



Speech

Moving into the digital world

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Closing speech for the first session, (14:00 – 14:10)

Your Excellencies,

Ladies and gentlemen,

I appreciate the opportunity to present our views at this conference. BUSINESSEUROPE is the Confederation of European industry. We represent the views of more than 20 million enterprises from all sectors in Europe.

I have been invited to provide a transition of today's debate from the "conventional" Single Market to the Digital Single Market.

This is a wonderful opportunity to underscore our commitment to both these areas which are essential elements of BUSINESSEUROPE's agenda for growth and jobs. We have identified a well functioning single market as a crucial tool to get Europe out of the crisis.

As we have already heard in the previous speeches, the Single Market offers huge potentials and is central to economic growth for Europe

- It is the world's largest market with 500 million consumers in 30 countries that generate €12 trillion per year.
- It adds €600 billion a year to our economy and by removing barriers we could add another €350 billion in new growth and jobs.

BUSINESSEUROPE believes that the Single Market Act (SMA) is a solid basis to revitalise our Internal Market, boost growth and create jobs. This can of course contribute to getting Europe out of the crisis.

Swift implementation of the Single Market Act's key actions which directly affect growth and employment is therefore crucial. But it is not enough!

The future Single Market is a Single Market in a digital world, and the creation of a dynamic Digital Single Market is fundamental for future job creation and competitiveness.

The digital economy is not a sector in itself. Its full development can drive up productivity and innovation in many "traditional" sectors and can greatly benefit people and society as a whole.

Let me give you an example of this from my own 'backyard', being inspired by The Crown Princess Mary's words on the Danish Vikings sailing the oceans. As you may know the Danish Maersk Group is the world's largest shipping company. My company Ericsson has just entered a partnership with Maersk Line which shows how digital solutions can lead to both cost savings and environmental gains.

The two companies collaborate in a new kind of GSM and satellite tracking system where Ericsson technology will be installed across the entire fleet of about 500 Maersk Line vessels. With more than 90 percent of global cargo transport via ocean traffic, this partnership has the potential to innovate and change the shipping industry.

For the shipping industry there are multiple operational efficiencies that can be made from this implementation: new, effective ways of addressing fleet management, managing delivery times, enhancing interplay with vessels and even enhancing energy efficiency and sustainability.

The difference of even a few hours of real-time information is making a considerable difference when it comes to cost and environmental impact. This is just one example, but it illustrates the great potentials.

The digital world makes it possible to overcome many physical barriers that so far prevented consumers and businesses to reap the full benefits of Europe's Single Market. Therefore, the digitalisation of the Single Market could become a driver for productivity, competitiveness and innovation if fully prioritised.

If we look at employment, research tells us that for every job lost, there are **2.6 new jobs** created through the digital economy.

The economic benefits of the Single Market and the Digital economy can be boosted even further:

- The EU could gain 4% of GDP by creating a **true single digital market by 2020**. This corresponds to a gain of €500 billion and means that the digital single market alone could have an impact similar to the 1992 Single Market Programme.

This requires a strong political commitment to address the challenges which we heard about in the last panel. How?

- The examples described earlier today call for **more harmonisation**. Many of the challenges met by business do not require **new** legislation structures or institutions. They simply need **better and more uniform application of the existing rules**.

- This requires **commitment to cross-border cooperation and respect for the basic principles of free movement**.
- We just have to make what we have to day function in practice.

This is the lesson we have learned so far in the Single Market – you may say in the *conventional* Single Market.

However, we can apply those lessons in the digital world. The digital world is not that different. What we see so far is that we meet very similar issues – plus some more!

One of the additional challenges is that the digital world changes very quickly. Policy-makers dealing with the Digital Single Market need to realise this and follow its pace. The entire approach to regulation needs to be proportionate, light touch and future-proof.

A clear example of this is **e-commerce** that offers great scope for growth, wider choice and more competition. Yet, e-commerce is still lagging behind if we look at cross border trade. Many businesses are reluctant to operate across borders due to a fragmented set of rules in the different member states. This leaves an urgent need for the EU to foster consumer and business trust in e-commerce.

Other challenges hampering the potential of a Digital Single Market include fragmented intellectual property rights and lack of accessibility and interoperability in the digital market.

Facing these challenges and making EU legislation fit to the technological development is essential if we are to unleash the potential in the Digital Single Market.

Finally, we have to keep in mind that the digital world is global and requires a global approach.

Here, there is a global competitiveness aspect that relates to the need for Europe to maintain a competitive edge in relation to other economic regions.

In the areas of e-commerce and online sales, the EU is already behind US and Asia. The Digital Agenda needs to create a framework that enables European players to grow in a wider market. The EU must also ensure a stable and consistent regulatory framework that encourages investment in Europe.

To conclude,

Let me repeat that in these difficult times, the priority is getting Europe out of the crisis. We have to ensure that we reap the full benefits from those areas that can bring us growth, and the single market is one of our most valuable assets.

By playing the right cards now, we can make a lot out of the Digital Single Market. We have to learn our lessons from the last 20 years and make sure we will not take another 20 years to build a true Digital Single market in Europe!

I thank you and look forward to this afternoon's discussion.

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