

**Lord Green Speech
2 September 2013**

**Forum – Powering Web Entrepreneurship and
Innovation to Drive Growth in the Digital Economy**

**Session: Startup Europe Manifesto: A Call to Action
for Growth and Entrepreneurship**

Thank you Ann, (Ann Mettler, Executive Director, the Lisbon Council) for your kind introduction and thank you for inviting me to today's event.

Introduction

The issues that are being discussed here over the course of this week are amongst the most important facing the EU.

We are undergoing a revolution, driven by developments in digital technology and online communication.

The internet now allows us to make more connections, over greater distances at a faster speed than ever before...

It brings citizens closer together, reducing the distance from, for example, London to Ljubljana and Bucharest to Bordeaux to the mere swipe of a tablet screen...

Small businesses can now reach more customers than they could have previously imagined possible...

...And consumers today have more choice than any previous generation.

These developments are fundamentally changing the way that we organise and live our lives...

...How we relate to one another

...How we shop

...How we do business

...And how we learn.

And with these changes come great opportunities that we should all fully embrace.

But, as politicians and policy makers, we cannot sit back, watching and waiting while the world changes around us. We need to be asking ourselves: what more can we do to spread the benefits of the digital revolution across the EU?

Creating a Digital Single Market

One area where more work is needed is the digital single market.

The Prime Minister has said it is nonsense that people shopping online in some parts of Europe are unable to access the best deals because of where they live.

I agree with him.

The digital single market is incomplete and we face a range of challenges.

We know that shopping online gives consumers access to greater choice and lower prices, but...

... Too many people can't get online in the first place...

...Online payment mechanisms are not always compatible...

...Some businesses choose not to sell online to customers outside their Member State, so even if you find it online, you may not be able to buy it online.

...And digital content bought in one Member State is not always licensed for use in all Member States. So where there is free movement of *physical* goods, there is not always free movement of *digital* goods.

It is because of barriers such as these that cross-border e-commerce remains low, accounting for just 4% of the total EU trade.

This is despite the fact that e-commerce itself is thriving within Member States, with online sales in the EU forecast to grow by 16% this year.

This challenge can be clearly seen in the UK where we have a highly competitive e-commerce market, with 78% of all UK retailers selling online and two thirds of all UK consumers purchasing goods and services online, but one that is almost completely domestic, with only 10% of UK consumers buying goods online from another Member State and few of our businesses selling their products online to customers in other Member States.

So we need to act.

Current Policies

And there is already a lot of work that is taking place.

In the UK, we recently launched an Information Economy Strategy under which Government, industry and academia will work together in partnership to unlock the full potential of the information economy.

We want to build a thriving information economy sector that enhances our national competitiveness and ensures that the benefits are felt across the rest of the economy and society.

We also convened an E-Commerce Task Force, which brought together industry, businesses, consumer groups and government and was charged with identifying tangible ways of removing barriers and increasing e-commerce.

The Commission is also taking forward a number of strands of work, which are designed to further develop the EU's digital economy and to contribute to the completion of the digital single market.

In particular...

...I agree with the Commission that a competitive digital single market requires increased broadband coverage and action is being taken in the UK to address this.

...I welcome the work that is being done to amend the Payments Services Directive, which, if done right, could make online cross-border payments easier and help facilitate the next generation of payment services.

... And the Collective Rights Management Directive is also an important development, which will improve the functioning of the single market and help create a more

efficient framework for cross-border licensing of online music.

But we must do more if we are to unlock the full potential of the digital single market and the EU's digital economy.

Future Priorities

Let me briefly mention two areas where I believe that further work is needed

First, data.

Data is now being produced at a rate never previously seen before. The potential economic and research opportunities presented by this are significant but current techniques are insufficient to allow us to fully take advantage.

Addressing this is a UK priority and we will publish a data capability strategy later this year in partnership with

industry and academia which will set actions to advance our capability and capacity in data for growth.

I also look forward to working with the Commission to identify what actions need to be taken at the EU level to support this.

Second, let me return to e-commerce. I have already mentioned that the level of cross-border e-commerce in the EU is too low.

We must consider what can be done to make this more attractive to businesses and consumers alike.

Three areas that I would suggest deserve consideration are...

...Sales promotion and marketing regulations.

Currently, Member States have different rules on sales promotions, meaning that businesses operating online have to comply with 28 different frameworks. We need to ask ourselves whether or not this is the right approach when we want to encourage more cross-border e-commerce.

...Second, the rules governing what information a business must include its website should be reviewed.

While there is an EU level framework, implementation appears to vary across Member States. Again this means that businesses have to comply with numerous different legal frameworks and this may discourage selling online across the single market.

...And finally, parcel delivery standards.

Levels of parcel delivery service vary, with track and trace facilities, for example, not available in all countries. This means that businesses selling across borders are

sometimes unable to provide accurate deadlines for delivery, or even guarantee it. Without such guarantees it is much harder to persuade consumers to buy from businesses from outside their Member State.

Conclusions

So there is a lot that still needs to be done and digital must be a priority for all of us.

I, therefore, welcome the *Leaders Club* manifesto and its appeal to EU leaders that we make the digital agenda our next big project.

It is absolutely right that you should challenge us to deliver the policies that will help the EU thrive in the digital age.

And I hope that we can all continue to work together to modernise the EU and make sure that we are all in a position to make the most of the digital revolution.

Thank you for listening.