
Generative AI Set to Transform EU Economy But Requires Further Policy Action



Generative AI (GenAI) could significantly boost innovation and productivity across key sectors in the EU, from healthcare to education and the cultural and creative industries, according to a new scientific report by the European Commission's Joint Research Centre (JRC).

The outlook report highlights GenAI's transformative potential for innovation, productivity, and societal change. But it also stresses that its rapid development poses cross-cutting risks—including amplifying misinformation, algorithmic bias, job disruption, and privacy concerns—that demand urgent attention.

To harness GenAI's benefits while safeguarding fundamental rights, the report underscores the need for a multidisciplinary and strategic policy approach. It calls for close alignment with EU laws such as the AI Act and data legislation, as well as [EU AI innovation policies](#) to ensure GenAI remains trustworthy, inclusive, and fully aligned with democratic values and EU laws.

Ekaterina **Zaharieva**, Commissioner for Startups, Research and Innovation, said: "Europe has the potential to lead in generative AI. With the right policies and investments, we can drive competitiveness and innovation. Independent scientific advice helps the EU benefit from a complex and fast-paced technology such as generative AI".

The Commission has launched a first wave of [EU funding opportunities](#) with close to **€700 million funding** to integrate generative Artificial Intelligence in Europe's strategic sectors such as manufacturing, robotics, health or energy. Researchers, innovators, industrial companies, and others applying will become part of GenAI4EU, the Commission's flagship initiative to boost Generative AI "made in Europe".

Source: [European Commission](#)

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