

Jurius

## Digital Single Market Strategy: European Commission agrees areas for action

---

Digital technology is part of everyday life. From studying to watching films, buying or selling online to connecting with friends or your doctor — the internet is a goldmine of digital opportunities. But every day in the EU people and companies run into many barriers — from geo-blocking or cross-border parcel delivery inefficiencies to unconnected e-services.

---

Category: News

Field of law: E-Commerce

Region: EU

Citation: Jurius, Digital Single Market Strategy: European Commission agrees areas for action, in: Jusletter IT 21 May 2015

[Rz 1] Digital services too often remain confined to national borders. The Juncker Commission has made it a priority to remove these obstacles and create a Digital Single Market: making the EU's single market freedoms «go digital», and boosting growth and jobs on our continent. The College of Commissioners today had a first discussion on the Digital Single Market Strategy due in May 2015 — and set out the main areas the Commission will focus its work on to trigger real changes for consumers and businesses alike.

[Rz 2] Vice-President for the Digital Single Market Andrus Ansip said: *«Let us do away with all those fences and walls that block us online. People must be able to freely go across borders online just as they do offline. Innovative businesses must be helped to grow across the EU, not remain locked into their home market. This will be an uphill struggle all the way, but we need an ambitious start. Europe should benefit fully from the digital age: better services, more participation and new jobs».*

[Rz 3] Commissioner for the Digital Economy and Society Günther H. Oettinger said: *«Europe cannot be at the forefront of the digital revolution with a patchwork of 28 different rules for telecommunications services, copyright, IT security and data protection. We need a European market, which allows new business models to flourish, start-ups to grow and the industry to take advantage of the internet of things. And people have to invest too — in their IT-skills, be it in their job or their leisure time».*

[Rz 4] Today's orientation debate has set out three main areas on which Commission action will focus during this mandate:

[Rz 5] 1. Better access for consumers and businesses to digital goods and services

- Facilitating cross-border e-commerce, especially for SMEs, with harmonised consumer and contract rules and with more efficient and affordable parcel delivery. Today only 15% of consumers shop online from another EU country — which is not surprising, if the delivery charge ends up higher than the actual price of the product.
- Tackling geo-blocking: too many Europeans cannot use online services that are available in other EU countries, often without any justification; or they are re-routed to a local store with different prices. Such discrimination cannot exist in a Single Market.
- Modernising copyright law to ensure the right balance between the interests of creators and those of users or consumers. It will improve people's access to culture — and therefore support cultural diversity — while opening new opportunities for artists and content creators and ensuring a better enforcement of rights.
- Simplifying VAT arrangements is important to boost the cross-border activities of businesses, especially SMEs. The cost and complexity of having to deal with foreign tax rules are a major problem for SMEs. The VAT-related costs due to different requirements are estimated at EUR 80 billion.

[Rz 6] 2. Shaping the environment for digital networks and services to flourish

- All digital services, applications and content depend on high-speed internet and secure networks: the lifeblood of new, innovative digital services. To encourage investment in infrastructure, the Commission will therefore review the current telecoms and media rules to make them fit for new challenges, in particular relating to consumer uses (for example the increasing number of voice calls made over the internet) and new players in the field.
- Spectrum is the air the internet breathes. Improving coordination among Member States is essential. Europe has witnessed significant delays in the roll-out of the latest 4G technology, as suitable spectrum was not available. Spectrum does not stop at national borders: a European approach to its management is needed to promote a genuine single market with

pan-European services.

- The Commission will look into the growing importance of online platforms (search engines, social media, app stores, etc.) for a thriving internet-enabled economy. This includes looking at how to strengthen trust in online services through more transparency, how to include them in the online value chain, and to facilitate the swift removal of illegal content.
- Today, 72% of internet users in Europe are concerned about using online services because they worry that they have to reveal too much personal data online. The swift adoption of the Data Protection Regulation is key to boosting trust.

[Rz 7] 3. Creating a European Digital Economy and Society with long-term growth potential

- Industry is a key pillar of the European economy — the EU manufacturing sector accounts for 2 million companies and 33 million jobs. The Commission wants to help all industrial sectors integrate new technologies and manage the transition to a smart industrial system («Industry 4.0»).
- Standards: ensuring interoperability for new technologies are essential for Europe's competitiveness, they must be developed faster.
- The Commission also wants industry and society to make the most of out of the data economy. Large amounts of data are produced every second, created by persons or generated by machines, such as sensors gathering climate information, satellite imagery, digital pictures and videos, purchase transaction records, or GPS signals. Big data is a goldmine, but it also raises important challenges, from ownership to data protection to standards. These need to be addressed to unlock its potential.
- The same goes for cloud computing, the use of which is rapidly growing: the proportion of digital data stored in the cloud is projected to rise from 20% in 2013 to 40% in 2020. While shared networks and resources can boost our economy, they also need the right framework to flourish and be used by more people, companies, organisations and public services across Europe.

[Rz 8] Europeans should also be able to fully benefit from interoperable e-services, from e-government to e-health, and develop their digital skills to seize the opportunities of the internet and boost their chances of getting a job.

#### **Next Steps**

[Rz 9] Today's discussions set out the priority areas for action to focus work on when preparing the comprehensive Digital Single Market Strategy to be unveiled in May 2015.

#### **Background**

[Rz 10] Several Commissioners are part of the Digital Single Market project team and are actively involved in this work. The Commission is also actively engaging with a wide range of stakeholders in the run up to the Strategy.

Source: Press Release IP/15/4653 by the European Commission from 25 March 2015