Monitoring the Digital Agenda for Europe

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Why digital matters to Europe?
ICT sector is an increasing share of EU economy

Evolution of gross value added of the ICT sector in the EU (index 2000 = 100)
Source: European Commission
All sectors are dependent on ICT

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

- Consumer: 33%
- Financial Services: 10%
- Telecom: 9%
- Services: 8%
- Manufacturing: 8%
- Healthcare: 4%
- Transportation: 5%
- Retail Trade: 3%
- Hospitality, Hotels and Leisure: 3%
- Construction: 2%
- Natural Resources: 1%
- Educational Services: 1%
- Energy and Utilities: 2%
- Wholesale and Distribution: 3%

*Source: OECD*
Digital economy could add 4% to EU GDP by 2020

Digital economy-related GDP growth in the EU
Source: Copenhagen Economics
Why ICT matters

"Endorsing the cloud" could add 0.1-0.4% of GDP growth to the EU.

Digitalized SMEs produce 10% more, grow and export *twice* and create twice the jobs ordinary ones do.

Internet has contributed to 21% of GDP growth across the G20 from 2005 to 2010.

ICT = 6% of EU GDP

ICT investment → 50% productivity growth

Internet usage X2 every 2-3 years,
Wireless connected devices: doubling from 25 to 50BL, 2015-20
Mobile data traffic: x12-14, 2012-18

4 million ICT workers, grow 3% p.a. even in crisis

But Europe lacks 1 million ICT specialists
Investing in Broadband pays off

Correlation Fixed Broadband Penetration and Competitiveness

A 10% increase in the broadband penetration rate results in 1 to 1.5% increase in annual GDP per-capita. Faster broadband = higher GDP growth.

Source: Czernich et al. - University of Munich, 2009
What was the European Union's response?
"The Digital Agenda for Europe"
Trust and security

- 40% citizens not assured to spread data over internet
- 38% citizens not assured to pay over internet
- 16% enterprises experienced threats to their internet-based systems
- Risks of disruption of critical networks and online business activities. Local approaches not sufficient
Very fast Internet

100% Internet coverage

100 % coverage ≥ 30 Mbps

50% households take-up of ≥ 100 Mbps
Research and innovation

Funds

• 2x investment to 11 bn €
• Light & fast access

Coordination
Enhancing e-skills

Get more people on-line

- Regular use: 60% in 2010, 75% in 2015
- Disadvantaged: 41% in 2010, 60% in 2015
- Never used: 30% in 2010, 15% in 2015
ICT for social challenges

- Environment
- Health
- eGovernment
- Cultural diversity & creative content
- Intelligent Transport
National and Regional Digital Agendas

Many national and regional authorities have implemented digital strategies.

They reflect key DAE priorities:

• investment in broadband infrastructure
• ICT enterprises
• e-Government
• e-Health, inclusion and accessibility.
DAE Results So Far?
Status of DAE actions (including review actions) in December 2013
Progress of DAE original actions since 2011
Progress with respect to the targets set out in the Digital Agenda (Scoreboard)

<table>
<thead>
<tr>
<th>TARGETS</th>
<th>Starting point</th>
<th>Progress 2009-2012</th>
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</thead>
<tbody>
<tr>
<td>FAST BROADBAND (&gt; 30 Mbps) COVERAGE FOR ALL</td>
<td></td>
<td>54%</td>
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<tr>
<td>50% OF HOUSEHOLD TAKING UP BROADBAND SUBSCRIPTIONS &gt; 100 Mbps</td>
<td>2%</td>
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<td>100% INCREASE IN ICT R&amp;D PUBLIC SPENDING</td>
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<td>ROAMING AT NATIONAL PRICES</td>
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<td>33%</td>
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<td>33% OF SMES SELLING ONLINE</td>
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<td>20% OF POPULATION BUYING ONLINE CROSS-BORDER</td>
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<tr>
<td>50% OF POPULATION BUYING ONLINE</td>
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<tr>
<td>60% OF DISADVANTAGED PEOPLE USING INTERNET REGULARLY</td>
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<td>75% OF POPULATION USING INTERNET REGULARLY</td>
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<td>35% OF POPULATION HAVING NEVER USED THE INTERNET</td>
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<td>50% OF POPULATION USING E-GOVERNMENT</td>
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<td>25% OF POPULATION USING E-GOVERNMENT AND RETURNING FORMS</td>
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<tr>
<td>BROADBAND COVERAGE FOR ALL</td>
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<td>95.5%</td>
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Digital Agenda – 2014 Scoreboard

NGA COVERAGE: at least 30 Mbps connections available to 64%, up from 54% a year ago
Digital Agenda – 2014 Scoreboard

- ROAMING: Tariffs down thanks to EU legislation

![Price differences between roaming and national calls in the EU, in €](chart.png)
Digital Agenda – 2014 Scoreboard

- EVERY EUROPEAN CITIZEN DIGITAL: Progress continues = +12% since 2010

Regular Internet Users (at least once a week) in %

- 2009
- increase by 2013
Digital Agenda – 2014 Scoreboard

- eCommerce: Growth continues = +10% since 2009
- BUT less so cross-border (only +4 %)!

Online shopping by citizens (% of individuals)

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<tr>
<th>Country</th>
<th>2009</th>
<th>2013</th>
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SMEs are hardly exploiting the Internet for sales: only 14% of European SMEs sell online (+2%)
Digital Agenda – 2014 Scoreboard

Use of eGovernment by individuals, 2013 (% of individuals)

- red: returning filled forms
- grey: not returning filled forms
What next?
Achieving Connected Continent would mean for...

**JOBS**

- **In telecoms sector**: Reverse unsustainable status quo
  - Nearly 1 million unfilled digital jobs available

- **In ICT**: 2 million jobs by 2020

- **In wider economy**: 2 million jobs by 2020

**GROWTH**

- **From the digital agenda**: 4% on GDP by 2020
- **From a telecoms single market**: €110 billion / year
- **For all sectors of economy**: Connectivity: lifeblood of economy
Telecom Single Market (TSM): Aims

- Contribute to a single market based on freedoms of providers and consumers to act across borders
- Address remaining barriers with focused measures building on the current framework
- Maintain market regulation based on competition principles
- Safeguard open internet, while leaving space for innovation
- Enable economies of scale to be passed to consumers without prejudicing efficient operators of any size
TSM: Key Measures

- Single consumer space
  - Open Internet: net neutrality
  - Harmonised end-user rights and easier switching
  - End to roaming
- European inputs for high-speed broadband
  - Wireless: spectrum coordination; facilitating small cells
  - Fixed: European virtual access products
- Single EU authorisation
  - Simplified and more convergent regulation
Thank you!

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ec.europa.eu/digital-agenda

blogs.ec.europa.eu/digital-agenda/

http://ec.europa.eu/digital-agenda/

http://www.daeimplementation.eu
Digital Agenda Scoreboard 2014