



Penta Insiders

Policymaker Insights:

Balancing Power:

EU Policymakers on Autonomy,
Competitiveness, and Global Risk

May 2025
pentainsiders.com

Table of Contents

01. Executive Summary

02. About Us

03. Europe at a Strategic Crossroads

04. EU Strategic Autonomy and Global Relationships

- A Shifting Transatlantic Landscape
- China: Complex Ties, Cautious Steps

05. Growth and Competitiveness in Focus

- Sector Priorities for Long-Term Resilience
- Rethinking Trade and Supply Chains
- Regulation as a Tool for Resilience and Autonomy
- Balancing Innovation with Oversight

06. Looking Ahead

- Where Europe Goes from Here

Executive Summary

In 2024, strategic autonomy became a defining principle across EU policymaking. Leaders from the Commission, Parliament, and Council increasingly emphasised reducing external dependencies and reinforcing Europe's internal capacity across critical sectors such as energy, digital infrastructure, and health. Recent debates around tariffs only accentuate what EU policymakers have already been pursuing, strengthening resilience and minimising reliance on external actors.

Policymakers cited clean energy, digital platforms, and healthcare innovation as central to Europe's long-term competitiveness. At the same time, they called for stronger oversight of emerging technologies, particularly in areas with cross-border or systemic risk.

While transatlantic cooperation remains important, recent U.S. political shifts have sharpened concerns around long-term alignment. In response, policymakers have shown growing interest in asserting European leadership by reworking regulation, doubling down on investment strategy, and increasing self-reliance. This shift is already shaping how EU policymakers assess risk, define resilience, and engage internationally.

About Us

At Penta, our mission is to foster non-partisan, impactful policy conversations by bridging the gap between policymakers and advocates through actionable insights. Each year, we connect with thousands of policymakers at every level of government; across Washington, D.C., the EU, and state capitals to gather invaluable feedback. This research powers our cutting-edge, tailored reports, addressing the critical challenges facing public servants today. Explore our insights, access exclusive reports, and stay informed by visiting **www.pentainsiders.com**. If you would like to participate in our research reach out to us at **insights@pentagroup.com**.

To join the conversation follow us on **X** and **LinkedIn @pentainsiders**.

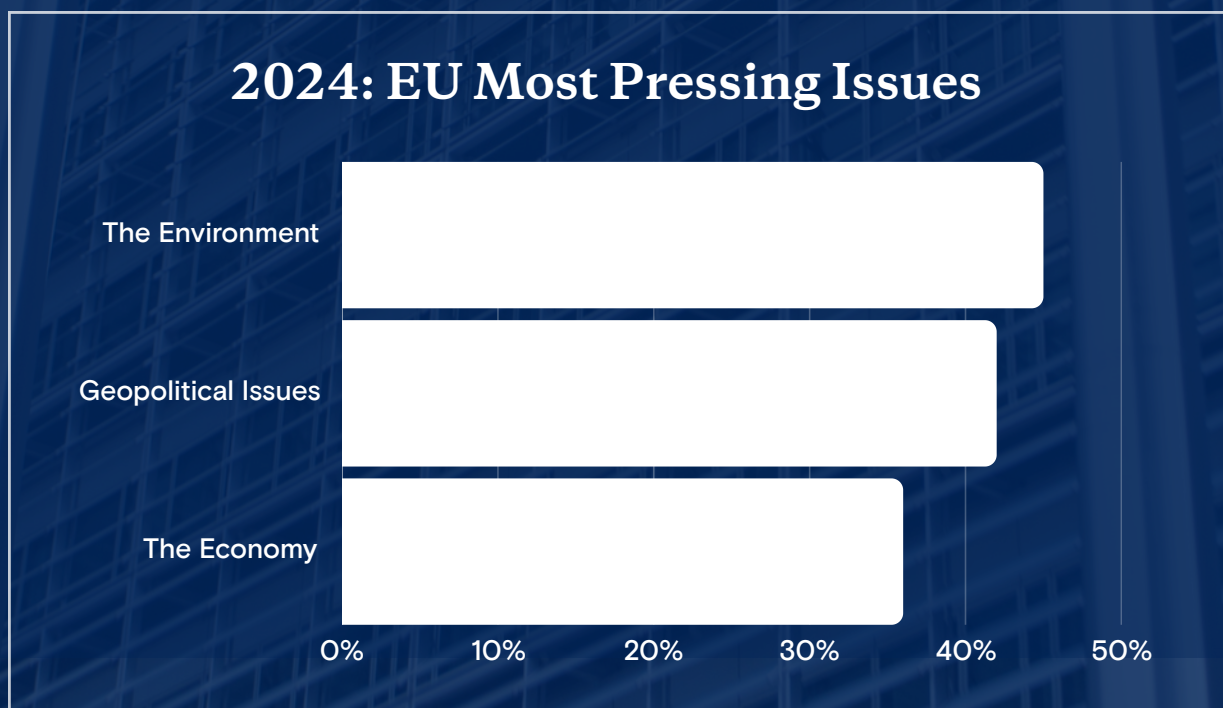


Europe at a Strategic Crossroads

As a new EU institutional cycle begins, conversations had in 2024 are shaping the EU's economic and geopolitical position. Policymakers are responding to mounting uncertainty, from fragmentation in global trade and shifts in U.S. foreign policy to persistent supply chain risks, by doubling down on strategic autonomy.

Rather than reflect passively, officials acted by reprioritising internal capacity, regulatory leadership, and investment in critical sectors. The Inflation Reduction Act in 2022, along with other industrial policies, was seen as a wake-up call that accelerated efforts to reduce dependence on foreign suppliers and boost European competitiveness. Defence has also become an increasingly important part of this broader strategy, with officials citing the Ukraine war and broader geopolitical instability as prompting renewed focus on collective capabilities and long-term investment.

Policymakers are confronting long-term challenges head-on, with geopolitical issues and economic resilience rising as top concerns. This shift highlights a growing emphasis on structural resilience in policymaking and marks a turning point for Europe's role on the global stage, as the EU prepares to navigate a world of increasingly fragmented and unstable alliances.



EU Strategic Autonomy and Global Relationships

A Shifting Transatlantic Landscape

While transatlantic cooperation remains a cornerstone of EU foreign policy, policymakers are increasingly reassessing the stability and reliability of the U.S. as a long-term partner, particularly in light of recent political shifts. Policymakers indicated that coordinating efforts in response to the Russia-Ukraine conflict is a top area where they would like to see EU-U.S. cooperation. However, there is growing uncertainty about the future trajectory of American engagement, especially as domestic political dynamics evolve. The Trump administration's return to power has added a layer of complexity to these considerations.

EU/U.S. Relationship: Areas for Cooperation

Where do you want to see cooperation between the U.S. and the EU?



“Considering the geopolitical aspects of the reelection of Donald Trump, who is pushing for more barriers in trade, threatening to leave NATO, threatening to leave the climate agreement again... We really have to stand out as a single market in a differentiated way.”

—Former MEP (left 2024), Parliament

EU Strategic Autonomy and Global Relationships A Shifting Transatlantic Landscape

Policymakers are mindful of the economic legacy of Trump's first term, particularly the imposition of tariffs on European goods under a broader "America First" trade policy. These actions strained transatlantic trade relations and were seen as a departure from traditional U.S. support for multilateral economic cooperation. Policymakers now see these measures as part of a broader move toward U.S. economic nationalism, which they expect to intensify during Trump's second term.

While his approach to Ukraine is uncertain, many speculate it could reflect a more transactional strategy, prioritizing a swift resolution that serves U.S. domestic interests, even at the expense of Ukraine's territorial integrity or broader European security priorities.

These developments have reinforced discussions around Europe's strategic autonomy. Policymakers highlighted the importance of reducing external dependencies, not only in energy and digital infrastructure, but also in industrial policy and security. The perceived volatility of U.S. foreign and economic policy has contributed to renewed momentum behind EU-level initiatives on defence integration and long-term resilience. While the transatlantic relationship remains vital, there is an emerging consensus that Europe must enhance its capacity to act independently in cases where international alignment cannot be guaranteed.

"The American election results makes things very unpredictable for Europe... being an export-driven economy. Will we lose our best market because of high tariff walls? Will we be penalised because Trump wants to repatriate American companies that produce here? And will we be left on our own to deal with a mess in Ukraine? So it's not a fantastic outlook at the moment if you look at reality as opposed to all the announced policy objectives."

— Head Of Unit (Commission)

EU Strategic Autonomy and Global Relationships

China: Complex Ties, Cautious Steps

Policymakers described the EU-China relationship as essential but increasingly difficult, especially in areas related to security, competitiveness, and supply chain resilience. This cautious stance is reflected in how China ranks near the bottom of trusted global partners for private-sector collaboration, highlighting broad hesitancy among EU officials.

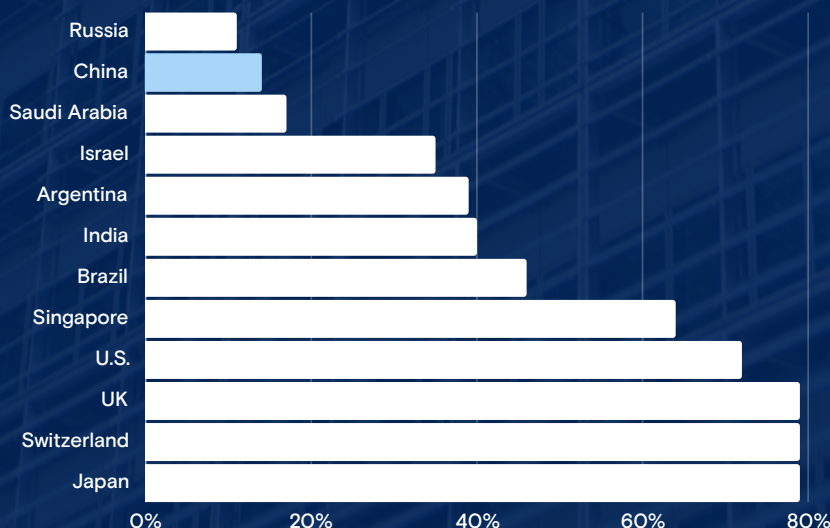
Key concerns include weak intellectual property protections, limited environmental enforcement, and cybersecurity risks. These issues are driving a more selective approach to cooperation, particularly in sectors linked to digital and national security. At the same time, officials highlighted the EU's strategic dependence on Chinese supply chains, especially for raw materials and battery components, as a growing vulnerability.

Rather than decoupling, most support a de-risking strategy: reducing strategic dependencies while maintaining ties where interests align. Investment screening, clearer engagement rules in sensitive sectors, and stronger coordination across member states are central to this approach.

This reflects a broader trend across EU foreign policy, reinforcing autonomy and reducing exposure, particularly in relationships where long-term alignment cannot be assumed.

Global Allies: Openness to Work

How open are you to working with the following country's private sector?



Growth and Competitiveness in Focus

Sector Priorities for Long-Term Resilience

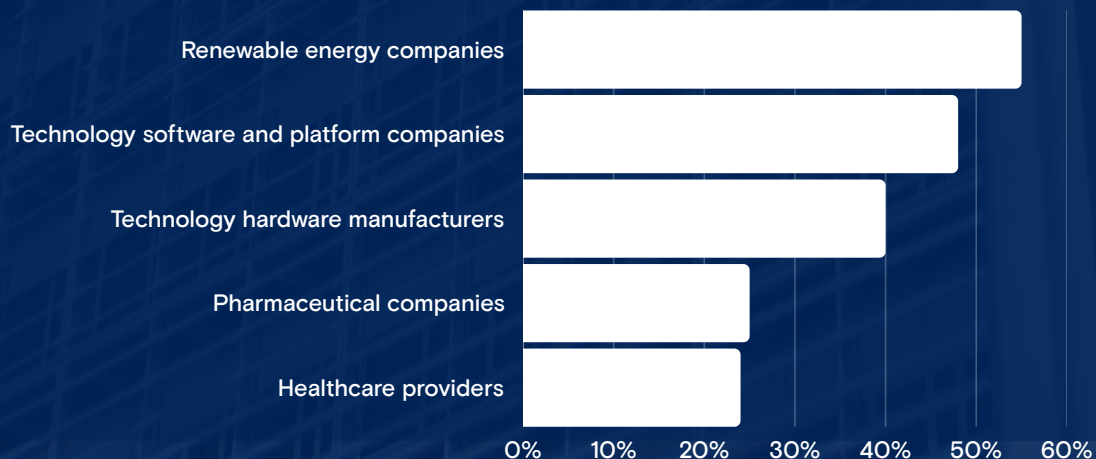


Policymakers identified clean energy, technology, and healthcare as central to Europe's economic strategy, citing their combined potential to deliver both resilience and long-term growth. These sectors are seen as critical to strengthening internal capacity and advancing the green and digital transitions that underpin the EU's strategic ambitions.

To accelerate progress, officials emphasised the importance of sustained investment. Capital must be directed toward green and digital sectors while ensuring the protection of critical infrastructure. Strengthening domestic financial instruments and expanding partnerships with trusted international allies were also highlighted as key to maintaining Europe's competitiveness in a more contested global environment.

EU Sector Growth

Which sectors do you think will experience the greatest growth over the next three years?



Growth and Competitiveness in Focus

Rethinking Trade and Supply Chains

In a competitive global landscape, policymakers agreed that Europe requires a more resilient trade model, one that maintains openness while providing greater control over critical supply chains. The EU's dependence on China and India for pharmaceutical ingredients was consistently raised as a concern, with the COVID-19 pandemic having exposed the risks of concentrated sourcing. Similar vulnerabilities were identified in digital infrastructure, clean energy components, semiconductors, batteries, and rare earths, all considered foundational to Europe's innovation capacity and green transition.

Reshoring and near shoring of key industries are being actively explored, particularly in sectors linked to economic and national security. The objective is not to retreat from global trade, but to reduce exposure to high-risk dependencies by deepening ties with like-minded partners such as the UK, and strengthening supply chain security. Policymakers also emphasised the need to expand domestic production of essential goods and to modernise logistics and customs coordination across the single market. Alongside these efforts, policymakers pointed to the need to ramp up Europe's defence manufacturing capacity, highlighting gaps in conventional equipment and calling for joint procurement and long-term industrial investment.

Regulation as a Tool for Resilience and Autonomy

There is growing consensus that Europe must strengthen trade ties with trusted democracies while investing in internal capacity. This dual approach is seen as critical to maintaining competitiveness, economic stability, and strategic autonomy. Policymakers noted that while sustainability remains a core objective, political resistance to green policy has emerged with member states like France facing mounting public pushback from green policy.

“We have to reinforce internal supply chains to be more energy and food independent...The US is foods and energy independent, and have a huge military... that the EU doesn't have. We have a war in our doorstep... and there are some gaps there”

— Former MEP (left 2024), Parliament

Growth and Competitiveness in Focus

Regulation as a Tool for Resilience and Autonomy

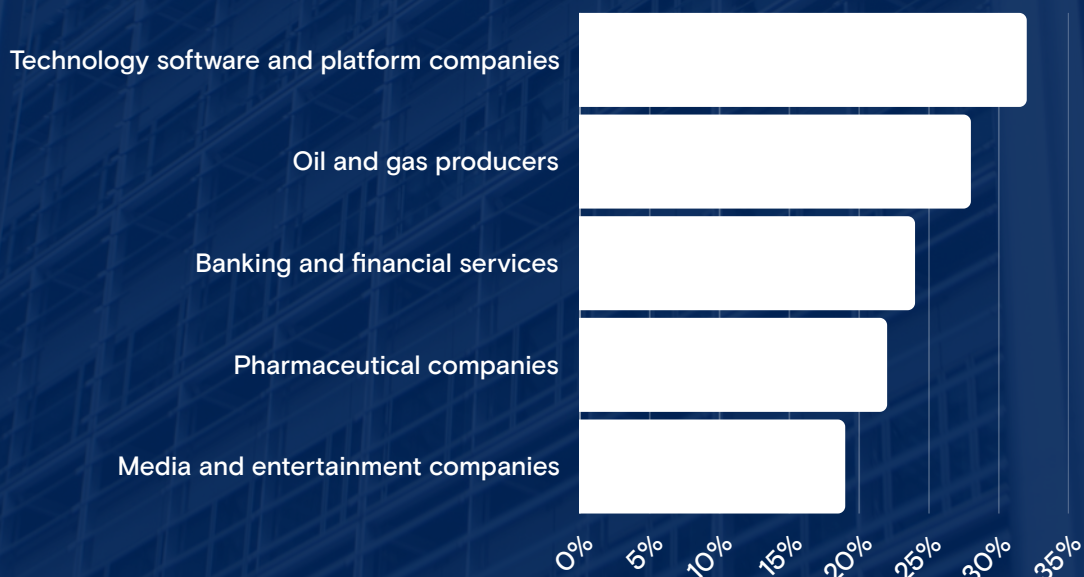
At the same time, policymakers emphasised that regulation is playing an increasingly strategic role, not only in managing risk but in shaping critical sectors. Policymakers ranked technology software and platform companies as the sector in greatest need of additional regulation, followed by oil and gas, financial services, and pharmaceuticals.

Rather than being viewed as a constraint, sector-specific regulation is increasingly framed as a tool for building resilience, reinforcing autonomy, and guiding long-term investment. While officials broadly support this shift, they also noted the importance of ensuring flexibility, especially for smaller firms and rapidly evolving industries. Some expressed concern about the risk of over-regulation, but pointed to a growing effort to reframe regulation in a way that supports, rather than inhibits, innovation and growth.

These developments reflect a shift in Europe's economic strategy, to a more intentional, policy-driven approach aimed at securing strategic capacity and reducing exposure to systemic risk.

EU Sector Regulation

Which sectors do you think are in the greatest need of additional regulation?



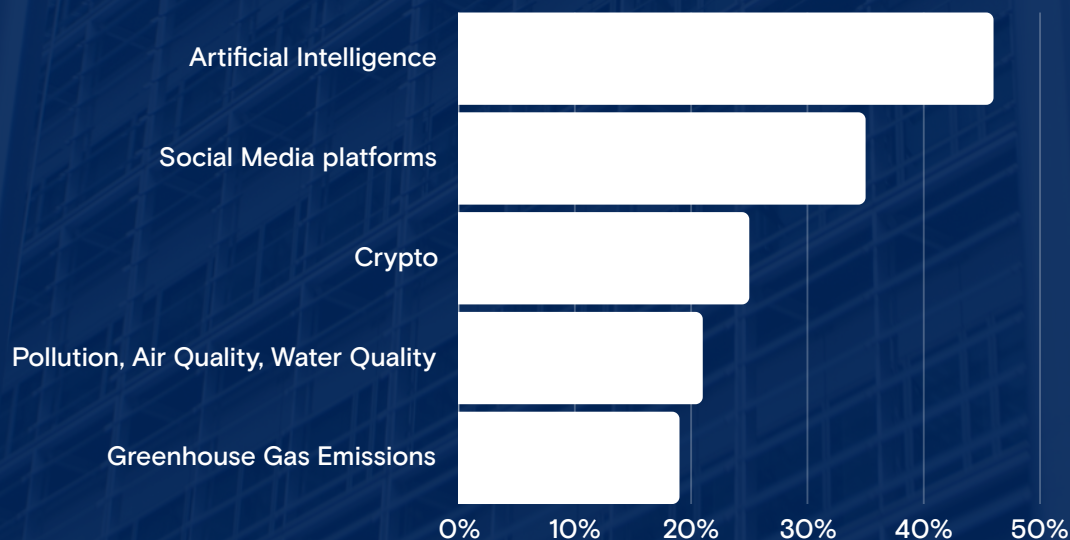
Growth and Competitiveness in Focus Balancing Innovation with Oversight

Policymakers ranked AI as the area most in need of additional regulation, ahead of social media, crypto, and other emerging technologies. As a cross-sector issue, AI now sits at the centre of the EU's regulatory agenda.

Policymakers emphasised the need to balance AI-driven innovation with public trust. There is strong alignment on the importance of ethical guardrails, particularly around transparency, accountability, and fundamental rights. Across member states, ethics, jobs, higher education, business applications, and sustainability were cited as top concerns within the AI policy space. Although AI drives economic growth and efficiency, it does pose a threat within cybercrimes and misinformation. Therefore, there's an emphasis on AI regulation being ethical and consistent across Europe as well as adaptable to align with Europe's broader industrial and social objectives.

EU Area Regulation

Which of the following areas do you think are in the greatest need of additional regulation?





Looking Ahead

Where Europe Goes from Here

Policymakers are entering a new phase where strategic autonomy, resilience, and competitiveness are no longer long-term goals but active policy priorities. There is a clear and growing focus on reducing dependency, increasing internal capacity, and aligning economic strategy with geopolitical realities.

Strategic autonomy is now viewed less as an ambition and more through an operational lens. It now shapes how trade, investment, and regulation are approached. Autonomy is being pursued alongside openness, but only where partnerships align with Europe's long-term interests.

2024 marked the beginning of a more intentional policy shift. The years ahead will test Europe's ability to translate this mindset into measurable action. This research captures not only what policymakers are thinking, but how those views are shaping the direction of European policy across institutions, sectors, and borders.

As this new phase unfolds, the EU must also navigate growing uncertainty in its global partnerships, particularly with the U.S. Political volatility and shifting priorities across the Atlantic have underscored the need for greater self-reliance. For Europe, the path forward will depend on its ability to strengthen internal cohesion, reduce strategic dependencies, and lead with confidence in an increasingly fragmented world.