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The Digital Agenda: Europe's key driver of growth and innovation

Check Against Delivery

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Es gilt das gesprochene Wort

2011 Digital Agenda Summit organised by the Lisbon Council

Brussels, 4th October 2011

Thank you for inviting me here to talk to you today. I'd like to sketch out the most important economic implications of the Digital Agenda for Europe and explain why action in these fields is so important for Europe.

The Digital Agenda for Europe is there to support citizens, to boost confidence in ICT and to lift Europe's competitiveness. We need to get every European digital so that we can all benefit from the accelerating technological progress.

These objectives have never seemed more important: at a time when citizens face an uncertain future they turn to politicians to safeguard the economy and to deliver the jobs and opportunities for the next generation.

Ladies and gentleman: ICT was never better positioned to help achieve these objectives than it is today.

The statistics for the economic power of ICT are little short of amazing. The sector represents one half of our productivity growth; SMEs using web technology export and grow twice as much. Over just ten years, the right broadband development could give Europe over one trillion euros in extra economic activity, and millions of extra jobs.

I. Digital Single Market

Let me start with talking about the digital Single Market. This is one of the most important elements.

First, because a digital Single Market seems such an obvious step. In principle, it should be easier to sell digital goods from a distance than "real" goods. Everybody would be excused for thinking this should also be possible in reality. And yet invisible barriers stand in the way. If I can buy a music CD online from a company in The Netherlands and have it posted to me here in Belgium, why can't I buy a digital download from the same company? If I can watch my local team's football matches using online pay-per-view in one Member State, why not in 27? This situation does not make much sense to the man on the street. To be honest, it is not a situation that makes much sense to me. And we need to fix it.

Second, removing barriers to the expansion of the digital economy has a lot to offer economically: it will be worth 1500 euros per year for each and every EU citizen. 31% of retailers think a more harmonised regulatory environment would boost their cross-border sales. And remember that this is not just about creating a new way to disseminate existing material – we must also must create market opportunities for whole new types of content.

Third, we also need to ensure rules are applied consistently and uniformly across the Digital Single Market to avoid rising compliance costs. To be a Chief Information Officer in Europe, having to comply with 27 data protection regimes or facing 27 different legal environments for Cloud Computing is daunting and bad for business.

And **fourth**, because the Single Market is at the centre of the EU. Building the Single Market in the so-called "traditional" industries was a compelling success story for Europe: we can repeat that success in a digital future. At a time of great economic and political doubt, we can show our citizens what the EU can do for them, improving their fortunes and opportunities.

As part of the Digital Agenda we aim to have 50% of Europeans buying online by 2015. And we are getting there: across Europe, e-Commerce is racing ahead, with both businesses and retail consumers buying more online. But barriers between countries mean that cross-border sales are the slowcoach in that race, dragging everyone else down.

We need further harmonisation. With my colleague Commissioner Barnier I will present an action plan to boost e-commerce, with concrete proposals on safe online payments, including micro-payments, and means to secure cross-border transactions.

II. Digital Content and Open Data

I want to see digital content markets thrive across Europe. I want to make it easier to produce this content, letting producers benefit from EU-wide economies of scale and letting consumers benefit from more choice. To that end we recently launched a consultation on creative content online to ensure Europe seizes the opportunities for TV and movies in the digital age.

When it comes to content, the public sector can lead. I'm just back from a trip to Kenya, where the Government has begun to open up its public sector, providing valuable raw material for others to use, for instance weather data and demographic statistics. And the Kenyan people are already seeing the benefits, whether as businessmen, civil society groups, researchers, citizens, or public authority representatives. I want us to do the same in Europe and across Europe. Some Member States currently act as real role models in this field but others have barely started to move. While the UK already has an advanced open data platform, and the French Government has vowed to put its own version up soon, and while there are many cities and regions that move ahead without waiting for central government action, other parts of Europe trail Kenya and other adopters around the world.

We need to change that, we need to overcome the inertia to this development in the public sector. I want public sector workers on all levels to be proud of providing a first-rate data and information service to citizens which can be re-used to create new content and new services. Getting out the data under reasonable conditions for quality, speed and re-usability should become a routine part of the business of public administrations. That investment by the public sector will be good for transparency and accountability, good for scientific progress, and good for our economy. To this end I will propose a policy package in November, including a review of the Directive on the re-use of public sector information.

III. Trust and Privacy online

Alongside the work on a digital Single Market, I also want to ensure users feel safe and secure online, so that they can trust the new technologies and use them routinely and with confidence. And of course this should allow space for the innovative business models which constantly bloom in the digital world so that, all together, we can enable the digital economy to reach its full potential.

For example, many users are concerned about their privacy online. I believe we need sound rules based on three principles:

First, transparency so that citizens know exactly what the deal is.

Second, fairness so that citizens are not forced or tricked into sharing their data.

And third, user control so that citizens can decide – in a simple and effective manner – what they allow others to know.

We have already introduced rules, for example, on how data should be secured; on transparency with regard to tracking technologies such as cookies; and fighting spam.

I am convinced that these aims are compatible with our Digital Agenda targets on the continued growth of the digital and online economies. Of course we must not sacrifice citizens' right to privacy to economic interests but we can also not afford to damage legitimate economic interests by insisting on too inflexible or cumbersome implementations of privacy rules and the paternalistic attitude towards citizens they embody. Therefore I have challenged the web industry to agree, by next June, a standard for "do-not-track" technology that will:

- give users more control over who can track them online
- make it easy for businesses to do the right thing and
- boost the opportunities for designers, application and device makers to come up with clear and user-friendly ways of recording and enforcing user preferences.

I also want to improve confidence by, for example, ensuring people know their children can surf safely, respectfully and responsibly; and countering the increasing number of cyber-threats against our networks and infrastructures.

IV. Broadband for all

Perhaps most importantly, we must ensure we have super fast digital networks for everyone: the oxygen of the digital ecosystem. In part, stimulating the development of content as I've outlined above will already do this because it will boost consumer demand and make the business case for broadband investment more attractive.

But we need to go further. Yesterday, at the ETNO-FT conference, I set out the measures we need to take to stimulate broadband investment. Over 9 billion euros from a new "Connecting Europe Facility", as outlined by the Commission in June, could leverage over €100 billion of overall, mostly private, investment to support broadband deployment and pan-European digital public services. This is the first time such a measure is proposed and I invite you to pause for a moment and consider the importance of it, not only for the Digital Agenda but for Europe – and for getting Every European Digital. I will do all I can to ensure that this instrument is put to good use and I invite everybody else to do the same.

A consultation on cost accounting methodology will also help us set the right incentives for new network investments. And, to support the burgeoning wireless sector, we are developing spectrum management policies which are coordinated, flexible, and competitive.

V. Cloud Computing

Lastly, we want to do all of this with an eye on the future, on the new technologies yet to emerge. Cloud computing for example, a technological paradigm which can help increase efficiency and flexibility of ICT use while reducing overheads and capital expenditure.

Smaller companies and start-ups in particular have much to gain from the cloud both on the demand side, by obtaining more flexible, scalable and responsive computing ability, and on the supply side, to seize the new opportunities opened up by the cloud, from niches to whole new markets.

But smaller companies also have the least resources and market leverage to negotiate a market place dominated by uncertainty and missing, incomplete or unclear rules. For example, the data protection framework is in dire need of an update and I am therefore happy to confirm that the Commission will present relevant proposals soon.

Another issue is data portability: smaller companies typically do not have a strong negotiating situation with their suppliers. Clear commitments by such suppliers to data portability, to not making it unnecessarily difficult for customers to switch, are therefore essential.

Cloud standards of all types abound and need to be consolidated in order to have a strong effect on the maturity of the cloud computing market.

In short, I want to make sure that Europe is not just cloud-friendly, but cloud-active, so that it is best positioned to seize the opportunities. Both on the demand side, across our whole economy, and on the supply side, where I would like to see more and new European players.

To achieve that we need to put in place the right legal framework. We also need to ensure that all other public policy instruments are deployed in a coherent way to support this.

This is work in progress, following a blue-print I set out at the World Economic Forum in January. We have collected a large body of input, from studies to the several hundred responses to a public consultation, to direct input from a number of working groups organised by industry who are finalising their results. Cloud computing has no natural geographical borders and we are therefore also working with our international partners on this. For example, it will be discussed this week during the EU-US Information Society Dialogue meeting in Washington.

Conclusion

To conclude this brief outline of what's on my plate as part of the Digital Agenda: the different elements of the Agenda are not separate or isolated, but mutually supporting and mutually reliant. If we achieve them, if we achieve the dream of getting every European Digital, we will have built the economic and social foundations for the future of Europe.

Thank you.