A Digital Single Market for Europe

The new long-term strategy

Martin Bailey, European Commission DG CONNECT, Unit F1

IMCO Workshop on the Digital Single Market

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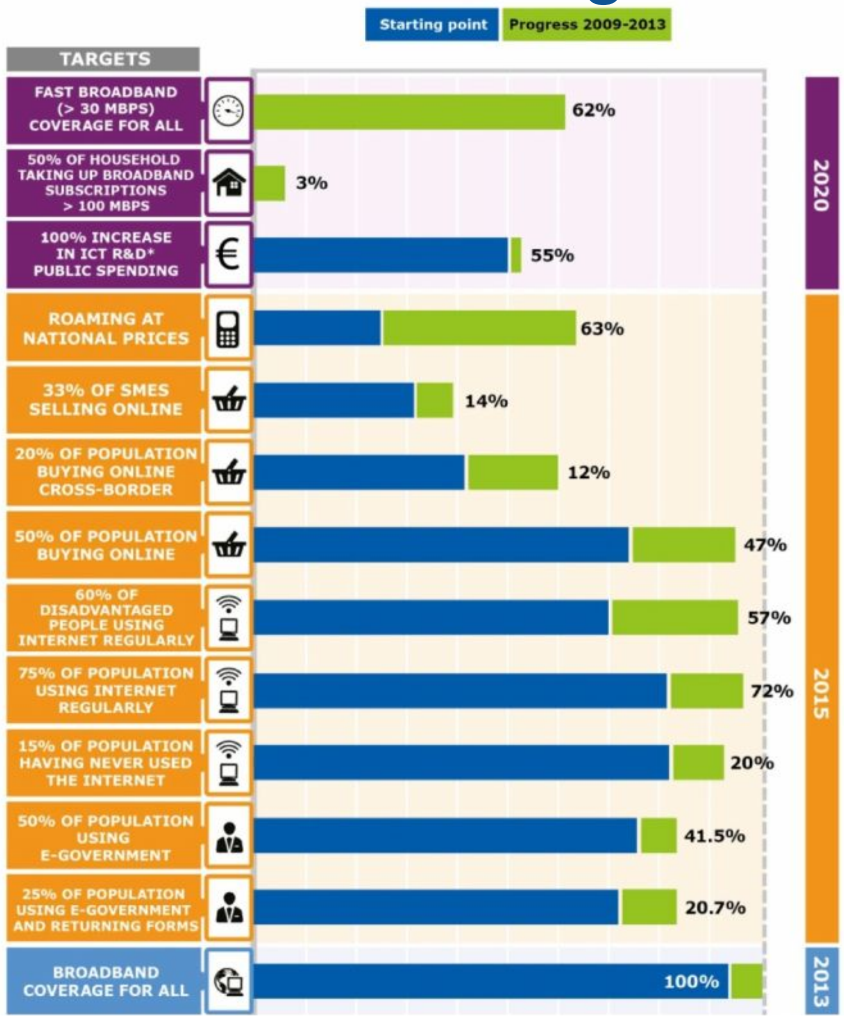
From Digital Agenda for Europe to Digital Single Market



- Established 'DAE' brand
- Established digital as stand-alone policy area
- Ambitious scope - lacked focus?

- 132 actions: 107 completed, 23 'on-track', 2 delayed
- Key targets missed:
- Only 14% of SMEs selling online, 5% selling cross-border;
- Only 12% of citizens shop cross-border

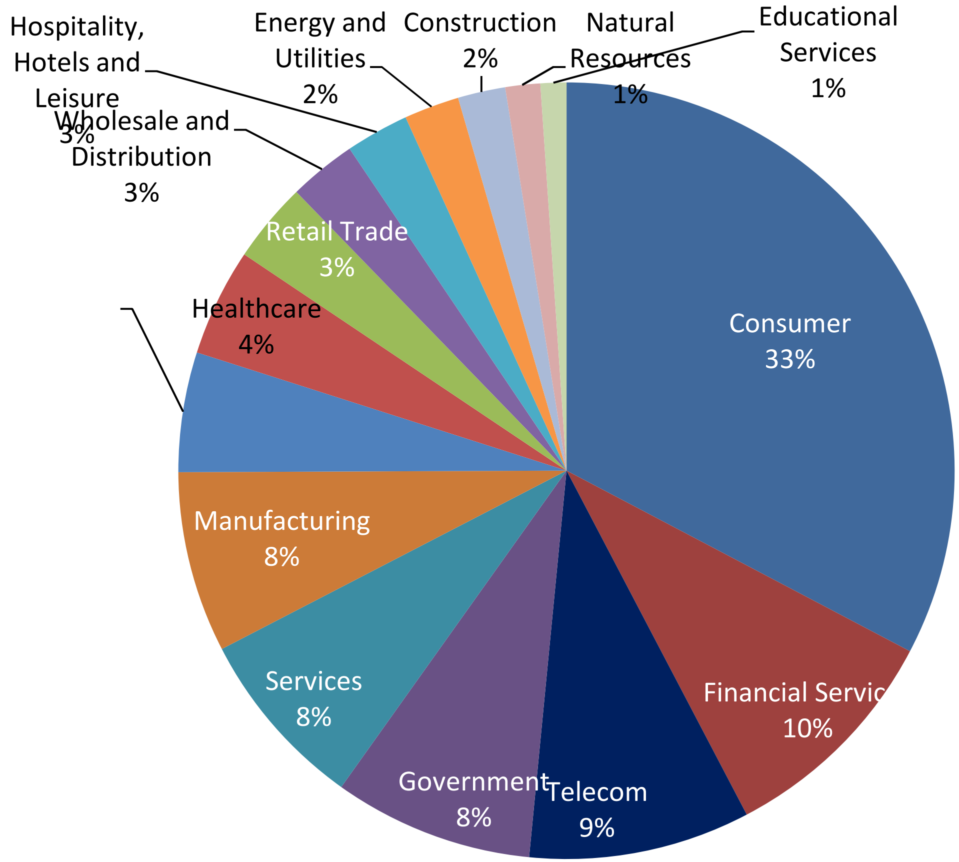
A new mandate – DSM highest on the political agenda

The DSM initiative will create growth and jobs, by:

- focusing on a limited number of high-impact initiatives
- improving cross-border opportunities for businesses and citizens

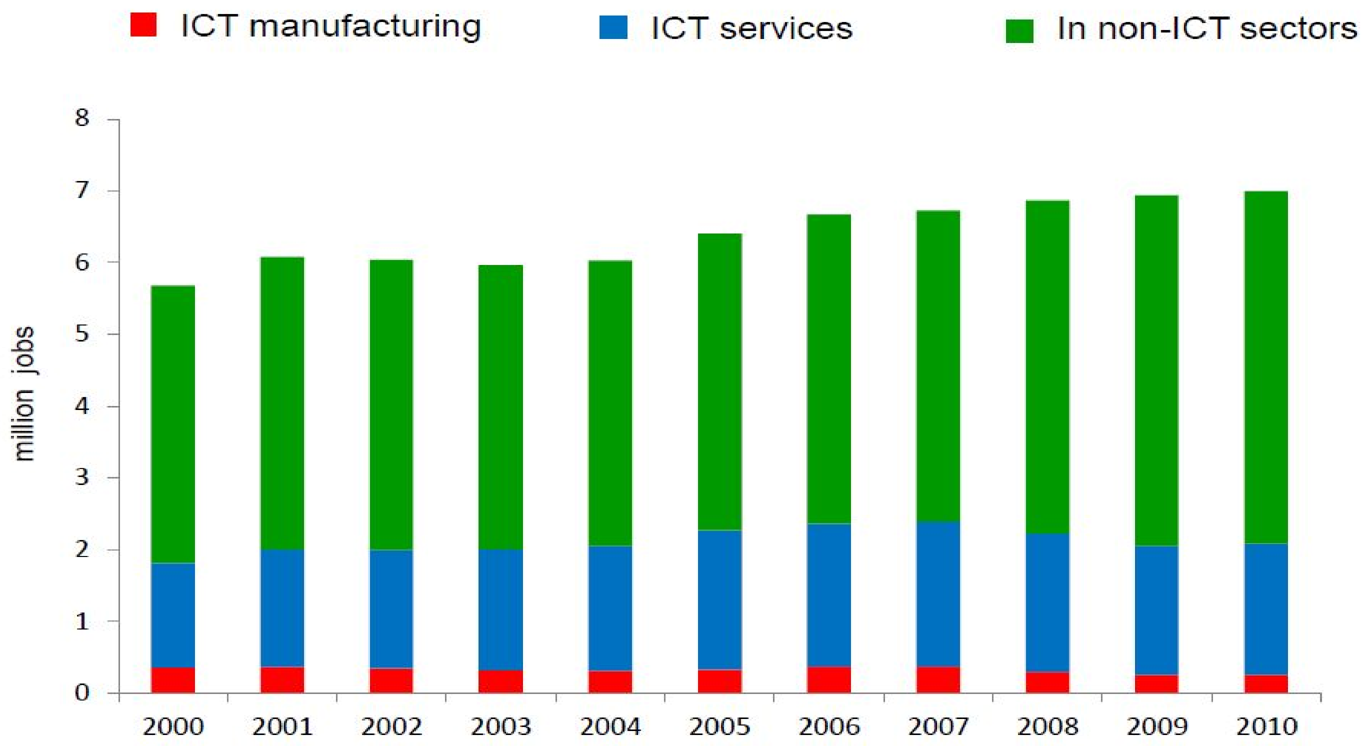
Why the Digital Single Market?

1. All sectors are dependent on ICT



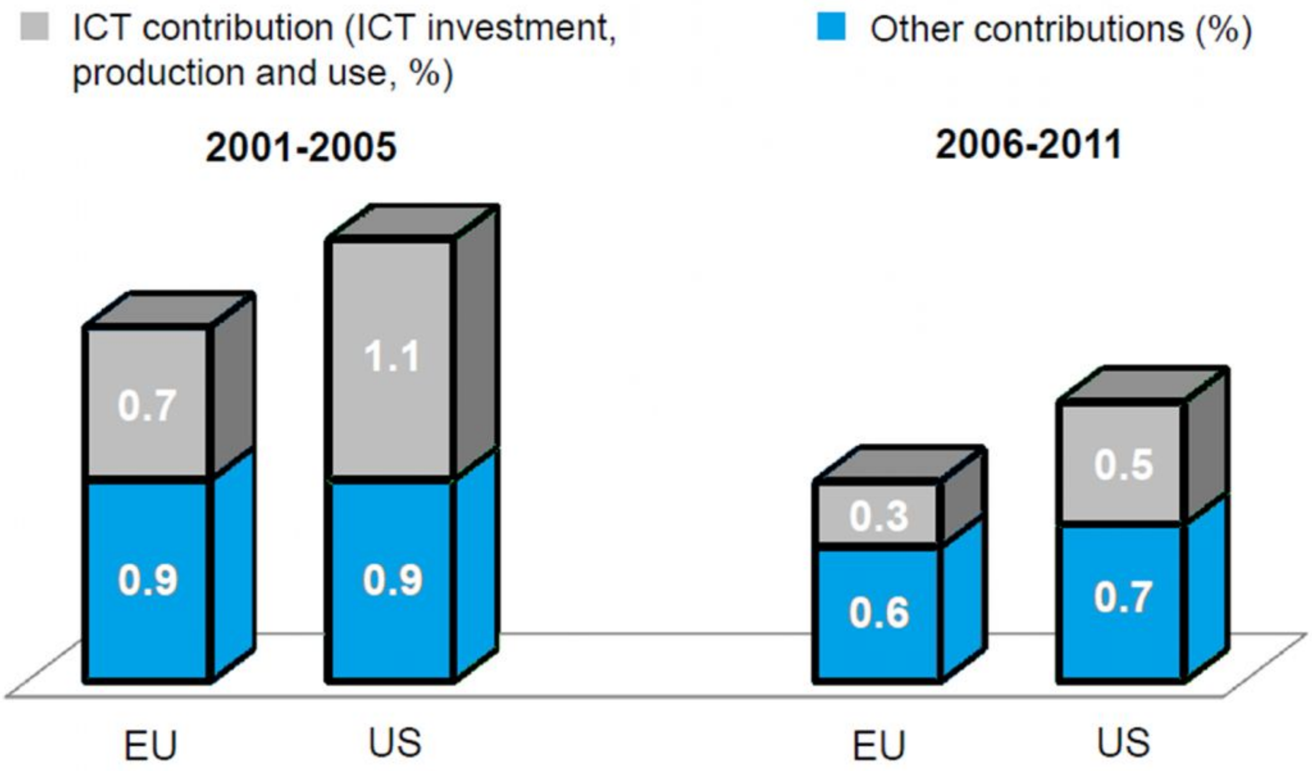
ICT spending by category of actors (% of total spending on ICT in 2012)
Source: OECD

2. ICT jobs keep on growing (especially in non-ICT sectors)



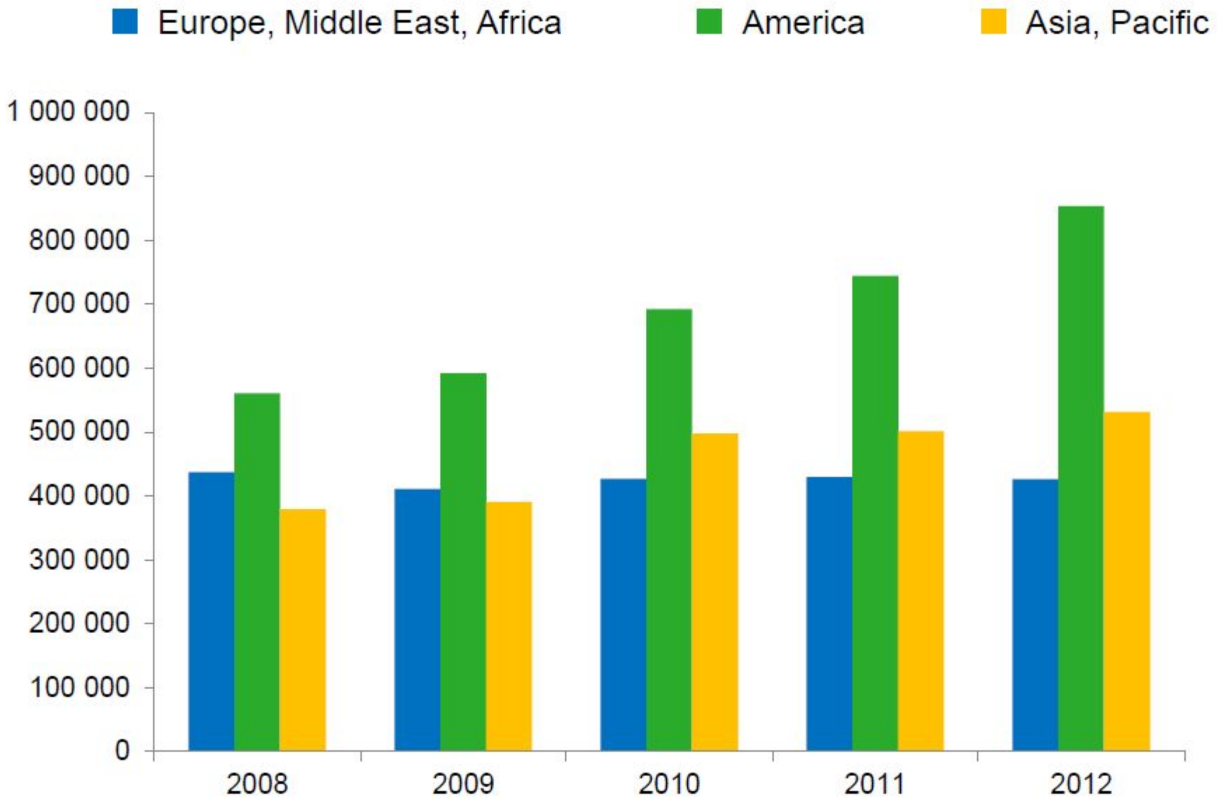
Number of ICT Workers in the EU (million)
Source: European Commission

3. ICT accounts for a large part of the productivity gap with the US



Labour productivity growth in the EU and the US (annual average over two periods)
Source: The Conference Board

4. Europe is lagging behind in ICT revenues



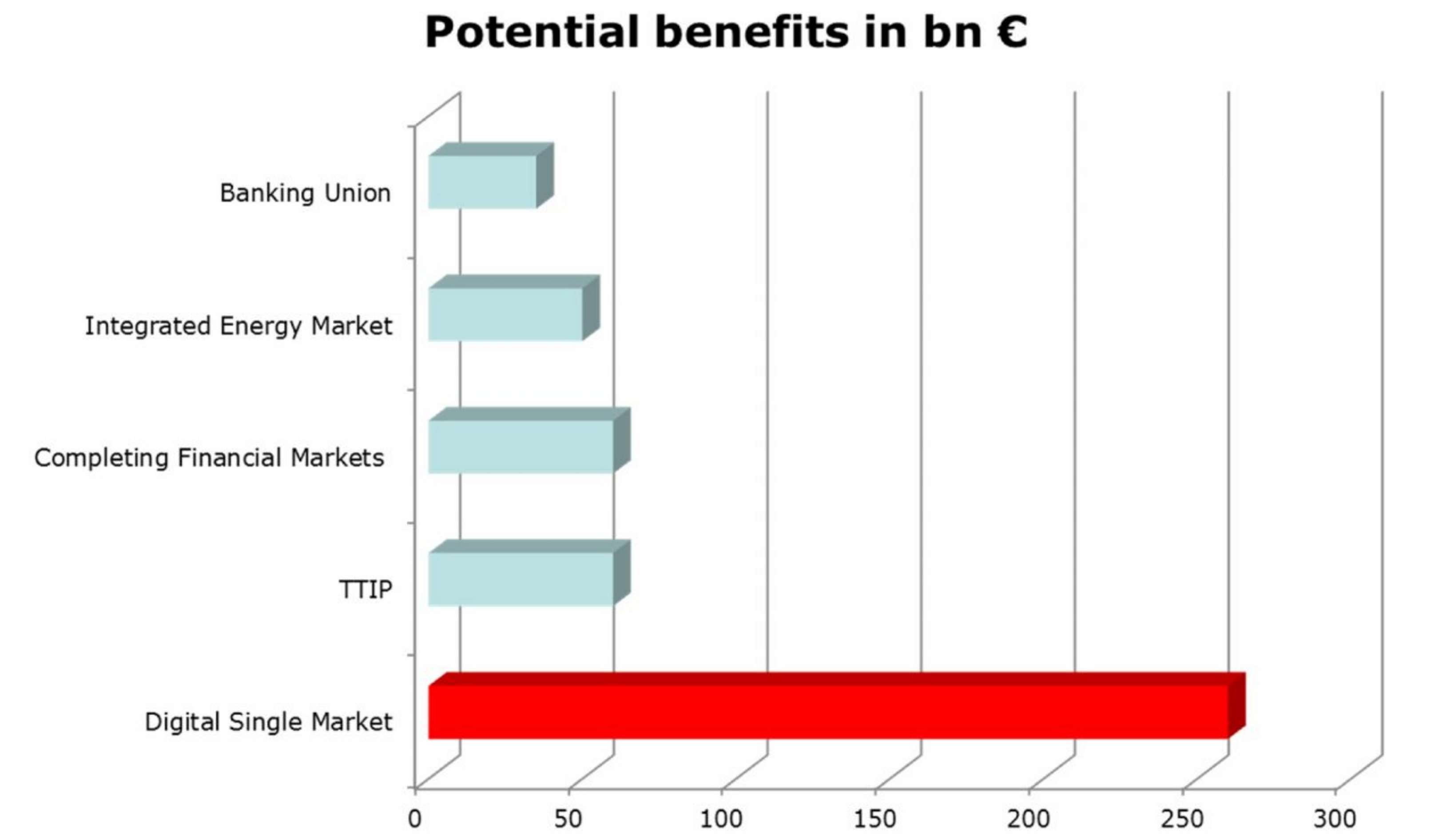
Combined turnover of the world Top 50 ICT firms (million EUR)
Source: Bloomberg

1	APPLE INC	US
2	AT&T INC	US
3	SAMSUNG ELECTRONICS CO LTD	KR
4	HEWLETT-PACKARD CO	US
5	VERIZON COMMUNICATIONS INC	US
6	INTL BUSINESS MACHINES CORP	US
7	PANASONIC CORP	JP
8	SONY CORP	JP
9	TELEFONICA SA	ES
10	MICROSOFT CORP	US
11	DEUTSCHE TELEKOM AG-REG	DE
13	VODAFONE GROUP PLC	UK
16	FRANCE TELECOM SA	FR
22	NOKIA OYJ	FI
23	TELECOM ITALIA SPA	IT
28	ERICSSON LM-B SHS	SE
29	KONINKLIJKE PHILIPS NV	NL
31	BT GROUP PLC	UK
33	SAP AG	DE
35	ALCATEL-LUCENT	FR
37	KONINKLIJKE KPN NV	NL
38	TELIASONERA AB	SE
42	CAP GEMINI	FR
46	ATOS	FR

5. Only 15 European ICT firms among the global Top 50. Only one in the Top 10

The leading ICT companies by turnover (2012)
Source: Bloomberg

6. The DSM has the largest potential to create growth



Source: Mapping The cost of non-Europe, European Parliamentary Research Service, March 2014

Who would benefit?

Industry

- ICT
- Audio-visual, music or other creative industries
- Traditional industries (automobile, pharmaceutical and biotech, retail and other service industries)

People

- Consumers would benefit from lower prices, greater customisation and variety
- Citizens would enjoy greater mobility, and have more certainty regarding their rights

DSM building blocks + some examples

BUILDING TRUST AND CONFIDENCE

- Consumer protection, internet governance, ISP liability, data protection...

REMOVING RESTRICTIONS

- Copyright, geo-blocking, cross-border e-commerce, audiovisual...

ENSURING ACCESS AND CONNECTIVITY

- Telecom, universal service, portability...

BUILDING THE DIGITAL ECONOMY

- Taxation, cloud, big data, Industry 4.0, sharing economy,
- Smart cities, platforms...

PROMOTING E-SOCIETY

- Open source, e-skills, e-health, fundamental rights...

DIGITAL INNOVATION AND RESEARCH

- H2020 framework program, innovation...

Tools

Legislative initiatives

+ Legal certainty
+ Uniformity
÷ Long/burdensome process

Self-regulation / Co-regulation

+ Strong involvement of stakeholders
+ Future-proof solutions
+ Peer pressure
÷ Difficult to enforce

Approximate agenda

In 2014	Scoping of the remaining barriers on the Digital Single Market
Nov. 2014	Setting up the DSM Project Team of Commissioners led by VP Ansip
Feb-Mar 2015	Orientation debate, discussion with stakeholders
May 2015	Adoption of the DSM Strategic Paper
Jun 2015	DSM on the European Council
2014 – 2015	Legislative proposals based on the Strategic Paper

Challenges

.... among the many:

1. Platforms

... it is not (only) about

Different types of platforms

Search engines

Communications / Social Media

Operating systems / App Stores

Audiovisual

E-commerce platforms

Content platforms

Payment and other platforms

Regulatory challenges

- What does "fair access" mean?
- How to achieve and do we really want neutral searches?
- How can we address the complexity of multi-sided markets through legislative intervention?
- How can we avoid unintended consequences (new charging models that harm consumers, stifling of innovation etc.)?

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2. Sharing economy

Is it a B2C service...?

...Or C2C? And in that case...
...Need to protect consumers from themselves?

Or just pure black economy...?

Are these platforms liable for their content?

"New combinations are, as a rule, embodied...in firms which generally do not arise out of the old ones. It is not the owner of a stage coach who builds railways", Joseph Schumpeter, The Theory of Economic Development

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Thank you for your attention!