

Digital Single Market for Growth

Ken Ducatel

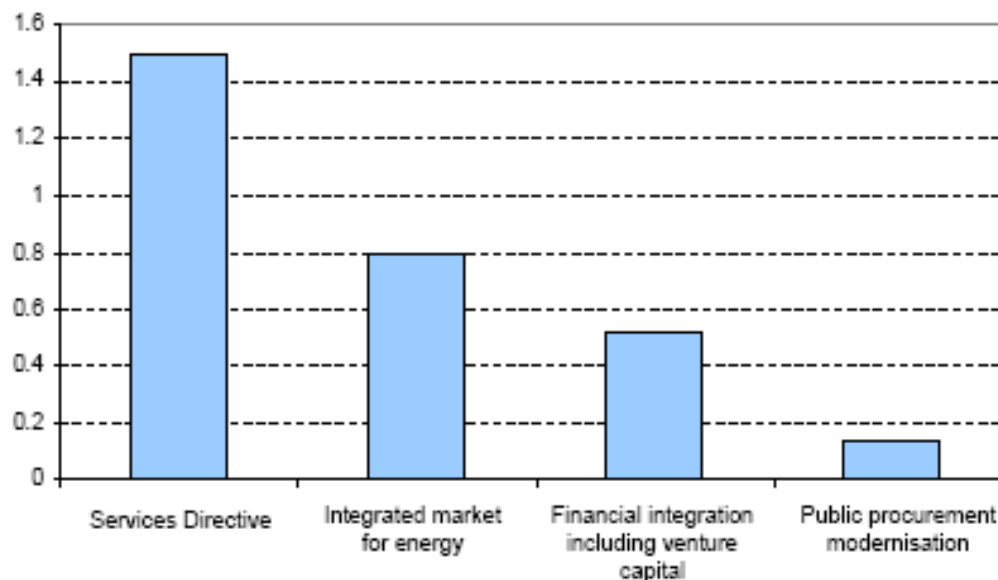
Head of Unit: Digital Agenda Policy Coordination,
European Commission,
DG Information Society and Media



Still a large potential for the internal market

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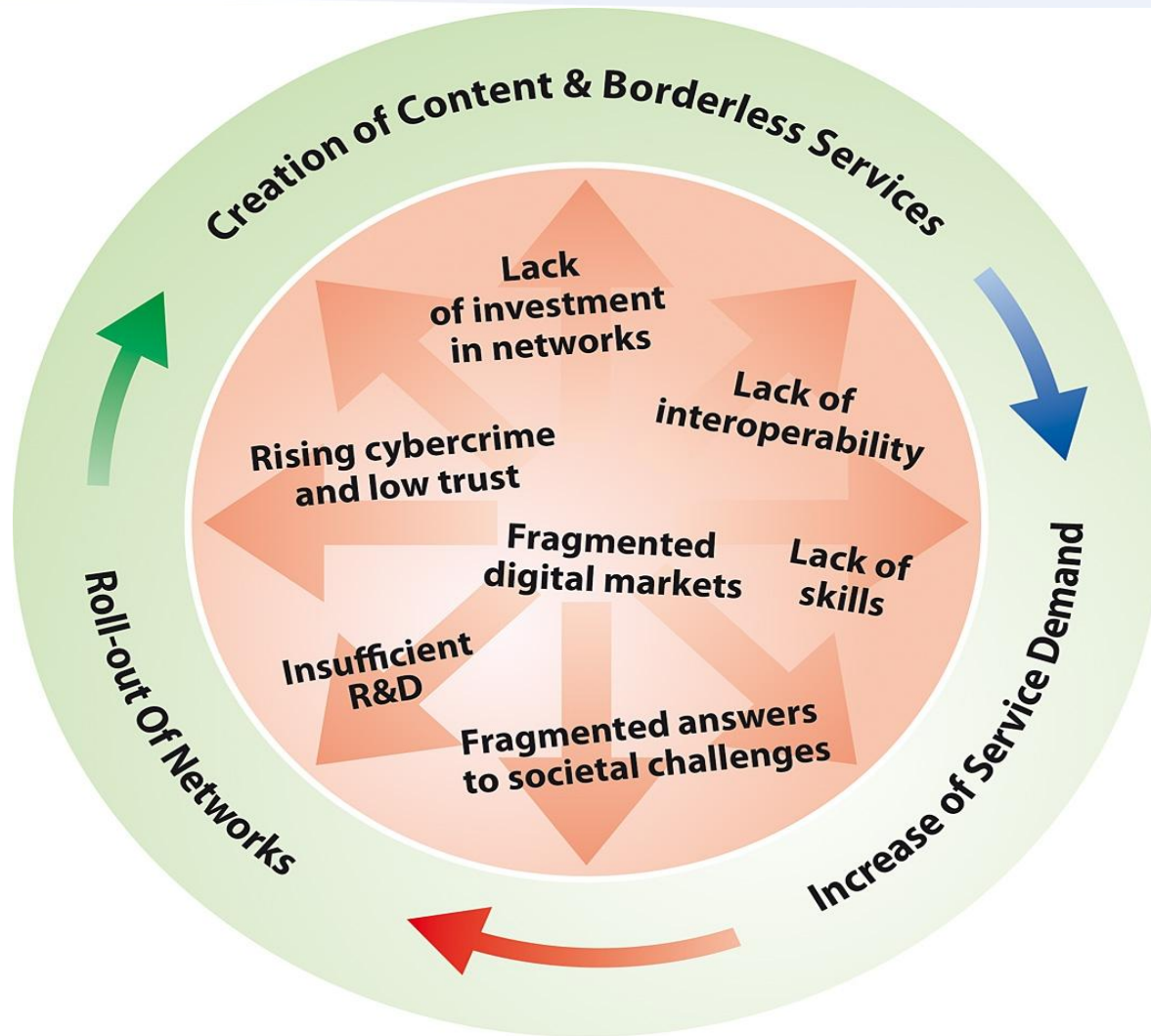
Medium-term impact (2020) on EU GDP of specific EU level reform measures – model simulations

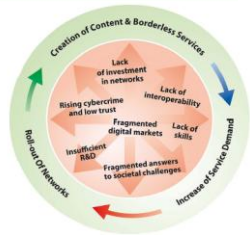


Completing the single market would significantly boost growth. These reforms would add around 3% to the GDP level in 2020.

Presentation of J.M. Barroso to the European Council, 23 October 2011

Virtuous cycle of the digital economy





A single Digital Market...with many borders

Soon, you'll be listening to more music

Instant, simple and free



But for the time being, **we're not able to launch in every country**. We're really sorry about this, but it takes time to arrange licensing agreements with record labels and local publishing rights societies.

Rest assured we're doing everything we can to resolve this, and hope to offer Spotify in many more countries as soon as possible.

many more countries as soon as possible.

Get notified

Be one of the first to be updated when Spotify is available in your country!

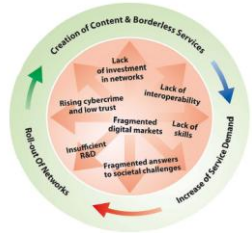
Sign up for newsletter

We look forward to notifying you as soon as Spotify is available in your country.

Best Regards

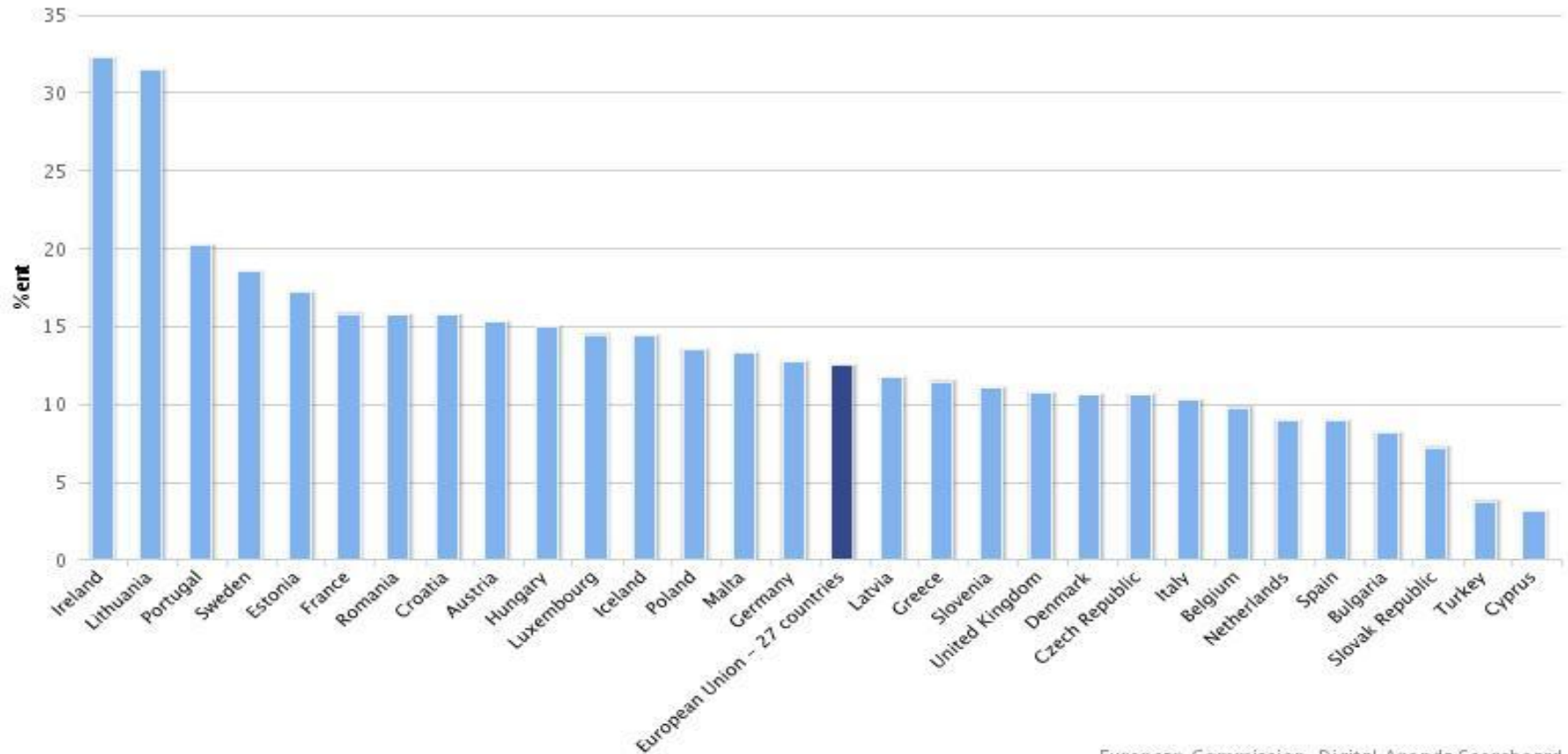
- Spain
- Sweden
- United Kingdom
- United States

If you're in one of the countries or regions where we have launched, you're more than welcome to sign-up to Spotify now. Just click on your country above to go to the relevant section of our website.



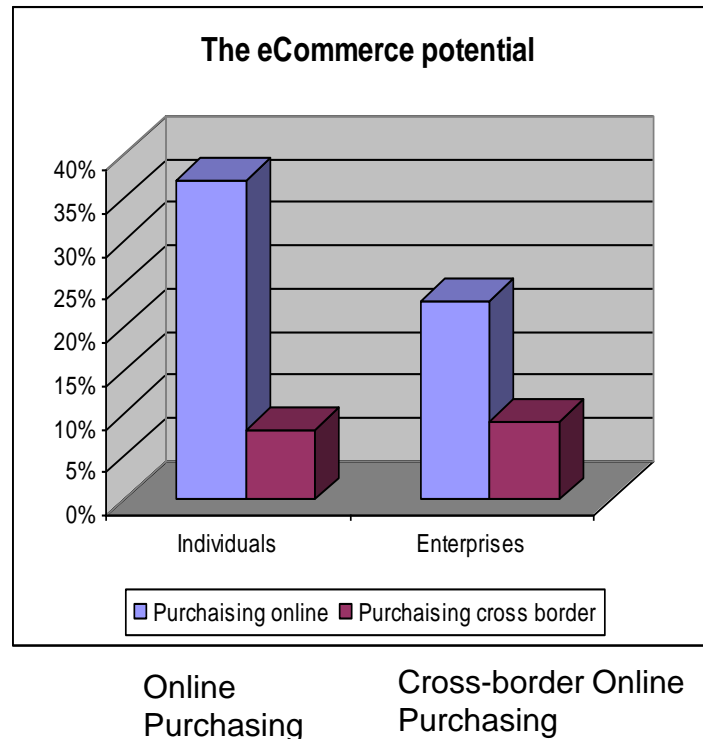
Are we reaping benefits from eProcurement?

% of enterprises submitting a proposal in a public electronic tender system (e-procurement)
Year 2010



Digital Single Market; unfulfilled potential

Only 9% of online shoppers online buy from another country
60% of cross-border internet shopping orders fail due to technical or legal reasons



- Estimated value of online transactions: more than 100 billion €

The Digital Single Market Opportunity

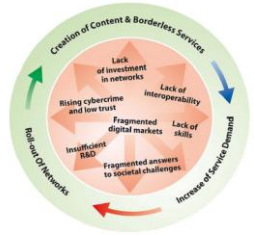
- **Access to early stage capital** - close the gap on the US, where venture capital in 2009 was 3x times higher EU as % of GDP
- Close the gap between the 40% of EU citizens who buy online in their own country and the 9% who **buy online across borders**. Globally, \$8 trillion in goods and services are traded over the internet each year
- **Digital copyright regime change** to benefit creators and consumers. A modernized copyright management could add between 0.3% and 0.6% to annual GDP growth.
- Make **public data** freely available: the EU market in public sector information €28bn in 2008, low cost measures to open it could generate €40bn per year, with indirect impacts adding €100bn.
- Make the EU **cloud**-friendly: Cloud computing could generate over €763 billion of cumulative economic benefits between 2010 and 2015, creating 400,000 jobs per year.



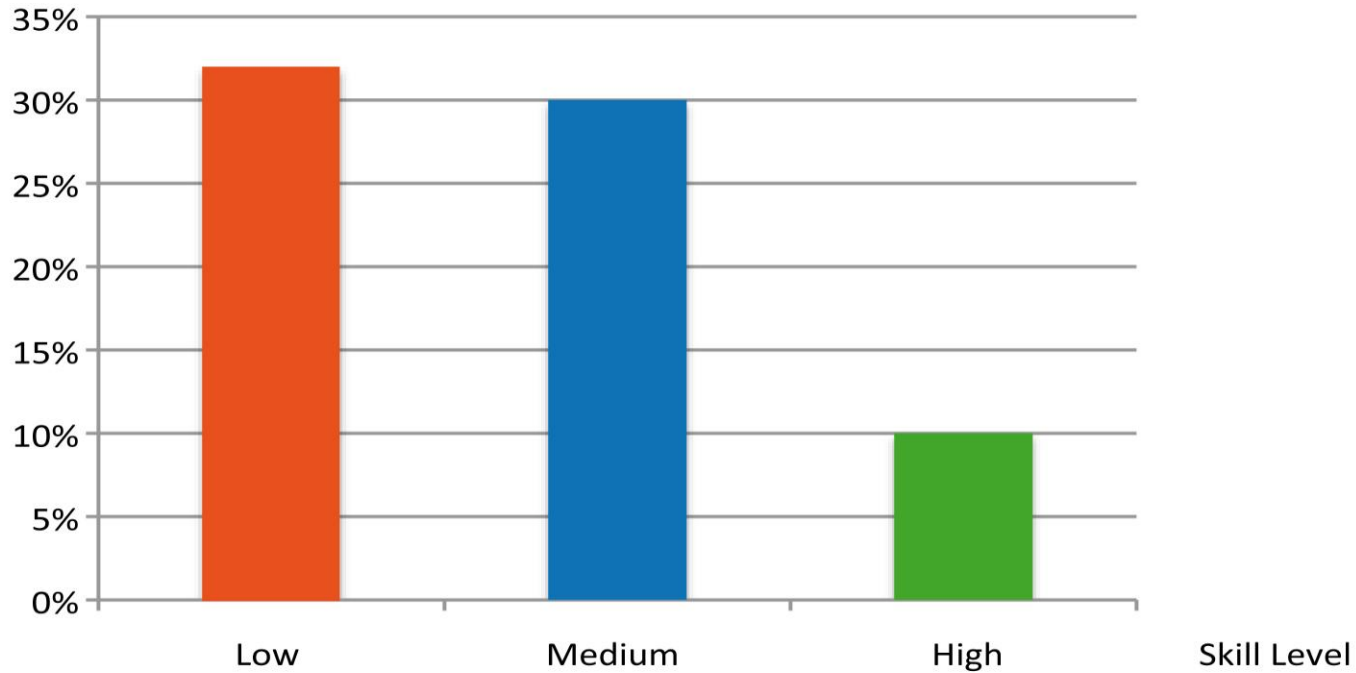
Digital Agenda

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for Europe



% population with IT skills



Broadband

- Realise the potential of **broadband**: More growth: 10 percentage point increase in broadband penetration boosts annual GDP growth by 1 - 1.5%.
- Translate demand for wireless broadband into growth. Services which rely on radio spectrum are worth €250bn, contributing 2% - 2.5 % of EU GDP. Global mobile data traffic is set to double every year. Spectrum auctions could fetch € 40bn in Western and Eastern Europe.



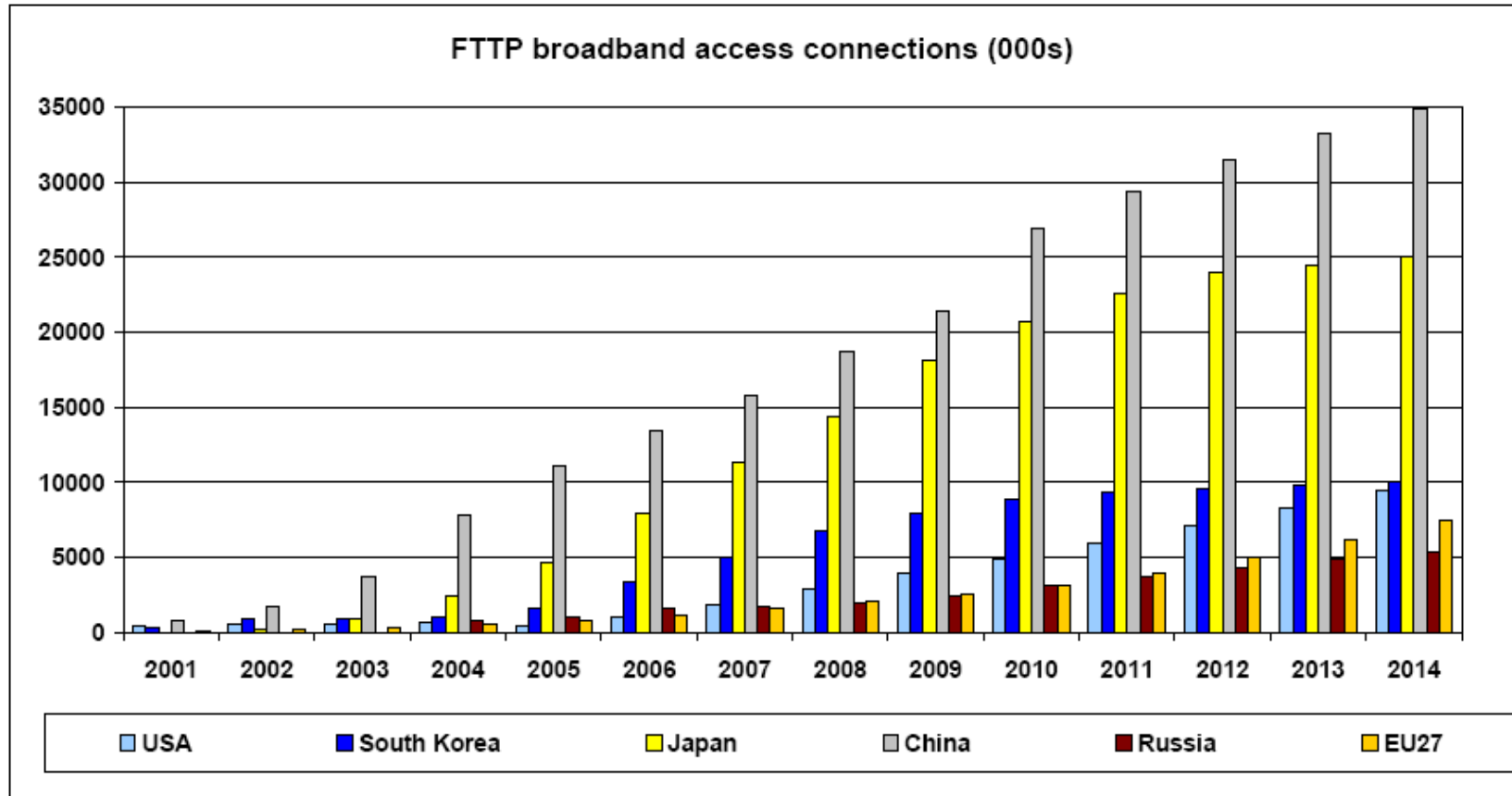
The Digital Agenda for Europe

**Commonly
agreed targets
with the
Member States**

- ➔ By 2020, fast broadband coverage at 30 Megabits per second available to all EU citizens,**
- ➔ with at least half European households subscribing to broadband access at 100 Megabits per second**



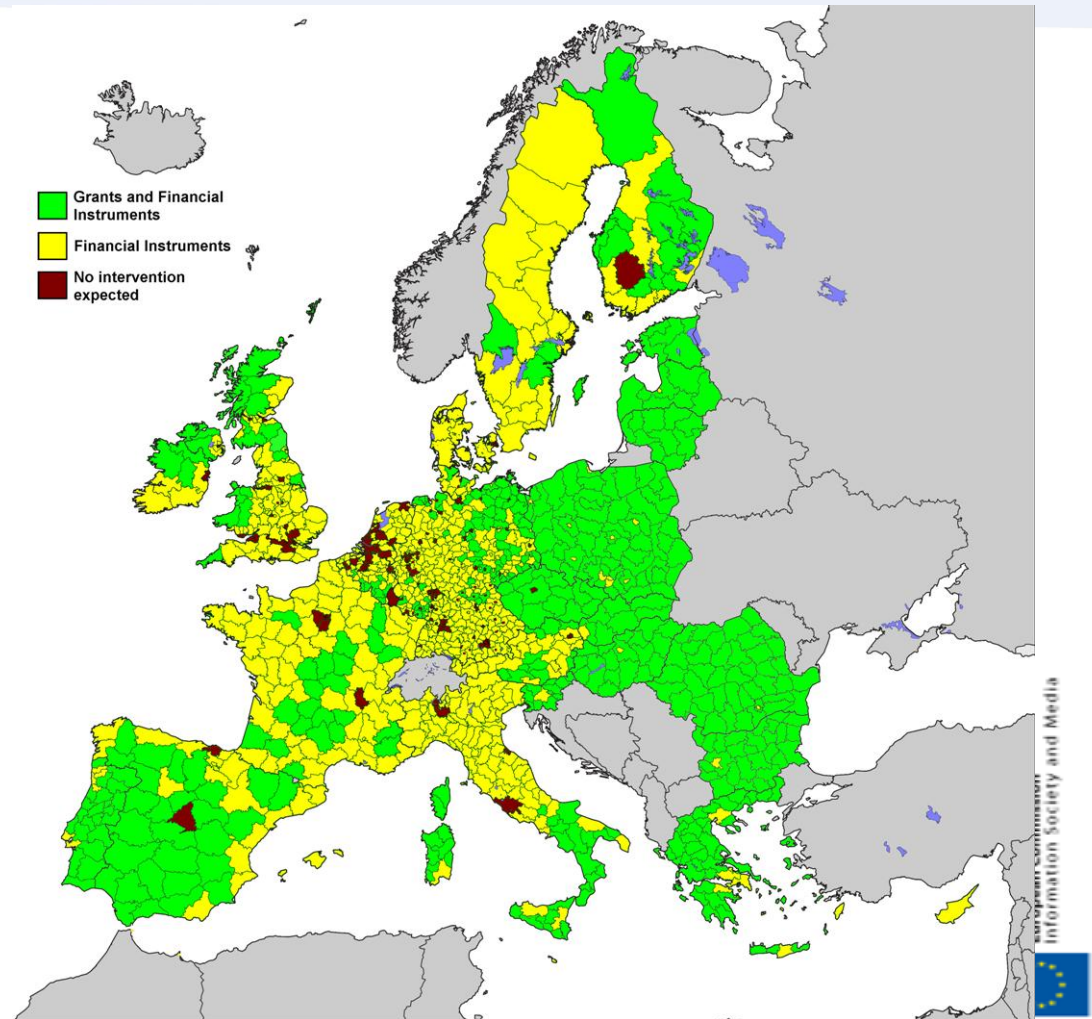
EU is lagging in FTTH/P



75% fixed BB lines are DSL, 39% > 10 Mb/s; FTTH is less than 3%

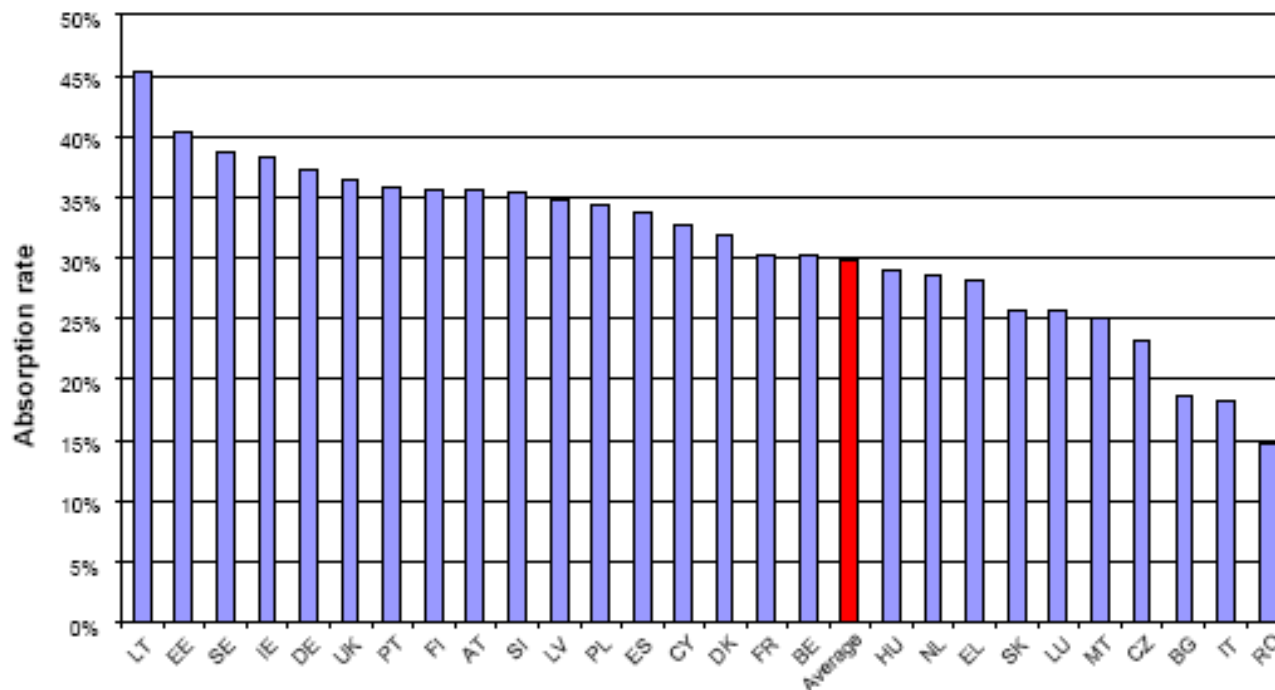
Investment challenge

€ 180 to € 270 billion of investment required to bring fast broadband to all households by 2020



There is room for faster absorption of EU funds

Payments to Member States under EU cohesion policy 2007-2013 (as of today)



Note: total amount already paid from EU budget to each Member State as a percentage of the total allocation for 2007-2013. Figures include advance payments of between 7.5% and 11% per Member State.

Presentation of J.M. Barroso to the European Council, 23 October 2011

Future funding sources

Financial Framework 2014-2020

- **Cohesion funds proposal adopted 6 October 2011:**
 - Thematic objective #2 is on ICT
 - Article 5: BB only for *less developed* and *transition* regions (GDP/cap < 90%) i.e. not for *more developed* regions (>90%)
- **Rural funds proposal adopted 11 October 2011:**
 - Article 21: Basic services and village renewal in rural areas includes broadband infrastructure
 - Art 21 is only for small-scale infrastructure, but possibility for *special* derogations for broadband



Connecting Europe Facility

- **Announced in the MFF Communication (June 2011)**
- **€50 bn for networks in transport, energy, and digital infrastructures (formerly TEN)**
- **INFSO budget: €9.2 billion**
 - **Broadband networks**
 - **Pan–European digital service infrastructures**
- **Expenditure through loan guarantees, infrastructure funds, plus grants and procurement**
- **Legislative proposals: Commission adoption on 19 October**

