

Brussels, 4 August 2009

Digital economy can lift Europe out of crisis, says Commission report

The European Commission's Digital Competitiveness report published today shows that Europe's digital sector has made strong progress since 2005: 56% of Europeans now regularly use the internet, 80% of them via a high-speed connection (compared to only one third in 2004), making Europe the world leader in broadband internet. Europe is the world's first truly mobile continent with more mobile subscribers than citizens (a take up rate of 119%). Europe can advance even further as a generation of "digitally savvy" young Europeans becomes a strong market driver for growth and innovation. Building on the potential of the digital economy is essential for Europe's sustainable recovery from the economic crisis. Today the Commission has asked the public what future strategy the EU should adopt to make the digital economy run at full speed.

"Europe's digital economy has tremendous potential to generate huge revenues across all sectors, but to turn this advantage into sustainable growth and new jobs, governments must show leadership by adopting coordinated policies that dismantle existing barriers to new services," said Viviane Reding, EU Commissioner for Information Society and Media. "We should seize the opportunity of a new generation of Europeans who will soon be calling the shots in the European market place. These young people are intensive internet users and are also highly demanding consumers. To release the economic potential of these 'digital natives', we must make access to digital content an easy and fair game."

The report published today outlines the results of five years of EU policy under the Barroso Commission promoting the latest communication technologies, new networks and services and creative media content. By 2008, 56% of Europeans had become regular internet users, a leap of one third since 2004. Half of households and more than 80% of businesses now have a broadband connection. A new generation of Europeans mastering the web and ready to apply its innovations is coming on stage. These "digital natives" hold great potential for Europe's growth.

People aged 16 to 24 are the most active internet users: 73% of them regularly use advanced services to create and share online content, twice the EU population average (35%) (see annex). 66% of all Europeans under 24 use the internet every day, compared to the EU average of 43%. They also have more advanced internet skills than the rest of the population, according to a Commission study on digital literacy, also released today.

Although the "digital generation" seems reluctant to pay to download or view online content like videos or music (33% say that they are not willing to pay anything at all, which is twice the EU average), in reality twice as many of them have paid for these services compared to the rest of the population (10% of young users, compared to an EU average of 5%). They are also more willing to pay for offers of better service and quality.

Internet use will soar as Europe's "digital natives" begin their professional lives, increasingly shaping and dominating market trends. As traditional business models stall, companies will have to offer services attractive to the next generation of users, while legislators should create the right conditions to facilitate access to new online content while also ensuring remuneration for the creators.

Europe also needs to act more to compete globally. Despite progress, a third of EU citizens have never used the internet. Only 7% of consumers have shopped online in another Member State. Europe is still behind the US and Japan in R&D investments in information and communication technologies (ICT), high-speed broadband communications, and developing innovative markets like online advertising.

Pro-active policy making across the EU must ensure that everyone has a high-speed internet connection and that there is an online single market, where people can easily use online services across borders.

Upcoming challenges for Digital Europe are raised in a public consultation launched by the Commission today, open until 9 October 2009. This is the first step towards a new European ICT strategy which the Commission aims to present in 2010 as part of the next wave of the Lisbon Agenda.

Background:

The EU's "i2010" strategy to boost Europe's lead in ICT and unlock the benefits of the information society for European growth and jobs, adopted by the Commission in July 2005 ([IP/05/643](#)) comes to a close this year. Endorsed by all EU Member States and the European Parliament, the strategy aimed to strengthen the single market for businesses and users and to stimulate ICT research and innovation. This policy of stimulating competition and empowering consumers has delivered on concrete issues and has engendered a wealth of innovative policies across the EU.

Commissioner Reding called, on 9 July ([SPEECH/09/336](#)), for a new "Digital Europe" strategy as policy approach for a single and consumer-friendly market for online content where ICT will be driving innovation, full connectivity, and a greener economy.

The Digital Competitiveness report, factsheets, and the public consultation can be found at:

http://ec.europa.eu/information_society/newsroom/cf/itemlongdetail.cfm?item_id=5146

Study "Public policies and stakeholders initiatives in support of Digital Literacy":

http://ec.europa.eu/information_society/eeurope/i2010/benchmarking/index_en.htm

Results of five years of EU ICT policy under the Barroso Commission:

<http://ec.europa.eu/i2010>

Nine questions on the future of the Information Society identified for the public consultation:

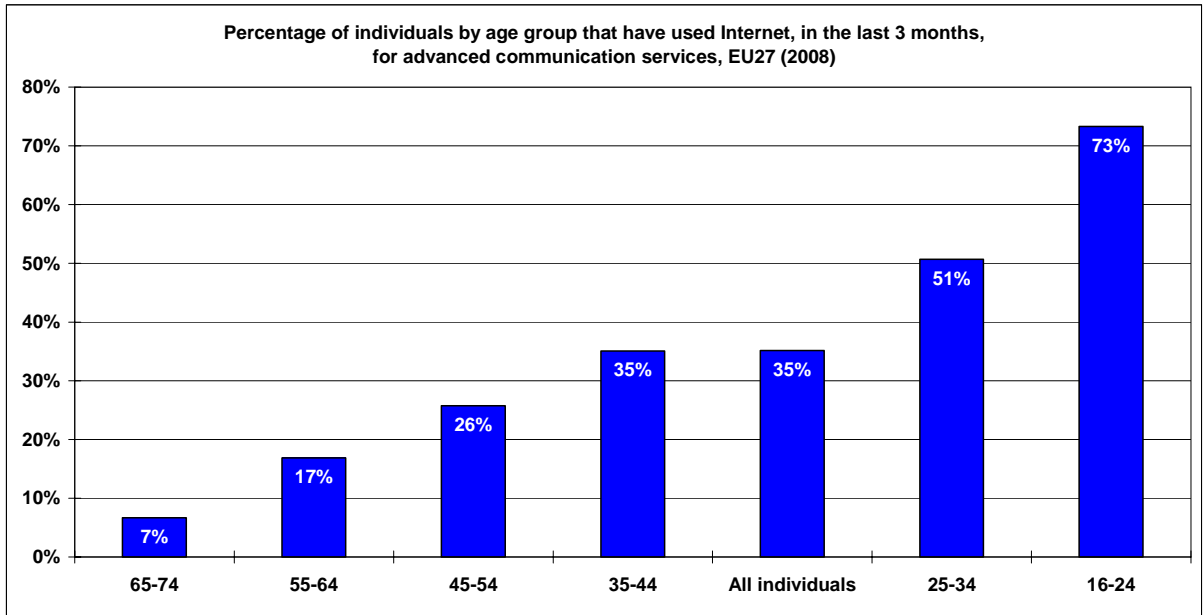
1. How can ICTs be unleashed to drive economic recovery and contribute to the Lisbon growth and jobs agenda?
2. How can ICTs assist the transition to a more sustainable low carbon economy?
3. How best to create a 100% connected economy that offers open and high speed internet for all?
4. How can Europe raise its performance in crucial ICT research and innovation?
5. How to reinforce the digital single market in order to bring growth, innovation and new services?
6. How can online services and tools, such as web 2.0, better promote user creativity, content production and services provision?
7. How can the web aid modernisation of public services so that they are easily accessible to all EU citizens?
8. How can ICTs improve the quality of life of EU citizens by unlocking the storehouses of cultural heritage by bringing them on-line and by putting ICT at the centre of citizens' life?
9. How can the EU increase its weight in the international arena of the worldwide web and the global information society?

The public consultation is [open until 09 October 2009](#).

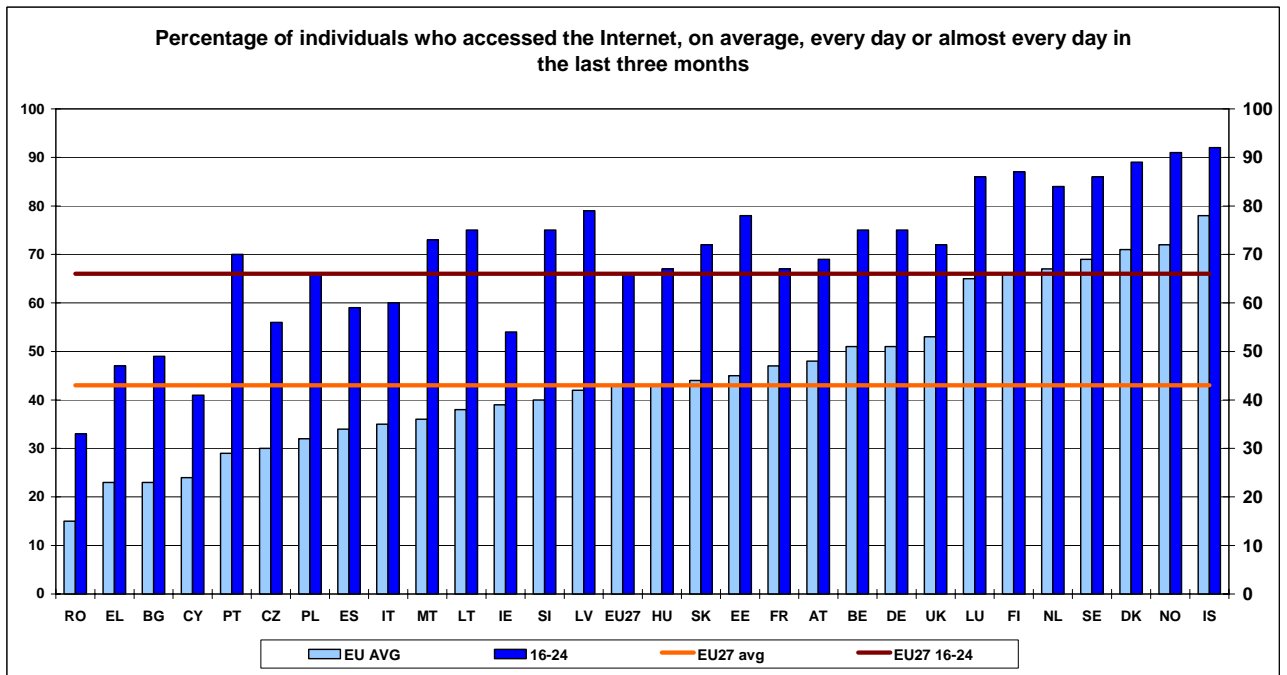
More information:

http://ec.europa.eu/information_society/eeurope/i2010/index_en.htm

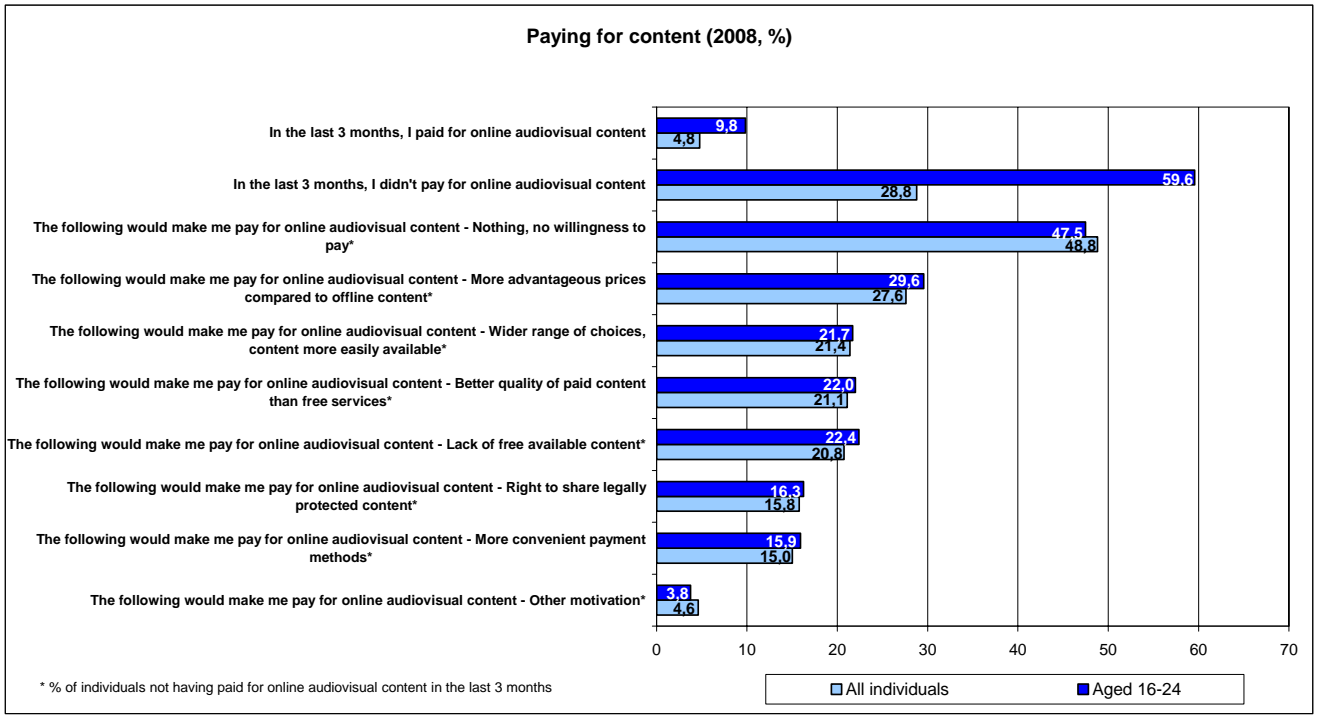
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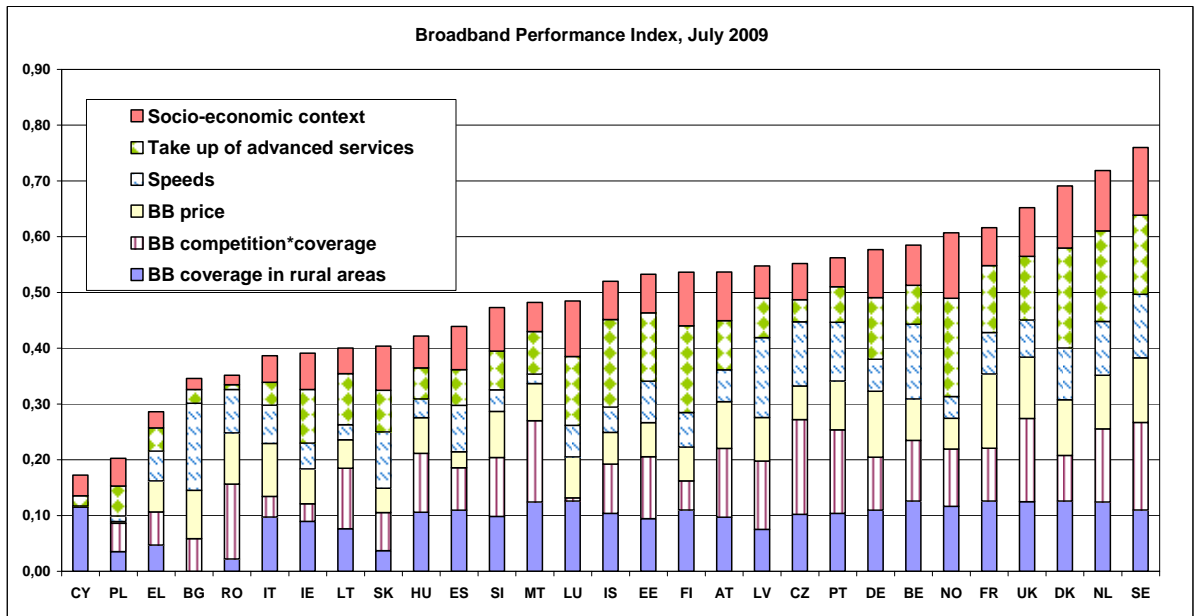
Source: Eurostat Community Survey on ICT Usage by Households and by Individuals



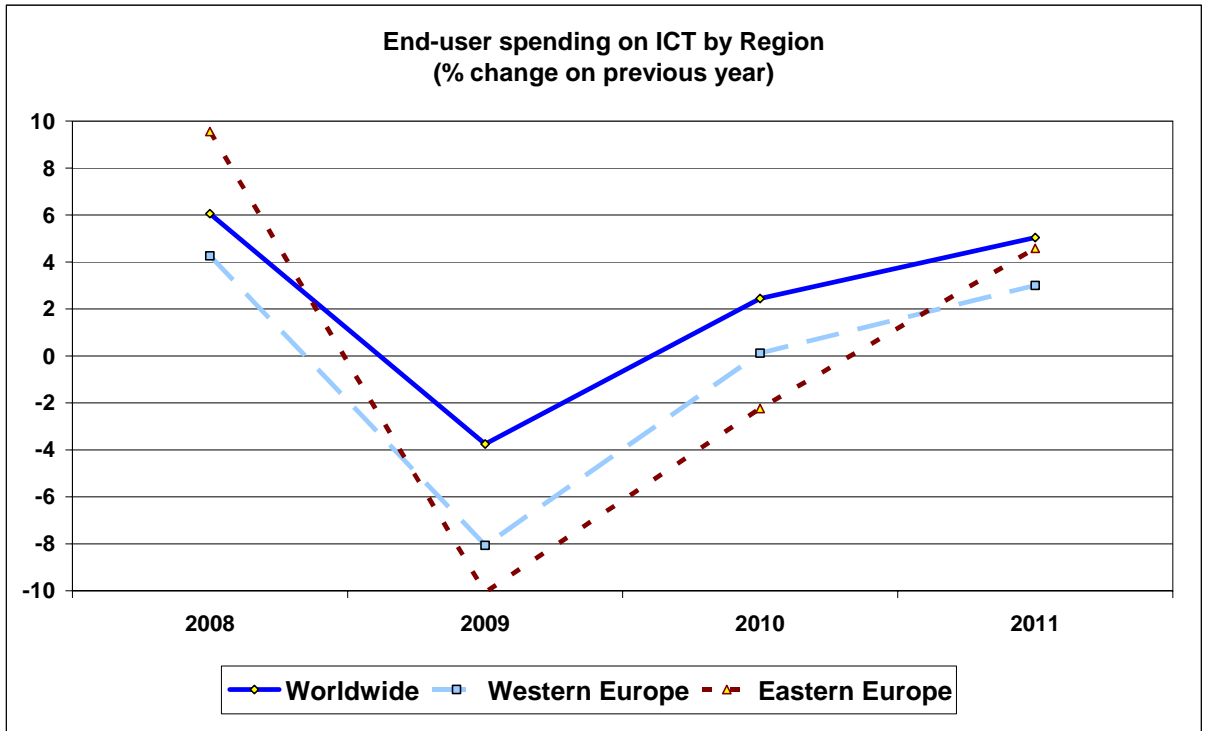
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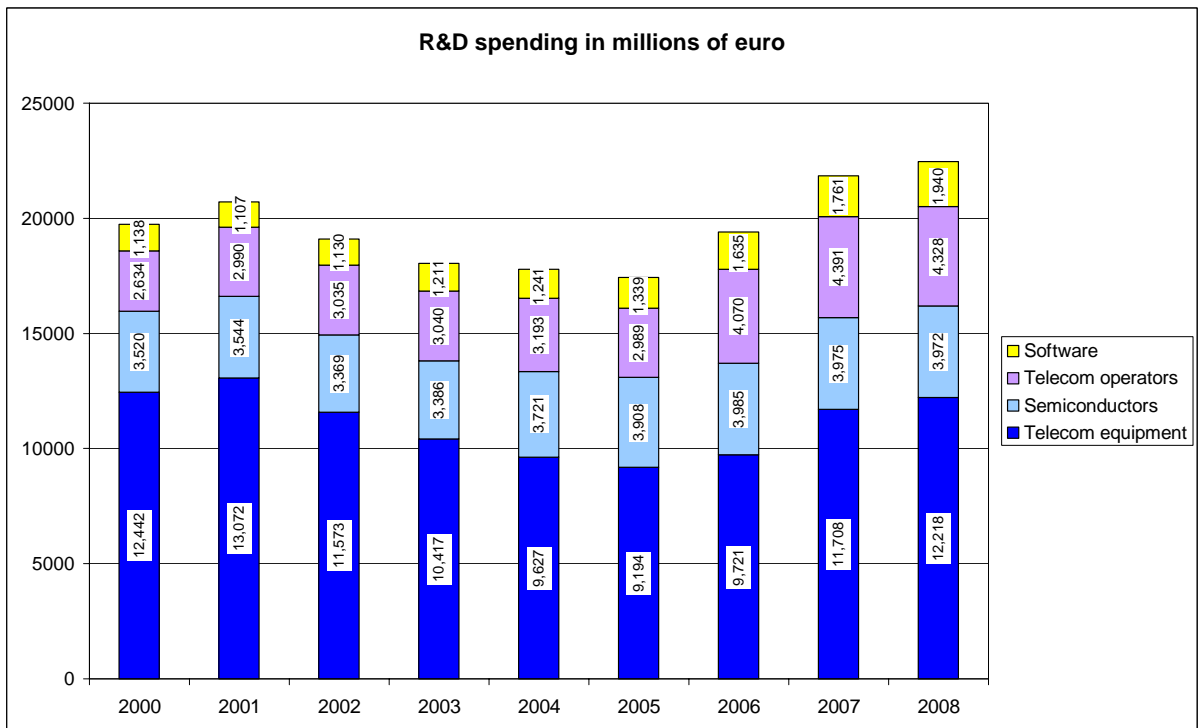
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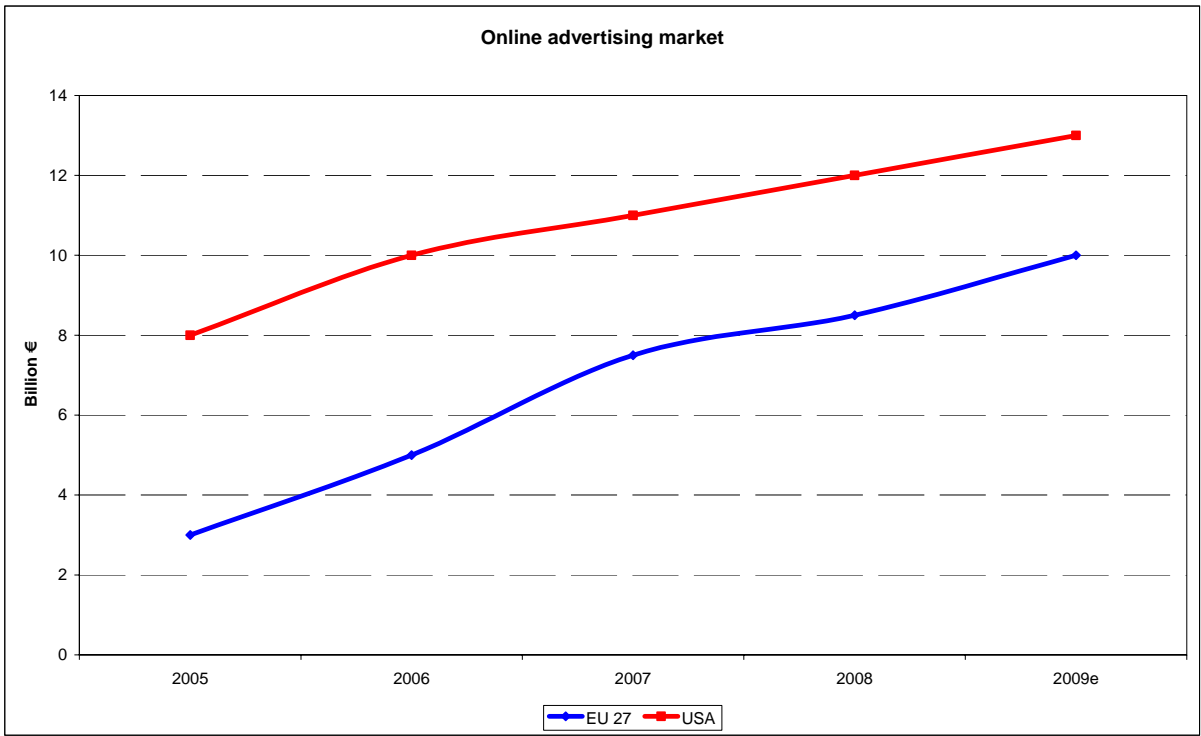
Source: Commission services



Source: Gartner



Source: Annual reports of a sample of the EU top ICT companies in R&D spending representing 90% of total R&D spending recorded by the 2008 Scoreboard



Source: IDATE