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NOTE

From: General Secretariat of the Council
To: Delegations

Subject: European semester/Annual Growth Survey
- Preparation of a contribution on Telecommunication aspects to
digitalization of the EU competitiveness, growth and jobs

With a view to facilitating the above preparation, delegations will find attached a note requesting their written contributions by 27 February, if possible, on the basis of three guiding questions.

Preparation of a contribution on Telecommunication aspects to digitalization of the EU
competitiveness, growth and jobs

European semester/Annual Growth Survey

Introduction

The 2015 European Semester has been launched with the publication of the Annual Growth Survey (AGS) for 2015, issued on 28 November 2014, in which the Commission outlines the main features of its new jobs and growth agenda. The AGS, together with the documents accompanying it, sets out the Jobs, Growth and Investment Package as a first priority in the Political Guidelines for this Commission.

In the context of the European semester, the Latvian Presidency is planning to hold policy debates in various Council formations (ECOFIN, COMPET, TTE (Energy, Transport, Telecommunications), ENVI and EPSCO Councils) as part of a broader debate on the policies and relevant initiatives (i.e. Investment Plan for Europe, Energy Union, Digital Single Market Strategy, Single Market and Industrial Policy). These policy debates will touch upon issues such as governance, implementation, investments and paying special attention to digital aspects. Discussions will be summarized in a joint synthesis report to the March General Affairs Council with a view to the March European Council.

In the AGS, the Commission recommends three main pillars for the EU's economic and social policy in 2015:

- A renewed commitment to structural reforms;
- Pursuing fiscal responsibility;
- A coordinated boost to investment.

The 2015 Annual Growth Survey also calls on Member States to pursue the implementation of structural reforms. It refers to the need to ensure skilled work force in particular for sectors such as the digital economy. It calls for modernising the functioning of network industries, upgrading infrastructure capacity and further opening services sectors as key elements for improving the flexibility of product and services markets. It refers to the potential of e-Health in reforming healthcare systems, of e-procurement in improving the business environment, and of ICT in enhancing the efficiency of judicial systems as well as to the need to adapt public administration in general to the needs of the digital economy.

Finally, the Annual Growth Survey for 2015 highlights the importance of investment to the recovery of the EU economy and calls for focusing the additional funds on infrastructure, notably broadband networks.

The policy debate

European Semester has the potential to increase the focus towards digital aspects by deliberating on how enhancing the use of digital technologies and online services should become a horizontal policy, covering all sectors of the economy and of the public sector within the AGS. Digital technology introduces new ways of producing goods and delivering services from cars and chemicals to retail distribution and energy, reshaping the way we work and learn. Being well-positioned in the digital economy will determine the EU's future competitiveness and pathway to renewed growth. Digital services are vital for the efficiency and security of Europe's key strategic infrastructures. And most importantly, it offers enormous benefits to society – access to goods and services and to information, freedom of expression, creativity, better healthcare and public services. The global economy is transforming into a digital one. Information and Communications Technology is not only a sector but the foundation of a modern innovative economy.

The Commission's 2015 Work Programme sets out Digital Single Market strategy as one of key actions to be initiated this year. This Strategy will identify the major challenges to complete a secure, trustworthy and dynamic Digital Single Market, and could potentially focus on six strands: building trust and confidence, removing restrictions, ensuring access and connectivity, building the Digital economy, promoting e-society and investing in world-class ICT research and innovation, has to be taken into account.

In order to advance further digitalisation, the Presidency in general attaches great importance to the horizontal principle of 'digital by default' – integration of digital aspects and solutions in all policy areas and initiatives, while recognizing the need to ensure trust, security and resilience. The trust in the Digital Single Market is crucial for customers and should serve as platform in providing digital services and content. Equally, there is a need for comprehensive approach fostering the use of digital services and competition to release full potential of digital economy, including necessary conditions and support also for SMEs and start-ups.

Given growing cyber security concerns network and information security has to be strengthened by adopting high standards, in particular through regulation, but also exploring and introducing new approaches/initiatives. Digital transformation of Europe should level its global role as a leading player in technologies sector. The Latvian Presidency strives to promote digital themes in various Council formations also with a view to provide input for the June European Council.

In light of the above, delegations are invited to indicate their views on the following questions:

- 1) Which horizontal policy measures could best affect a variety of sectors at the same time? In this respect, where do you see EU action/-s needed the most?*
- 2) Which of the six strands, in your opinion, European Commission puts forward to complete the Digital Single Market has to be addressed first in the short term and why?*
- 3) What is the best way forward to attract private investors and what should be the role of the private sector to increase the competitiveness of European companies in the global arena?*

Delegations' written contributions will be synthesized and then feed into the overall report on the Annual Growth Survey to be presented to the General Affairs Council of 17 March. Contributions by 27 February would be much appreciated.