continent Action Plan seeks to address the critical challenges identified through a coordinated EU-wide strategy, specifically targeting five key areas:

- **Computing Infrastructure:** Enhancing Europe's computational capabilities by scaling AI Factories and establishing resource-intensive AI Gigafactories, inspired by major scientific collaborations like CERN (European Organization for Nuclear Research), to drive research and industrial applications.
- Data Availability: Launching a Data Union Strategy to improve access to secure, high-quality data through interconnected Data Labs, integral components of Al Factories, thereby resolving data scarcity issues for robust Al model development.
- Al Adoption in Strategic Sectors: Accelerating Al integration within crucial European industries (such as manufacturing, healthcare, biotechnology, and public services) through initiatives like the Apply Al Strategy, European Digital Innovation Hubs, and specific sector-based Al strategies.
- Al Skills and Talent Development: Expanding Europe's Al talent pool via educational initiatives, including the Al Skills Academy, fellowship schemes, apprenticeship programmes, and facilitating international talent acquisition through enhanced visa frameworks.
- **Regulatory Compliance and Simplification:** Ensuring effective and simplified compliance with the EU's AI Act through supportive measures like the AI Act Service Desk, regulatory sandboxes, and the AI Pact to foster innovation without regulatory barriers.

3. Impact on Businesses

The Action Plan presents substantial implications for European businesses, offering both significant opportunities and new responsibilities:

- Increased Competitiveness: Enhanced computational infrastructure and data accessibility will enable businesses, particularly SMEs and mid-caps, to innovate, develop competitive Al-driven products, and enter new markets more effectively.
- Sector-specific Innovation: Strategic industries will receive targeted support to implement AI solutions, thereby improving productivity and fostering new industry standards, particularly benefiting sectors prevalent in Malta such as tourism, financial services, healthcare, and advanced manufacturing.
- Access to Resources and Training: Businesses will gain streamlined access to AI resources through AI Factories and Gigafactories, complemented by tailored training and skill-development services provided by European Digital Innovation Hubs.
- **Simplified Regulatory Framework:** The provision of practical support mechanisms such as the AI Act Service Desk and regulatory sandboxes will help businesses, especially smaller companies, comply efficiently with regulatory requirements, minimising administrative burdens.

Projected Impact on Maltese Businesses

Maltese enterprises, characterised primarily by SMEs and mid-sized firms, will notably benefit from the extensive support network, including Digital Innovation Hubs and Al Factories, that help bridge resource gaps typically faced by smaller economies. Enhanced access to data and infrastructure will enable Maltese businesses to engage more robustly in Al-driven innovation, elevating their competitiveness within and beyond the European market. Given Malta's prominent service sectors, notably tourism, finance, and gaming, Al adoption strategies tailored to these industries could significantly enhance operational efficiency, customer experiences, and service quality.

4. Way Forward

The AI Continent Action Plan charts a clear, ambitious trajectory for Europe to become a global AI leader by addressing infrastructure gaps, enhancing data accessibility, fostering adoption across critical industries, boosting the talent pipeline, and ensuring seamless regulatory compliance. To maximise this initiative's benefits, sustained engagement and collaboration between Maltese businesses, governmental bodies, and EU institutions are essential. This coordinated approach will ensure Malta can capitalise fully on the opportunities presented, positioning itself strongly within the future AIdriven economic landscape.

More information about the AI Continental Action Plan can be accessed here.

Disclaimer: This is a policy brief to create awareness about the Commission strategy and for information purposes. It is not an official position of the Malta Business Bureau.

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