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signed by Mr Jordi AYET PUIGARNAU, Director

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Report 2017

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PART 4/62

COMMISSION STAFF WORKING DOCUMENT

Europe's Digital Progress Report 2017

3. Use of the Internet and Privacy

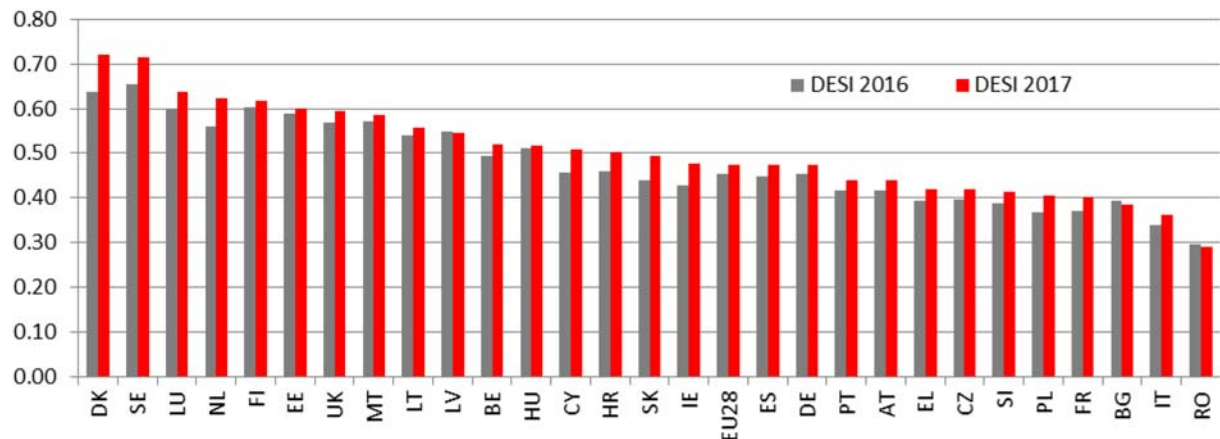
People in the EU engage in a **range of online activities** — they consume content, communicate, shop, use online banking services and much more. Such activities are captured in DESI dimension 3, on internet use. Denmark, Sweden and Luxemburg have the most active internet users, followed by the Netherlands, Finland and Estonia. Romania, Italy and Bulgaria are the least active. **Denmark and the Netherlands showed the biggest increases** in their DESI scores, +8 pp. and +7 pp. respectively between DESI 2016 and DESI 2017; with Denmark overtaking Sweden to rank first and the Netherlands increasing its rank from 9th to 4th position. Bulgaria fell in the rankings from joint 22nd (with Greece and Slovenia) to 27th and Romania remained at the bottom of the rankings.

Figure 3.1: Indicators included in the Use of the Internet dimension of the DESI 2017:

DESI – Use of Internet indicators	
News (% of internet users)	70% (2016)
Music, videos and games (% of internet users)	78% (2016)
Video on demand (% of internet users)	21% (2016)
Video calls (% of internet users)	39% (2016)
Social networks (% of internet users)	63% (2016)
Banking (% of internet users)	59% (2016)
Shopping (% of internet users)	66% (2016)

Source: Eurostat - Community survey on the ICT usage in households and by individuals (the survey covers individuals aged 16 to 74)

Figure 3.2: Digital Economy and society (DESI), Use of the Internet, 2016 and 2017



Source: European Commission, Digital Scoreboard

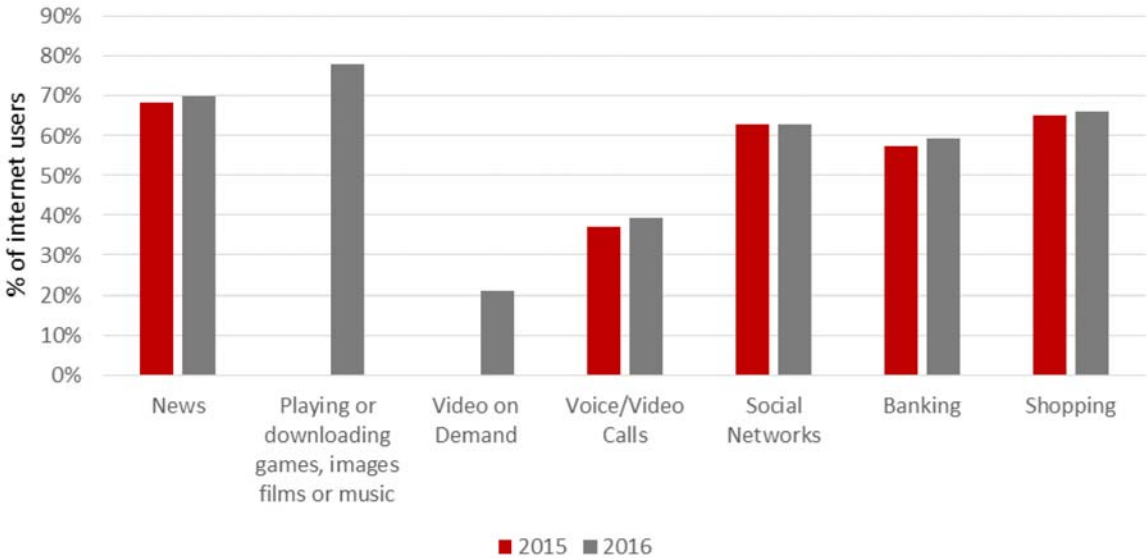
Growth in the use of online services is generally slow

Between 2015 and 2016, progress in the different activities used as indicators in the Use of Internet dimension of the DESI has been generally slow. Increases were observed in the percentage of internet users reading news online, engaging in voice or video calls and doing online banking — 2 percentage points each. Use of social networks and online shopping (+1 pp) did not really change between 2015 and 2016. The development of video on demand and playing or downloading games, images, films or music cannot be tracked due to missing data for 2015.¹

Internet users in the EU are active in obtaining content online, with 78 % downloading music, videos and games, 70 % reporting reading news online and 21 % using video on demand services.

EU citizens also use the internet for communication. Almost two fifths of internet users place calls (video or audio) over the internet, and 63 % interact using social networks. For online transactions, users did their banking activities online (59 %) and two thirds of them reported having shopped online in 2016.

Figure 3.3: Indicators in the Use of Internet component, EU-28 (% of internet users)



Source: Eurostat - Community survey on the ICT usage in households and by individuals

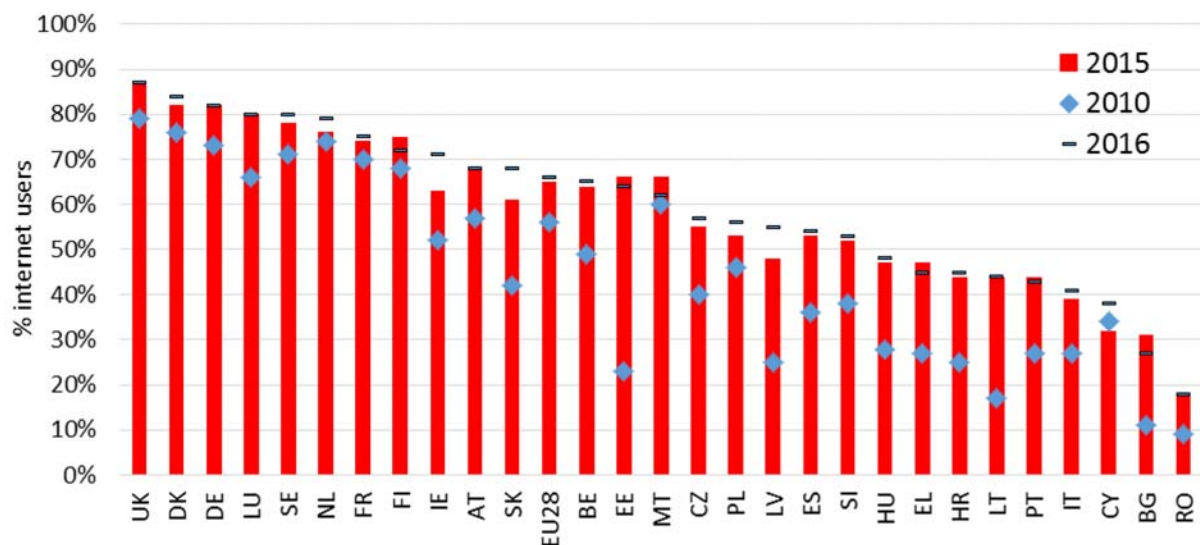
¹ There is a break in series for these indicators as the questions have changed.

eCommerce: Significant increases in ordering goods and services online.

Since 2010, the proportion of internet users ordering goods and services online has increased by 10 percentage points, to 66 % in 2016. As with many other online activities, eCommerce is higher among younger, higher educated and employed people. These groups also had higher growth over the last six years showing that other groups are not yet catching up.

eCommerce by internet users in the EU vary greatly between countries from 18 % in Romania to 87% in the United Kingdom. However, countries where online shopping among online citizens was less common in 2010 have generally speaking seen higher growth over the last 6 years than the ones at already high levels. Still, even where shares were high in 2010, there has been an increase in online shopping. The big increase for Estonia between 2010 and 2015 is due to a change in methodology that happened in 2014.

Figure 3.4: Individuals ordering goods and services online in the last 12 months, EU-28, 2010, 2015 and 2016 (% of internet users)



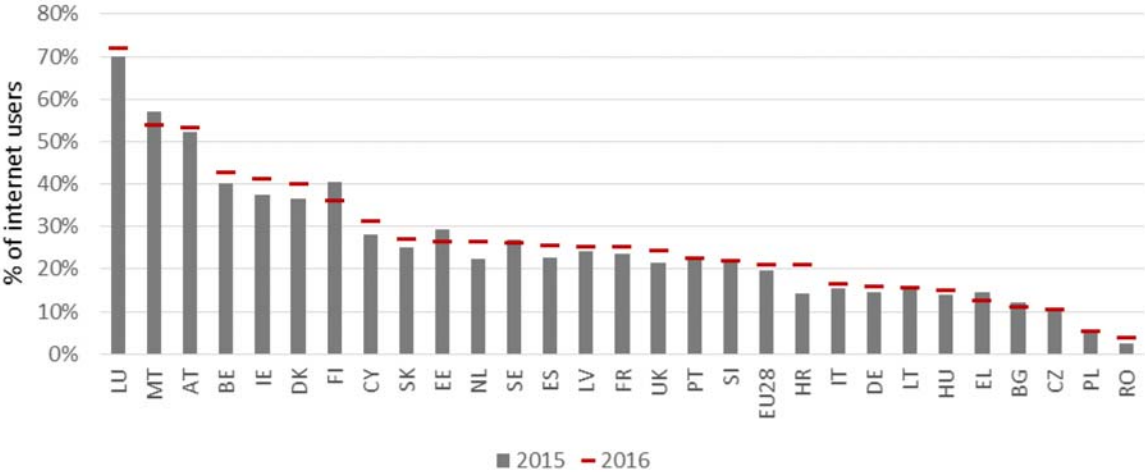
Source: Eurostat - Community survey on the ICT usage in households and by individuals

eCommerce: one fifth of internet users in the EU ordered cross-border goods or services online in 2016.

While 66 % of internet users in the EU shop online, only 21 % engage in cross-border eCommerce. While cross-border online shopping is advancing, it is doing so rather slowly, having increased 9 percentage points since 2010. The extent of cross-border eCommerce differs substantially between Member States, ranging from 4 % in Romania to 72 % in Luxembourg. Buying cross border is influenced by many factors including country size and language. For example, Luxemburg, Malta and Austria which have relatively small home markets and language connections with other large European countries exhibit higher shares of cross-border eCommerce.

The 2015 survey of online consumers showed that, for cross-border purchases from other EU Member States, delivery costs (27 %), high return shipping costs (24 %) and long delivery times (23 %) are among the main consumer concerns. A large number of perceived obstacles relate to key consumer rights, such as return and replacement (getting a faulty product replaced or repaired, 20 %; returning a product consumers did not like and getting reimbursed, 20 %). Concerns related to redress were also frequently quoted, i.e. the difficulty of solving problems if something goes wrong (23 %).

Figure 3.5: Internet users that ordered goods or services for private use over the internet in the last 12 months from sellers from other EU countries



Source: Eurostat - Community survey on the ICT usage in households and by individuals

Almost 60 % of EU Internet users use online banking.

Online banking is a common activity among internet users. 59% of internet users in the EU did their banking online in 2016.

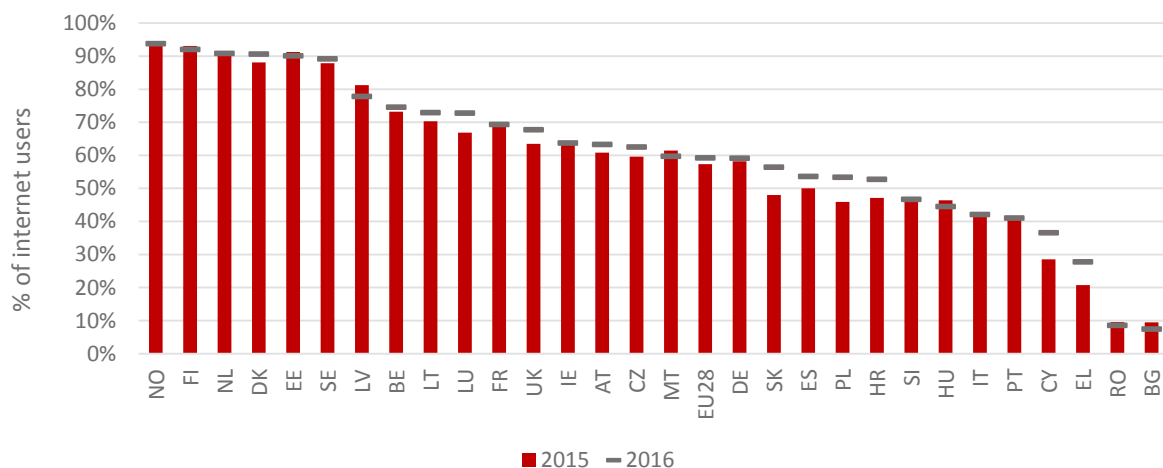
High shares of internet users doing online banking are recorded in Finland (92 %), the Netherlands and Denmark (91 % each), Estonia (90%) and Sweden (89 %) for 2016. Large differences exist between the Member States, with Bulgaria (7 %) and Romania (8 %) having the lowest figures.

Countries with high levels of online banking among internet users also tend to have higher rates of eCommerce.

Overall in the EU the use of online banking is gradually progressing. Since 2010 the percentage of internet users doing online banking has increased by around 7 pp. from 52 % to 59%. Between 2015 and 2016 there was an increase of 2 pp.

In most countries, the share of internet users doing online banking increased marginally in the last year. However, in a few they fell; notably, in Bulgaria and Romania, those countries with the lowest shares: -2 pp. for each. However, the share of internet users doing online banking also fell in Hungary (-2 pp).

Figure 3.6: Individuals who have used the internet, in the last 3 months, for internet banking



Source: Eurostat - Community survey on the ICT usage in households and by individuals

Participation in social networks online is slowly increasing in most EU countries.

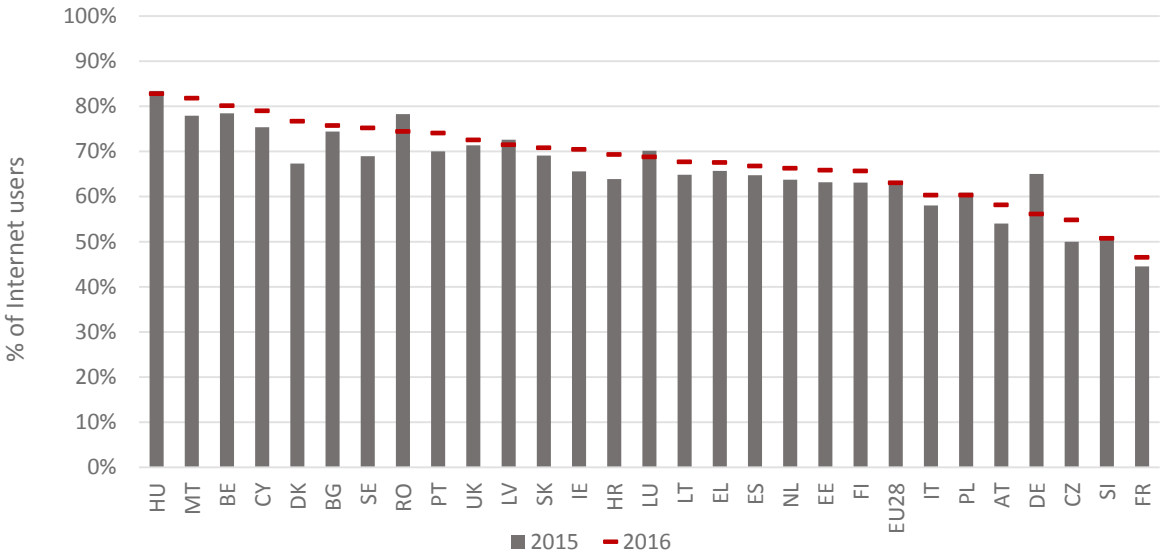
Social networks have been around for some time and their use is a common and popular activity among internet users. In 2016, 63 % of internet users participated in social networks, unchanged from 2015. Among 16- to 24-year-olds, the share of users is close to saturation at 88%, while the older age groups still see growth in the share of users.

The country with the largest proportion of internet users on social networks is Hungary (83 %), closely followed by Malta (82 %), Belgium (80 %), and Cyprus (79 %).

Most EU countries saw an increase in the share of internet users participating in social networks between 2015 and 2016. Denmark saw the biggest increase (10 pp.).

Some countries saw relatively large declines (Germany -9 pp. and Romania -4 pp.). However, Germany saw a substantial increase the year before (+16 pp between 2014 and 2015). France has the lowest share of users (47 %) and has not seen any significant increase over the last five years (only +1 pp. since 2011).

Figure 3.7: Individuals who used the internet in the last three months to participate in social networks



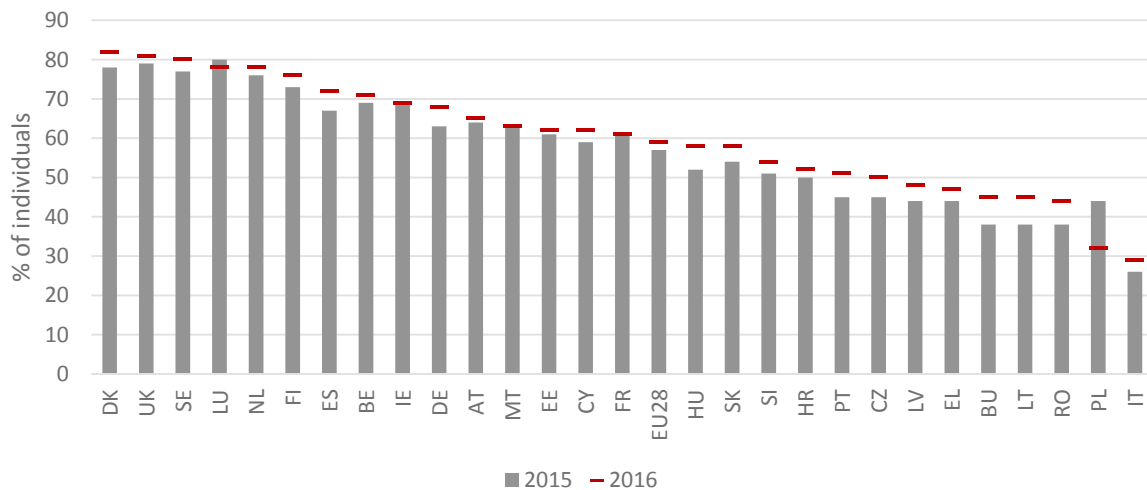
Source: Eurostat - Community survey on the ICT usage in households and by individuals

Internet use has gone **mobile**.

Mobile use of the internet in Europe really started to take off in around 2010. Today 59 % of individuals in the EU (aged 16-74 years) use a mobile device to access the internet when they are away from home or work. Mobile internet increases the opportunity to access online services. All countries have seen significant growth over the last few years and this growth continues, even amongst countries that have already reach quite high shares.

If growth in use continues, mobile devices could be expected to overtake computers as the primary tool for accessing services and content online. There is of course a correlation between internet use in general and the use of internet on a mobile phone. Still, some countries have a higher share of mobile users among their internet users than others. In Spain, 88 % of internet users are mobile, while in Poland the number is only 42 %.

Figure 3.8: Individuals using mobile devices to access the internet on the move

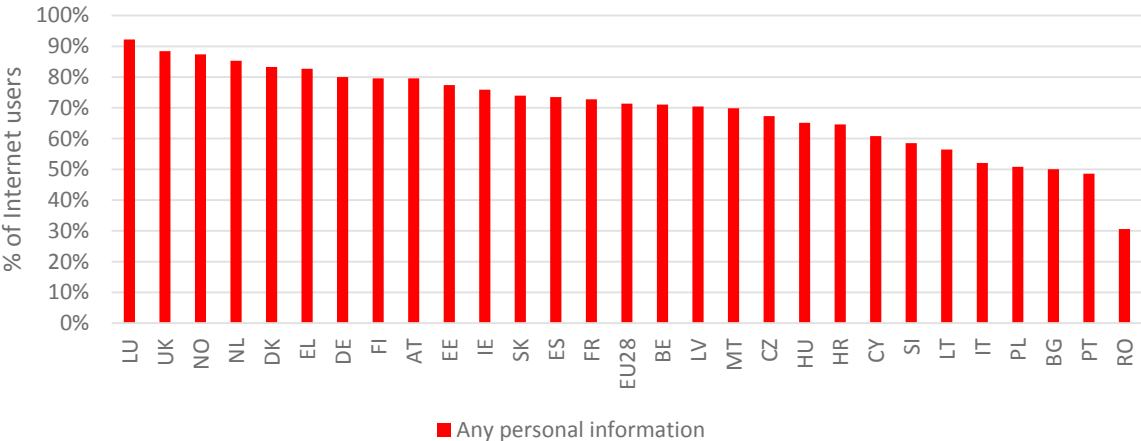


Source: Eurostat - Community survey on the ICT usage in households and by individuals

Privacy: 71 % of internet users in the EU provided personal information online in 2016.

In 2016, 71 % of internet users in the EU provided some type of personal information online (personal details, contact details, payment details or other personal information such as photos, location, health, employment or income).² Across countries, figures ranged from 31 % in Romania to 92 % in Luxembourg. The most frequently provided information concerned their contact details (61 %). However, 52 % provided personal details relating to either their name, date of birth or ID card number. 40% provided payment details and 22 % provided other personal information (e.g. photos, location, health, employment or income). 28% of internet users did not provide any personal information online. This figure is quite large and it could be the case that some people are unaware that they do so.

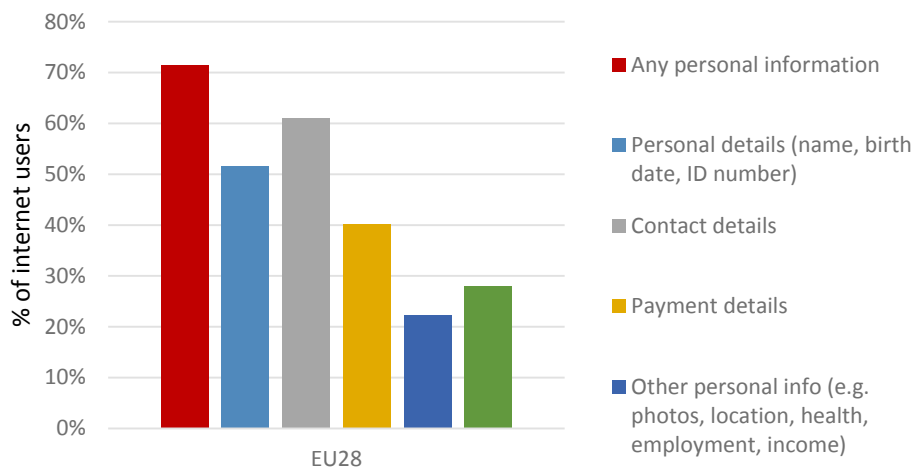
Figure 3.9: Individuals who provided personal information online, 2016 (% of internet users)



Source: Eurostat - Community survey on the ICT usage in households and by individuals

Figure 3.10: Individuals who provided information online, by type, 2016 (% of internet users)

² No data available for Sweden

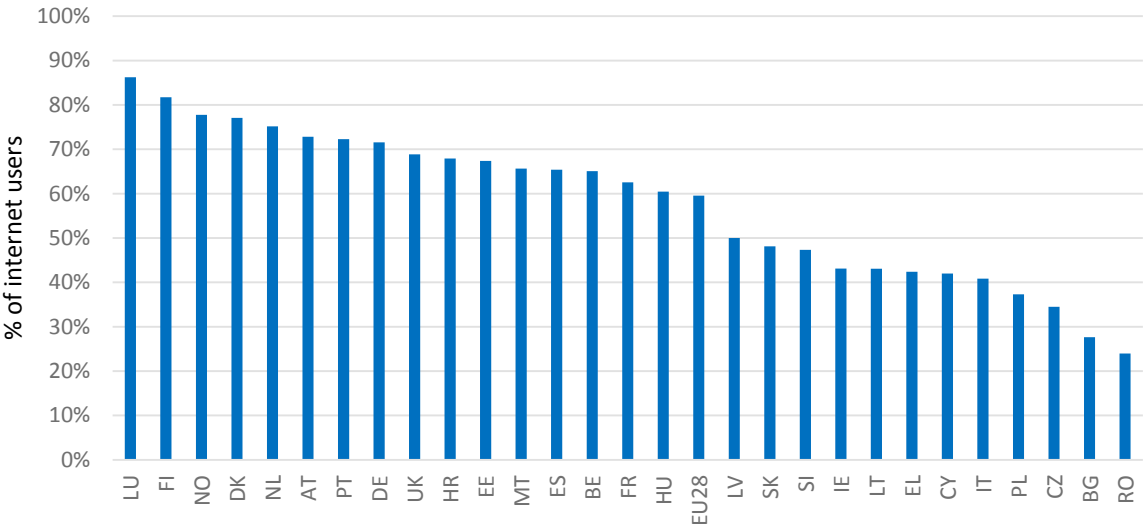


Source: Eurostat - Community survey on the ICT usage in households and by individuals

Privacy: 60 % of internet users limited access to their personal information online

EU legislation gives consumers the right to limit the use of the personal information they provide online. Many Internet users make active use of this by refusing to allow the use of personal information for advertising purposes, restricting access to their geographical location or by limiting access to their profiles or content on social networking sites. On average in the EU 60 % of internet users in 2016 limited access to their personal information in this way.³ While in Luxembourg as many as 86% of the internet users undertake such limiting actions, in Romania it is only 24 %. While 46 % of the internet users refused to allow the use of their personal information for advertising purposes, 40 % limited access to their profile or content on social networking sites and 31 % restricted access to their geographical location.

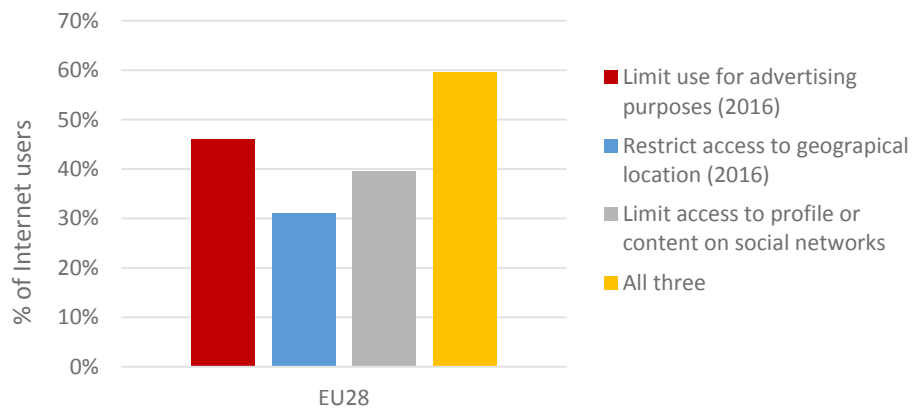
Figure 3.11: Internet users who limited access to their personal information online, 2016



Source: Eurostat - Community survey on the ICT usage in households and by individuals

Figure 3.12: Individuals who limited access to their personal information online, by type, 2016 (% of internet users)

³ No data available for Sweden.



Source: Eurostat - Community survey on the ICT usage in households and by individuals

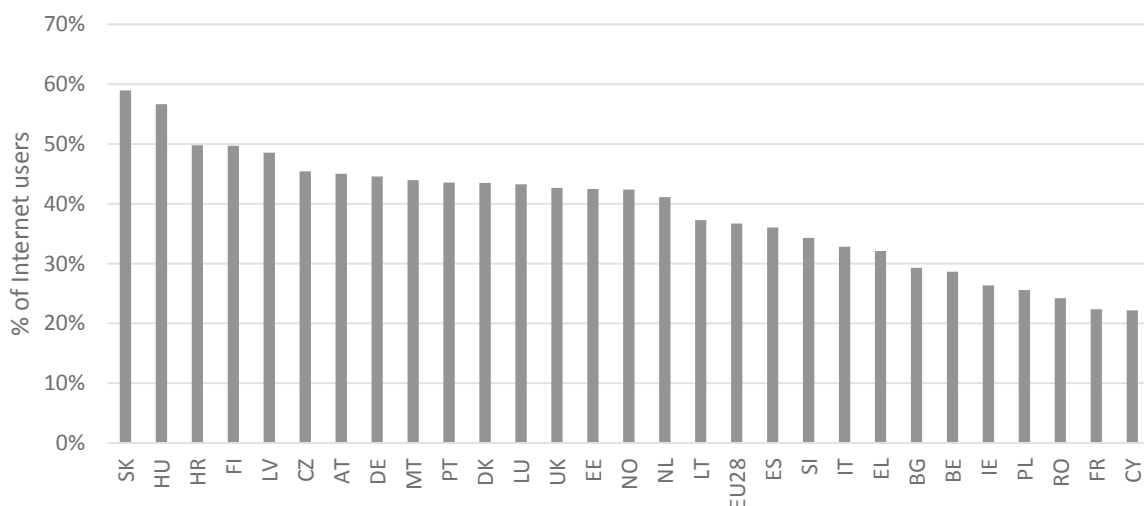
Privacy: However, Only 37 % of internet users read privacy policy statements before providing personal information online

When asked if they read privacy policy statements before providing personal information on the internet only 37 % of internet users in the EU said they did in 2016.⁴ In fact in all countries but two, Slovakia and Hungary, the figure is at or below 50%.

Across countries, the rate of internet users reading privacy policy statements differs substantially.

While over half the internet users in Slovakia (59 %), Hungary (57 %), Croatia (50 %) and Finland (50 %) do so, in Cyprus (22 %), France (22 %) and Romania (24 %) it is less than a quarter.

Figure 3.13: Individuals reading privacy policy statements before providing personal information online, 2016 (% of internet users)



Source: Eurostat - Community survey on the ICT usage in households and by individuals

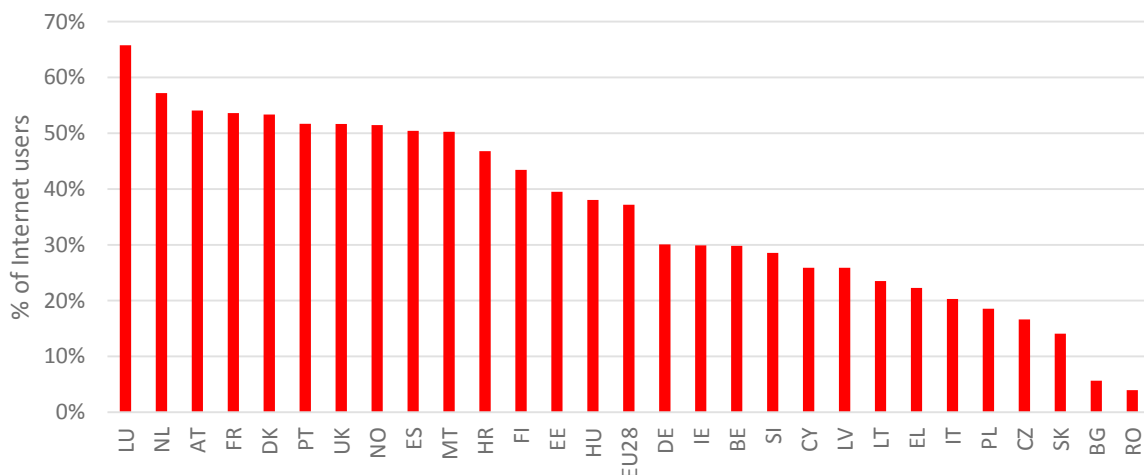
⁴ No data available for Sweden

Privacy: only 37 % of internet users check that websites are secure before providing personal information

When asked whether they had checked that the websites where they needed to provide personal information were secure (e.g. https sites, safety logo or certificate) 37 % of EU citizens who had used the internet in the previous 12 months said they had done so.⁵

While in Luxemburg almost two thirds of internet users check the security of websites before providing their personal information, in Bulgaria and Romania it is only 6 and 4 %, respectively.

Figure 3.14: Individuals who check that websites are secure before providing personal information online, 2016 (% of internet users)



Source: Eurostat - Community survey on the ICT usage in households and by individuals

⁵ No data available fro Sweden

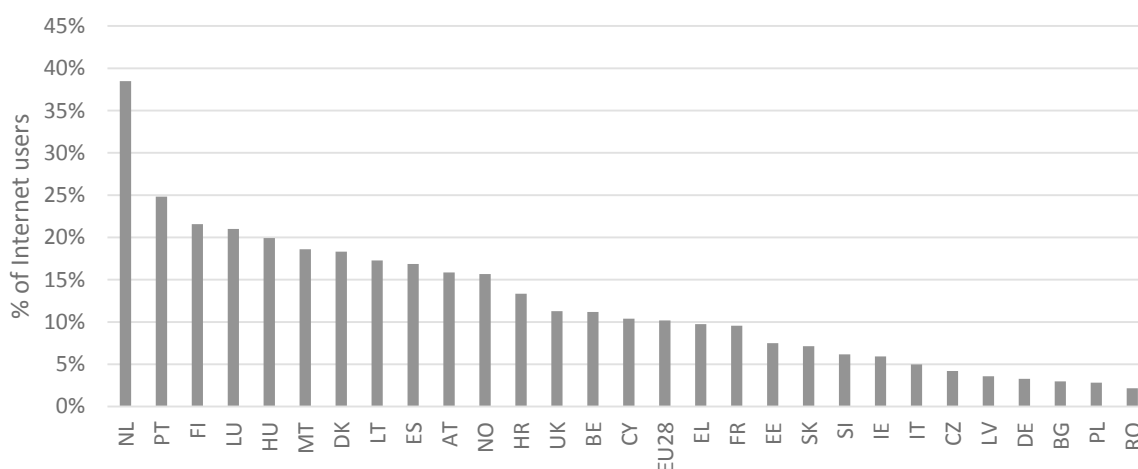
Privacy: Very few internet users ask websites to update or delete their personal information

As yet, very few internet users in Europe take advantage of their "right to be forgotten" i.e. their right to ask websites or search engines to update or delete personal information they hold about them online. When questioned, only 10 % of people who used the internet in the last 12 months had asked websites or search engines to update or delete the information they held about them.⁶ However, figures vary widely across the EU. Internet users in the Netherlands for example are much more active in requesting changes to their personal information online, with 38 % having done so in 2016. This contrasts sharply with shares at or below 25 % for all other EU countries. In a handful of countries (Germany, Bulgaria, Poland and Romania) only 2 – 3 % of internet users have requested updates or deletion of personal information.

The "Right to be Forgotten" ruling – In its ruling of 13 May 2014 the EU Court said: ... c) Individuals have the right - under certain conditions - to ask search engines to remove links with personal information about them. This applies where the information is **inaccurate, inadequate, irrelevant** or **excessive** for the purposes of the data processing (para 93 of the ruling). The court however clarified that **the right to be forgotten is not absolute** but will always need to be balanced against other fundamental rights, such as the freedom of expression and of the media (para 85 of the ruling). As such, **a case-by-case assessment is needed** in considering the types of information in question, its sensitivity for the individual's private life and the interest of the public having access to that information. The role the person requesting the deletion plays in public life might also be relevant.

Source: Factsheet on the "Right to be Forgotten" ruling (C-131/12)

Figure 3.15: Individuals who ask websites to update or delete their personal information, 2016 (% of internet users)



Source: Eurostat- Community survey on the ICT usage in households and by individuals

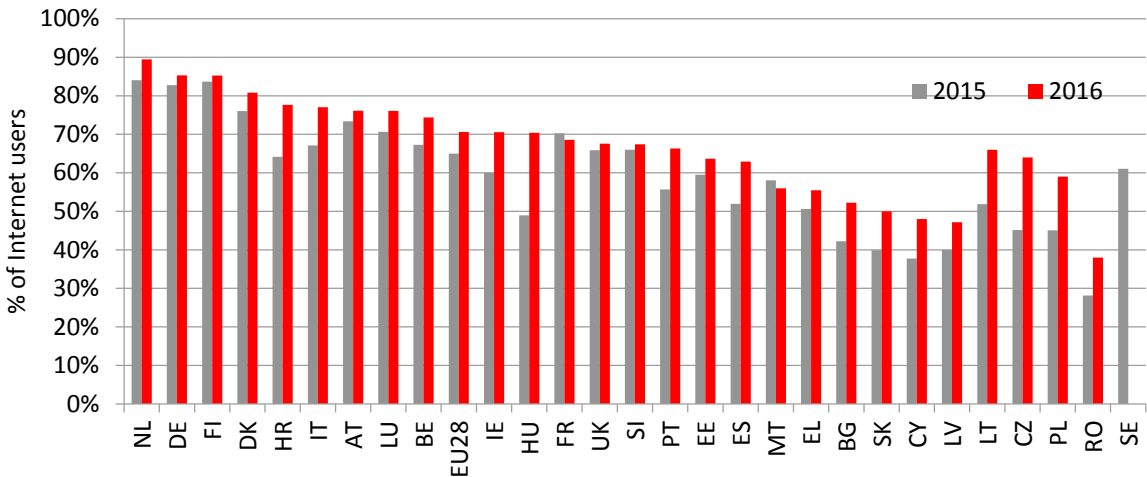
⁶ No data available for Sweden

Privacy: Awareness about cookies for advertising purposes

71% of internet users in the EU are aware that cookies can be used to trace online activity for advertising purposes. This marks a substantial increase in awareness over 2015 (+ 6 pp.). Awareness about the possibility to track online behaviour increased in almost all European countries over this period. The biggest increases in awareness were observed in Hungary (+ 21 pp.) and the Czech Republic (+ 18 pp.). By contrast, there was a marginal decline in awareness amongst internet users in France and Malta.

However, levels of awareness vary substantially across the EU. While over 80 % of internet users in the Netherlands, Germany, Finland and Denmark are aware that cookies can be used to trace online activity for advertising purposes, only 38 % of Romanians are aware of this. In general the awareness is higher in countries with higher levels of Internet use and digital skills.

Figure 3.16: Individuals who know that cookies can be used to trace online activity (% of internet users)



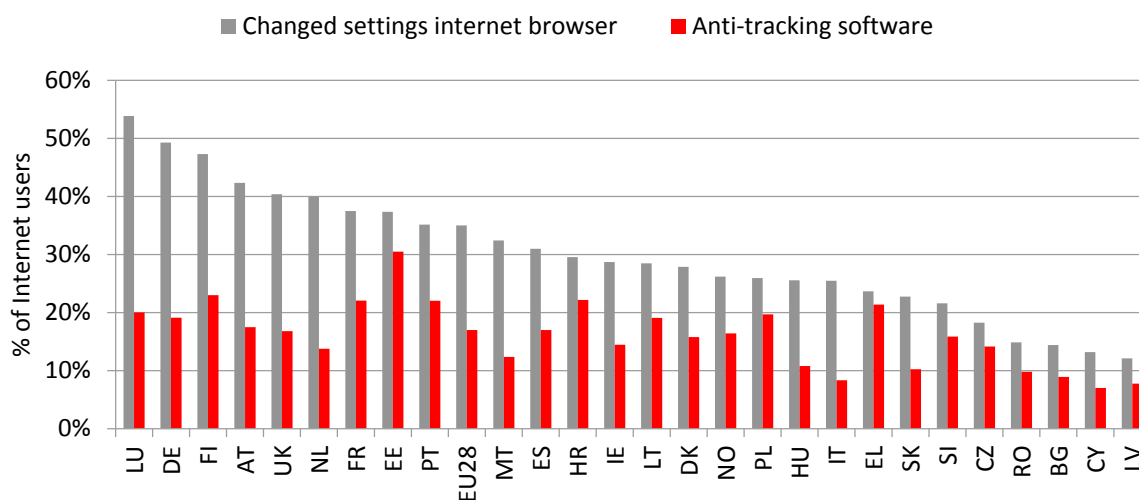
Source: Eurostat - Community survey on the ICT usage in households and by individuals

Privacy: Users who limit their traceability online by anti-tracking software or browser settings

There are two ways to limit a website's ability to track user behaviour and history on the internet. The first is to limit the number of cookies by changing the internet browser settings. A more advanced method is to use special anti-tracking software (software that limits the ability to track the activities on the internet). This can limit cookies as well as other traces online. On average in the EU, changing browser settings (35 %) is more widely spread among European internet users than is using anti-tracking software (17 %). And this is the case for all countries.

Across Member States, changing browser settings is most wide spread amongst internet users in Luxemburg (54 %), Germany (49 %) and Finland (47%) and less spread in Latvia (12 %), Cyprus (13 %) and Bulgaria (14%). Use of anti-tracking software is highest in Estonia (31 %) and Finland (23 %). It is lowest in Cyprus (7 %), Italy and Latvia (both 8 %).

Figure 3.17: Internet users who limit their online traceability by changing the settings and by using anti-tracking software, 2016



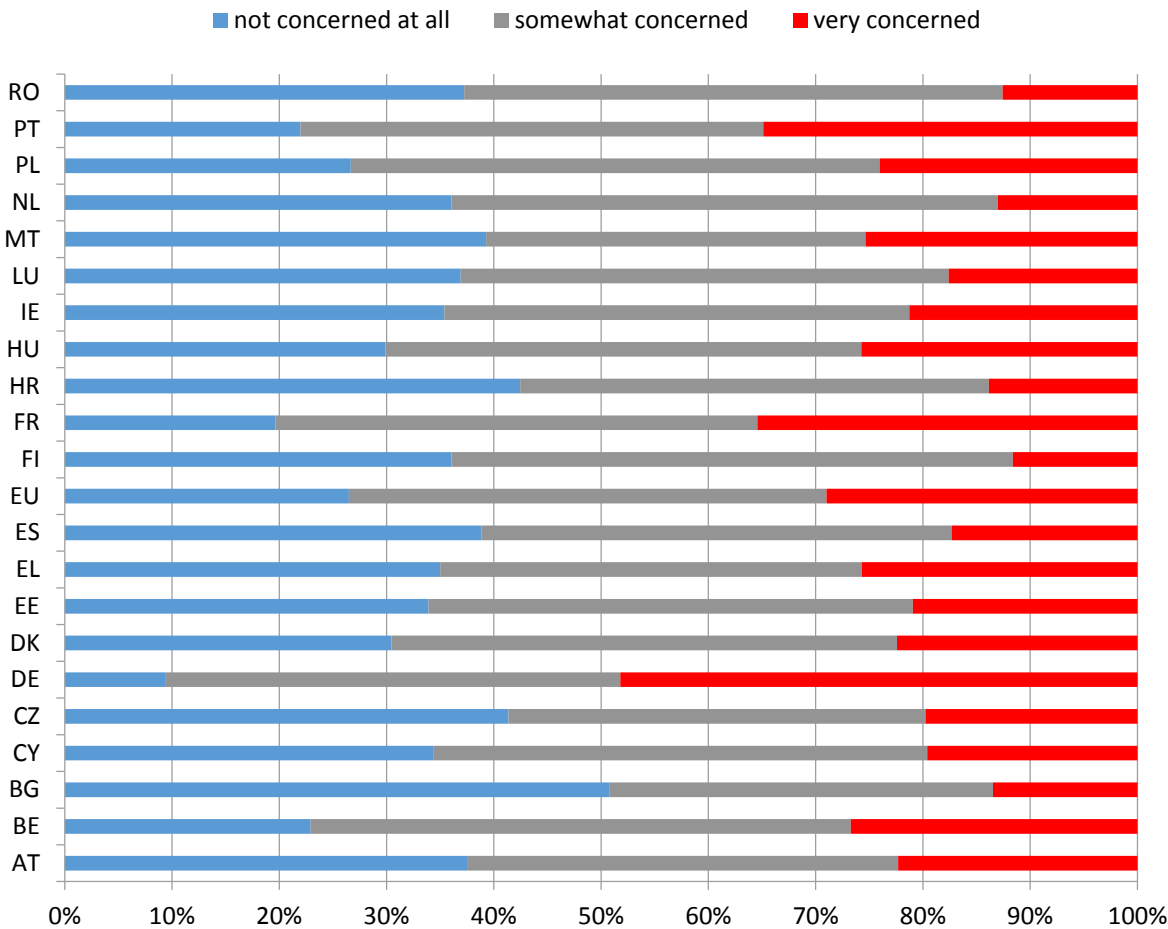
Source: Eurostat – Community survey on the ICT usage in households and by individuals

Privacy: Concern about online activities being recorded for advertising

Most internet users are concerned about their online activities being recorded. Indeed on average in the EU 73 % of internet users are concerned to some extent.⁷ While 44 % are somewhat concerned, 29 % say they are very concerned. Only 26 % are not at all concerned.

There is some variation across Member States in the degree of concern. In particular, German internet users show the highest rates of concern over their online activities being recorded. 90 % of internet users in Germany are to some extent concerned. 48 % are very concerned. The French internet users are also relatively more concerned with shares of 80 % and 35 %, respectively. Relatively less concerned over being recorded online is displayed by internet users in Slovenia, Slovakia and Bulgaria. Although even here more than 40 % of internet users are to some extent concerned.

Figure 3.18: Individuals' concern about their online activities being recorded, 2016 (% of internet users)



Source: Eurostat – Community survey on the ICT usage in households and by individuals

⁷ EU data do not include Italy, Latvia, Sweden and the United Kingdom.

