



**COUNCIL OF
THE EUROPEAN UNION**

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NOTE

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| from: | General Secretariat of the Council |
| to: | Delegations |
| No. prev. doc.: | 15803/13 ECOFIN 984 SOC 904 COMPET 781 EDUC 425 ENV 1025 RECH 509 ENER 502 FISC 214 |
| Subject: | European semester / Annual Growth Survey - Preparation of a contribution on telecommunication aspects |

With a view to facilitating the above preparation, delegations will find attached a note on the above.

European semester / Annual Growth Survey**Preparation of a contribution on Telecommunication aspects**

Like for several other policy areas a contribution on Telecommunication aspects will have to be prepared for the European semester exercise and to review progress and challenges in the implementation of the Europe 2020 strategy for growth and jobs. An overall roadmap for this exercise is set out in doc. 16359/13.

Both the Annual Growth Survey 2014 (15803/13) and the Commission report "A single market for growth and jobs: An analysis of progress made and remaining obstacles in the Member States" (16171/13, notably section 2.6) provide the Commission's perspective and assessment on progress and challenges, in the framework of unchanged medium term priorities, namely:

- Pursuing differentiated, growth-friendly fiscal consolidation
- Restoring lending to the economy
- Promoting growth and competitiveness for today and tomorrow
- Tackling unemployment and the social consequences of the crisis
- Modernising public administration.

Regarding Market performance and obstacles to EU integration on the Digital markets while noting that progress have been made in several respects and that the observations below do not apply to the same extent to all Member States the Commission points out i.a. that:

- Several inter-related factors contribute to the good performance of digital markets. Advanced countries in e-commerce typically display a high intensity of the e-economy, such as high levels of broadband penetration and internet use, and strong internet skills across the population.
- The availability of fixed broadband infrastructure, which is crucial for digital markets, has progressed moderately but steadily.
- The mobile sector has generally benefited from competition and continuously growing take up of mobile broadband, but is hampered by delays in spectrum release. More than half of the Member States have still not made available the 800 MHz band for wireless broadband

- Price differences between the Member States remain generally high and have been persistent over time. This, combined with persistent barriers to switching operators, highlight the need to deepen the Single Market for electronic communications
- On average for the EU, online commerce continues to grow domestically as well as cross border. However, it is still a mainly domestic commerce.
- Cross-border e-commerce is still limited, with the proportion of individuals in the EU making purchases from other EU Member States increasing but only marginally
- ICT for public sector efficiency is an underestimated lever for growth-friendly fiscal consolidation and structural reforms, notably through eGovernment, cloud-based services, eHealth and smart and interoperable energy and transport grids, as well as through the opening up of public sector information.
- The EU's "intellectual property infrastructure" must be reinforced as the ICT sector, as well as those increasingly opting for the Internet as a distribution channel, are often very reliant on intellectual property rights
- Even state-of-the-art networks and technologies cannot deploy their full potential for growth and jobs if they are not used fully, due to a lack of ICT skills in the work force.

Based on the foregoing, the Commission identify the following priorities for Member States:

- Ensure the proper functioning of the electronic communications markets by reinforcing their national regulatory authorities and by implementing regulation that supports a competitive deployment of high speed broadband and with targeted public support where necessary
- Complete the assignment of the 800 MHz frequency bands as soon as possible and bring the radio spectrum available for wireless broadband to a total amount of at least 1200 MHz, and remove barriers to the efficient deployment and use of wireless broadband networks.
- Put in place favourable conditions in the various areas affecting online services
- Support the use of ICT by improving access to financing the connectivity and usage for SMEs and investing in ICT skills
- Adopt a comprehensive and up-to-date cyber-security strategy and designate an entity for its implementation and for cooperation with other Member States.
- Increase the availability of user-friendly on-line public services, make e-procurement interoperable and roll it out more widely across the various levels of administration, and promote more frequent use of e-invoicing. Promote open cloud based services. Deploy eHealth interoperable solutions, and further promote the use of ICT for interoperable smart energy and transport grids.
- Consider possible reductions of costs and average delays for registering national patents and trademarks.

In light of the above and taking into account priorities identified by the December European Council for the 2014 Semester could delegations indicate:

1. *Whether they concur with the above assessment as regard the main obstacles to the achievement of the Europe 2020 objectives in the telecom and digital sector ? Are there any other issues to be assessed in this respect?*
2. *Which measures in the telecom and digital sector have the biggest potential to contribute to growth and competitiveness and should thus be prioritised ?*

Delegations' written contributions will be synthesized and then feed into the overall report on Europe 2020 due to be presented to the General Affairs Council.

Contributions by 24 January would be much appreciated.
