



## DIGITAL SINGLE MARKET

### KEY MESSAGES

- 1** A dynamic Digital Single Market is a fundamental component for reinvigorating the Single Market.
- 2** The Digital Single Market is a key element of Europe's future growth and competitiveness and can drive up productivity and innovation in many other sectors.
- 3** The future EU single market policy should foster research and innovation in ICT, taking advantage of the contribution that ICT can make to Europe's competitiveness, both within the single market and globally.
- 4** There is a need to ensure a stable and consistent regulatory framework within which investment decisions can take place.

### BACKGROUND

The Digital Agenda for Europe is a flagship initiative under the Europe 2020 strategy for the development of an economy based on knowledge and innovation. It aims at building a coordinated and future oriented approach for translating fully the potential of Information and Communication Technologies (ICT) into growth and innovation.

The ICT sector contributes 20% and ICT investment drives 30% of EU productivity growth. More ICT industry growth and wider ICT take-up can boost economic recovery and long-term competitiveness. However, a number of obstacles prevent the EU from taking full advantage of its potential: low investment in network roll-out, a fragmented European online market, ill-adapted copyright legislation, lack of trust and interoperability, and shortage of digital skills.

In particular, the European online market is suffering from barriers discouraging traders from expanding their online business beyond national borders. It is also lagging behind in terms of volume of transactions and cannot reach economies of scale sufficient to attract investments and deliver its full benefits.

The digital market is also struggling on in terms of innovation: the EU's ICT business is one of the most innovative and research-intensive economic sectors, yet Europe invests in R&D less than half as much as its major trading partners.

### WHAT DOES BUSINESSEUROPE AIM FOR?

- Promote a market-based approach to the information society and tackle down barriers preventing the Digital Single Market to produce full benefits for consumers and businesses.
- Encourage private investment in deployment of new ICT infrastructures, competition and choice in the supply of innovative services.
- Foster research and innovation in ICT, taking advantage of its contribution to Europe's competitiveness, both within the single market and globally, to maintain a competitive edge in relation to other economic regions.

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