Good morning ladies and gentlemen.

I would like to thank the European Policy Centre for kindly inviting me to speak at and participate in this morning's event.

Ireland's goal during our Presidency has been to ensure that the efforts of the EU are focused on the steps necessary to restore economic stability and the promotion of jobs and growth. From the outset, we identified specific legislative and policy initiatives as being of particular significance to achieving these objectives. Chief amongst these is the progression of the Single Market Acts and the Digital Agenda for Europe. The identification of these initiatives is not something many of us here this morning would question.

As politicians and policymakers, we know that digital is now one of the most important and critical drivers of economic activity and growth. We know that there is a myriad of high-quality economic analysis which demonstrates the impact that digital is having on our economy and indeed our society generally.

The disruptive effect of ICT in re-ordering a sector can be seen across the commercial world. This morning for example, we had a pre-Council discussion on Converged Media, essentially the process by which technology has started to entirely reorder the media sector globally. This is far from simple, not least given the social and political importance of media and the number of people employed in the media sector. But the process of change is going to roll on regardless.

It is imperative that the EU ensures that citizens have access to state of the art services and ensure that European businesses can take early advantage of the commercial opportunities afforded them by new technologies.

We know the detailed data presented by McKinsey Global Institute; Boston Consultancy or indeed the EPC's own report. And we also know that Europe faces very significant challenges if it is to maximise the opportunities digital presents.
And so I have a question for you to consider this morning. If the analysis and evidence is so clear, how, in such a harsh economic climate can Europe take full advantage of the digital sector to help us create a more economically robust Europe?

I don't have all the answers to this question but I look forward to teasing the issue out later this morning during our panel discussion.

Irish Presidency

Firstly though I would like to share with you some observations I have, based primarily on what I have experienced during our Presidency and on some of the key challenges I face as a Telecommunications Minister in Ireland.

The free movement of capital, goods, services and people within the EU is a fact of everyday life now. It is also a global fact. So how do we harness the potential of new, enabling technologies? And how can we work better to harmonise the rules governing a fully functioning digital market?

We have made much progress through the EU's e-commerce Action Plan, but the reality is that for businesses trying to trade across Europe it is not always easy or consistent.

Of course at the foundation of any digital society is the infrastructure providing connectivity. In some of Europe's more densely populated areas investment in broadband deployment is not a problem. For a lot of other areas however, such investment continues to lag behind what is needed to allow us compete with our main trading competitors.

The recent Commission proposals aimed at reducing the cost of broadband roll-out are therefore welcome. Without good quality broadband services, citizens and businesses cannot hope to capitalise on the benefits of a digital society.

In tandem with providing high quality connectivity, we also need to focus on the provision of quality services. I am pleased that during Ireland’s Presidency we were able to reach agreement on the Directive on Public Service Information. This initiative has the potential to unlock the door for entrepreneurs and researchers to provide new and innovative products for citizens and business.

Another key building block to a digital society is trust and confidence. Business and consumers need to be assured that their personal and financial data is secure when they embark on online transactions. Early in Ireland’s Presidency, we signed off on the mandate for Enisa, and we have been progressing the Cyber Security Strategy and its related network information Directive.
A key focus for the Presidency has been the proposal on electronic identification. This is one of the major dossiers under the Single Market Act umbrella. We believe that we have made very good progress on this important initiative during our Presidency. Having devoted over 12 meetings and a dedicated seminar to this issue, we are hoping that Member States will agree on certain key principles for the file at June Council.

This is however a complex regulation, and a good example of the challenges we face. We are a group of 27 nations, all with differing regimes and in various stages of development. We often have differing views on best to progress a single solution. We need to find a way to ensure that we protect our respective interests while at the same time finding consensus for Europe as a whole.

In order to keep competitive, we must, in my view:

· Be proactive in moving to standards-based digital platforms for the delivery of public services.

· Be proactive in embracing the huge potential of the internet to develop 21st century skills…and in revolutionising the teaching and learning environment. In this I am reminded of the words of Ireland's Digital Champion, David Puttnam. David remarked that if you took a surgeon from 1900 and planted him or her in a modern operating theatre, the most he or she could do would be to hold the patient's hand. By comparison, the teacher from the classroom of 1900 might find little difference in the 2013 classroom. Thankfully this is all changing.

· Finally we need to ensure that our SMEs are proactive in adopting digital as a day to day business tool. This is perhaps the most pressing challenge. It is something that I would like to discuss in a little more detail with you now.

Trading online

In Ireland, we are about to launch a new National Digital Strategy in Ireland with the focus on "doing more with digital". I see it as a means of showing how we might unlock our creative potential. We will focus on SMEs, digital enterprises, e-Learning and citizen awareness.

We are looking at innovative ways of stimulating demand for increased digital adoption. In particular, we are trying to encourage and incentivise more of our indigenous SMEs to transact business online.

However, the more we examined the issues, the more it became apparent that there are a great many hidden complexities involved for businesses.
I suggest that Europe is at risk of a small number of large global players dominating the online trading marketplace with a consequential very real danger that traditional small businesses will be left behind. These are the businesses at the heart of much of our economies and what make Europe unique.

Recent research we have conducted in Ireland would indicate that, in many market segments, on-line consumers are only vaguely committed to buying locally.

Price, or to be more accurate total cost is a key factor. The total cost to the consumer is a more complex thing for on-line businesses. The number of links in the chain between merchant and customer is long. Technology, payments, banking and logistics all play a role and take a cut. In Ireland we see that a lack of choice of suppliers across this chain means that, in some cases, small business simply don't see the benefit in buying and selling on-line.

The on-line payments space in particular is very complex and needs more consistency across Europe. We need to promote commercial services which simplify this aspect of on-line trade. Logistics too are an area where scale provides a key advantage. If we are to support small European businesses it is important that commercial solutions be found to level the playing pitch.

Having a website is no longer good enough: we are focused on getting these enterprises trading on-line. In Ireland, we will shortly be piloting a voucher scheme to assist small businesses develop an on-line trading presence.

I also welcome the Commission's recent initiative to launch a similar scheme, the ICT Innovation Voucher aimed at getting micro, small and medium-sized enterprises digitally engaged. This is the sort of practical step that can have speedy transformative effects on business behaviour.

We need also to reinforce the point that for many traditional SMEs, there is no choice in this matter: for many, embracing digital is not about increasing profit margins and creating extra jobs; it's about survival.

Cloud

The advent of cloud services has brought the potential for digital entrepreneurship to a new level. Cloud-based processing power, storage, and communications means emerging enterprises can operate at lower costs, and scale their needs in line with their growth. This has opened up the possibility of a wide range of new internet-based services and offerings with big data and open data further fuelling digital
entrepreneurship.

Skills

In a 21st century Europe where our economies rely more and more on high value knowledge based activities to succeed, there also needs to be a much stronger focus on digital skills.

Without capability, we cannot properly maximise the potential return that ICT and digital provides. Last year's mid-term review of the Digital Agenda highlighted again the huge skills gap that exists in Europe. On the one hand we have chronic levels of unemployment, particularly among our youth and on the other, we have an anticipated shortfall of up to 900,000 ICT professionals in Europe by 2015, exacerbated by a decline in computing science graduates.

The recent launch by the European Commission of its Grand Coalition initiative is a welcome and very positive step to deal with this dilemma. I see this first hand in Ireland, where, despite having the European Headquarters of some of the largest tech companies in the world, such as Google, Microsoft, Intel, Amazon and PayPal many of our own graduates and school-leavers do not possess the requisite skills and knowledge to fill the many employment opportunities that exist in these companies. We are acutely focused on addressing this skills shortage.

I welcome the fact that some of the workshops being run as part of the forthcoming Digital Assembly in Dublin will focus on the ICT skills crisis and on the whole issue of the digital single market and e-Commerce.

Mobile Applications

While skills are important, so too is the need to innovate and produce compelling products. Europe must keep pace with its competitors in creating digital companies of scale. Certainly Europe invents things - but are we best in class? I think we can benefit from focusing more on applications - on ways people can use new products and services.

We need more effort in integrating media content and technology and bringing new applications to citizens and business to inspire more use and show benefit.

We are already seeing the potential of this in the wide range of applications for mobile devices. I think we would benefit from more focus on the usefulness of digital applications. This is a market led perspective. Business is best placed to make these compelling applications. Government's role is to facilitate this by highlighting opportunities across Europe.
Let me give you an example. An older person living alone, perhaps in an isolated area is unlikely to be an internet user. He or she is unlikely to have broadband - not because they cannot get it but because it's not a priority for them. It's the applications that can make it a priority - and that will grow the market and create jobs. Introducing such a person to Skype, or to the potential to watch TV playback anytime, provides new opportunities to grow the market. And ultimately, it helps Government and business to roll out more effective and efficient services to citizens.

Digital Single Market challenges

If we are to develop a fully digital market we need to make the necessary investments in infrastructure, work harder to raise awareness of the benefits of digital, implement demand stimulation measures where appropriate, deepen online trading and build the necessary confidence in cross-border online transactions. We can help achieve this latter objective by providing a secure and affordable system for cross-border online payments, establishing online and alternative dispute resolution mechanisms and amending the EU framework for digital signatures and e-identification. Obviously, concluding negotiations on the Collective Rights Management Directive and on the proposed new Regulation on Data Protection will also make a very positive contribution in this regard.

Europe has set itself very ambitious targets in terms of a single market, with digital at its very centre-piece. However, we need to maintain our competitive advantage, particularly when we look at the advances being made by the emerging economies of China, India, Brazil etc.

Europe as a leader

Let us consider an example of what can be achieved when we coordinate our efforts and work together for the common good. One of the most successful achievements of the European Union in the telecommunications and digital sector was the pan-European development and deployment of 2nd generation mobile technology (GSM). The commitment of member states to standardise a system has been deemed a great success worthy of replication, around the world. The European Union took the initiative and reaped the rewards for its efforts.

The story of the establishment of GSM has relevance for the growth and trajectory of all digital technology and its commercial applications. The success of GSM has proven that providing strong leadership in defining and organizing national networks has global economic ramifications.

We have proven that Europe can be a leader and that we can work together towards a common goal. Now more than ever we need to focus firmly on that goal - creating a strong Europe, and creating a truly single market supported by a vibrant digital
single market.

The way forward is to a large extent already well mapped out. The big question is: can we add momentum to fully realise our ambitions?

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