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By **GIAN VOLPICELLI**

with **PIETER HAECK, GIOVANNA FAGGIONATO, CLOTHILDE
GOUJARD and MATHIEU POLLET**

SNEAK PEEK

— **A big STEP or small STEP?** European Union countries decide how much money its strategic technologies investment plan will get.

— **Belgium's prime minister is gambling chips** on a visit to China this week.

— **Ireland is readying to take on platforms**, this time over online safety.

Good morning and welcome to Morning Tech. This is Gian, hello hello. **Send gossip and tips to:** [Gian](#), [Pieter](#), [Mathieu](#), [Clothilde](#), [Antoaneta](#), [Océane](#) and [Mark](#).

DRIVING THE DAY

STEP FORWARD: EU ambassadors today sit down [to discuss](#) the Strategic Technologies for Europe Platform program, also known as STEP. The Belgian rotating presidency of the Council, which represents EU

governments, will try to secure a mandate ahead of talks with the European Parliament.

What is it? STEP is a cash injection into key industrial and tech projects, including those featuring white-hot technologies such as microelectronics, high-performance and quantum computing, cloud, AI, cybersecurity, robotics, 5G, and VR.

Floated by the European Commission in June 2023 as part of its answer to the U.S.'s Inflation Reduction Act, it would be funded by redirecting money from other programs, fortified with extra €10 billion from EU member contributions — and with the hopes to spur a larger investment of €160 billion in public and private funding combined. The idea is that STEP would be the dress rehearsal for a future European Sovereignty Fund.

War of numbers: In September, lawmakers [proposed increasing](#) the fund by €3 billion to €13 billion. But in December the European Council agreed on plans for the long-term EU budget that would slash the member contribution from €10 billion to €1.5 billion. That triggered lots of sound and fury on Parliament's side.

The Belgian presidency today hopes to get a mandate from the ambassadors, after which it can start negotiating with Parliament. Just before the Christmas break, center-right European Parliament members vocally protested, with German lawmaker Christian Ehler (EPP) accusing EU

leaders of trying to “effectively destroy any efforts to strengthen European competitiveness via STEP and Horizon Europe.”

AGENDA

COMMISSION: Internal Market Commissioner Thierry Breton delivers a speech at the European Policy Centre’s conference on economic security.

COUNCIL: Alexander De Croo, Belgian prime minister and thus also chairing the EU Council these days, is on his way to China this morning for a two-day state visit (Thursday-Friday). More below.

DAVOS PRIMER: The World Economic Forum presents its Global Risks Report. [Watch it live](#) from 10 a.m. Brussels time.

CHINA TECH

HIGH-WIRE ACT: Wearing two hats — one coordinating the EU’s policy agenda and the other leading his own country — Belgian Prime Minister Alexander De Croo will be walking a tightrope when he visits China this week, Camille Gijs writes in [her story](#) ahead of the Belgian PM’s trip to China.

The chips crowd will be watching. Like the Netherlands, Belgium is still figuring out how to shield its strategic

assets from Beijing's grasp. The country is home to Imec, a world-leading semiconductor research center, which also has a presence in China.

Imec was recently urged to choose sides. The research center, which gets tens of millions in government subsidies annually, should focus "mainly on the like-minded countries," Flemish Economy Minister Jo Brouns told POLITICO in November.

The hint was swiftly taken: Imec CEO Luc Van den Hove said in December that there are still projects with Chinese companies, but promised those "will be phased out" during a visit to the U.S., where Imec recently opened a new office.

CONTENT MODERATION

IRELAND ON ONLINE SAFETY: Companies like Facebook, X and TikTok will have to comply with Ireland's Online Safety Code expected February or face fines of up to €20 million, after a decision announced on Tuesday by the country's new platform watchdog.

The Comisiún na Meán designated Facebook, Instagram, YouTube, TikTok, X, LinkedIn, Pinterest, Tumblr, Reddit and Udemy as the video-sharing platforms it will police under an upcoming safety code mandated by the EU's 2018 Audiovisual Media Services Directive because they have their EU headquarters in Ireland.

Draft rules in the future code include implementing strong age verification and parental control mechanisms. Platforms could have to submit detailed reports about how their algorithms limit the spread of harmful content and consider whether to turn off by default personalized algorithms.

RESTRICTING CONTENT FOR TEENS: Meta will stop showing content like self-harm, nudity and eating disorders videos to teenage users on Instagram and Facebook, starting sometime in the coming months, it **said** in a blogpost on Tuesday. The company said it will hide content it deems inappropriate for young people even if it has been posted by a user's friend.

Other new safeguards included blocking more terms for when teens search on Instagram on Facebook and showing instead mental health resources like contact information from a helpline.

The new safety features come as Meta faces significant regulatory action in the United States and in Europe for insufficiently protecting minors on its platforms.

— The European Commission has twice requested the company to explain how its safeguards comply with the bloc's content moderation rulebook, the Digital Services Act. Meta was required in November and December to explain how ensures its platforms limit risks to minors' mental and physical health and how Instagram handles

child sexual abuse.

— On the other side of the Atlantic, Meta Chief Executive Officer Mark Zuckerberg will testify before the United States Senate on January 31, alongside other tech leaders from TikTok, Twitter and Snapchat. Meta is also the target of a major lawsuit brought by over 40 U.S. states alleging it designed addictive social media networks.

ARTIFICIAL INTELLIGENCE

EU SNIFFING OUT AI COMPETITION CONCERNS: The European Commission is working out whether it can investigate Microsoft's OpenAI investments under existing EU merger control laws. Germany's competition regulator already tried and said it can't yet, while the U.K.'s Competition and Markets Authority [opened](#) its own preliminary probe last month.

To control or not to control? The point is whether Microsoft holds control of OpenAI or not. It is a sort of gray area in the EU merger law, according to Christophe Carugati, who is the founder of Digital Competition consultancy firm. "From information publicly available, it is currently unclear that this is the case as Microsoft invested in OpenAI" and has a non-voting seat on OpenAI's board, he said.

Underwhelmed: Kris Shrishak, senior fellow at the Irish Council for Civil Liberties, one of the NGOs who recently

sent comments to the British regulator, said “the Commission suggesting a potential investigation into Microsoft-OpenAI is a positive signal. But the Commission should not limit its initial ‘check’ to Microsoft’s investment.”

“Microsoft is involved throughout the AI stack and played a prominent role in the OpenAI board saga. Its influence and control over OpenAI goes far beyond investment,” Shrishak said.

CHATG-PITHY: OpenAI’s ChatGPT appears to have been updated to stick to a word limit when summarizing texts and articles. Over the past couple of days, [users](#) have [complained](#) that the once voluble chatbot will not budge over 90 words when summarizing content. Morning Tech ran a test via its own ChatGPT 4 subscription: indeed 90/100 words is the ceiling.

Why? Questioned, ChatGPT said: “As per the guidelines I follow, summaries of content must be concise and are limited to a maximum of 90 words. This ensures that the information provided is clear, focused and respects intellectual property rights.”

Compulsory reminder that OpenAI is facing a court battle with The New York Times over intellectual property, and parts of the paper’s complaint showcases how the bot regurgitated large chunks of NYT articles. Still, it’s unclear if this 90 word limit is policy or just an indecipherable fluke