Europe Shifts Focus from Building AI Models to Wider Adoption

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European policymakers and technology leaders are increasingly prioritising the practical use of artificial intelligence over competing directly with the US and China to develop the world's most advanced models. With European companies struggling to match the capabilities and resources of leading international AI labs, the focus is moving towards integrating AI into businesses and improving productivity.

Supporters of this approach argue that Europe can still capture significant economic value by developing AI applications for its industrial base, even if the underlying models come from elsewhere. Legora CEO Max Junestrand said Europe should concentrate more on making effective use of existing technology than trying to catch up with global leaders.

The European Commission is also encouraging this shift. President Ursula von der Leyen has argued that Europe does not necessarily need to develop frontier models itself to benefit from them. The Commission is preparing initiatives to accelerate AI adoption across strategic sectors, including healthcare, transport, agriculture, advanced manufacturing, defence and space.

Adoption remains a significant challenge. Eurostat figures cited in the report show that only around one in five EU businesses used AI in 2025. Uptake was substantially higher among large companies than small and medium-sized enterprises, which often lack the expertise needed to implement the technology effectively. A shortage of computing capacity is another obstacle to developing competitive European models.

However, the strategy remains controversial. Mistral, Europe's leading frontier AI developer, argues that abandoning the race would leave the continent dependent on foreign providers and allow much of the economic value to accrue outside Europe. The European Commission likewise maintains that developing domestic models remains important for technological sovereignty and security.

The debate also extends to the UK, where policymakers are balancing ambitions to attract leading AI companies with concerns about dependence on foreign technology and the regulatory constraints affecting domestic development.

Ultimately, Europe faces a strategic choice: concentrate resources on building globally competitive AI models, or prioritise the widespread adoption of existing technology to strengthen productivity and competitiveness. While greater adoption could deliver near-term benefits, continued reliance on US and Chinese models could leave Europe vulnerable in critical areas such as cybersecurity, computing infrastructure and technological sovereignty.