

# The digital transformation of business in the EU

*Europe's Digital Decade: Digital Target for 2030*

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# THE EUROPEAN CONSTRUCTION: THE VISION

THE EUROPEAN UNION WAS CREATED AS A  
RESULT OF **POST WAR COOPERATION** IN EUROPE  
TO ENSURE **PEACE, PROSPERITY AND STABILTY**  
ON THE CONTINENT

# KEY POINTS ABOUT THE EUROPEAN UNION

- Supranational political and economic union of 27 member States (4.2 million of km<sup>2</sup> and 450 millions people)
- Single Market based on standardised legal framework and legislation
- EU policy ensure free movement of people, goods, services and capital within the Single market
- Common policy on trade, agriculture, fisheries and regional development
- EURO as a single currency for 20 member states
- Common Foreign and Security Policy for external relations

# EU Priorities for 2019-2024

- An European Green Deal: Striving to be the first climate-neutral continent
- **A Europe fit for the Digital Age:** Empowering people and business with a new age of technology
- An Economy that Works for People: Ensuring social fairness and prosperity
- A Strong Europe in the World: Reinforcing the EU Global Leadership
- Promoting our European Way of Life: Protecting EU citizens and EU values
- A New Push for European Democracy: Nurturing, protecting and strengthening EU Democracy

# DIGITALISATION IS A GLOBAL ISSUE

Digital technology and infrastructures have a critical role in our **private lives** and **buisness** environments

Digital technology is only a **tool** to ensure a better life

# LESSONS FROM COVID-19

- COVID shown digital transformation is part of the firm survival
- Many firms invested in digitilisation: 46% reports action to become more digital
- Umbalanced response by Regions of the EU
  - 48% in Western and Northern Europe
  - 43 % in Southern Europe
  - Only 37% in Eastern Europe
- Larger firms are likely to have invested more
- The digital divide between firms may continue to grow over time

# A EUROPE FIT FOR DIGITAL AGE

Empowering people and business with a new generation of technologies

The aim of EU Digital Strategy is to make the digital transformation works both for **PEOPLE** and **BUSINESS**, *while helping to achieve its target of a climate neutral Europe by 2050.*

Europe must strengthen its **digital sovereignty** and set its own standards with a clear focus on data, technology and infrastructure

The timeline is the **Digital Decade at horizon 2030**

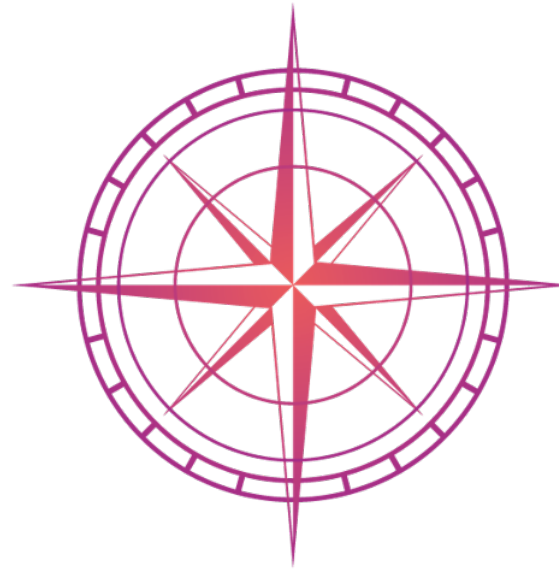
# THE DIGITAL COMPASS

## Skills

20 million employed **ICT specialists**, more graduates + gender balance  
80% of adults can **use tech** for everyday tasks

## Government

**Key Public Services** - 100% online  
Everyone can **access health records online**  
Everyone can use **eID**



## Infrastructure

**Gigabit connectivity** for everyone, **high-speed mobile coverage** (at least 5G) everywhere  
EU produces 20% of world's **semiconductors**  
10 000 **cloud edge nodes** = fast data access  
EU **quantum computing** by 2025

## Business

75% of companies using **Cloud, AI or Big Data**  
Double the number of **unicorn startups**  
90% of **SMEs taking up tech**



# MAIN ACTIONS FOR DIGITAL AGE

- **DIGITAL SERVICE ACT**
- **DIGITAL MARKET ACT**
- **EUROPEAN CHIPS ACT**
- EUROPEAN DIGITAL IDENTITY
- **ARTIFICIAL INTELLIGENCE**
- **EUROPE DATA STRATEGY**
- **EUROPEAN INDUSTRIAL STRATEGY**
- CONTRIBUTING TO EUROPEAN DEFENSE
- SPACE
- EU-US TRADE AND TECHNOLOGY COUNCIL

# DIGITAL SERVICE ACT

## Common set of rules accross the Single Market

- Common rules rebalance the responsibilities of users, plateform and public authorities according to European values, placing the citizens a the centre.  
The rules are:
  - Better protect consummers and their fundamental rights online
  - Establish a powerful transparency and clear accountability framework for on line plateforms
  - Foster innovation, growth and competitiveness within the Single Market

# THE SINGLE MARKET

## Greatest achievement of the EU

- **Set common values and standards.** It ensure that products and services are safe and meet requirement on:
  - Labour Protection
  - Environment Protection
- Guarantees the « **four freedoms** » : free movement of goods, capital, seivces and labour people
- Createnew opportunities
  - To **move freely** around the EU
  - To create more choice in products and services at **competitive levels**
  - Help business **to protect their supply chains**
  - Support **finding solution to new challenges** (eg Energy crisis)

# KEYS GOALS OF THE DIGITAL SERVICE ACT For Citizens

- Better protection of fundamental rights
- More choice, lower prices
- Less exposure to illegal content

# KEYS GOALS OF THE DIGITAL SERVICE ACT For Providers of Digital Services

- Legal certainty, harmonisation of rules
- Easier to start-up and scale-up in Europe

# KEYS GOALS OF THE DIGITAL SERVICE ACT For Business Users of Digital Services

- More choice, lower prices
- Access to EU-wide markets through platforms
- Level-playing field against providers of illegal content

# KEYS GOALS OF THE DIGITAL SERVICE ACT For Society at Large

- Greater democratic control and oversight over systemic platforms
- Mitigation of systemic risks, such as manipulation or disinformation

# DIGITAL MARKET ACT

Ensuring fair and open digital market

- The Digital Markets Act aims to ensure that the large online platforms acting as "gatekeepers" in digital markets **behave in a fair way online.**
- Together with the Digital Services Act, the Digital Markets Act is one of the centrepieces of the European digital strategy.
- It ensure a continuation of the **Single Market amid the digital transformation**



# DIGITAL MARKET ACT

## Benefits

- **Business users** (who depend on gatekeepers) to offer their services in the single market will have a **fairer business environment**.
- **Innovators and technology start-ups** to compete and innovate in the online platform environment **without having to comply with unfair terms and conditions limiting their development**.
- **Consumers** will have **more and better services to choose from**, more opportunities to switch their provider if they wish so, direct access to services, and **fairer prices**.
- **Gatekeepers** will keep all opportunities to innovate and offer new services. **They will simply not be allowed to use unfair practices towards the business users and customers** that depend on them to gain an undue advantage.

# OBLIGATIONS FOR GATEKEEPERS

The Digital Market Act establishes obligations for gatekeepers:

“do’s”      “don’ts”

This new rules must be complied with in the daily operations of Gatekeepers.

# EXAMPLES OF THE “do’s”

- allow third parties to inter-operate with the gatekeeper’s own services in certain specific situations
- allow their business users to access the data that they generate in their use of the gatekeeper’s platform
- provide companies advertising on their platform with the tools and information necessary for advertisers and publishers to carry out their own independent verification of their advertisements hosted by the gatekeeper
- allow their business users to promote their offer and conclude contracts with their customers outside the gatekeeper’s platform

# EXAMPLE OF THE “don'ts”

- treat services and products offered by the gatekeeper itself more favourably in ranking than similar services or products offered by third parties on the gatekeeper's platform
- prevent consumers from linking up to businesses outside their platforms
- prevent users from un-installing any pre-installed software or app if they wish so
- track end users outside of the gatekeepers' core platform service for the purpose of targeted advertising, without effective consent having been granted

# MARKET INVESTIGATIONS TO KEEP UP

- qualify companies as gatekeepers
- update dynamically the obligations for gatekeepers when necessary
- design remedies to tackle systematic infringements of the Digital Markets Act rules

# THE CONSEQUENCES OF NON-COMPLIANCE

- **Fines:** of up to 10% of the company's total worldwide annual turnover, or up to 20% in the event of repeated infringements
- **Periodic payment penalties:** of up to 5% of the average daily turnover
- **Remedies:** in case of systematic infringements of the DMA obligations by gatekeepers, **additional remedies** may be imposed on the gatekeepers after a market investigation

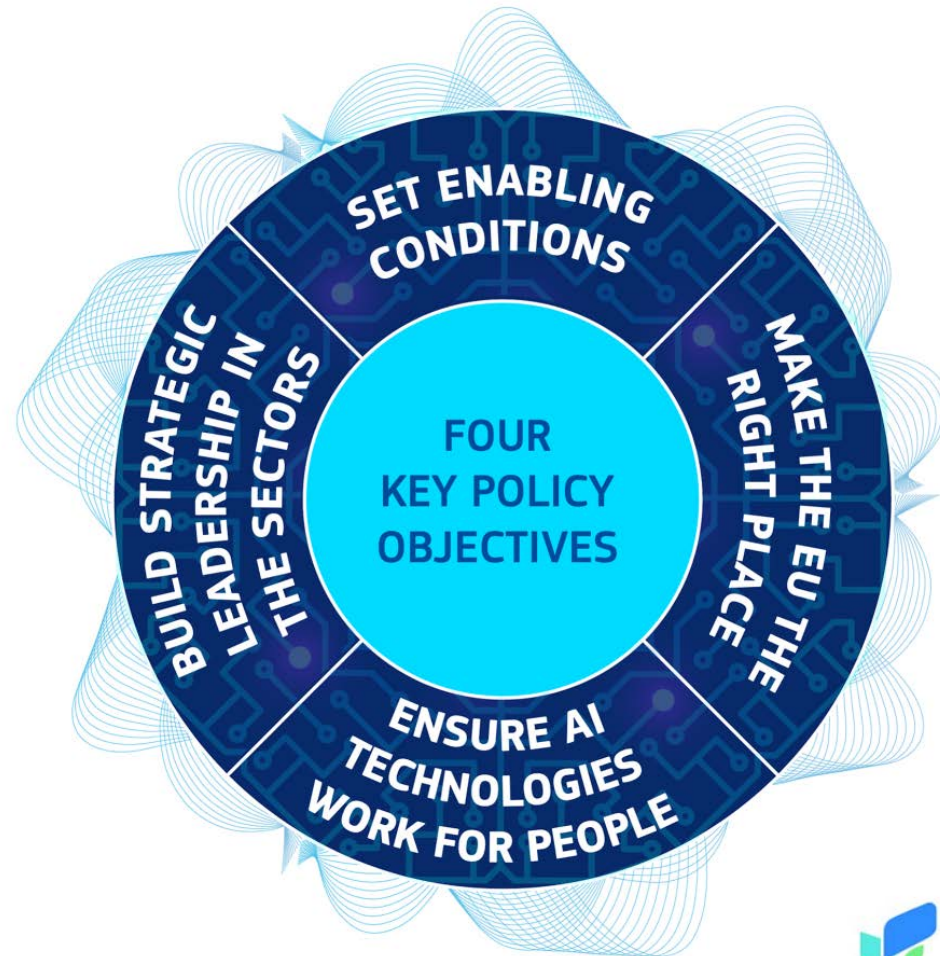
# EUROPEAN CHIPS ACT

No chips, no digital

- Chips are the essential building blocks of digital products
- In 2020, on **1 Trillion of microchips** manufactured in the World only **10 % come from EU**
- Built on exiting research EU programme such as Horizon Europe and Digital Europe Programme to strenghten EU semiconductors ecosystem
- Boosting EU investment up to € 43 Billion until 2030
- Objectif: reduce external dependencies

# ARTIFICIAL INTELLIGENCE

Encourage business to develop AI and make it a force for good





# EUROPEAN DATA STRATEGY

Make the EU a leader in a data-driven society

- **The EU is creating a single market for data where**
  - data can flow within the EU and across sectors, for the benefit of all
  - European rules, in particular **privacy and data protection**, as well as **competition law**, are fully respected
  - the rules for access and use of data are fair, practical and clear
- **The EU will become an attractive, secure and dynamic data economy by**
  - setting clear and fair rules on access and re-use of data
  - investing in next generation tools and infrastructures to store and process data
  - joining forces in European cloud capacity
  - pooling European data in key sectors, with common and interoperable data spaces
  - giving users rights, tools and skills to stay in full control of their data

# EUROPEAN INDUSTRIAL STRATEGY

Transition towards climate neutrality and digital leadership

- The European industrial strategy aims to ensure that **European industry can lead the way as we enter the new age, towards climate neutrality and digital leadership**
- SMEs are primary vehicles of innovation
- Diversified international partnerships
- Strengthen industrial alliances
- Monitoring of Strategic Dependencies

# TO CONCLUDE: MESSAGES TO REMEMBER

- THE EUROPE UNION IS **FULLY IN ITS ROLE IN ORGANISING THE NEW CONDITIONS AND RULES** IN ORDER TO SMOOTHLY OPERATE THE SINGLE MARKET IN THE FRAMEWORK OF THE DIGITAL TRANSITION
- IT WILL GIVE THE **NECESSARY GUARANTTEE TO BUISNESS TO DEVELOP WITHIN A FAIR AND BALANCED SINGLE MARKET.**
- THIS IS CRUCIAL TO KEEP THE **EU SOUVERAINTY ON DIGITAL TRANSFORMATION** TO ALLOW A STRONG GROWTH OF EU ECONOMY.

# KATA RAHMAT!



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