

IMCO Committee

Opening speech

VP Jyrki Katainen

6th May 1500 – 1600/1615

Chairman, Honourable Members,

Thank you for welcoming me to the Parliament today for this exchange of views. I will mainly focus my on one of the early priority of this Commission: the Investment Plan for Europe and especially on its third, and for my opinion, the most important pillar: Single market.

Last November, we adopted our Investment Plan for Europe, and as you know, we adopted the proposal for the Regulation on the European Fund for Strategic Investments (EFSI) in January. We have started now discussion in trilogues with the Parliament and Council, and we hope to see the EFSI up and running by September.

There are three strands in this plan: a new risk-financing facility inside the EIB: the EFSI to mobilise private investments; the creation of a transparent project pipeline to increase viable EU investment projects visibility together with the European Advisory Hub to help public and private promoters to structure their projects; and - for me the most important part - the completion of the Single Market.

If we want to be successful, if we really want to create new opportunities to European companies and people, we need to remove barriers to investment that exist currently in Europe - especially barriers to cross-border activity.

I have been travelling across Europe during the last months explaining and debating the investment plan. The one recurrent theme that I hear from private sector stakeholders is about the

urgency of making progress on the Single Market and removing bottlenecks to investment: in short, to improve the investment climate.

Internal Market (Strategy)

In this context, Commissioner Bienkowska's work on the Internal Market Strategy (which you had an opportunity to discuss with her earlier today) is of fundamental importance and at the core of the Commission's priorities. As explained by Elzbieta, our objective is to identify the priorities for the single market in terms of economic relevance. Some priority areas have already been well-identified, notably concerning the governance and enforcement dimension.

We indeed have to be very clear that our work will need a strong enforcement dimension. Too many obstacles are still linked to European rules not being fully implemented. One of the priorities therefore needs to be to ensure that rules are effectively – and ambitiously – applied on the ground.

There will also be a strong focus on tackling key bottlenecks within the context of the European Semester. This year's Country Specific Recommendations will have a stronger accent on investment, in accordance with the third pillar of the Investment Plan.

I want to raise few important areas where we are going to improve European Single Market and where we have already taken some concrete steps forward:

Digital Single Market

Today's hot topic has been Digital Single Market. In only a few decades, the world economy has been radically transformed by computers, the Internet, smartphones and the sharing economy. Innovation can bring economic growth, but can also disrupt sectors and reveal regulatory gaps. Adopting national

solutions to address these gaps leads to barriers that do not exist in the physical world, such as geoblocking or data location requirements.

Our aim is simple. Adopt a European Strategy, creating a DSM, an area where the free movement of goods, persons, services and capital is ensured and where citizens and businesses can seamlessly access and exercise online activities under conditions of fair competition, irrespective of their nationality or place of residence. DSM is not only about market; it also about creating the right set of infrastructure, skills and industrial conditions for the digital transformation to become a positive reality.

Our strategy is based on three pillars.

First (1) we need better online access for consumers and businesses across Europe.

As Elzbieta mentioned we need **E-commerce rules** that consumers and business can trust, as well as affordable cross-border **parcel delivery**, and we want to prevent unjustified **geoblocking**. I don't go any details here while you have heard my colleague today. I just want to point that **The Commission will make legislative proposals in the first half of 2016 to end unjustified geo-blocking.**

We are going to create a modern **copyright framework**. Europe needs a more harmonized copyright regime, allowing transmission and consumption of content across border. **The Commission will make legislative proposals before the end of 2015 to reduce the differences between national copyright regimes and allow wider online access.**

The Commission is also working to minimize burdens attached to cross-border e-commerce arising from different **VAT regimes**, especially for small and start-up companies, provide a

level playing field for EU business and ensure that VAT revenues accrue to the Member State of the consumer.

Our Second (2) target is to create the right conditions and a level playing field for advanced digital networks and innovative services.

DSM cannot function without access to adequate connectivity based on a sustainable, market-based, high-performance fixed and wireless broadband infrastructure at affordable prices. **An ambitious overhaul of the telecoms regulatory framework is foreseen for 2016.**

The Commission will review the Audiovisual Media Services Directive, focusing on issues such as the roles and responsibilities of all market players, promoting European works, advertising and protection of minors.

Removing Illegal content is a significant issue in today's Internet. Cybersecurity is a borderless problem, which requires European level solutions. A major step in this respect will be the adoption of the EU rules on data protection. Another will be the review of the ePrivacy Directive.

And what comes to online platforms, I agree with my colleague Elzbieta, there is a strong need for better evidence base and the **Commission will launch a comprehensive assessment on the role of platforms by end 2015.**

Thirdly (3) we want to maximize the growth potential of the Digital Economy

Data is often considered as a catalyst for economic growth, innovation and digitisation across all economic sectors.

However, in the EU, restrictions, such as those related to data location (i.e. Member States requirements to keep data inside their territory) raise unnecessary barriers. **The Commission**

will propose in 2016 a European 'Free and secure flow of data' initiative that tackles restrictions on the free movement of data for reasons other than the protection of personal data within the EU and unjustified restrictions on the location of data for storage or processing purposes.

Standardisation has also an essential role to play in increasing interoperability of new technologies within the DSM. **The Commission will launch an integrated standardisation plan to identify and define key priorities for standardisation with a focus on the technologies and domains that are deemed to be critical to the Digital Single Market**, including essential sectorial standards in areas such as health, transport, environment, and energy

As Elzbieta pointed out, our aim is to support an inclusive DSM in which citizens and businesses have the necessary skills and can benefit from interlinked and multi-lingual e-services, from e-government to e-health. **The Commission will address digital skills and expertise as a key component of its future initiatives on skills and training and will present a new e-Government Action Plan 2016-2020.**

The strategy for a DSM is about transforming European society and ensuring that it can face the future with confidence. We in a Commission want to invite the European Parliament (and Council) to endorse this Strategy to complete the DSM and to actively engage in its implementation, in close cooperation with all relevant stakeholders.

Capital market union

In parallel, we are also working with Commissioner Hill on the creation of a Capital Market Union to improve investor confidence and lower costs for investing in and funding the real

economy. The potential synergies between the Investment Plan, the CMU and the Internal Market Strategy are particularly promising for SMEs.

Energy Union

Also energy is one of the key target areas of the European Investment Plan. Using energy more wisely and fighting climate change will also create new jobs and growth. The Energy Union strategy means making energy more secure, affordable, competitive and sustainable. It will allow a free flow of energy across borders and a secure supply in every EU country, for every citizen. New technologies and renewed infrastructure will cut household bills and create new jobs and skills, as companies expand exports and boost growth. It will lead to a sustainable, low carbon and environmentally friendly economy, putting Europe at the forefront of renewable energy production and the fight against global warming.

All these various initiatives should reinforce one another. They are all part of broader objective of this Commission to revive the four freedoms and, along the same lines; a 'Labour Mobility Package' should also be adopted later this year. All these initiatives will also be underpinned by the Better Regulation agenda, with a particular focus on the reduction of administrative burden.

Your contribution will be key to make this general strategy a success. I count on your active involvement.

I will stop here and thank you for your attention. I'm looking forward to an interesting exchange of views with you.