

# Competitiveness: Europe and Belgium

How can we turn our innovative strength into a lever to compete head-on with the US and China? This is one of the key themes explored in our Trend Report. In this report, BDO looks ahead to 2030 together with trendwatcher Tom Palmaerts. We show how Belgian companies can shape the future with agility and confidence. Too often, our strengths are constrained by an overly complex business landscape.

# Competitiveness: Europe and Belgium

Europe is caught between competing pressures. On the one hand, we are investing massively in technology, sustainability and the green transition. On the other hand, we often struggle with scale, speed and implementation power. The United States and China are reshaping markets at lightning speed through hyper-capital, aggressive commercialisation and strong industrial policy. Europe frequently gets caught in consultation and regulation. Belgian companies feel that pressure twice over: a small domestic market, high labour costs and a complex regulatory framework.

**"Belgium and, by extension, Europe possess exceptional talent and world-class innovation but all too often the business climate is obstructive instead of enabling. Companies run into regulation, limited capital flows and slow decision-making. In addition to vision, our entrepreneurs need the perseverance to break through the layers of complexity."**

Peter Van Laer, CEO BDO Belgium

## DE MID-TECH TRAP

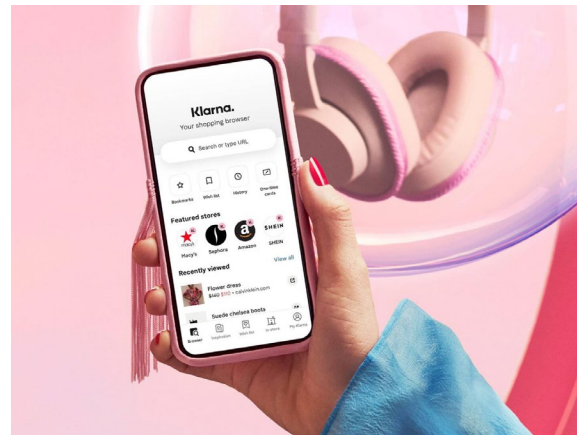
Europe often gets caught in what could be called a mid-tech trap: a phase in which it develops strong technology but rarely pushes through to the scale and market execution of global players. Innovations stall in academic projects or pilots while commercial muscle is lacking. One of the main reasons for this issue is the structural financing problem. In the US, far more private equity and venture capital is available, enabling companies to scale more quickly and corner international market share. In Europe, companies must often achieve the same ambitions with limited resources. Innovative ideas do emerge but they struggle to gain international traction, not due to a lack of talent or technology but because of a combination of limited execution capacity and underfunding.

## RENAISSANCE

Despite these shortcomings, Europe is experiencing a quiet renaissance. Companies such as Spotify, Vinted, Klarna and Lovable show that European innovations can indeed grow into global brands. We often forget that these are European companies, yet together they form a convincing counterweight to the dominance of Silicon Valley and

Shenzhen. It proves that our innovative strength is very much alive and that the right mix of capital, vision and determination does lead to scalable success stories.

## FROM CHIPS TO CELLS



Alongside the well-known European tech players, we also see strong examples of innovation closer to home. Belgium is an international leader in two domains that will help shape the future: **microchips and biotechnology**.

IMEC in Louvain is regarded as a global reference in nanoelectronics and digital technology. With thousands of researchers and collaborations with hundreds of companies, the innovation centre drives the European development of the next generation of chips and AI applications. These are crucial for Europe's technological independence and are a driving force behind applications in healthcare, energy and mobility.



Belgium also stands at the forefront of biotechnology. Our country has more than one hundred specialised companies that together represent a large share of European turnover and investment. Think of new medicines, groundbreaking research and a strong export position in biopharma. Their success lies not only in the science but also in the unique collaboration between universities, spin-offs and industry.



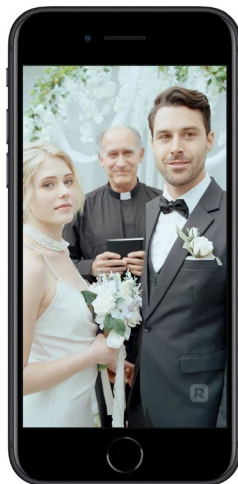
Belgium is more than a small market. Our country is a breeding ground for global innovation, proving that a European renaissance is not wishful thinking but already well underway.

### STRUCTURE INSTEAD OF CHAOS

Europe is also choosing its own path in the approach to AI. The AI Pact and the AI Act impose clear boundaries and obligations. In the short term, this regulation may seem like a brake on innovation but at the same time it also creates trust and predictability. Companies know where they stand, investors gain clarity and users are given guarantees around safety, privacy and ethics. In a world where trust is increasingly becoming a competitive factor, Europe's stricter but consistent framework may be an advantage.

### THE QUIET INFLUENCE OF ASIA

Competitiveness extends beyond technology and capital alone. Asia is a growing presence in our cultural space. Among European twenty-somethings, the popularity of short drama series for vertical screens, often produced in China, is growing. These so-called soap shorts not only bring entertainment but also subtle values and narratives to younger audiences. It illustrates how Asia is not only taking market share but also rewriting the codes of experience and storytelling. European brands must stay alert. The competitive battle is not only fought in the factory or the boardroom but also in the consumer's imagination.



### REFLECTION QUESTIONS FOR BUSINESS LEADERS

- How do you keep your innovation from getting caught in the mid-tech trap?
- Which opportunities do you see to leverage trust as a competitive advantage?
- How can you adapt your strategy to a world in which Asian culture and storytelling influence consumer expectations?

**"Although the European business climate can be complex, success still largely depends on the companies' own sphere of influence. Organisations that increase their agility improve their chances of growing in a market that continues to gain momentum. Agility is not only about faster decisions but also about the courage to adjust course, to experiment and to fail without getting paralysed by internal bureaucracy.**

**In addition, structural simplification is becoming a critical success factor. Companies with fewer management layers, clear responsibilities and streamlined processes not only respond more quickly to change but also create space for innovation. Reducing complexity creates room for focus, creativity and strategic execution. In an environment where international competitors often scale more quickly, a simple and flexible organisation can make the difference between stagnation and breakthrough."**

Peter Van Laer, CEO BDO Belgium