

# **The economic impact of ICT in Europe**

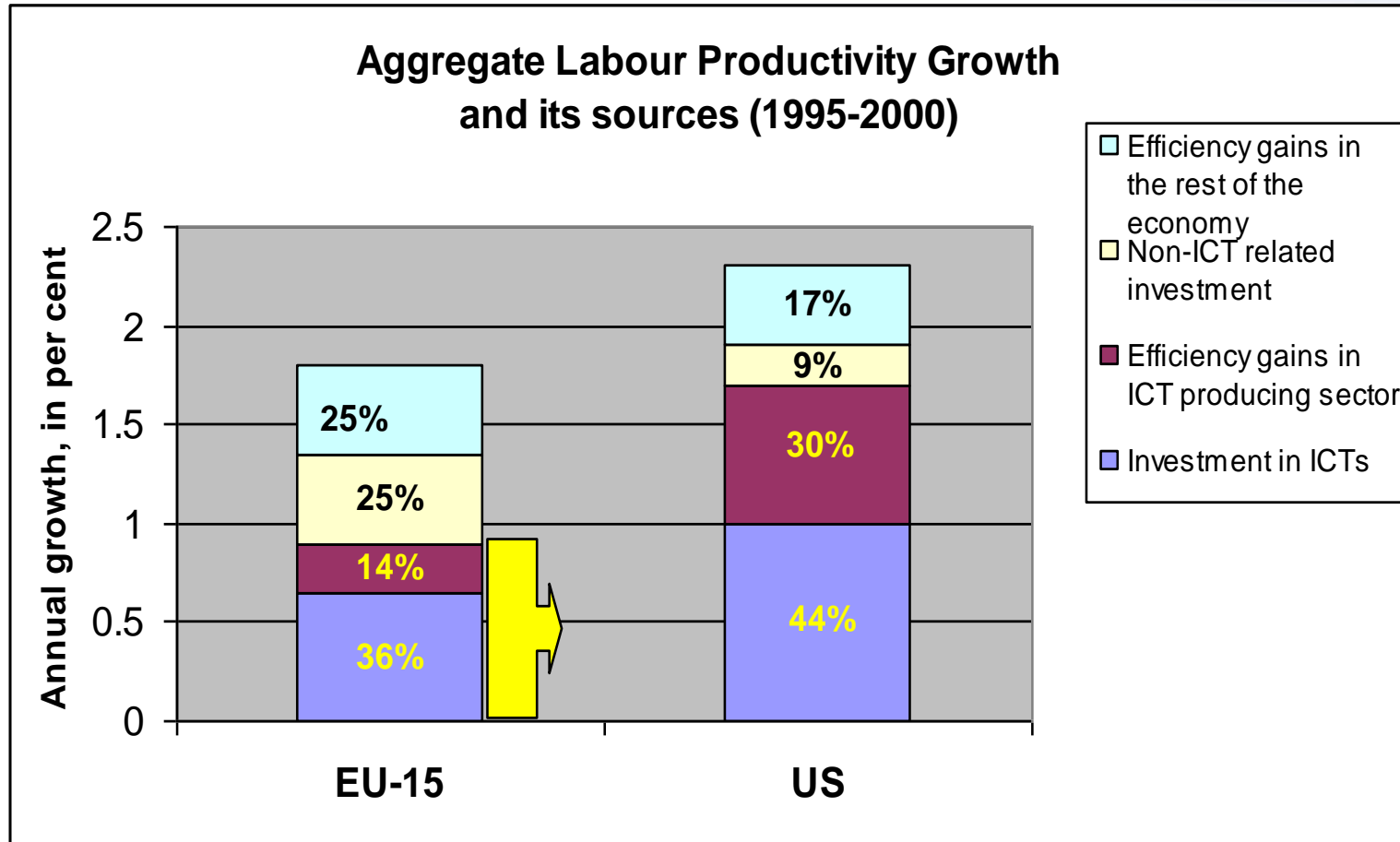
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# Economic impact of ICT: 3 channels

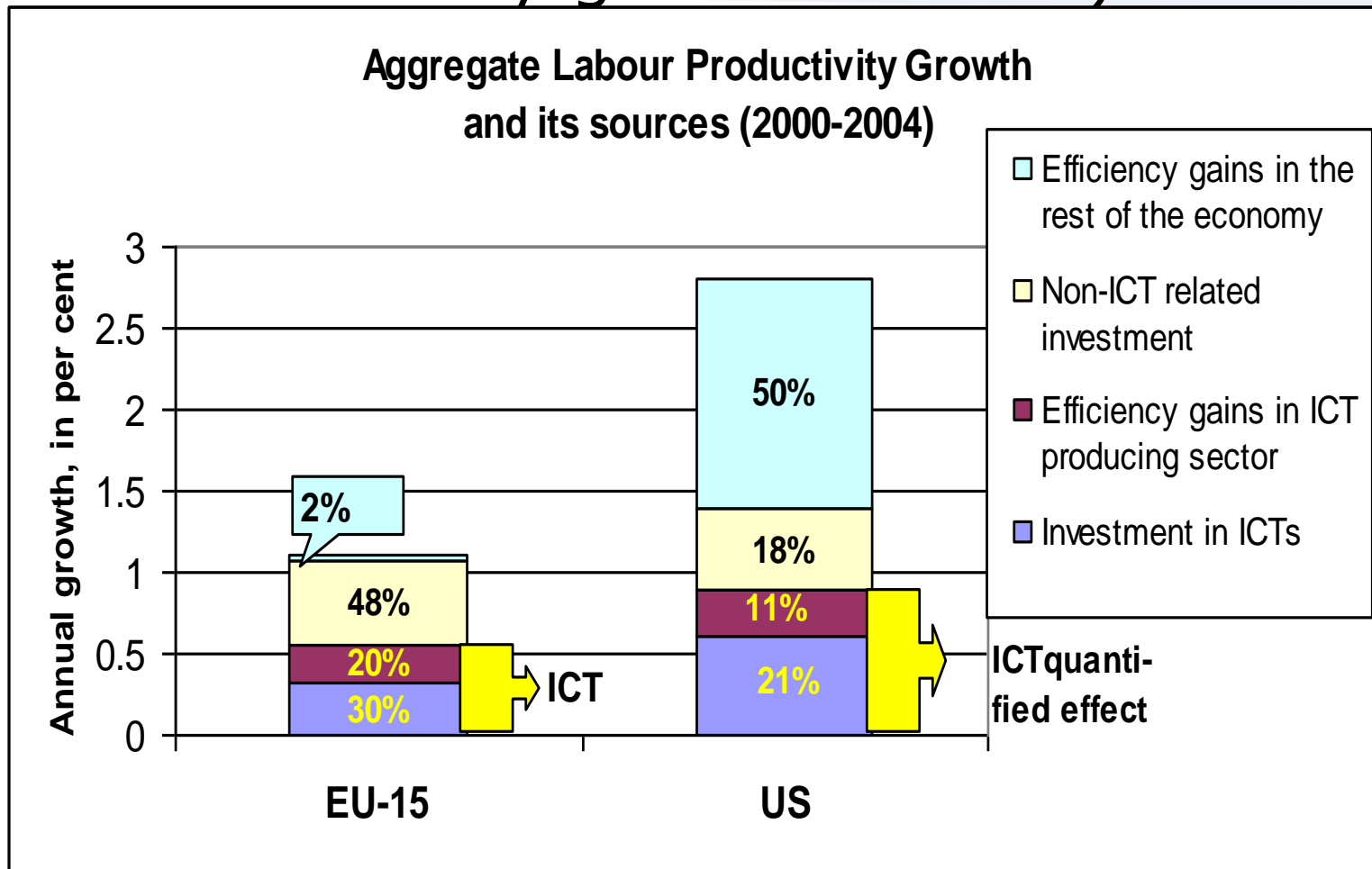
- Investment in ICT
- Efficiency gains in ICT-producing sector
- Efficiency gains in ICT-using sectors



# Economic impact of ICT (1995-2000): ICT drives half of productivity gains in the EU (and 75% in the US)

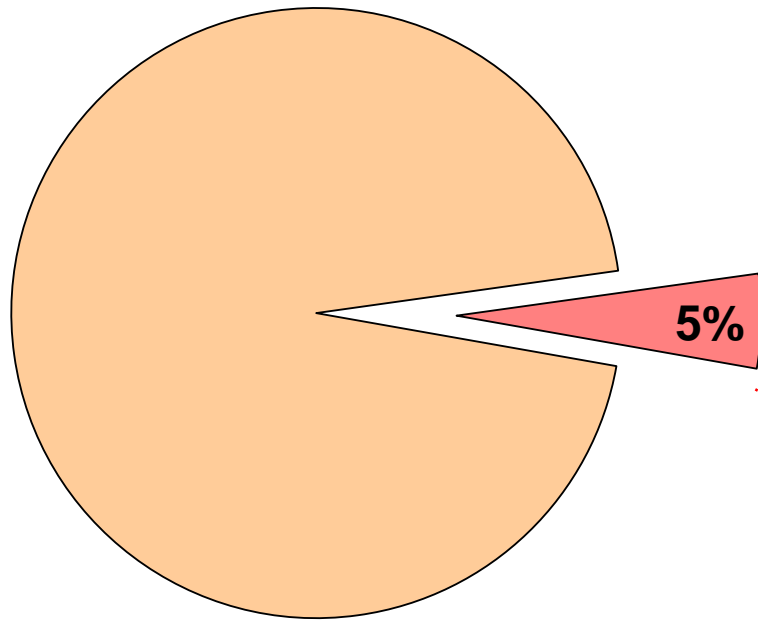


# Economic impact of ICT (2000-2004): ICT drive half of productivity gains in the EU (and efficiency gains in the US)

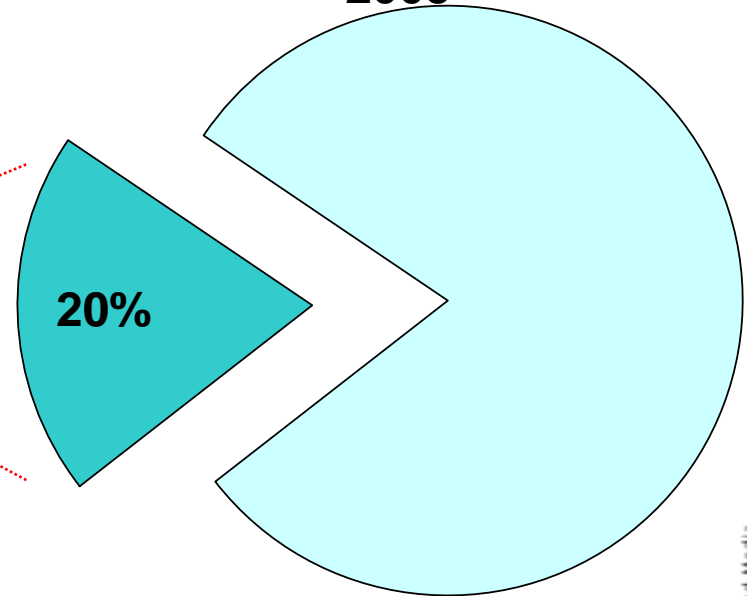


# The ICT sector alone drives 20% of productivity growth

Size in GDP

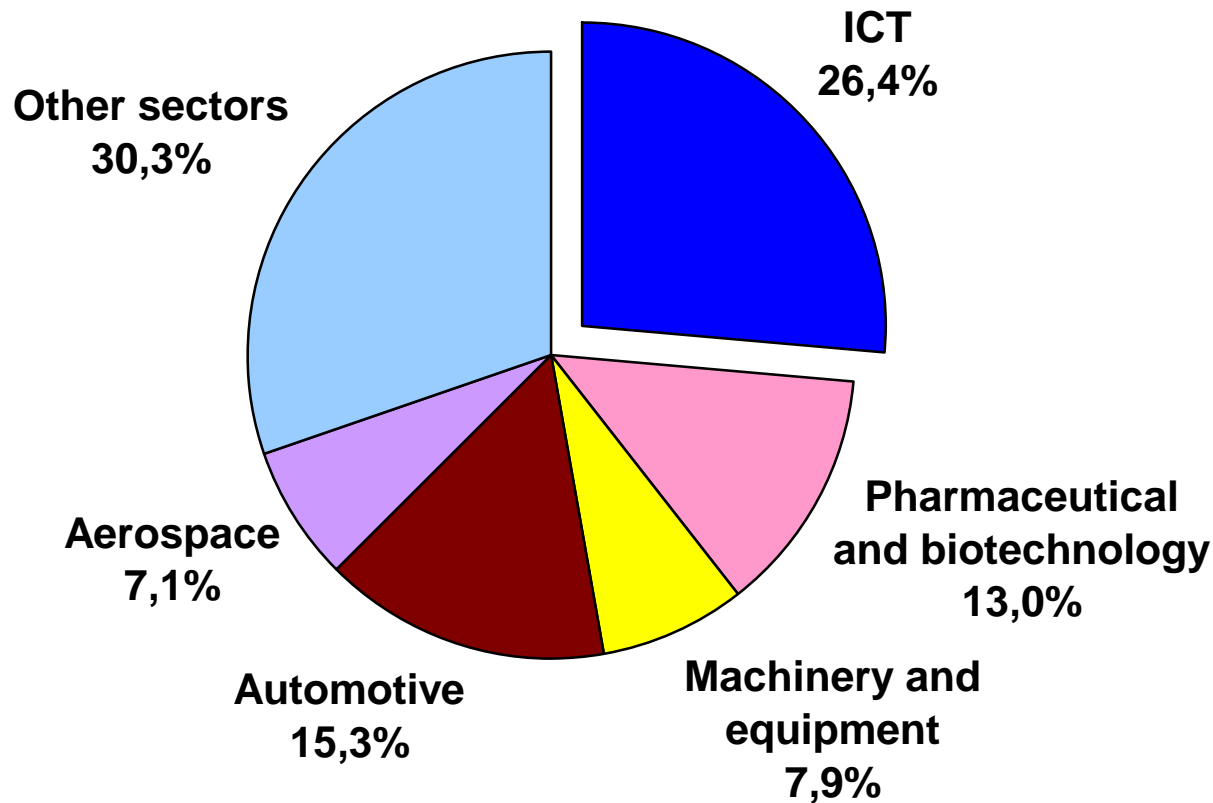


Contribution to labour productivity growth 2000-2005



# *ICT sector*

## *Biggest sector in terms of R&D*

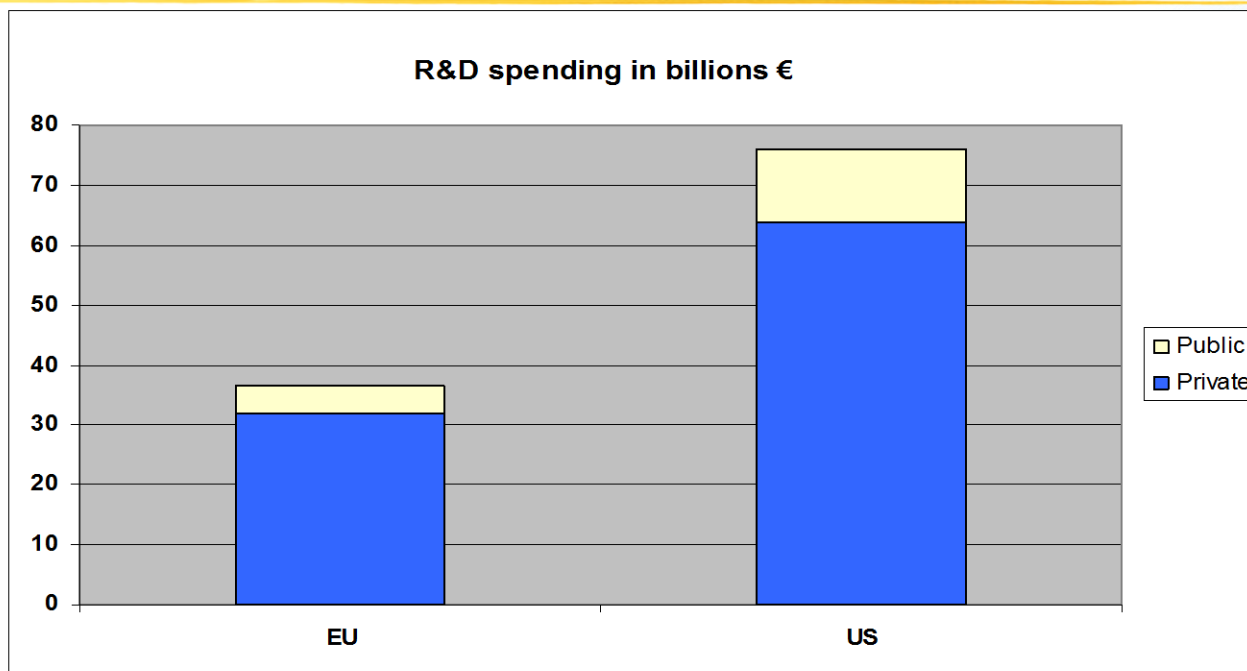


*Share of ICT in EU total Business Expenditure R&D (2005)*

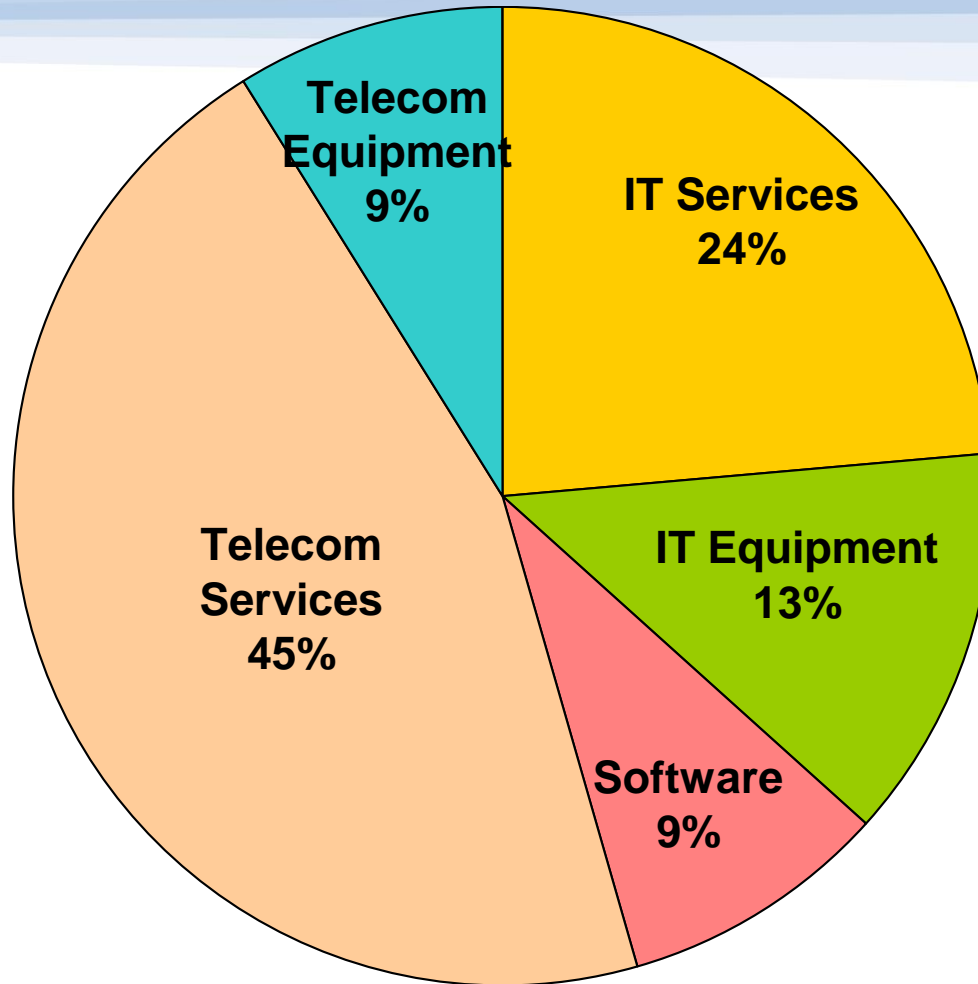


# ICT R&D spending in EU and US

## ICT spending on Research & Development



# ICT Segments





# EU Recovery Package on ICT: (1) Public Private Partnerships

- Factories of the Future
- Energy Efficient Buildings
- Green Cars



# R&D in national recovery packages

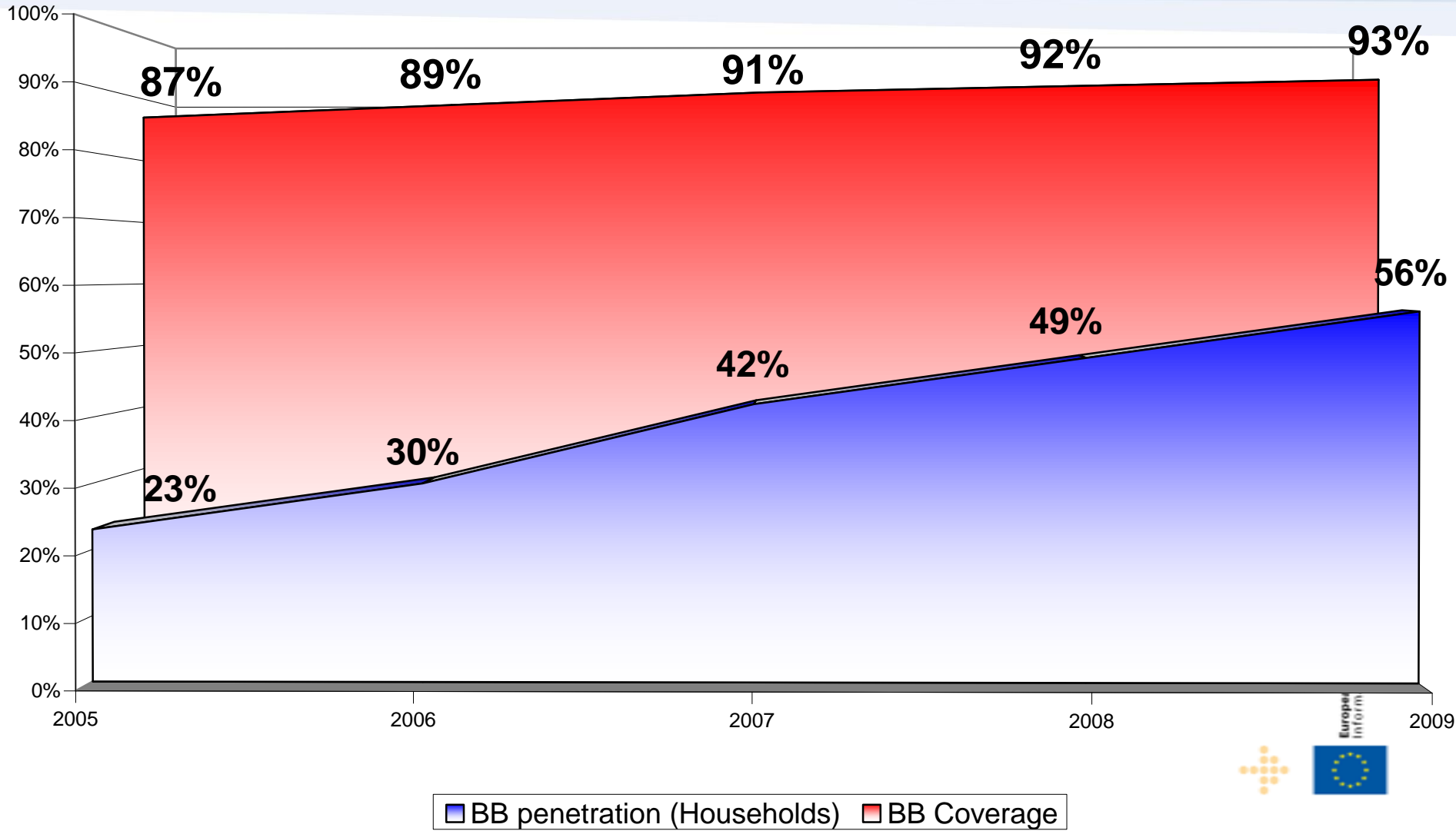
- The size of R&D stimulus measures is relatively small
- The magnitude of the stimulus varies across countries
- The crisis may have increased gaps between countries



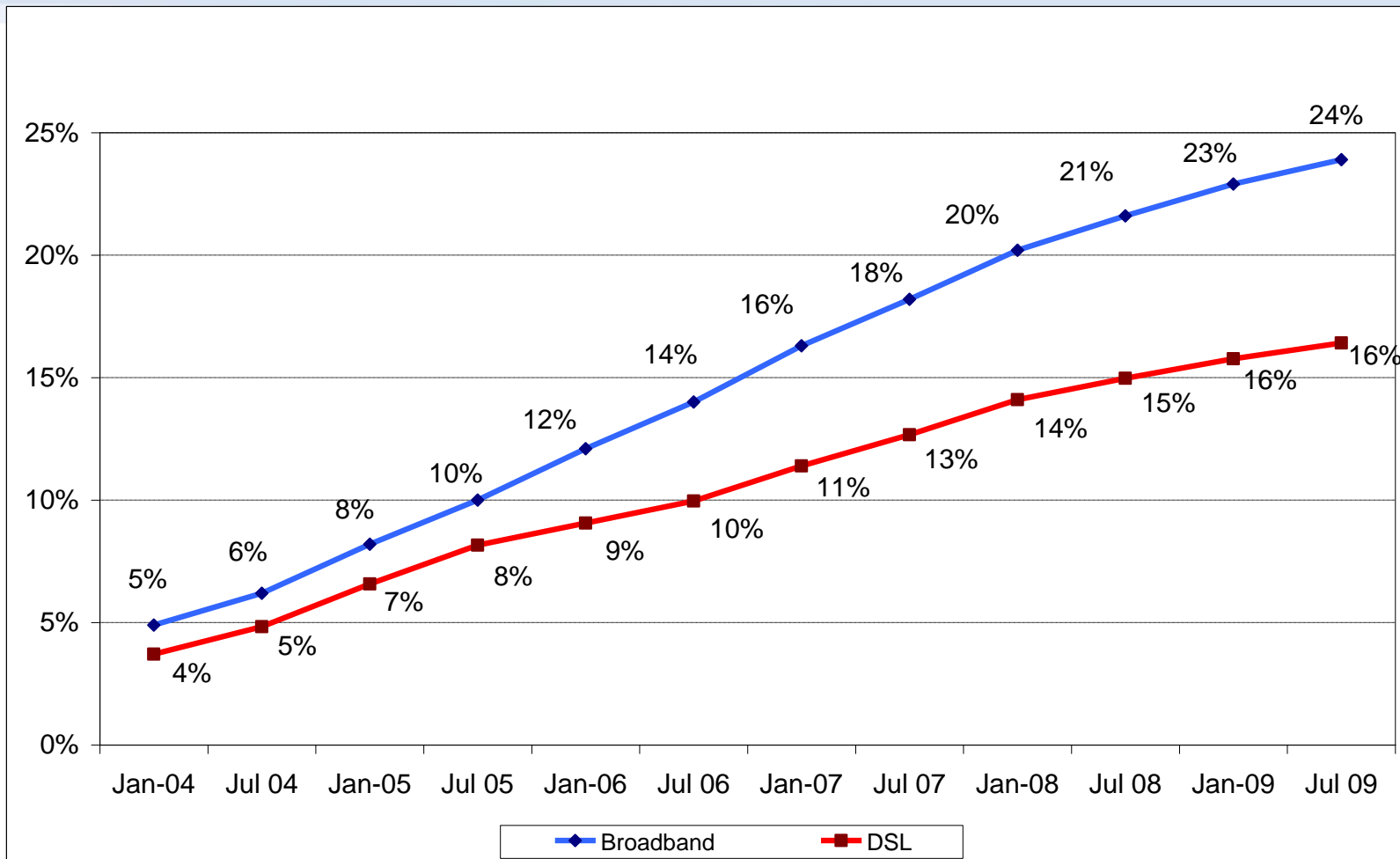
## (2) Broadband in EU recovery package

- 1.02 bn € earmarked for broadband in Rural Development Programme
- Objective: BB for all by 2013
- Only 1/3rd (35%) was used for broadband

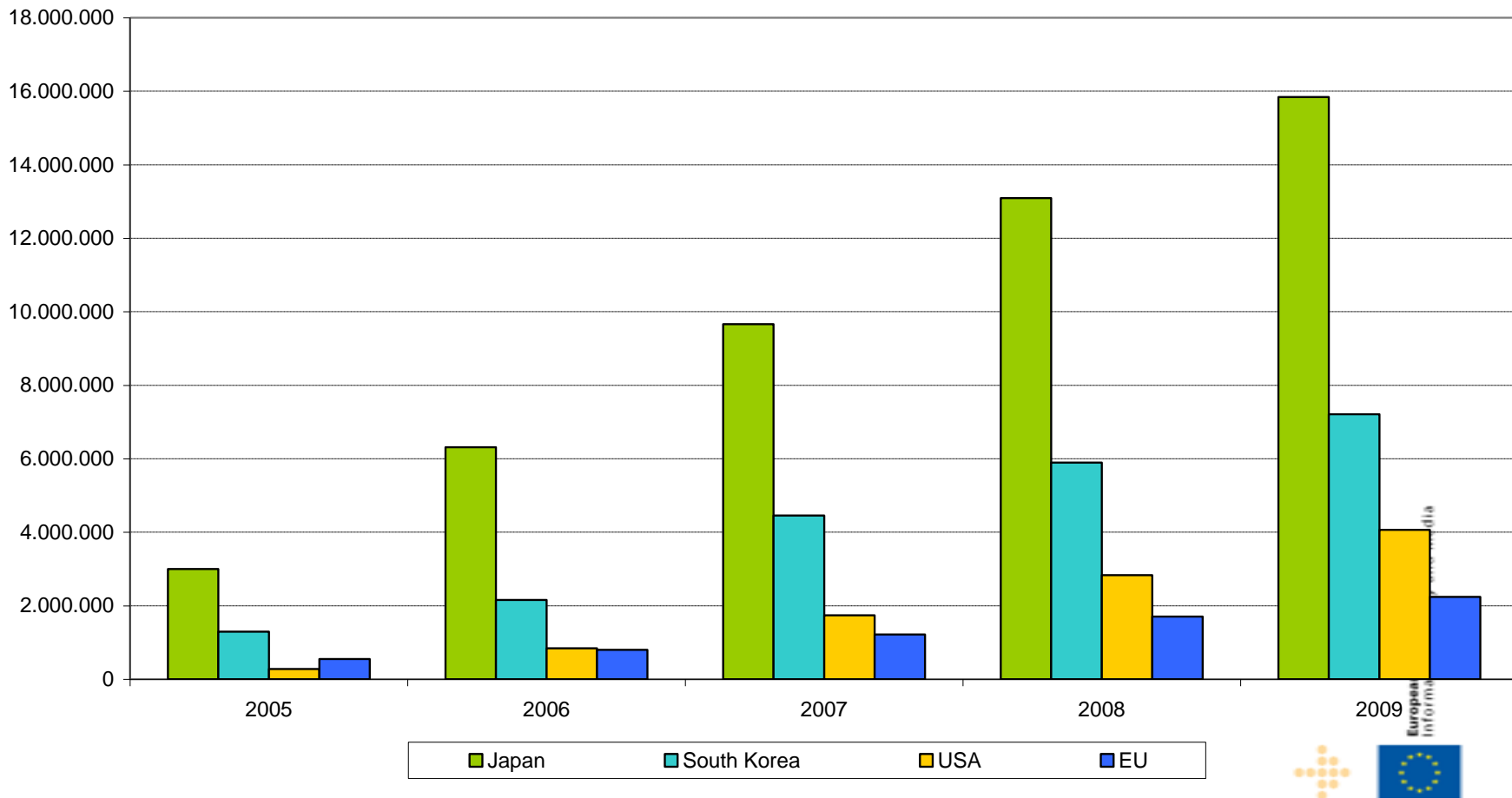
# Broadband coverage and take up



# Broadband penetration rate in EU27

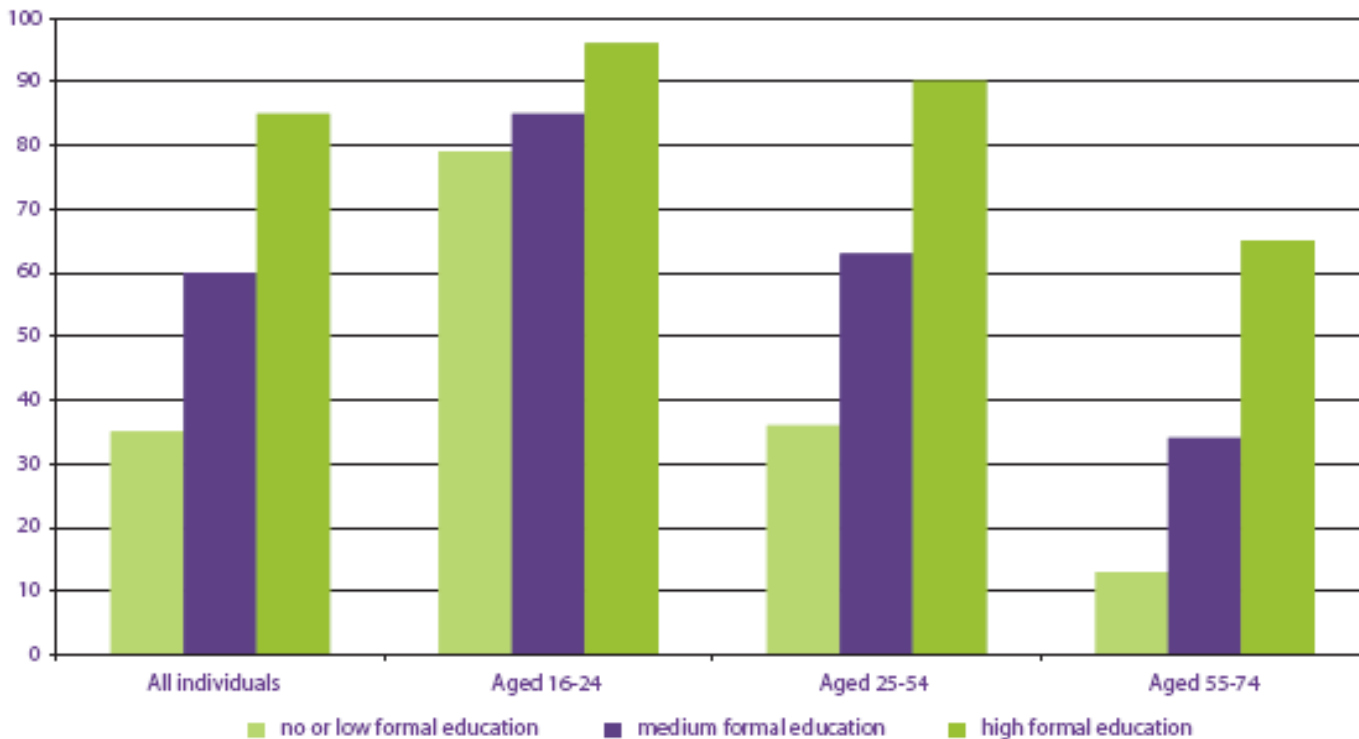


# Lagging behind on FTTH deployment



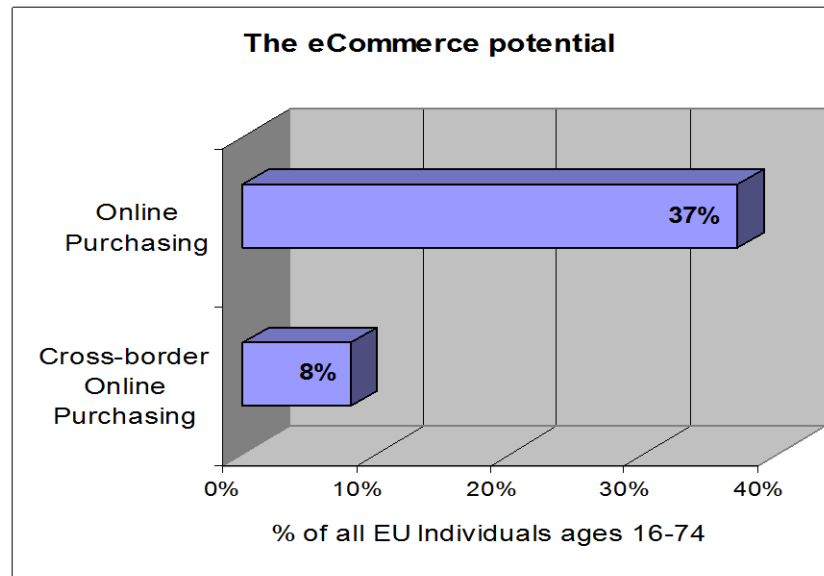
# 1/3<sup>rd</sup> Europeans never used the internet

- Besides income, age and education play a role



# eCommerce

## No EU single market for eCommerce



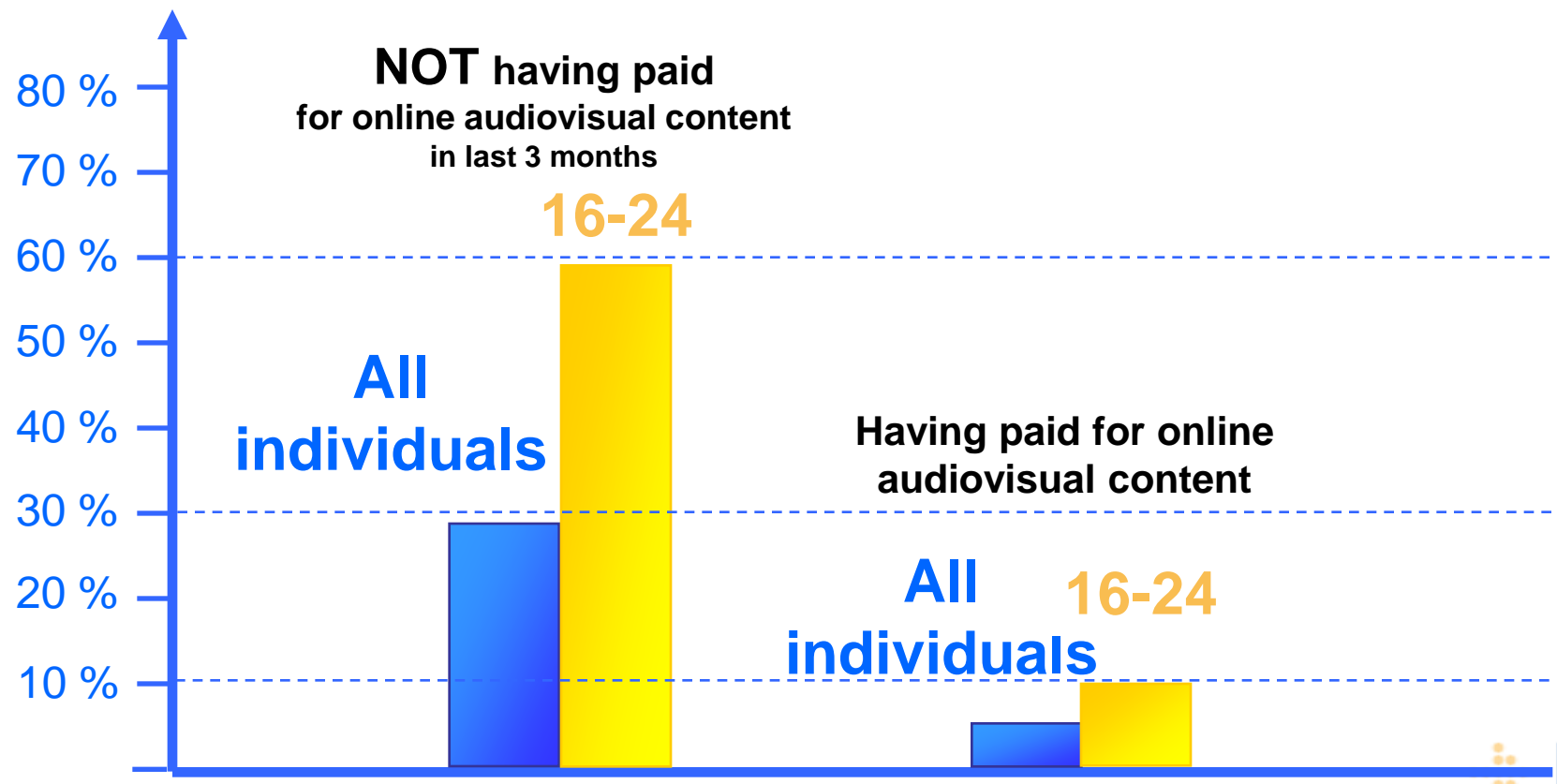
Estimated value of online transactions:  
around 150 billion € in 2009





# Willingness to pay for content

% of individuals



# What can we do to support a sustainable recovery/what should our 'Digital Agenda' be?

## Support R&D

- Provide for adequate competition and regulatory conditions in telecoms markets
- facilitate the spread of high speed broadband
- Encourage the uptake of ICT– addressing issues related to inclusion, privacy and security
- Invest in education and ICT skills
- Encourage innovation in content markets – addressing issues of IPR
- Make the most of ICT for the environment and for government and public service provision

