



Quarterly NEWSLETTER

Competitiveness of the EU SMEs in the ICT services industry

As already referred in the PIN-SME newsletter 1st quarter 09, a study aiming at identifying the current trends of the SMEs' competitiveness in the EU ICT industry will be published by the European Commission in the coming months. The final version of the study will include recommendations both for industry and for policy makers. PIN-SME, which has been involved at various levels in this study, welcomes many of the preliminary recommendations as steps in the right direction.

The preliminary findings bring interesting figures for a better understanding of the issues affecting ICT SME competitiveness. In particular, the study stresses the following points:

- 50% of the EU productivity growth comes from ICT.
- micro enterprises (1-9 employees) represent more than 94% of the total number of enterprises and 30% of total employment in the ICT services industry in 2006.
- Today the ICT services industry is globalised and yet in the EU the ICT services industry is characterised by a large proportion of SMEs. For the computer services and related activities (NACE 72) SMEs represent 99.4% of the enterprises, 69% of the employment and 58% of the total turnover in 2006 and these proportions have not changed much since 2001.
- Too many of the SMEs remain small and vulnerable to international competition. Although the trade of ICT services is on the increase, the SMEs in the sector represent a very small proportion of that international trade.

During a meeting between the consultants in charge of the study, the European Commission and PIN-SME, preliminary recommendations were discussed. They included:

At EU policy level:

- Support better involvement of SMEs in the ICT standardisation processes and support for SME ICT trade associations

At national policy level:

- Address the need for improved segmentation of ICT services SMEs according to interest, readiness and appropriate strategy for internationalisation in order to tailor interventions to the needs and interests of SMEs (industry organisations will need to support this work)

At industry level:

- Industry organisations will need to support improved segmentation of ICT services SMEs according to interest, readiness and appropriate strategy for internationalisation
- EU ICT SME trade organisations must gain stronger position in global ICT standardisation activities and should coordinate and support the participation of SMEs
- Create networks with other trade associations in order to facilitate contact between ICT services companies and potential users of R&D results.

The study will be finalised in the coming month, before meetings with stakeholders are organised by the European Commission to discuss the findings. The PIN-SME secretariat remains at your entire disposal for additional information.

European projects for ICT SMEs: things are moving!

PIN-SME members are currently involved in a number of European projects funded by the European Commission. PIN-SME welcomes the participation of its members in such projects which will empower European SMEs with access to new technologies and networks of partners throughout Europe.

These projects are in their early stage and are still under negotiation with the European Commission; nevertheless, perspectives are extremely positive. The main themes of the various project proposals include:

- research and implementation of flexible interoperability between ICT systems of SMEs, in order to foster new business opportunity for ICT SMEs ("Network is Business" project);
- foster and study the benefits of the implementation of innovative RFID technologies in SMEs of different sectors across Europe; showcase integrated RFID application scenarios on the basis of an SME-centric approach ("RFID-ROI-SME" project).



- research and implementation for software-engineering SMEs of an open reference model and of an open source enactment system ("Facilitate IT-providing SMEs by Operation-related Models and Methods" project);
- promotion of the entrepreneurial culture of young people and entrepreneurship education ("STARTENT" project);
- development and implementation of a virtual platform supporting a network of SMEs as retailers and stores providing innovative services ("NeTailers" project)

If you wish to know more about these projects and how they could benefit you, please kindly contact the PIN-SME secretariat.

State of fiscal and financial incentives for e-skills in Europe



As reported in *PIN-SME newsletter Ist quarter 09*, the European Commission has been leading a study aiming at identifying the best ongoing practices in fiscal & financial incentives to promote e-skills in Europe. PIN-SME, consulted in this study, welcomed the spirit of the project as it shares the belief that governments and public authorities should play an active role in the deployment of e-Skills, and that they should support the companies that decide to invest in e-Skills training. In addition PIN-SME has highlighted that the study should investigate not only the situation in companies from small to mid size but also micro businesses. In fact in the latter type of companies e-Skills are often transferred in an informal way – eg: learn by doing – rather than in structured trainings.

The study website - <http://www.e-skills-funding.eu/> - provides a useful list of ongoing incentives for e-skills in every European country.

A synthesis of the study's findings can also be found at <http://www.e-skills-funding.eu/downloads.html>

A closing dissemination seminar will be held in the fourth quarter of 2009 with the aim to discuss the results obtained in the study, and the recommendations proposed. The PIN-SME secretariat remains at your entire disposal for additional information.

Council approves update of "GSM directive"

In November 2008, the European Commission proposed a reform of the 1987 GSM directive in order to share the airwaves allocated to mobile phones with other more advanced technologies, starting with 3G and new 4G mobile broadband technology. After the European Parliament, the Council of Ministers approved on the 27th of July the proposal for a reform of the "GSM directive" from the European Commission.

The new provisions authorise the 900Mhz frequency band to be used to provide faster pan-European services such as the mobile internet. According to EU Commissioner for Information Society and Media, Viviane Reding, "by updating the GSM Directive, the EU has paved the way for a new generation of services and technologies where Europe can be a world leader". This reform should indeed allow operators to deploy new technologies in the GSM bands to develop high-speed mobile broadband services.

The PIN-SME secretariat remains at your entire disposal for additional information.



PIN-SME joined the European Commission in welcoming the new Microsoft proposals on the Explorer antitrust case.

On the 24th of July, the European Commission confirmed in a press release that the IT giant Microsoft had proposed developing a Window 7 version available in the EU, in which would be included a "ballot screen" for consumers to choose between competing web browsers (such as Opera and Firefox). Microsoft also proposed improvements for interoperability between third party products and Windows products.

This constitutes a response to two anti-dominant position procedures launched by the Commission, the first one for tying Internet Explorer to the Windows operator system, and the second one for not having divulged information that would

have allowed the elaboration of third party programmes compatible with Microsoft products.

Consulted by the EC antitrust authority, PIN-SME also expressed its appreciation for the proposal presented by Microsoft. PIN-SME also offered the Commission that it will continue monitoring the situation in order to make sure that the proposal is correctly implemented.

The PIN-SME secretariat remains at your entire disposal for additional information.

Supply and Demand of eSkills study lead by the European Commission

The European Commission has led a study based upon a survey on the main trends of evolution of the demand-supply of e-Skills in the European Union in the period 2010-2015. Its aim is to develop scenarios of the demand-supply balance of e-Skills in the EU in 2015 in order to identify which policy actions should be taken.

PIN-SME has actively participated in the preparation of the study and has expressed concern that the study does not suffi-

ciently address the e-skills market for small enterprises, particularly for those with less than 10 employees, ie micro enterprises. A summary of results and a draft version of the scenarios should be circulated for comments before a public workshop concluding the study is held in the fall of 2009.

More information can be found on the study can be found at: <http://www.eskills-monitor.eu>. The PIN-SME secretariat remains at your entire disposal for additional information.

European Commission White Paper for modernisation of ICT standardisation policy

The European Commission presented on the 3rd July a **White Paper on the ICT standardisation reform**. It notably aims at improving opportunities for referencing and utilising EU standards within the ICT sector and public procurement legislation. As you know, Commission White Papers are documents containing proposals for Community action in a specific area and can lead, if favourably received by the Council, to an action programme for the Union in the area concerned.

The White Paper proposes the following: 1) define the attributes which make ICT standards eligible: this includes the principle of "Balance" among stakeholders involved in the standards drafting processes. According to NORMAPME and PIN-SME this principle should guarantee enhanced access and participation to SMEs; 2) create a permanent stakeholders' platform to advise the Commission on the priorities of ICT standardisation policy; 3) allow the Commission to reference policies and legislation specific to ICT fora and consortia standards in areas where there are no European Standardisation Organisation standards; 4) update public procurement rules accordingly.

The White Paper also considers the benefits of implementing different IPR policies, such as (F)RAND, which stands for (fair reasonable fee or free of charge), and royalty free.

Some of the principles included in the White Paper, in particular as regards the IPR policy for standards, are the result of contributions expressed by PIN-SME and NORMAPME.

A broad consultation of stakeholders has been launched on the White Paper. The latter can be found at the following e-address: http://ec.europa.eu/enterprise/newsroom/cf/document.cfm?action=display&doc_id=3152&userservice_id=1&request.id=0

Opening Europe's digital economy to small businesses is amongst the priorities of EU Commissioner for Information Society and Media

Taking the floor during a seminar organised by the Lisbon Council on the 9th of July, EU Commissioner for Information Society and Media Viviane Reding exposed her desired European strategy on telecommunications and ICT: "Our policy target is clear: we would like to have internet broadband for all Europeans by 2010. And high-speed internet broadband for all Europeans by 2013".

Mrs. Reding, who hopes to continue as the Information Society and Media commissioner, presented the four policy areas she considers as priorities for the coming years: 1) make access to

digital content easier and more attractive; 2) prepare a safe, consumer-friendly European space for mobile payments; 3) open Europe's digital economy to small businesses by creating a "cloud computing" system similar to the US system (allowing small businesses to download commercial software at low monthly rates); 4) making better use of innovative ICT solutions.

For more information, please do not hesitate to contact the PIN-SME secretariat.

Action plan published by European Commission to engage in "limitless promises" of internet of things

The European Commission presented on the 18th June an action plan to ensure the benefits from the "internet of things" while addressing issues of privacy and security. EU Commissioner for Information Society and Media Viviane Reding insisted that "the promises of this new development of the internet is as limitless as the number of objects in our daily lives it involves. However, we need to make sure that Europeans, as citizens, as entrepreneurs and as consumers, lead the technology (...)".

It is foreseen that the coming years will see a major development in connecting to the internet not only computers but also ma-

chines and a variety of physical objects, creating the "internet of things". The action plan can be found at the following e-address: http://ec.europa.eu/information_society/policy/rfid/documents/commiot2009.pdf

The PIN-SME secretariat will keep a close eye on this to ensure that the promises of the internet of things for ICT entrepreneurs are kept.

Commission reports that digital economy can help lift Europe out of crisis

The European Commission published on Tuesday 4th August a report on digital competitiveness and on the European policy in this area for the last five years, as the "i2010" strategy nears its end. This strategy was to confirm Europe's dominant position in the ICT sector and to channel the benefits of the information society to European growth and jobs. According to the report, it has been a great success, as 80% of businesses have a broadband connection, compared to one third in 2004.

Europe is now a worldwide leader in broadband and the first wireless continent, with more subscribers to mobile telephone networks than citizens (take up rate of 119%). The report stresses that this state of digital development can be built on to provide a major boost to growth and innovation.

However, Europe still lags behind the US and Japan in R&D investment in ICT, high-speed broadband communications and the development of innovative markets such as online advertising. Europe therefore needs to act more to compete globally.

EU Commissioner for Information Society and Media Viviane Reding insisted in a press release that "*Europe's digital economy*

has tremendous potential to generate huge revenues across all sectors, but to turn this advantage into sustainable growth and new jobs, governments must show leadership by adopting coordinated policies that dismantle existing barriers to new services".

Further to the publication of the report, the European Commission launched a public consultation on the strategy that the EU should opt for so that the European digital economy can operate at its maximum potential. The consultation will run until the 9th October, 2009. The upcoming new European ICT strategy is to be presented in 2010 as part of the renewed Lisbon Strategy.

Both the report and the public consultation can be found at the following e-address:

http://ec.europa.eu/information_society/eeurope/i2010/index_en.htm

The PIN-SME secretariat remains at your entire disposal for additional information.

New regulation on roaming entered into force on the 1st July



The new regulation on roaming entered into force on the 1st July, bringing down the cost of making a call on roaming to 0.43€ per minute and the cost of incoming calls to 0.19€. Calls will also be invoiced by the second rather than by the minute. Downloading data will not exceed one euro per megabyte, on wholesale price.

European Commission adopts new rules on registering ".eu" domain names in all 23 official languages of the EU.

A new rule has been adopted to make it possible for businesses and internet users to register domain names under ".eu" using the characters of all the 23 official languages of the EU. Now, Bulgarians, Cypriots and Greeks will be able to use Cyrillic or Greek alphabets, Czechs will be able to use all 42 characters used in their alphabets instead of only 27, and Lithuanians 32



New Director-General for Information Society and Media Directorate-General at the European Commission

Mr. Zoran Stančič (Slovenia) has been appointed by the European Commission Deputy Director-General of the Directorate-General for the Information Society and Media.

Events and conferences to come

- ✦ PIN-SME General Assembly, 23rd of November 2009, Brussels
<http://www.pinsme.eu/>