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BASQUE COUNTRY DIGITAL ECONOMY AND SOCIETY. DESI 2025

EXECUTIVE SUMMARY

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Executive summary

The digitalisation of the Basque Country in the European strategic context

Digitalisation has established itself as a cross-cutting phenomenon that is transforming economies and societies, becoming a key factor for competitiveness, sustainability and well-being. Beyond the adoption of technology, digital transformation is a strategic tool for tackling structural challenges such as the green transition, social cohesion and industrial strengthening.

In this context, the Industry Plan – Basque Country 2030 positions digital transformation as a cross-cutting lever in Basque industrial policy, as it contributes decisively to the objectives of 'more industry', 'better industry' and 'fewer emissions'. This contribution is particularly evident in three of its strategic priorities: (i) raising the level of technological innovation in businesses; (ii) driving the adoption of artificial intelligence and cybersecurity and (iii) promoting advanced physical and digital infrastructure.

At European level, this approach forms part of the Digital Decade agenda, which sets targets for 2030 across various areas of digital transformation. In this regard, the DESI indicator system has established itself as a key tool for assessing the degree of digitalisation in countries and comparing their relative progress across four dimensions:

- Digital skills in society,
- Digital infrastructure,
- The digital transformation of businesses and
- The digitalisation of public services.

Within this framework, the rapid evolution and transformative potential of artificial intelligence, together with the growing challenges associated with cybersecurity, have taken on particular significance in relation to the impacts of digital transformation on the business sector.

How does the Basque Country fare in terms of digital transformation within the European context?

The Basque Country's overall performance in digital transformation is favourable, with nearly 80 per cent of the DESI indicators analysed above the EU-27 average, reflecting a strong position across the various dimensions of digital transformation.

The main strengths are concentrated in three of the four dimensions of the DESI:

- **Digital infrastructure**

  Digital infrastructure remains the region's key asset. The Basque Country ranks well above the EU-27 average across all indicators and leads other European Member States in terms of fibre coverage (4th place), internet take-up (3rd place) and very high-capacity network coverage (1st place). The main challenge is to accelerate the roll-out and improve the quality of the 5G mobile wireless communications network.

- **Digital skills**
  The digital skills of the Basque population show stable and consistent progress, placing the Basque Country above the EU-27 average across all indicators analysed. However, challenges remain in relation to the development and attraction of specialised digital talent.

- **Digitalisation of public services**

  In the two indicators analysed, the Basque Country continues to perform well, exceeding the EU-27 average in the use of digital government services and holding a leading position amongst European Member States in access to e-health services (5th place).

Overall, the results across these three dimensions of the DESI reflect a solid foundation upon which to continue driving the region's digital transformation process. The Basque Country maintains its leadership in digital infrastructure and in the digitalisation of public services in the health sector and is, for the most part, well positioned in terms of digital skills.

What are the main challenges in the digital transformation in business?

In the area of digital transformation of businesses, the Basque Country maintains a good level of development and ranks above the EU-27 average in key indicators such as the use of data analytics, the digital intensity of SMEs and e-commerce among SMEs.

However, challenges remain in the adoption of advanced digital technologies. It is in this area that the main differences with the reference Member States are observed, particularly in the adoption of cloud computing services – where the Basque Country lies significantly below the European average – and in artificial intelligence, where the level of adoption is in line with the European average.

What does the analysis reveal about artificial intelligence and ICT security in Basque companies?

The specific analysis on artificial intelligence shows that the adoption process remains uneven, influenced by factors such as: (i) company size, (ii) sectoral specialisation and (iii) the capabilities available for its implementation.

The 2024 data show a slight reduction in the proportion of companies using artificial intelligence, mainly due to the decline recorded among smaller firms. However, this trend appears to be a one-off adjustment, given that the adoption of artificial intelligence retains significant growth potential. At the same time, the results highlight the need to continue strengthening the capabilities of SMEs to facilitate the uptake of such technologies.

Furthermore, it is observed that the use of artificial intelligence is mainly concentrated on the optimisation of production and operational processes, in line with the region's industrial profile. By contrast, its application in functions supporting business activity (such as administrative, commercial and management areas) is still at a lower level of development compared with the EU-27.

The analysis of ICT security reveals a favourable situation, with a high level of implementation of security measures amongst companies and performance exceeding the European average. Nevertheless, areas for improvement have been identified relating to (i) prevention and detection measures, such as the systematic assessment and management of risks and (ii) the formalisation in contracts of companies' security obligations towards their staff.

Recommendations for a competitive digital transformation in the Basque Country

Overall, the report confirms a positive trajectory for digitalisation in the Basque Country, underpinned by well-established strengths in digital infrastructure and capabilities, although challenges remain regarding the adoption of advanced technologies and the development of specialised talent. Based on these findings, the report sets out the following recommendations:

1. **Promoting advanced digital transformation in businesses**

   Strengthen the technological capacity of the business sector by accelerating the adoption of advanced technologies, particularly artificial intelligence, cloud computing and data analytics, with a special focus on SMEs. To this end, it is essential not only to facilitate access to these technologies, but also to strengthen the internal capabilities required to ensure their effective adoption and integration into business processes.

2. **Developing specialised digital talent**

   Promote integrated strategies for training, attracting and retaining qualified digital professionals as a key element in sustaining and accelerating the digital transformation process.

3. **Consolidation of integrated digital ecosystems**

   Move towards collaborative models that integrate data infrastructures, technological capabilities and knowledge-transfer mechanisms, strengthening public-private cooperation and facilitating SMEs' access to advanced digital solutions. This approach will help to improve interoperability between systems and promote a more uniform adoption of digital technologies, in line with European best practices in digital transformation.

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