



The Importance of ICT and eBusiness for Entrepreneurship

National Information Event on ICT and Entrepreneurship

**National Documentation Centre (EKT/NHRF) in collaboration
with the Hellenic Association of ICT Engineers**

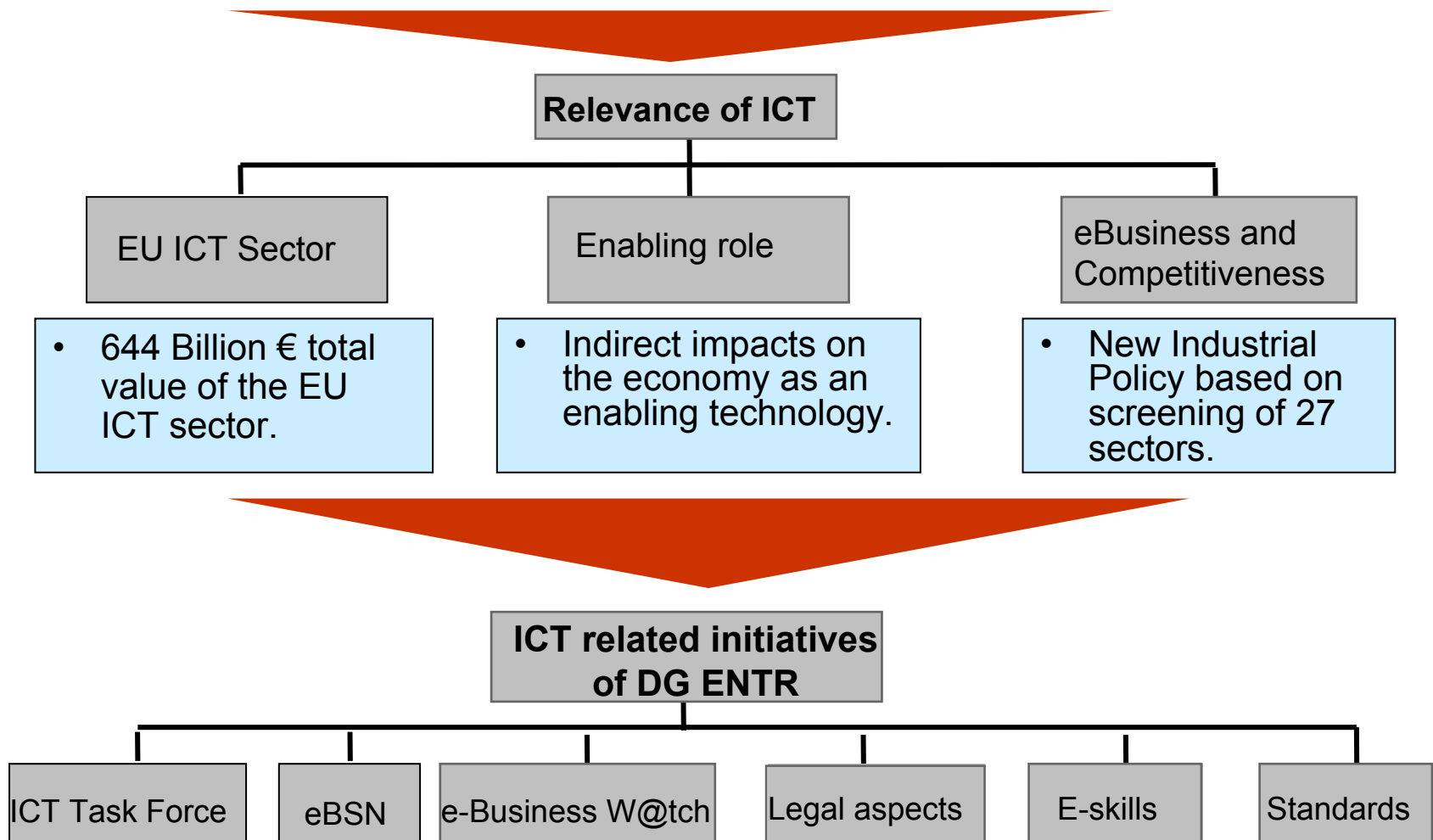
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The relevance of ICT

The Renewed Lisbon Strategy to create jobs and growth by increasing competitiveness





Some figures and the importance of the EU ICT sector

Figures

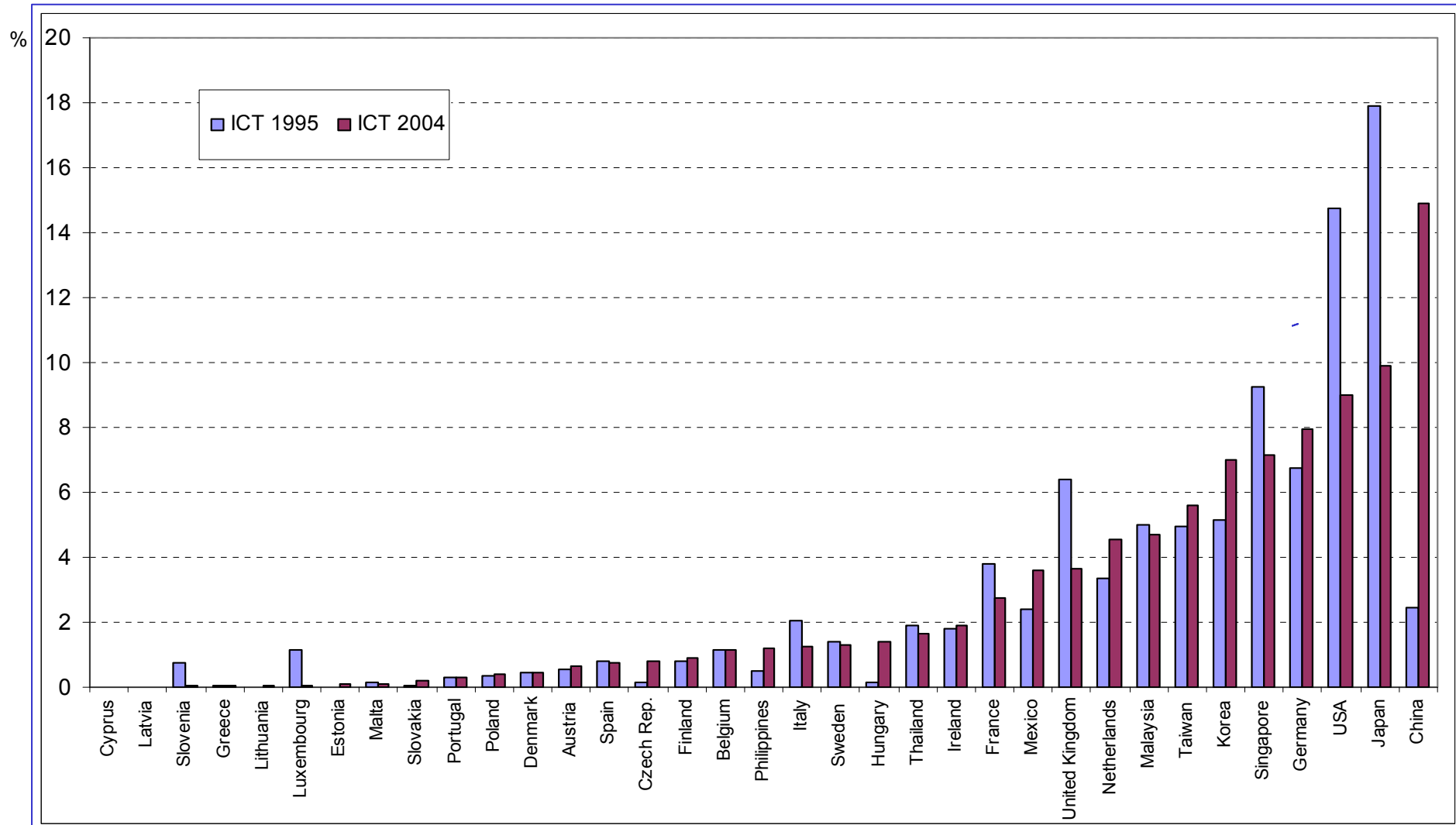
- The EU ICT sector represents with 644 Billion Euro (over 5 % of EU GDP in 2006).
 - Software has a share of 11.1 % of the total ICT market value, which means 71.5 Billion €.
 - The IT services have a share of 20.5 %, which means 132 Billion €.
- 50 % of the EU productivity growth, (1,1% between 2000-2004) comes from ICT.
- The ICT sector represents 3,4 % of EU employment.

ICT as a General Purpose Technology

- Important indirect impacts on the economy as an enabling technology.
- ICT enabled innovations.
- ICT relevance for leaner and more efficient business processes along the whole value chain.
- ICT relevance for efficient relations with customers and suppliers.
- According to a recent study* “Money spent on computing technology delivers gains in worker productivity that are three to five times those of other investments”.



Export shares in ICT manufacturing industries 1995 and 2004





The competitiveness of the EU ICT sector

Strengths

- The EU ICT sector is successful in producing sophisticated and high-quality ICT products.
- It is particularly strong in chip design, software development and ICT services.
- One of the key strengths of the EU ICT sector is its human capital.
- Strategic R&D is performed in the EU while less knowledge-intensive market oriented R&D is located in South-East Asia.

Weaknesses

- The ICT manufacturing trade deficit was 55 billion euros in 2004.
- Small innovative start-ups hardly grow into global scale.
- Large parts of ICT hardware production and software coding have been relocated to South-East Asia.
- The ICT uptake in other parts of the economy is slower than in USA and Japan.
- Lower investment growth than in emerging economies threatens lower value added activities in the EU.
- Lower R&D intensity than US or Japan, R&D concentrated in larger companies.

Climb up the quality ladder to compete with low-cost areas



The New Industrial Policy approach

Communication COM (2005) (474)

Based on a systematic screening of the policy challenges of 27 sectors.

7 new (horizontal) initiatives such as on

- competitiveness,
- intellectual property rights,
- better regulation,
- industrial research and innovation,
- skills, etc.



7 additional sector specific initiatives including

- Information and communication technologies (ICT).

A Task Force for the ICT sector



ICT Task Force

Mandate

Identify major obstacles to competitiveness / uptake, help mobilise sector, recommend policy responses

Membership

Industry: incumbents, new entrants, large / medium firms

Civil society: EMF, UNI-Europa, UEAPME, Eurochambres, BEUC, EVCA, academia

MAIN MESSAGE

"Commission's ICT policy is on the right track."

The Council's conclusions endorsed the utility of the Staff Working Paper and encouraged the Commission to press forward with policy initiatives in the following areas...



Resulting activities from the ICT Task Force

- **Promote ICT uptake and entrepreneurship**
- **Strengthen internal market and create a single regulatory environment**
- **Boost innovation**
- **Improve access to finance**
- **Re-dynamise standardisation policy**
- **Develop a long-term e-skills strategy**



Consolidating the internal market for ICT and knowledge-intensive services

- review of regulatory framework for electronic communications
- adoption of Directive on Audiovisual & Media Services

Universal Service in electronic communications

- Green Paper reviewing scope and principle (early 2008)

Comprehensive IPR strategy (2008)

- building on "Enhancing the patent system"



eBSN: Policies to increase ICT and eBusiness uptake

eBSN*

- 200 national and regional ICT and eBusiness policies for SMEs in 30 countries.
- Policy shifts
 - from sponsoring ICT investment towards coaching SMEs to innovate through ICTs and
 - towards sector specific policies.



- eBSN portal offeres a “one-stop-shop”.
- eBSN confirms policy trends and supports policy coordination.
- Supporting SMEs to develop their eBusiness strategy in full cooperation with their business partners.
- A wide range of eBusiness policies at European, national and regional level are increasingly backing up this new trend.



The Sectoral e-Business W@tch 2007 – 2008

- To assess and measure the impact of ICT on ...
 - enterprises
 - sectors
 - the economy in general
- To highlight barriers for ICT uptake
- To identify public policy challenges
- To provide a forum for debate with stakeholders
 - from industry
 - from policy

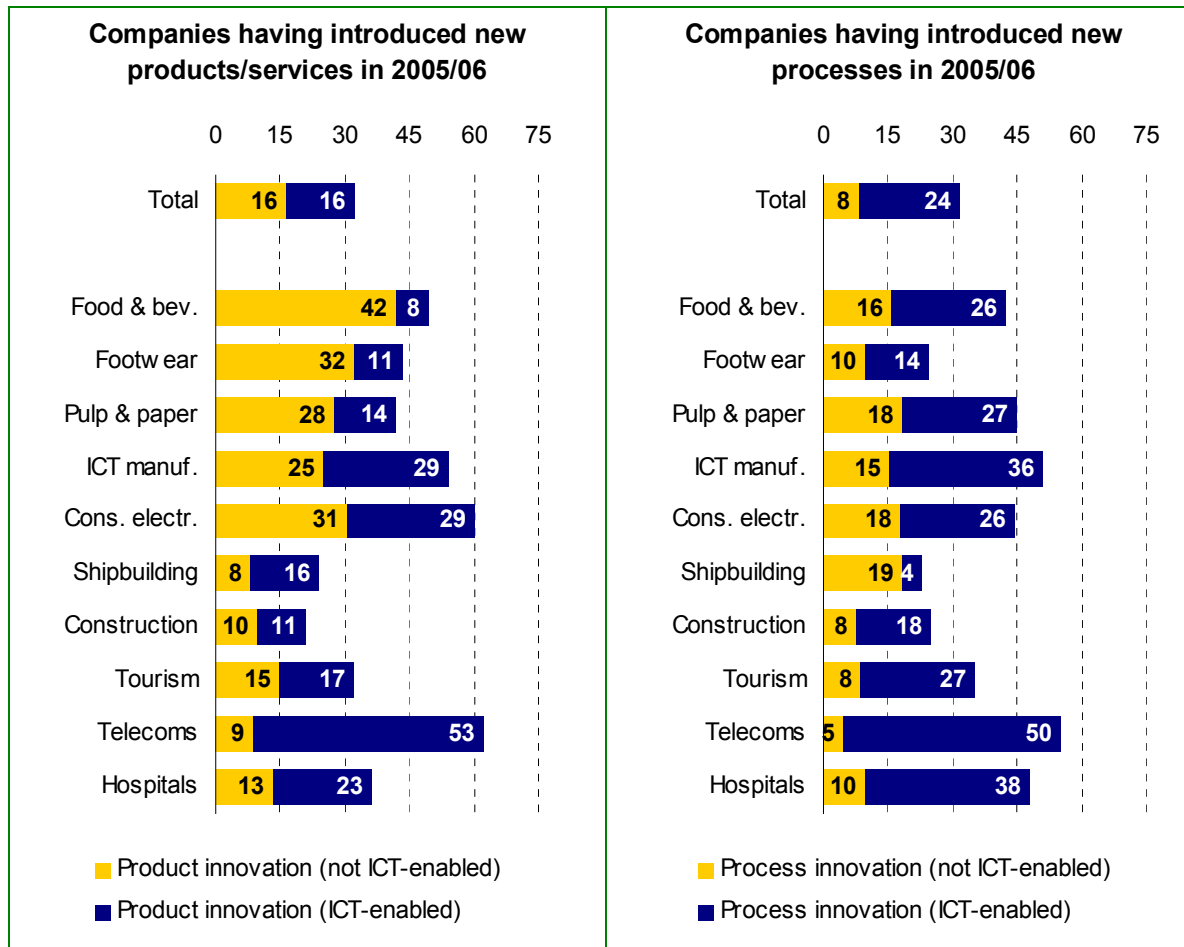


- Sector studies
 - Chemical industries
 - Furniture
 - Steel
 - Retail
 - Transport & logistics
 - Banking
- Cross-sector topic studies
 - RFID adoption and impact
 - Intellectual Property for ICT producing SMEs
 - ICT and e-business implications for energy consumption
 - Economic impacts and drivers of ICT adoption and diffusion
 - Impact on Employment
 - Productivity (process and production costs)
 - Innovation



The enabling role of ICT for innovation according to *eBusiness W@tch*

The role of ICT for product and process innovation



Source: *e-Business W@tch* (Survey 2006)

- In total, companies representing about 1/3 of employment said that they had introduced either new products or new processes in the 12 months prior to the interview.
- More than 2/3 of these process innovations were considered to be ICT-enabled.



Legal issues of ICT and e-business

We support enterprises by facilitating electronic transactions in the internal market:

- Electronic contracting
- E-signatures
- E-invoicing
- E-payments

Moreover, we aim at increasing trust in e-business

- Development of Codes of Conduct for fair online business practices
- IP protection and enforcement in the online environment
- Cooperation with consumer organisations, eg. distant selling directive, data protection, cyber crime



Single Euro Payments Area (SEPA)

Directive on Payment Services

[Proposal: COM(2005) 603 – 1/12/05]

- Adopted by the European Parliament in April 2007.
- Aims to establish a harmonised legal framework for an integrated payments market in the EU
- Applies to all Member States and all EU currencies
- Cross-border payments – by credit card, debit card, electronic bank transfer, direct debit or any other means
- Fair and open access to payments markets, and increased standardised consumer protection.

- EPC committed itself to establishing a SEPA by 2010
- The Directive on Payment Services underpins this payments industry initiative
- Roadmap:
 - 2004-2006 Design and preparation
 - 2006-2008 Implementation and deployment
 - 2008-2010 Co-existence and gradual adoption



SEPA and e-Invoicing

- E-invoicing links internal processes of companies and the payment system.
- Interest of banks in offering e-invoicing services linked to their payment services.
- Promoting e-invoicing and identifying the standards contributes to reduce enterprises' costs.
 - Positive impact on their competitiveness.

- DG MARKT and DG ENTR jointly set up an informal Task Force on e-Invoicing in December 2006.
 - Identify a possible roadmap to address present barriers to e-invoicing.
- Members: key stakeholders (e.g. service providers, solution providers, etc.), standard organizations, and policy makers.
- Deliverables:
 - Interim Report (April 2007)
 - Final Report (end-June 2007)
- A Expert Group planned by the Commission for end of 2007
 - Responsibility for strategic policy development to support the EEI Framework.



E-Skills and Employability

- Background:
 - European e-Skills Forum
 - Riga Ministerial Declaration on e-Inclusion (06/2006)
 - Thessaloniki Declaration (10/2006)*
 - ICT Task Force Report (11/2006)
- ICT Industry led-initiative:
 - e-Skills Industry Leadership Board (06/2007)
- European Policy Communication:
 - e-Skills for the 21st Century: Fostering Competitiveness, Growth and Jobs (07/2007)
 - Long term e-skills agenda
 - Five Action Lines at the EU level
 - E-Inclusion Initiative (2008)



ICT standardisation policy

- ICT Standards annual work programme for 2007 with priority domains, such as:
 - E-Government
 - E-Health
 - Intelligent Transport
 - Data Protection, Network and Information Security
- Study on the future of ICT Standards
 - Analyse the present state of the European ICT standardisation policy and bring forward recommendations for its future development



Conclusions

- ICT matters in economic terms and for business processes
 - Major driver enabling firms in the rest of the economy to increase their productivity and competitiveness.
 - Stimulates research and support collaborative research.
- SMEs needs particular attention
 - eBSN sectoral approach
- Measuring the ICT uptake (eBusiness W@tch) is a very effective and useful tool to draw sectoral policy conclusions.
- Legal issues still exist, some solutions under way (SEPA, e-Invoicing)
- E-skills an issue of horizontal importance
 - Long-term strategy and action plan (2007).
- Re-dynamise ICT standardisation policy as a mean to facilitate a level playing field.



For more information

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- **http://ec.europa.eu/enterprise/ict/index_en.htm**