SPEECH | 20 April 2016

Speech given by Vice-President Ansip at Net Futures 2016: Driving growth in the Digital Single Market

Ladies and gentlemen

As long as the digital age continues to provide society with simple, accessible and affordable options, it will only gain momentum, advance and develop.

Combine that with huge leaps in computing power and connected devices – and we start to see completely new ways to design and build everything.

This is the digital future. Our 'net future'.

The next stage is to link up the physical world with the digital one. It is a key element of our project to build a Digital Single Market in Europe.

It will be based on innovation, driven by research, underpinned by investment:

- to create a favourable environment for technology;

- to support and stimulate new digital products and services;

- to promote the development of the most promising technologies.

And to make sure that European industries and businesses are well positioned to make the most of the opportunities offered by the digital age.

That is why it is so important to prepare the ground for future technology advances, to get the right basic infrastructure – and policies – in place.

Data is the future. That is already clear.

The potential of emerging data-based sectors and their capacity for growth is well known: the app economy, the Internet of Things, high-performance cloud computing. We have to be competitive in all of these new areas. They span many different sectors and are closely interlinked. For example:

- without the Ingternet of Things and seamless plug-and-play systems across the EU, there will be less big data;

- without 5G and standards, we cannot realise the full potential of the IoT or new digital services;

- without cloud, the growth of big data will be held back;

- finally, without good e-government services working cross-borders, businesses will lose out in efficiency.

This is the focus of the European Commission's plan to digitise industry, presented yesterday.

It will help Europe to manage the transition to a smart industrial and services economy. And it will all be based on data.

Data in new and exciting forms, along with many different uses of data that bring their own challenges in a fast-changing industrial environment.

Cloud computing is a good example.

We expect this sector to see massive growth over the next few years because of the vast amounts of data now being generated by digital technologies.

The problem is that in Europe, we have limited high-performance computing capacity to handle and process it. Or to make the best use of it.

That is why we have designed the European Cloud Initiative, to boost innovation capacity across scientific disciplines and industrial sectors.

That means world-class cloud and data infrastructure for science and engineering.

None of this can be achieved without funding and research.

Firstly, funding:

The Commission has earmarked almost €3 billion for 2016 and 2017 in the digital part of the Horizon 2020 research and innovation programme. This programme and the DSM project reinforce each other.

On one hand, Horizon 2020 gives the support needed to keep up with rapid developments in technology.

On the other, the DSM encourages private investment in innovation by offering regulatory stability and the prospect of new markets.

The public purse has its limit, here in Brussels and in the Member States. So we also need to leverage investment from the private sector, as the most viable and reliable longer-term source of investment.

For cloud computing, we aim to blend different sources of national and EU funding, with investment leveraged from the private sector to support new data infrastructure over the next five years.

Then, research. Without research, we cannot even think of preparing for the future.

In order to advance and make technological progress, we need constant innovation to stay ahead competitively. That kind of progress has to be based on research.

Apart from Horizon 2020 funding, the EU strongly encourages investments from the private sector, especially for strategic cross-cutting areas that can shape the future digital economy. This is why we set up a series of public-private partnerships – for big data, for example, for 5G infrastructure, photonics, robotics.

These PPPs link European industry, researchers, academics and the European Commission to cooperate in research and innovation.

They also fit in well with Europe's vibrant startup scene. Startups bring the talent and disruptive energy that the EU's traditional industries need to remain successful in the digital age.

Buying into startups also means buying into their innovation. Startups can help industry to increase its global competitiveness and acquire specific technologies and know-how. It is a complementary and mutually beneficial relationship.

Ladies and gentlemen

Our technological landscape has transformed at a truly amazing speed.

If there is one message I would like to leave you with, it is this: Europe must lead the industrial internet and not stay behind like we did when the consumer internet developed.

Digital transformation for our industry is like a high-speed train rushing into the future – inevitable and unstoppable.

Europe needs to be on that train in the driving seat. It is not a train we can afford to miss. This is what our package is all about.

Thank you.

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