

QUOTE – SPEECH ESKO AHO

Kangaroo Group Strasbourg luncheon on “JOBS AND GROWTH – THE ROLE OF THE DIGITAL SINGLE MARKET”

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“The European Union has an opportunity to emerge from the current recession more productive, innovative, competitive and knowledge driven than before. In order to grasp this opportunity Europe needs to build a *Digital* Single Market.

The European Union has a Single Market for goods, people, capital and to some extent services. This is the crown jewel in Europe’s competitiveness, permitting a huge growth in intra-community trade since its inception as well as attracting significant investment.

As more and more economic, cultural and political activity moves online we are confronted with the irony that while the internet is borderless, much online activity stops at national borders. This is due to regulatory fragmentation and excessive red tape making it difficult for consumers and businesses to transact across national borders whether using e-commerce platforms for tangible products, or for online services such as music. If big corporations are able to manage this and to carry the investment required, small and medium sized companies will have a huge challenge in expanding their operations beyond one member state. An SME has estimated that expanding its on line service to a new member state costs approximately 2 million Euros per country, meaning that providing services in an EU wide manner would require an investment of 54 million Euros!

To complete the Digital Single Market the European Union must address barriers such as: national management of copyright licensing; inconsistent, opaque and subjective private copy levy systems unfit for the digital age; diverging data privacy rules; different consumer protection regimes; differing interpretations of intermediary liability; radio spectrum usage harmonization; payment systems that facilitate cross-border transactions; and VAT reporting”.