



7 November 2011

Digital Agenda and the Single Market

Meeting between Robert Madelin and Philippe de Buck, 7 November – 15h30

KEY MESSAGES

- 1 Europe should strengthen its knowledge economy, as a driver of future growth and jobs. Investment has to be focused where the economic impact is biggest. Successful dissemination of digital technology is key for Europe's global competitiveness.
- 2 A dynamic Digital Single Market is a fundamental component for reinvigorating the Single Market. Its full development can drive up productivity and innovation in many "traditional" sectors and greatly benefit society as a whole.
- 3 As e-commerce grows, excessive fragmentation of existing rules can result in businesses being reluctant to operate cross-borders. Europe should address this to ensure that consumers can benefit of a wide range of goods and services and profit from competition in the online single market.

WHAT DOES BUSINESSEUROPE AIM FOR?

- A true digital single market is a combination of many factors, complementing the free movement of goods, services, people and capital in a digital world. This new challenge requires removing existing bottlenecks and regulatory barriers and boosting consumers' confidence.
- Promoting the knowledge society as a way to promote inclusion and expand the use of new services to the benefit of users is key. EU policy needs to look at demand-side factors that may inhibit take up and penetration of digital services.
- The digital single market needs adequate infrastructure to deliver its full potential. Timely roll-out of broadband and efficient use of radio spectrum are crucial, in view of the new services and activities that citizens will benefit from.
- The EU should develop a strategy for the external dimension of the Digital Single Market. Europe should aim at updating the 1997 Information Technology Agreement, addressing the new barriers created by regulatory measures and standards, and including digital services and intellectual property.

KEY FACTS AND FIGURES

Europe could gain 4% of GDP by fully developing the digital single market by 2020. This corresponds to a € 500 billion gain, meaning that the digital single market could have an impact similar to the 1992 Internal Market programme.



1. Digital Agenda: a key driver for growth

- BUSINESSEUROPE is very supportive of the Digital Agenda, which - if rightly and timely implemented - will greatly contribute to achieving the Europe 2020 objectives.
- The EU could gain 4% of GDP by fully developing the Digital Single Market by 2020, which corresponds to a € 500 billion gain.
- This huge potential will only be unleashed if Europe acts swiftly to remove the bottlenecks that still hamper the development of the Digital Single Market.

2. Developing Digital Infrastructure

- The digital single market needs adequate infrastructure to deliver its full potential. Timely roll-out of broadband and efficient use of radio spectrum are crucial, in view of the new services and activities that citizens will benefit from.
- But huge investments are needed. These investments should be led by the private sector, triggered by a stable and favourable regulatory environment, which gives certainty to investors.
- In this context, we support the proposal on “Connecting Europe Facility” recently adopted by the Commission. This is a new instrument for investing in EU infrastructure priorities in digital networks (as well as transport and energy).

3. Data Protection

- The 1995 EU data protection directive has provided an adequate and flexible legal framework that stood the test of time.
- The EU should now seek a balance between the demand for more personalised services and concerns privacy and protection of personal data. Legal certainty here is crucial for businesses to operate with confidence in the digital environment.
- Consistent interpretation of data privacy rules and less administrative formalities are key to ensure better protection and free movement of data. Business opportunities should not be lost due to rules that are too stringent.



4. e-Commerce

- The online sale of goods and services offers great scope for growth, wider choice and more competition in the Single Market. Developing e-commerce is key to increase Europe's overall competitiveness.
- We see that e-commerce is rapidly taking off at national level, but that the development of cross-border e-commerce is lagging behind. This is due to several regulatory barriers and fragmentation of applicable rules in the Single Market, in particular in consumer legislation.
- To truly facilitate cross-border e-commerce a number of challenges relating to **online payments**, **interoperability** and **mutual trust** need to be addressed simultaneously.

5. e-Signatures

- Secure e-signatures that can be widely used throughout Europe would boost e-commerce and provide mutual trust and certainty for companies and citizens.
- Reform of the current e-Signature Directive to better reflect current technologies and address the legal challenges of the digital world is key. Interoperability and mutual recognition between Members States needs to be improved.

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