Creating a true European
Digital Single Market

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DIGITAL ECONOMY

72% of EU individuals
uses INTERNET regularly

150 Million
subscriptions
fixed Broadband

130 mobile
subscriptions
per 100 people

DIGITAL BUSINESS

HALF of EU enterprises
provide mobile devices for business use

276.5 million EUR
turnover
of EU B2C eCommerce (2012)

14% of EU SMEs
selling online

28% EU enterprises
use Social media

29% of EU enterprises
use e-Invoices

ICT drives 1/3rd
EU GDP growth
1995-2007

7% of GDP
Size of the digital economy

ICT in Other Sectors

ICT sector
4.4%

17% of business R&D by ICT sector

6% of Gov't R&D is ICT

38% EU venture capital
is in ICT

17% EU patents
are in ICT

ICT professionals

900 000 estimated
demand/supply gap by 2020

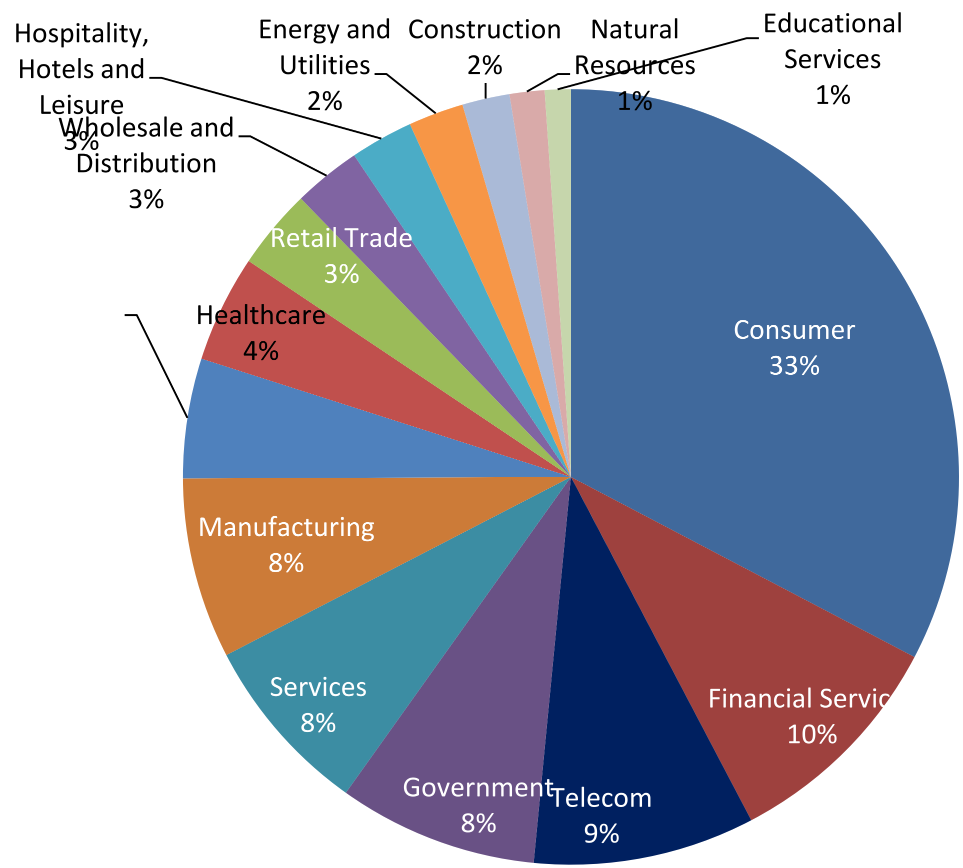
55%
work outside ICT sector

2.4%
of workforce

+ 4.1%
yearly employment growth

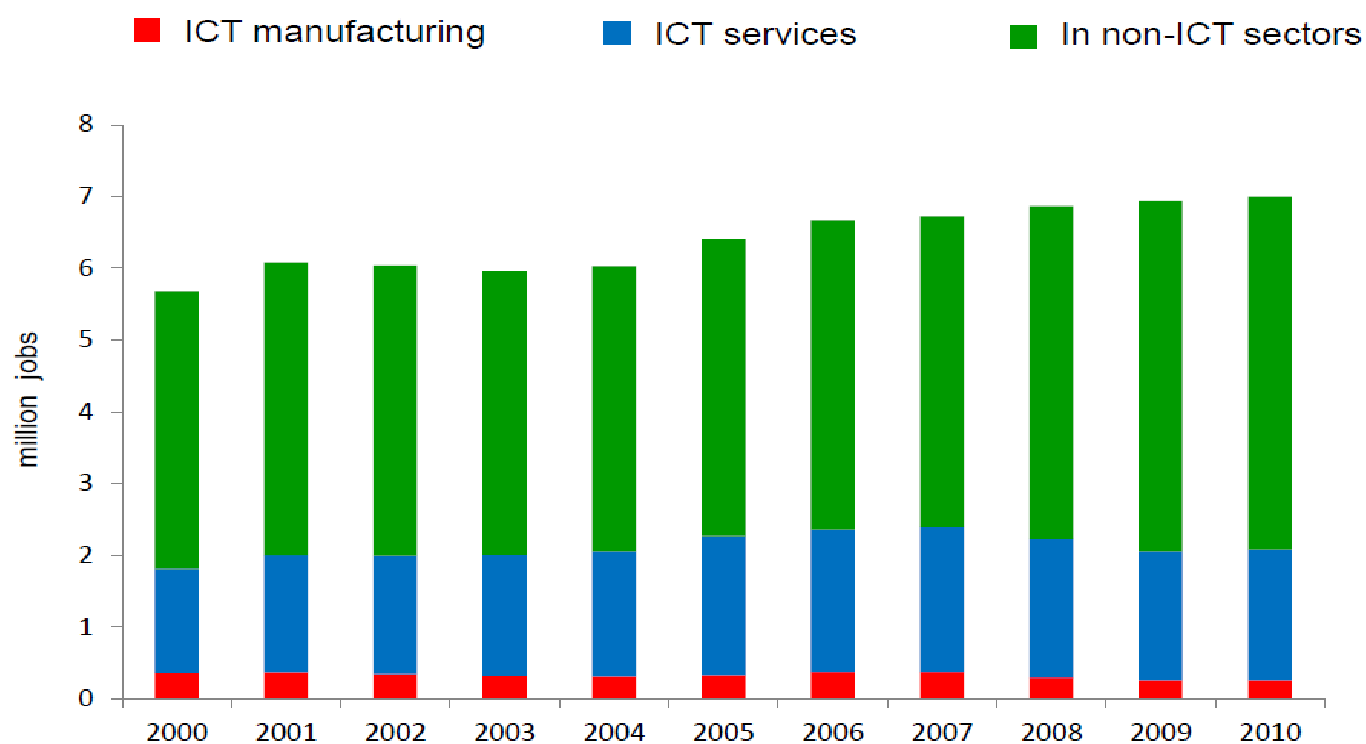
Why the Digital Single Market?

1. All sectors are dependent on ICT



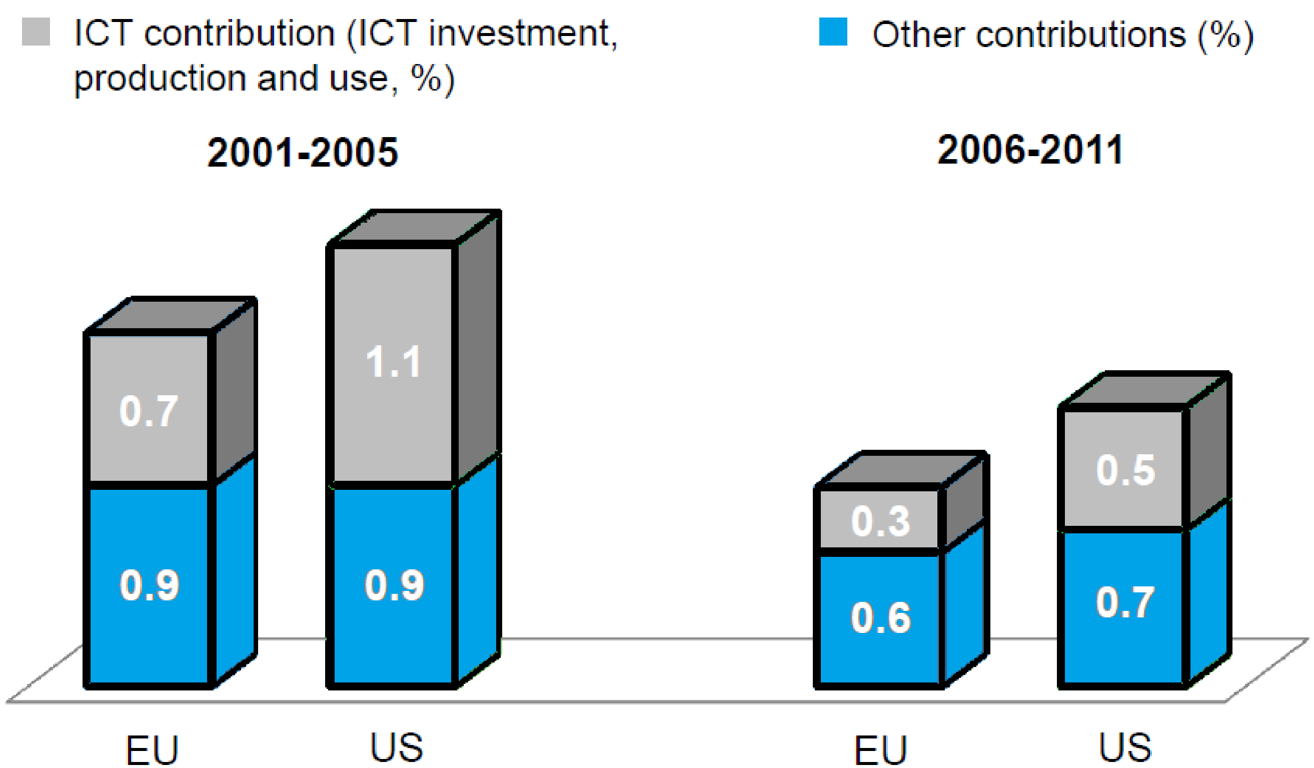
ICT spending by category of actors (% of total spending on ICT in 2012)
Source: OECD

2. ICT jobs keep on growing (especially in non-ICT sectors)



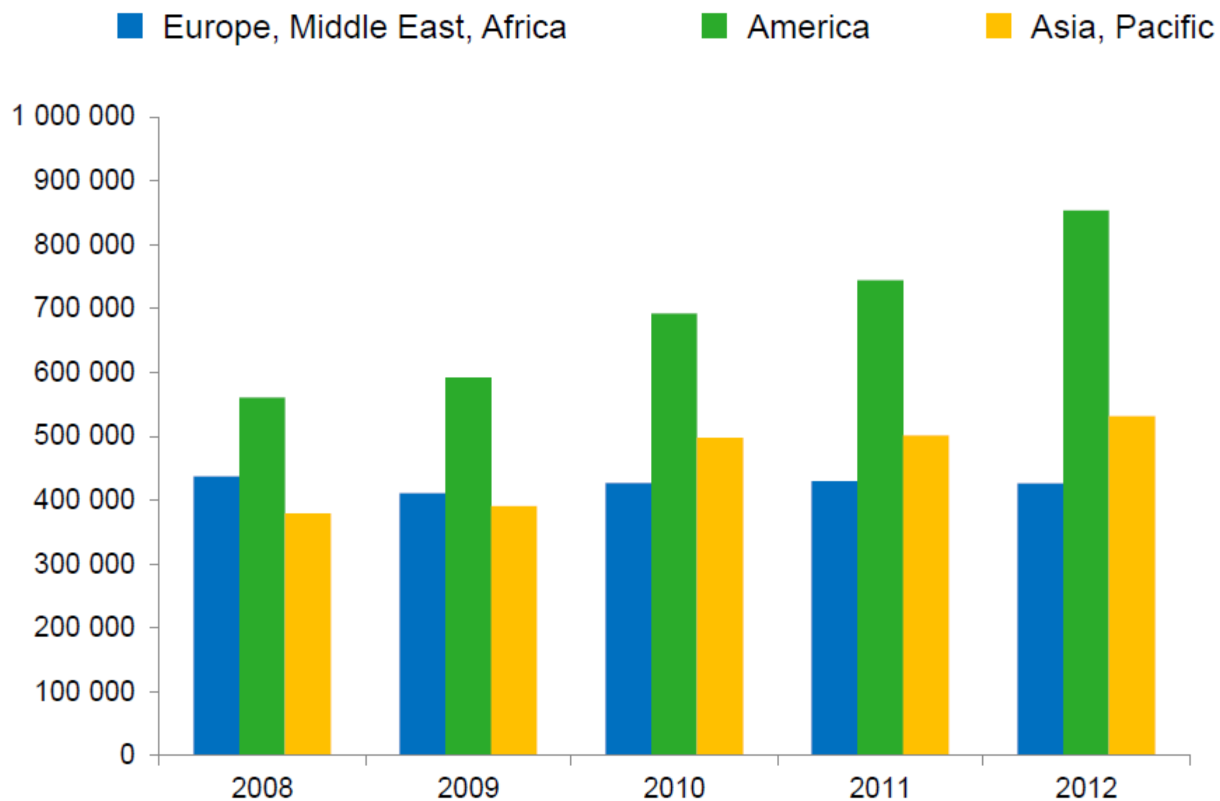
Number of ICT Workers in the EU (million)
Source: European Commission

3. ICT accounts for a large part of the productivity gap with the US



Labour productivity growth in the EU and the US (annual average over two periods)
Source: The Conference Board

4. Europe is lagging behind in ICT revenues



Combined turnover of the world Top 50 ICT firms (million EUR)
Source: Bloomberg

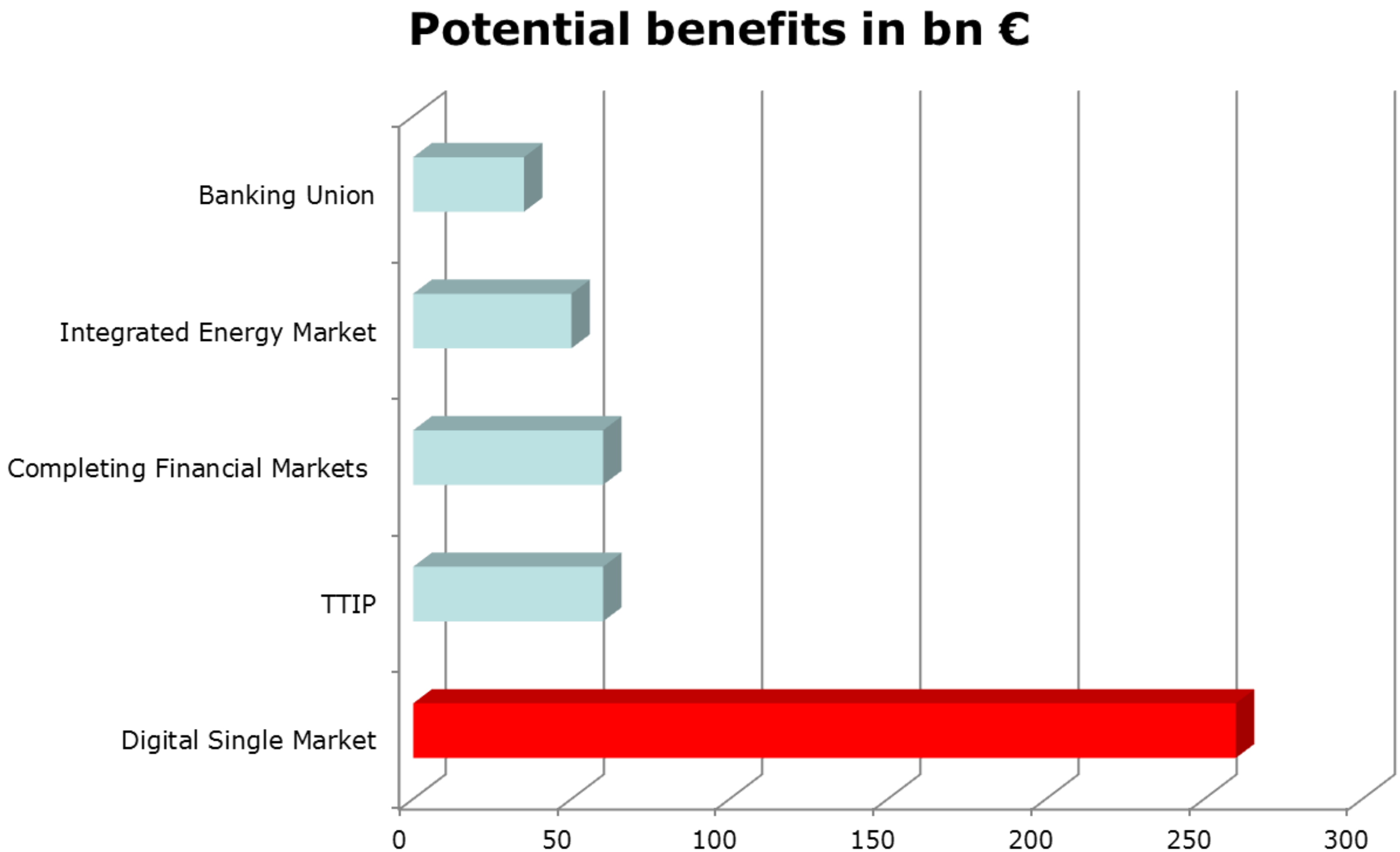
European Commission

1	APPLE INC	US
2	AT&T INC	US
3	SAMSUNG ELECTRONICS CO LTD	KR
4	HEWLETT-PACKARD CO	US
5	VERIZON COMMUNICATIONS INC	US
6	INTL BUSINESS MACHINES CORP	US
7	PANASONIC CORP	JP
8	SONY CORP	JP
9	TELEFONICA SA	ES
10	MICROSOFT CORP	US
11	DEUTSCHE TELEKOM AG-REG	DE
13	VODAFONE GROUP PLC	UK
16	FRANCE TELECOM SA	FR
22	NOKIA OYJ	FI
23	TELECOM ITALIA SPA	IT
28	ERICSSON LM-B SHS	SE
29	KONINKLIJKE PHILIPS NV	NL
31	BT GROUP PLC	UK
33	SAP AG	DE
35	ALCATEL-LUCENT	FR
37	KONINKLIJKE KPN NV	NL
38	TELIASONERA AB	SE
42	CAP GEMINI	FR
46	ATOS	FR

5. Only 15 European ICT firms among the global Top 50. Only one in the Top 10

The leading ICT companies by turnover (2012)
Source: Bloomberg

6. The DSM has the largest potential to create growth



Source: Mapping The cost of non-Europe, European Parliamentary Research Service, March 2014

EU road to the DSM

European Commission

1994: Europe way for an information society: Action plan

1997: Action plan for a single market

1999: eEurope: Information society for all

eEurope

1999: Strategy for Europe single marke

2005: i2010: Strategy for an innovative and inclusive information society

i2010

2010: Digital Agenda for Europe: Every European Digital

Digital Agenda

DSM

Together for new growth

Single Market Act II

Still we do not yet have a true digital single market in Europe ?

Only 14 % of SME's use the Internet to sell online (24% in Iceland)

Only 12 % of consumers shop online across borders (25% in Iceland)

Many reasons: fragmentation, restrictive practices, lack of transparency on rules

A new mandate

President Juncker's Political Guidelines

Connected DSM – with growth and jobs - highest on political agenda:

"break down national silos in telecoms regulation, in copyright and data protection legislation, in the management of radio waves and in the application of competition law"

Who would benefit?

Industry

- ICT
- Audio-visual, music or other creative industries
- Traditional industries (automobile, pharmaceutical and biotech, retail and other service industries)

People

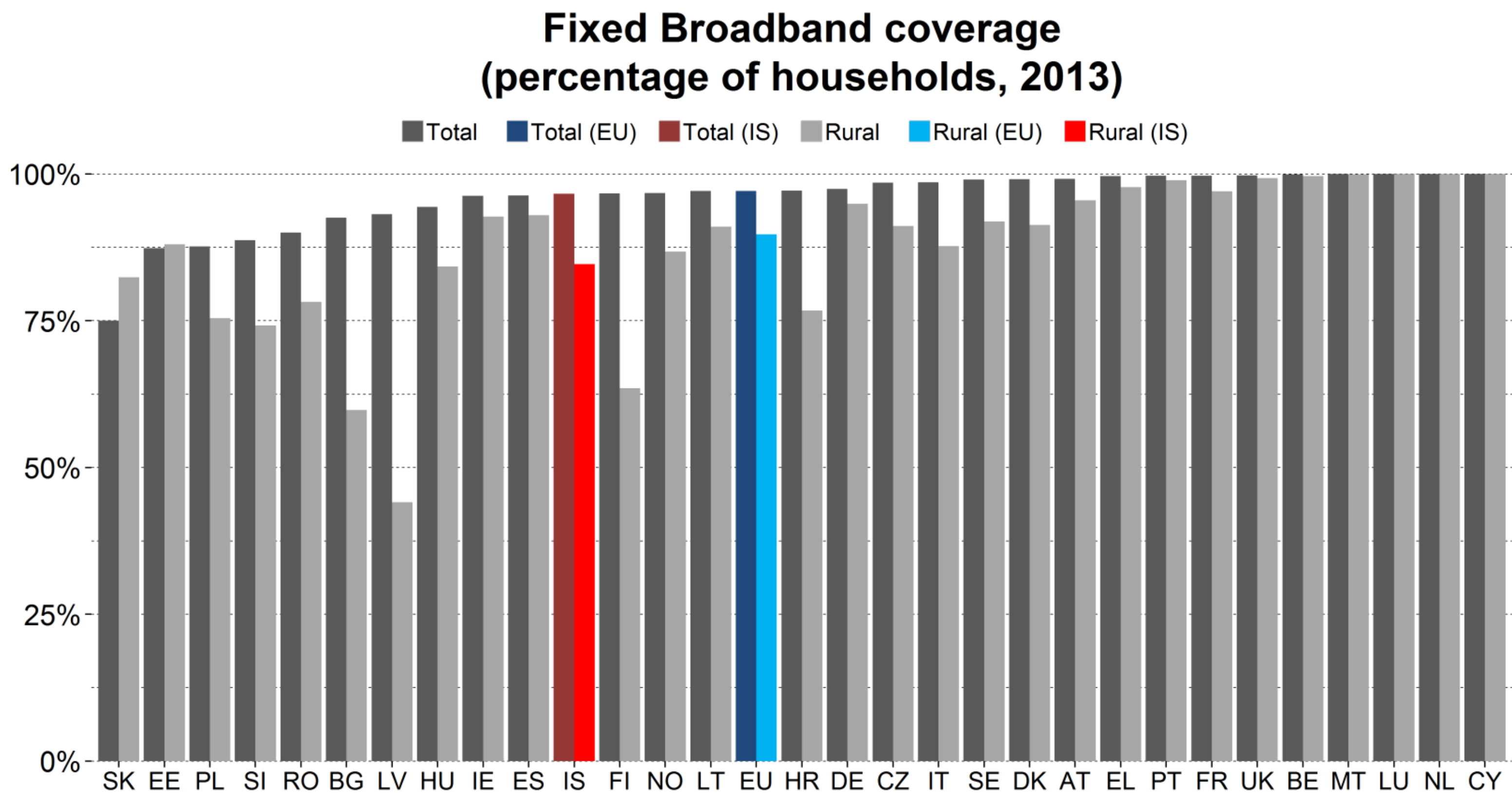
- Consumers would benefit from lower prices, greater customisation and variety
- Citizens would enjoy greater mobility, and have more certainty regarding their rights

Digital Agenda Scoreboard 2014:

Iceland

Basic Broadband for all by 2013

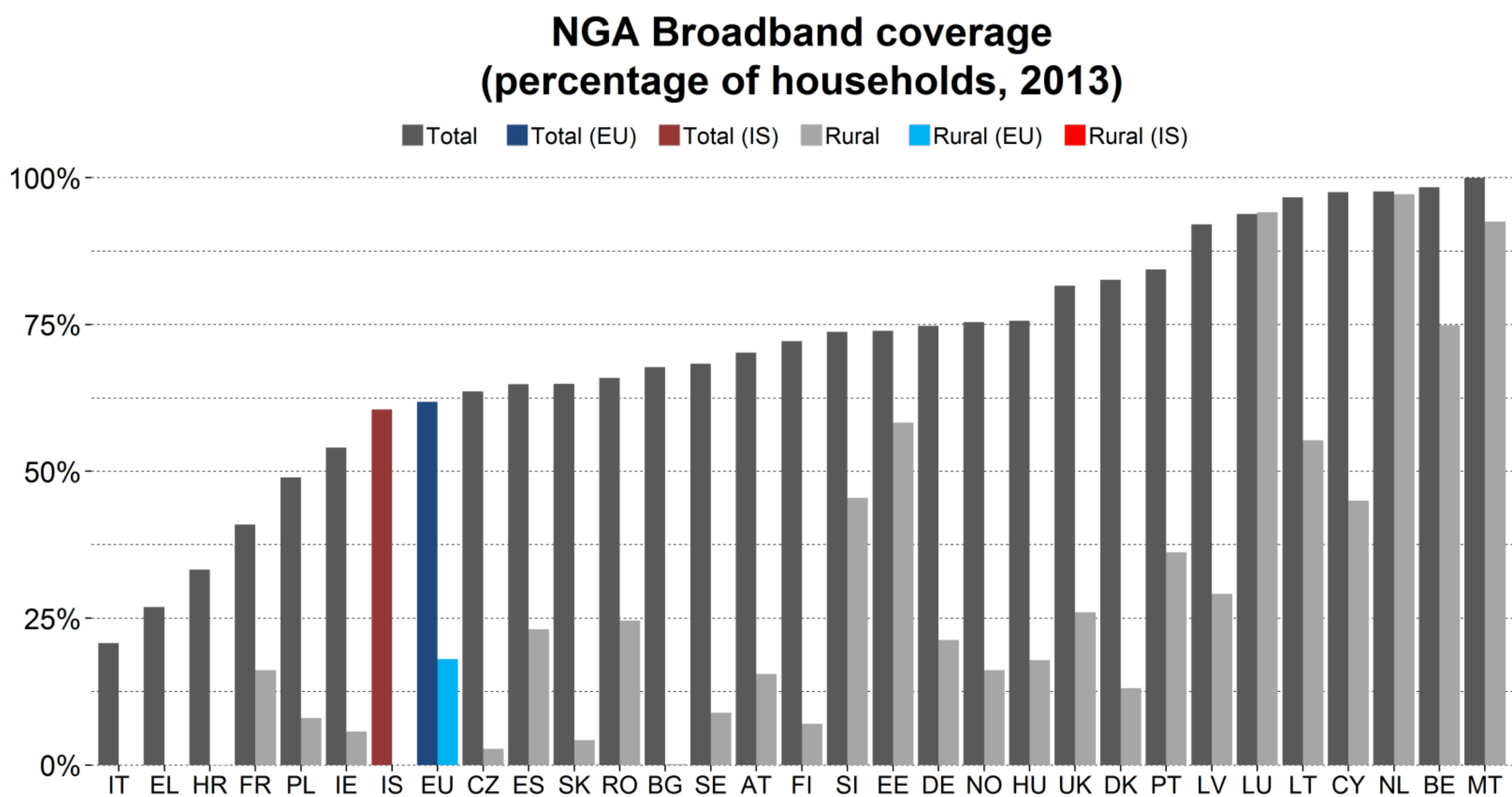
Considering all technologies, Broadband is available to all.
Considering only fixed technologies*, coverage reaches 97% of EU households.



*xDSL, Cable, FTTP and WiMax.
Source: IHS and VVA

At least 30 Mbps for all by 2020

NGA* covers 62% of households in the EU and 61% in Iceland.
But in rural areas only 18% of households are covered in the EU, and 0% in Iceland.

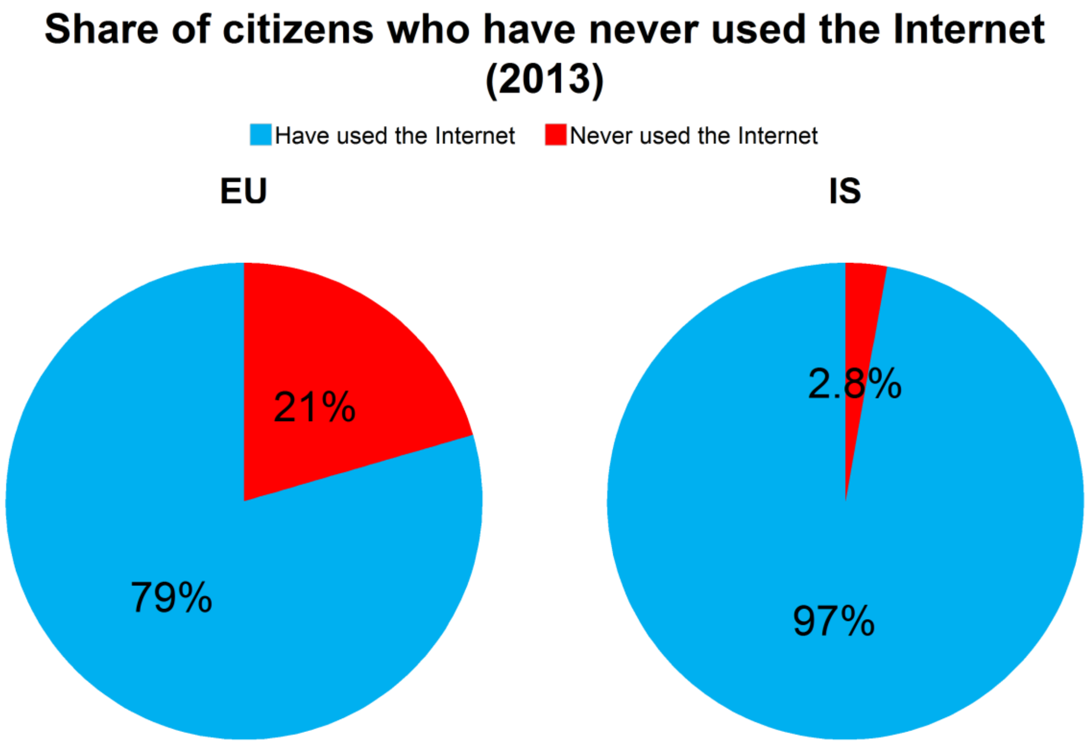


*Next Generation Access (NGA): VDSL, Cable Docsis 3.0 and FTTP.

Source: IHS and VVA

15% of citizens having never used the Internet

21% of Europeans have never used the Internet.
In Iceland the value is 2.8%.

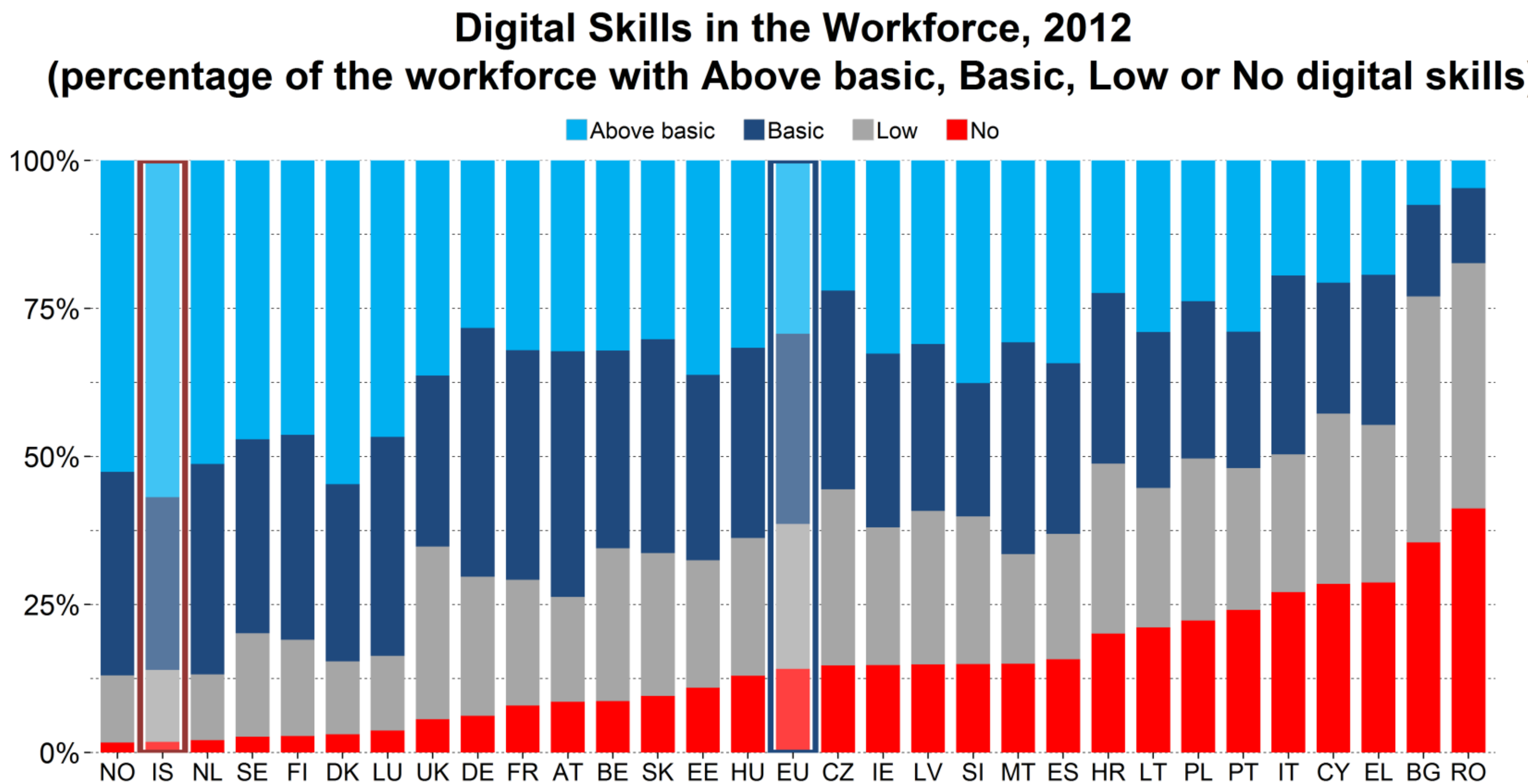


Source: Eurostat

European Commission

Digital Skills

39% of the EU workforce has insufficient digital skills, 14% has no digital skills at all.
In Iceland, 14% of the workforce has insufficient digital skills and 1.8% has no digital skills at all.



Source: Commission services based on Eurostat Labour Force Survey 2012

Thank You!

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