



7.2.2017

OPINION

of the Committee on the Internal Market and Consumer Protection

for the Committee on Industry, Research and Energy

on Digitising European Industry
(2016/2271(INI))

Rapporteur: Sergio Gaetano Cofferati

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SUGGESTIONS

The Committee on the Internal Market and Consumer Protection calls on the Committee on Industry, Research and Energy, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Welcomes the Commission communication on ‘Digitising European Industry’ (COM(2016)0180); recalls the objective of raising the contribution of industry to EU GDP to 20 % by 2020; underlines the important role that digitalisation can play in this context and the business opportunities it can provide; stresses the urgent need to establish an ambitious and coherent EU strategy bringing together the different EU initiatives and coordinating the respective national and regional strategies, while avoiding fragmentation and maximising opportunities for consumers, workers and businesses;
2. Stresses that all sectors of the economy have been shaken up by digitalisation and that Europe has to seize this opportunity to boost its competitiveness at international level; urges the Commission and the Member States to further develop the EU single market in order to strengthen European industry, including SMEs and start-ups, ensure a coherent regulatory framework and remove unjustified regulatory barriers, cut red tape and modernise regulation;
3. Stresses the need for adequate investment and a coherent regulatory framework in research and innovation, infrastructures, cybersecurity, data protection, eGovernment and digital skills, in order to ensure a well-functioning digital single market; stresses that the EU is lagging behind its competitors in this respect and more resources are needed for such investment, and that full use should be made of the potential and synergies offered by existing funds and incentivising private investment; believes that further efforts from the Commission should address those challenges in an efficient manner; urges the Commission to introduce more clarity on the financing of the undertaken and upcoming initiatives facilitating the digitisation process, in particular with regard to the role of the EFSI, ESIF, H2020 and potential synergies between them, as well as on the estimated contribution from the Member States’ national budgets; calls on the Commission to investigate the impact of PPP and JTI in the context of the forthcoming interim evaluation of Horizon 2020;
4. Recalls that 30 parallel national and regional initiatives currently exist; highlights the importance of building synergies and transnational collaboration among them in order to ensure better visibility, added value and an efficient use of resources; regrets the increasing geographical divide in industry competitiveness and digitalisation; calls for the extension of landline and mobile very high speed network infrastructure to be made available for all geographical areas, including in rural or locked-in areas; urges the Commission to develop comprehensive statistics which complement existing ones, such as the DESI index, in order to better evaluate digitalisation processes in different areas and sectors;
5. Welcomes the Commission’s intention to create Digital Innovation Hubs around Europe that should bring together existing EU and national initiatives; stresses that these hubs should offer coaching and consultancy and provide for the exchange of best practices; calls on the Commission to ensure that cooperation and investment at European level in industry digitalisation lead to a progressive reduction in the geographical digital divide,

the better coordination of existing funds and increased opportunities for the digitalisation of SMEs; stresses in this regard the importance of providing a digital-friendly environment for micro, small and medium-sized enterprises;

6. Highlights the risk of profits shifting from industrial players towards the owners of proprietary digital platforms and of market concentration into the hands of a few actors, thus creating *de facto* monopolies, in particular with regard to platforms; considers that there is a need for effective and consistent action by the competition authorities and, where necessary, for legislative initiatives, to ensure fair competition between a plurality of actors, also in the digital environment;
7. Highlights the need to put forward an effective plan for standardisation urgently and to ensure full interoperability in the field of industry digitalisation, including for the Internet of Things and autonomous systems, as today's EU level supply chains and digitalisation raise challenges in this respect which can only be addressed at European level; calls on the Commission to promote the development of open, interoperable and demand-driven standards in all key domains, and welcomes its intention to guarantee access to standard essential patents under FRAND (fair, reasonable and non-discriminatory) conditions; reminds the Commission of the need to consider all relevant aspects in the development of standards, and to ensure adequate participation of all relevant stakeholders, including social partners and new actors, in standardisation processes at the appropriate global, European, national and regional level;
8. Takes the view that data and IT infrastructure security and trust in the digital environment are essential for unlocking the full potential of growth and innovation connected with industry digitalisation for the benefit of workers, consumers and businesses, including SMEs and start-ups; encourages, furthermore, producers of commercial software and hardware to ensure safety and security standards in accordance with the available state of the art technology; calls on the industry to implement fully, in addition to the 'privacy by design' and 'by default' principles, a 'security by design' principle;
9. Promotes further European efforts in the field of cybersecurity; calls on Member States to transpose the NIS Directive in a timely and consistent manner and to comply strictly with the General Data Protection Regulation, as well as to engage in effective cooperation in order to guarantee a safe environment for citizens and businesses in the EU; recalls that 80 % of European companies have experienced at least one cybersecurity incident over the last year¹; requests a series of new and concrete initiatives to provide guidance to businesses, especially SMEs, on how to strengthen their resilience against cyber-attacks and welcomes the new public-private partnership on cybersecurity recently launched by Commission;
10. Believes that digitalisation should provide consumers with more choice, more user-friendly and customised products and more information, in particular on the quality of products or services;
11. Calls on the Commission and the Member States to take the necessary measures to ensure the full respect of citizens' right to privacy and to protection of their personal data in the

¹ The Global State of Information Security®, <http://www.pwc.com/gx/en/issues/cyber-security/information-security-survey.html>

digital environment; emphasises the importance of the correct implementation of the General Data Protection Regulation (GDPR), ensuring the full application of the principle of ‘privacy by design and by default’; notes the increasing importance of clarifying the concerns over data access, ownership and liability issues and calls on the Commission to assess further the current regulatory framework with regard to these issues; believes that consumers should be able to freely and fully use and exploit the products and services they buy (including a free choice of repairers) and should not be obstructed by data issues; calls on the Commission, in the framework of the GDPR implementation, to clarify and define some minimum requirements with regard to data gathered at the workplace;

12. Stresses that the European Cloud Initiative, together with the legislative proposal for the Free Flow of Data, that aim to remove unjustified data location restrictions have the potential to further incentivise the process of digitisation of European industry, especially SMEs and start-ups, and to avoid fragmentation in the EU Single Market; calls on the Commission to monitor the adoption and coherent implementation of the European Cloud Initiative in order to enable the fair, swift, trustworthy and seamless flow and use of data; reminds the Commission of its commitment in its Communication to present a legislative proposal on the Free Flow of Data within the EU, in order to remove or prevent unjustified localisation requirements in national legislation or regulation;
13. Calls on the Commission to clarify as soon as possible safety and liability rules for autonomously acting systems (such as vehicles and drones), to ensure fast and effective legal compensation in case of incident and to harmonise the conditions for testing; considers interoperability necessary in particular in the domain of the Internet of Things (IoT) to ensure that the development of new technologies improves opportunities for consumers, who should not be locked in with only a few specific suppliers; stresses the challenges relating to safety, security and liability with regard to IoT, apps and non-embedded software; stresses, with respect to the Internet of Things, that producers are the key starting point for tightening up liability regimes which will lead to a better quality of products and a more secure environment in terms of external access and a documented possibility for updates;
14. Notes the very important consequences, opportunities and challenges of ongoing digitalisation, and in particular of industry digitalisation, for society, business and employment models and jobs demand; regrets the lack of analysis on the part of the Commission of the social effects of the digitalisation of industry and urges the Commission to conduct an in-depth analysis on the impact of the digitalisation of industry in this respect, and to present this to the European Parliament and the Council by the end of 2017;
15. While recognising the opportunities offered by industry digitalisation, stresses also that it poses certain challenges to job demands, working conditions and workers’ rights, in particular in non-standard employment relationships, and highlights the need to ensure the full respect of employment rights and adequate social security coverage in the digital sphere; believes it is necessary to involve social partners in the definition of European and national initiatives on industry digitalisation; welcomes the Commission’s commitment to address the concerns related to the social aspects of digitalisation together with all stakeholders as part of a comprehensive dialogue and by holding high-level roundtables and a European stakeholders forum on digitalisation;

16. Notes the importance of digital skills for the labour market nowadays, for the inclusiveness and competitiveness of European regions, as well as for fighting digital exclusion, especially in the framework of the EU New Skills Agenda; urges the Commission to promote and coordinate high-quality education, lifelong learning and vocational training, including in the field of basic and advanced digital qualifications and skills such as computing, coding, programming and cryptography, and calls for the necessary public and private investment in these areas;
17. Calls for the encouragement of larger regional participation in order to reduce the innovation gap and to attract professionals for the development of the European regions; stresses the need to work with the social partners in order to anticipate digital skills needs in the long term and welcomes the establishment of the Digital Skills and Jobs Coalition and of other European initiatives in this field; encourages the Commission and the Member States to ensure mutual recognition of digital qualifications by establishing a European certificate or grading system;
18. Takes the view that a collaborative digital environment needs to be developed, along with platforms that contribute to a cyberspace conducive to the development of industry digitalisation, with the aim of boosting the competitiveness of European industry.

RESULT OF FINAL VOTE IN COMMITTEE ASKED FOR OPINION

Date adopted	6.2.2017
Result of final vote	+: 30 -: 1 0: 0
Members present for the final vote	Dita Charanzová, Carlos Coelho, Sergio Gaetano Cofferati, Daniel Dalton, Nicola Danti, Vicky Ford, Evelyne Gebhardt, Sergio Gutiérrez Prieto, Liisa Jaakonsaari, Philippe Juvin, Antonio López-Istúriz White, Eva Maydell, Marcus Pretzell, Virginie Rozière, Christel Schaldemose, Andreas Schwab, Olga Sehnalová, Igor Šoltes, Richard Sulík, Marco Zullo
Substitutes present for the final vote	Pascal Arimont, Biljana Borzan, Birgit Collin-Langen, Anna Hedh, Kaja Kallas, Roberta Metsola, Julia Reda, Adam Szejnfeld, Marc Tarabella, Ulrike Trebesius
Substitutes under Rule 200(2) present for the final vote	Andrea Bocskor