

EUROPEAN COMMISSION

Neelie Kroes

Vice-President of the European Commission responsible for the Digital Agenda

The Digital Agenda two years on: is Europe well-placed?



Digital Agenda Assembly / Brussels **21 June 2012**



It's a pleasure to speak to you today. Thank you all for taking part in our Digital Assembly – your interest and input is essential.

Two and a half years in, we stand at the halfway point of this Commission's mandate.

Now's a great time to take stock.

Since we met last year, we've finally agreed our programme on radio spectrum, to bring down the barriers to mobile internet.

Plus we've brought mobile roaming rip-offs to an end once and for all, restoring choice when you use your mobile phone in the EU.

These are great examples of what we can achieve when we act together. I hope there will be many more.

Let's not just pat ourselves on the back though.

Let's remind ourselves why it's important: because of the amazing, liberating, jobcreating trends this sector enables.

And those trends have continued this year more than ever.

This year, internet traffic, both mobile and fixed, continued to grow exponentially. For mobile it doubles every year.

This year, we continued to see evidence of how ICT supports innovation, jobs, and society, helping businesses to grow; and supporting fields from entertainment to healthcare.

This year, five of the top ten companies in the world by market capitalisation are in ICT.

This year, more than 176 million Europeans can now access mobile internet wherever they go, in some cases now aided by new 4G networks.

And this year, the politics of the internet came to centre stage.

The internet matters to citizens, and politicians need to respond.

Honestly, we don't know what the next innovation will be. But we <u>do</u> know that the internet is a platform for astounding creativity.

If it has a limit – we haven't found it yet. We're not even close.

In these times of economic crisis, it's natural enough to worry about short term issues.

But we'll need food on the table in the long term, too. We'll need to maintain competitiveness in a changing world. To find jobs for the young. To spend taxpayers' money more efficiently. To care sustainably for an ageing population. To manage energy resources better.

ICT can deliver all that. It can boost productivity, efficiency, effectiveness.

And it can provide so many innovations and applications.

From better ways to deliver education, to better ways to deliver electricity.

Social media, smart grids, streaming on demand, software as a service.

Data sharing, data mining; crowd-sourcing, crowd-funding.

Tele-health solutions for those getting older; healthcare apps to inform and empower; electronic pills to diagnose and cure.

eInvoicing, eProcurement. eGovernment.

These aren't just buzzwords; they're new tools that, combined, can improve and boost every aspect of our lives.

And these are just the ideas we've already thought of.

All in all, this is an alternative economic future. We stand on the cusp; we can choose it if we want. Choose to ensure the investment, the rules and the attitude to power a digital future.

Are we doing so?

My answer is: not yet.

Even today, one in three European households have no internet connection; one in four adults have never gone online.

Even today, decision-makers are still hesitant to invest in our digital future.

And even today, while we do have great ideas here in Europe — they still face too many barriers.

Roaming may have been the most visible and irritating barrier to a digital Single Market. But it's not the only one, and it's not the only one we need to remove.

These issues are just as important as they were back in 2010; if not more so.

But this game is moving quickly: let's keep our eyes on the ball.

And let's not forget how fast things are moving elsewhere in the world.

In Japan, there are already over 18 million fibre broadband subscriptions.

China is installing 35 million fibre connections this year alone.

To put that in context: the largest EU Member States have just a few hundred thousand fibre subscriptions, if that.

Meanwhile, we all see how the US benefits from high-quality ICT capital; a spirit of innovation; and easy access to a large market.

In a digital age, Europe seriously needs to keep up.

Later in the year, I will propose a review of the Digital Agenda.

The current strategy is a good one: I'm not going to change a winning formula.

We should continue to pursue remaining actions vigorously. But I do want to strengthen our approach, and focus on priorities.

Here are some.

First, let's get ahead of the game on the Cloud.

Let's create a single, seamless space where digital content can flow within our internal market.

Because Cloud benefits are huge: some say €2000 per citizen over 5 years. We can give ourselves a great competitive edge: with a boost for small businesses, and a boost for public services.

Second, let's ensure a secure and open internet. One where we can defend against critical risks, malicious attacks, or criminality.

Because the more we depend on the internet – the more we depend on its security.

Third, let's deliver fast broadband for all. By encouraging private investment, and legal predictability.

Our proposals to cut roll-out costs will be essential. As will be investment from the Connecting Europe Facility. Innovative financing from the CEF could mean 45 million more households connected to high-speed broadband: but we still need decision-makers to recognise the advantage of this investment, and unlock the financing.

Fourth, let's stimulate innovation and entrepreneurship.

Including through revamped European research and innovation programmes.

And by supporting entrepreneurs, who can provide so many jobs for the future. By giving them the recognition, resources, and Single Market rules they need.

And fifth, let's use ICT to boost the quality and efficiency of public services.

To deliver our citizens better service at lower cost. Including across borders.

We can't do that alone, and we can't do it all entirely using old procedures of consultation and legislation.

Sometimes, we need faster, more flexible solutions. Whether it's industry coalitions or user co-creations.

And we always need your help and input.

That's why I say thanks to those of you who engage, communicate with and support us. Online and off.

In particular, thanks to those of you here today.

And to those who engaged with our new social media platform: over one thousand of you. And by the way that platform not only uses open source software: but all of the code is downloadable, and comments are available as open data.

We've listened and learned, we'll continue to do so, and that will inspire and inform our review.

Let's look towards the future. At the future scientific, economic and social developments up to 2050: that's our digital futures project, and you can join in!

But let's also look forward and think about what future generations will say about us.

Because in ten, twenty, fifty years time, people will look back at the decisions we took today.

Think of the questions they will ask.

Did Europe in 2012 respond to digital realities? Did we enable, anticipate and adapt to disruptive change?

Did we invest financially in the right networks, and politically in the right frameworks? Did we create a connected, competitive continent?

Did we cooperate and remove barriers to innovation?

Did we find simple, easy tools for all to make the most of online opportunity?

Did we complete on the global stage?

In short: were we ready to ready to welcome and usher in a new economic reality?

Or did we carry on doing everything the same, hope that all the change went away, and get caught unprepared?

That's what's at stake. It's in our hands. We can decide today to build tomorrow's reality. If we don't, the next generation will suffer, and look back with regret and incomprehension.

Tomorrow is a birthday: had he lived, the mathematician and computing pioneer Alan Turing would have turned one hundred. Back in 1952, talking about the future of computers, he said: "We can only see a short distance ahead, but we can see plenty there that needs to be done."

That was well before the internet, but it's still just as true today. There's still plenty that needs to be done.

It needs action not words, and it needs to start now. Here are three immediate actions which can already help promote ICT innovation and fight the crisis.

First, only yesterday, the Future Internet PPP, and ICT labs at the European Institute of Innovation and Technology, formally agreed to collaborate. Using tools like training, work placements, and access to incubators to bring innovation into research programmes.

Second, the ICT sector badly needs skills. What if we could offer fast-start skills to young people across Europe? That could close the skills gap, and create new jobs. At this very Assembly, my closest advisers are speeding up work to help fix the skills and jobs problem.

Third, we must keep European digital technology competitive. Does Europe have what it takes to remain a competitive leading player? I think so. But as it stands our lead is eroding, private sector research stagnating.

We face a turning point here. So in September we'll hold an "ICT Competitiveness week". To look at how we and the ICT community can find the best competitiveness and innovation strategy for our ICT sub-sectors.

How to boost performance through links between disciplines and sectors.

And how to support through further over-arching initiatives, from skills to tax to venture capital.

These initiatives will need your help. So will the five priority areas I mentioned – the Cloud, broadband, security, innovation, and public services.

And even before then we need decision-makers to agree to take an ambitious step forward.

Like to agree on our proposals to open up public data, on the billions to be invested through the Connecting Europe Facility, and on new tools enabling safer ways to sign contracts online. To name just a few.

These issues all need our attention, they all need our support, and they all need to be championed to decision-makers.

I hope I can count on your help.