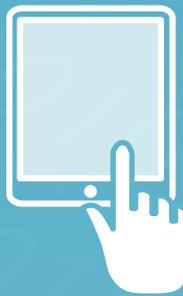


Why we need a Digital Single Market

315 million
Europeans
use the
Internet
every day

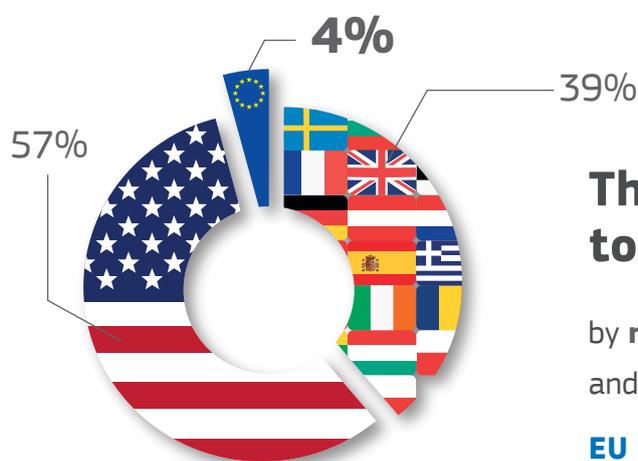


A Digital Single Market

can create up to

€340 billion in additional growth,
hundreds of thousands of new jobs,
and a **vibrant knowledge-based society**

But obstacles remain to unlock this potential...



The Digital Market today is made up

by **national** online services (39%)
and **US-based** online services (57%)

EU cross-border online services represent only 4%

SOLUTIONS NEEDED: THREE PRIORITY AREAS



1

Better access for consumers and businesses to digital goods and services across Europe

Unlocking e-commerce potential



15% of consumers bought online from other EU countries in 2014, while **44%** did so **domestically**

- EU consumers could **save €11.7 billion** each year if they could choose from a full range of EU goods and services when shopping online



Only **7% of SMEs** in the EU sell cross-border

Small online businesses wishing to trade in another EU country face around **€9,000 extra costs** for having to adapt to national laws

- If the same rules for e-commerce were applied in all EU Member States, **57% of companies** would either start or increase their online sales to other EU countries

Affordable parcel delivery costs



More than **85% of e-shoppers** say delivery price is the most important factor when buying online

62% of companies that are willing to sell online say that too high delivery costs are a problem

Tackling geo-blocking

In **52% of all attempts** at cross-border orders the seller does not serve the country of the consumer

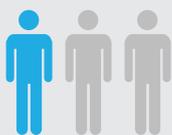
- less clients, less revenues for companies



Simplifying VAT arrangements

Total **VAT costs** due to different requirements have been estimated at **€80 billion**

Modernising copyright



1 in 3 Europeans is interested in watching or listening to content from their home country **when abroad**



1 in 5 Europeans is interested in watching or listening to content from **other EU countries**

- An opportunity not to be missed: **Images, films or music and games** are the most popular online activities and digital spending on entertainment and media has double digit growth rates (around **12%**) for the next five years

2

Shaping the right environment for digital networks and services to flourish

Strong European data protection rules to boost the digital economy



72% of Internet users in Europe still worry that they are being asked for too much **personal data online**

Rolling out fast broadband for all

Take-up of fast broadband is low: only **21.8% of all subscriptions** are fast ones (above 30Mbps) and Europe has witnessed significant time lags in the roll-out of the latest 4G technology due to the non-availability of suitable spectrum

Spectrum reforms can decrease prices of mobile services and boost productivity over time (estimated EU-wide GDP increase **between 0.11% and 0.16% over 5 years**)



25%



90%



Only **25% of Europeans** can access **4G** in their hometowns, dropping to **4% for the rural population**. But over **90% of US citizens** have 4G access

3

Creating a European Digital Economy and society with growth potential

Big data and cloud



Digital data stored in cloud:
2013: 20% - 2020: 40%

The use of big data by the top 100 EU manufacturers could lead to **savings worth €425 billion**

Studies estimate that, by 2020, big data analytics could boost EU economic growth by an additional **1.9%**, equalling a **GDP increase of €206 billion**

An inclusive e-society

Almost half the EU population (**47%**) is not properly digitally skilled, yet in the near future, **90% of jobs** will require some level of digital skills

A strategy of 'digital by default' in the public sector could result in around **€10 billion of annual savings**

