

## **EUROPEAN COMMISSION**

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## **Building a Startup Europe**



Startup Europe Forum / London 2 September 2013



Digital technology is the future. The future for our society. And the future for an enterprising economy.

Already worth up to 8 per cent of GDP, the Internet is the natural home of innovation and growth.

Because it gives you not just new tools, but new ideas, and new ways to spread them. It's taking away barriers and costs – over the last 15 years the cost of setting up a new business has come down by 100 times. And it's giving you ever more avenues for success, new ground for you to explore and an ecosystem where your idea can flourish and grow.

And there's so much on offer if we get it right. Completing the Digital Agenda for Europe could be worth 5% on GDP: an extra 1500 euros per European citizen.

If today, setting up a business is getting ever easier, it's also getting ever more essential. We face the prospect of horrific unemployment: we can't go on like this. We must invest in tomorrow's growth, and grasp every opportunity we have.

Online, I see that opportunity everywhere. I see it in the new innovations that we all enjoy every day. I see it in the hundreds of millions of jobs on offer for those with the right skills. And most of all I see it in Europe's cohort of talented innovators: in their skills and their attitude.

It is new businesses that can create jobs. And it is new digital technology that can unlock new opportunities. At the time, no politician can afford to ignore that. No person can afford to ignore that. Fixing our economy and finding jobs for the future is problem that keeps me awake at night, and many others too; we have to solve it.

And you know this is just the start. It's not just about a new technology, not just a way of earning money. This is a new way to work together, not based on control and centralisation but on sharing and joining together. It's a new attitude, one where anyone can spot an opportunity and take the risk to capture it.

I find that inspiring.

Often people in Europe are too negative. Sometimes people think innovation is just for Silicon Valley: but they're wrong.

Deezer's streaming music service is now in 182 countries; Spotify has 20 million active users. Last year the makers of Angry Birds earned revenues of 150 million euros; Skype handles one third of all international calls.

And what do those companies all have in common? They're all European.

All European.

The fact is, here in Europe, we have many great success stories – but we are not telling them. There are so many talented people working to make their ideas a reality. So many innovations and innovators. It's time we recognised them. Valued them. And stop putting barriers in their way.

And that is what the EU's Startup Europe programme is all about.

Soon we'll be hearing from the Startup Europe Leaders' Club; responsible for big, successful European startups. And they'll present their manifesto for how Europe needs to adapt for the digital age. Ideas for how decision makers – at every level in every country – can improve the climate for innovation and growth.

I'm very interested to hear what they have to say. But I want to make three points now.

First, I am ready to play my part.

As part of the EU's Startup Europe programme we're already making it easier for startups to get access to the resources they need. Whether it's web-friendly accelerators; boosting venture capital investment; or new tools like crowdfunding.

And programmes and prizes like Europioneers and Tech AllStars are helping Europe recognise its home-grown talent, and promote and value start-up culture.

But I want to go further. And I know the one ingredient you really need. From cloud computing to connected cars, digital innovations all rely on one thing: connectivity. They just can't get off the ground without it, without broadband that is reliable, fast, and pervasive.

But today Europe doesn't have those networks; while the US, Japan and Korea have 88% of the world's 4G, Europe has just 6. Meanwhile connectivity stops at borders, with high charges, poor quality and a patchwork of inconsistent systems.

I want to change that and bring down those barriers - so that new digital ideas have the broadband bedrock they need for success. I will be coming forward with proposals to bring down those barriers and build a connected continent. So European startups benefit from the right frameworks and the right networks. Like by bringing roaming charges in the EU to an end – once and for all.

My second point. I want the EU to support startups and the digital economy. But I know we can't do this alone. Just look at the scale of the challenge.

For example – Europe could soon have one million digital jobs to fill. In the current climate, that should be a great opportunity - but Europe doesn't have the right skills. And IT graduate numbers are falling, even as unemployment queues rise.

Meeting that challenge needs help from many organisations; not just from the EU itself. So I'd like to thank the dozens of businesses who have participated and pledged in our grand coalition for digital jobs.

And I'd like to thank in particular Telefonica and the Lisbon Council for organising this event.

Because they know it's crucial for all of them – crucial for us all – that we can skill up for the future.

The third point I'd like to make is that this isn't just for politicians and it's not just for big companies.

Building Europe a digital, start-up Europe needs us all.

Now's a turning point for Europe. And now's the time to start making a noise. We know this sector is essential to our future; now we need to hear its voice, and mobilise. So if you agree — or disagree – with what we're discussing today, then make sure decision-makers know about it. Make sure they know what matters to you and your business. Make sure that they know how important startups and innovation are to our economy. Make sure they know that this is a changing world, and that outdated structures need to change too.

Do you want Europe to be a digital hub? A place where innovations are born, grow, prosper? A place not just dependent on gadgets from the East and corporate giants from the West – but a continent making its own mark?

A continent with fewer borders, fairer prices, better connections for all. A continent full of enterprise, possibility and prosperity. If you believe in that – then join me and let's make that pitch.

Then we can really build a Startup Europe. A continent that is digital, connected and competitive; where innovation is not obstructed, but nurtured and supported. Where young, breakthrough companies can start in Europe, and stay in Europe. That's what I dream of, and I hope you do too. Thank you.