The digital economy is growing at seven times the rate of the rest of the economy, but its potential is currently held back by a fragmented pan-European policy framework. Europe is lagging behind other countries when it comes to the fast, reliable, safe and connected digital networks which underpin economies and every part of our business and private lives.

When communicating between countries in Europe, citizens currently face varying charges for use, incompatible systems and irregular connectivity across the continent. That is harmful for every citizen, business and innovator in Europe.

Launched in May 2010 the Digital Agenda for Europe aimed to boost Europe’s economy by delivering sustainable economic and social benefits from a Digital Single Market.

Even though 250 million Europeans use the internet daily – there are still millions of European citizens that have never used the internet at all. People living with disabilities face particular difficulties in enjoying the benefits from new electronic content and services. As ever more daily tasks are carried out online, everyone needs enhanced digital skills to participate fully in society.

The Digital Economy also presents opportunities – if people are ready to take them. Jobs that require ICT skills are expected to rise by 16 million by 2020. And 90% of jobs already require basic information technology skills.

### THE MAIN RESULTS

#### How are we doing?

<table>
<thead>
<tr>
<th></th>
<th>EU average</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Broadband</strong></td>
<td></td>
</tr>
<tr>
<td>Basic broadband coverage for all</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Digital single market</strong></td>
<td></td>
</tr>
<tr>
<td>Population buying online</td>
<td>47%</td>
</tr>
<tr>
<td>Cross-border eCommerce</td>
<td>12%</td>
</tr>
<tr>
<td>SMEs selling online</td>
<td>14%</td>
</tr>
<tr>
<td><strong>Digital inclusion</strong></td>
<td></td>
</tr>
<tr>
<td>Regular internet use</td>
<td>72%</td>
</tr>
<tr>
<td>Regular internet use by disadvantaged people</td>
<td>57%</td>
</tr>
<tr>
<td>Population never having used the internet</td>
<td>20%</td>
</tr>
<tr>
<td><strong>Public services</strong></td>
<td></td>
</tr>
<tr>
<td>Citizens interacting online with public authorities</td>
<td>42%</td>
</tr>
<tr>
<td>Citizens returning filled-in forms to public authorities electronically</td>
<td>21%</td>
</tr>
</tbody>
</table>
Meeting the targets

Every year the European Commission publishes the Digital Agenda Scoreboard. 2014 data show that EU citizens and businesses are going online more, shopping more and have greater confidence and skills in ICT.

72 out of 101 actions under the Digital Agenda for Europe have already been completed. 23 further actions are scheduled for completion by their deadline. 6 have been delayed or are at risk of being delayed.

The data also show that people in the EU often lack the high speed broadband – especially in rural areas – to satisfy the digital appetite, and the digital skills gap is still a big problem.

CHALLENGES

Broadband: digital oxygen for all

The digital economy is growing at seven times the rate of the rest of the economy and much of this growth has been fuelled by broadband internet. The development of high-speed networks today is having the same impact as the development of electricity and transportation networks a century ago. Achieving the Digital Agenda targets would clear the way to innovative services such as eHealth, Smart cities and data-driven manufacturing.

The European Commission is boosting the spread of high-speed broadband by bringing forward new rules on cost reduction, a Recommendation on Next Generation Access networks, revised State Aid guidelines for Broadband and a proposal to complete the Telecoms Single Market and deliver a #ConnectedContinent.

A redesigned European telecoms sector

A Single Telecoms Market will mean economies of scale in the telecoms sector, higher productivity in other economic sectors thanks to more efficient cross-border connectivity, affordable cross-border prices, more innovation and diversification in products and services. The main elements of the #ConnectedContinent proposal are: open internet, reinforced consumer rights, no extra charges for roaming in the EU, coordinated spectrum assignment, certainty for investors.

A consumer-friendly Digital Single Market

Completing the digital single market will enable Europe to grow competitively, help transform Europe’s industrial sector and create new innovative products and services that will operate in this growing market.

E-commerce is still insufficiently developed in the EU. Consumers have difficulties accessing online shops and businesses find it hard to offer their services in other EU countries.

The Digital Agenda for Europe will modernise EU rules on the Digital Single Market to make e-Commerce easier. The initiatives to streamline postal delivery, facilitate card, electronic and mobile payments, and increase trust in online shopping aims to double the volume of e-commerce in Europe by 2015.

Replacing paper invoices by e-invoices across the EU could lead to roughly €240 billion in savings over a six-year period, according to studies. The intention is that e-invoicing will become the predominant method of invoicing in Europe by 2020. The public sector could save up to €1 billion per year if all invoices were submitted in electronic format.

The Commission has been working to help tech start-ups - a booming sector in the European Union. The EU app economy provides €17.5 billion in revenues, and 1.8m jobs. The European Commission’s StartUpEurope aims to strengthen the business environment for web and ICT entrepreneurs in Europe, helping entrepreneurs get the resources they need.

The latest European Commission data shows that even though more people are going online, almost 50% of the
population have insufficient digital skills for today’s work environment.

This skills gap persists at a time when more ICT specialists are needed than ever before, and ICT-related jobs are being created much more quickly than in other sectors. To tackle this issue, the European Commission has convened the Grand Coalition for Digital Jobs. Coalition partners pledge to take specific action to increase ICT training, attract young people into ICT education or help modernising ICT education. Depending on their area of expertise, partners pledge to create new training programmes or offer jobs and internships, to promote coding to youngsters, and so on.

Basic coding skills will also be needed for many jobs in the nearest future. More than 90% of professional occupations nowadays require some ICT competence. Moreover, ICT practitioners are a key pillar of the modern workforce across all sectors of the European economy, with demand growing annually by 3% and the number of graduates from computer science not keeping pace. As a result many open vacancies for ICT practitioners cannot be filled, despite the high level of unemployment in Europe. If Europe will not act at a European and national level, it faces a shortage of up to 900,000 ICT professionals by 2020.

How can digital help in our daily lives?

The Digital Agenda’s aim is not only to get every European online, but to help people find their way in the digital world. Computers, mobile phones and digital technologies are a central part of our daily lives, and can address many of the challenges we face: from safety on the roads to a healthier old age, from better public services to sustainable environment.

A Smart City is a place where the traditional networks and services are made more efficient with the use of digital and telecommunication technologies. The EU is investing in research and innovation and developing policies to improve the quality of life and make cities more sustainable. The Commission made available approximately €200 million for Smart Cities and communities in the 2014-2015 budgets of the Horizon 2020 research and innovation programme, to accelerate progress and enlarge the scale of roll-out of smart cities solutions. There will also be possibilities to access the European Structural and Investment Funds.

- Home tele-monitoring of heart patients can improve survival rates by 15%, reduce hospital days by 26% and save 10% in nursing costs;
- ePrescriptions can reduce errors in drugs dosage by 15%.

A visual representation of the Grand Coalition for Digital Jobs
Europeans live longer than ever, and because of new and expensive treatments, the costs of health and social care will rise substantially to about 9% of EU Gross domestic product in 2050. ICT can provide providing Europeans with better, cheaper and higher quality services for health, social care and ageing well. The introduction of ICTs and telemedicine alone is estimated to improve efficiency of health care by 20%. Moreover, they empower users of every age to better manage their health. The Commission is investing in eHealth that will be critical to keep healthcare affordable and accessible to all in the ageing societies of Europe.

Annually Cyber attacks and hacks costs European industry € 53 billion. This is damaging our economy and is undermining the trust of our citizens in the digital economy. Cyber security represents not only a threat but also an opportunity for increasing the competitiveness of our industry. This is why the European Commission has proposed a strategy to improve internet security in Europe and better protect against cyber-attacks.

**Investing in European Digital research, development and innovation**

Digital research and innovation will drive Europe's future prosperity and quality of life. As a whole, the ICT sector represents nearly 5% of the EU economy, and generates 25% of total business expenditure; investments in ICT account for 50% of all European productivity growth. The EU’s current ICT research programme focuses, among other areas, on:

- **Robotics**: making the most of this growing market through a Public Private Partnership between public authorities, industry and academia. It will improve EU industrial competitiveness through robotic technologies, provide robots and robotic services to help solve some of the EU’s societal challenges.

- **Components & Systems**: funding key technologies essential for tomorrow’s products and services. This includes support for electronics, cyber-physical systems, advanced computing, smart manufacturing, future lighting, photonics and more.

- The global robotics market is worth €15.5 billion a year; €3 billion a year in the EU.

- The EU has a 25% share of the global industrial robotics market, and 50% of the professional service robotics sector.

- The number of people over 65 in the EU will rise to over 30% by 2060. ‘Eldercare social robots’ can help perform daily tasks such as lifting or cooking, or set off an alarm if an in-built camera registers that a person has fallen.

- A new robotics public private partnership will receive €700m of EU funding, leveraging €2 billion in private investment.

**LOOKING TO THE FUTURE**

The global economy is changing fast. In the digital age, the race for innovation, skills and markets forces all our countries to anticipate and adapt in order to thrive.

The European Council of June 2013 underlined the role of the digital agenda in the EU by:

- reiterating its call to complete the digital single market by 2015;
- pointing to the need to address overdue investment needs in telecom infrastructure;
- calling for the promotion of the right skills for the modern economy;
- stressing the importance of working with our partners to fight cybercrime.

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