



Orange France Telecom Group's contribution to the EC consultation on the "EU 2020" strategy

Orange France Telecom Group welcomes the European Commission's initiative to consult on the future of the "EU 2020" strategy, and hopes that it can assist the Commission with this work. Embarking the ICT industry in the design of the EU 2020 strategy, and acknowledging its prominent role in the policies that will ensue, is critical. The main issues discussed in the Working Document put to consultation are directly related to the development and activities of the ICT industry and the new 2020 strategy will have an important impact on its future and that of digital societies.

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The economic and financial crisis has underlined the need for economic policies that focus not only on investment and jobs but also on other key areas like innovation / development of services and consumer policies. ICT industries directly contribute to 25% of European growth. These industries also "irrigate" Europe because modern and sustainable economies rely on ICTs for their development. ICT already produces 40% of European growth, whilst the potential of ICT in terms of reduction of CO2 emissions is still underestimated.

Consequently, any European strategy for the coming 20 years should factor in and emphasize the contribution of ICTs (and e-communications in particular) to a wider range of economic, social and cultural spheres. It should provide a policy and a framework that supports the development of the industry, not least with a smart approach to regulation.

The shift in power that accompanies globalisation demonstrates that what is required is not protectionism, but that realistic industrial policies are. Such policies should be based on facts and figures that leverage European strengths and its players.

In that context, a European economic policy that pursues digital ambitions should focus on the conditions that have enabled the consolidation of past and current strengths. In particular, it is critical that European societies become digitalised in order to reinforce everything from knowledge-based competitiveness and cultural attractiveness to a shared vision of the European digital age.

To achieve that, EU policies can rely on ICT players who demonstrated the potential of developing into European champions in this area. This will assist in achieving a strategy in which the benefits of a digital economy are highlighted. Ideally, the strategy will place a "digital EU" at the very top of the new European Commission's agenda.

Digitalisation in the EU: the knowledge society and cultural influence

European initiatives in favour of education and strengthening competitiveness have been based on the dissemination of knowledge and the transfer of skills. European societies are committed to providing tools, services and facilities that help build towards the so-called "European social model". The sustainability of such a model will be greatly reinforced if we are able to massively invest in Europe's digitalisation.

The development of innovative digital services is a pillar which will support the knowledge-based society which the EU is designing. They allow for the dematerialisation of the economy, which reduces CO2 emissions and can improve the environmental footprint of all economic sectors. As a player and an enabler, the ICT sector can have a central role in the trigger mechanisms leading to greener societies.

Daily access to digital facilities such as e-health e-education and e-government applications will imply substantial changes in the quality of life of EU citizens. Moreover, culture and entertainment





and multimedia IP-based services are also continually developing in an effort to satisfy the ever-increasing consumer demand.

Cultural attractiveness is becoming a major card in global competition. Europe enjoys an array of unmatched cultural assets which have been only minimally leveraged in the digital economy. It can be argued that this is linked to the diversity in cultural perceptions across Europe and the fragmentation in legislation and rights management. In this respect, easing the consolidation of EU-wide players, so that they can grow as influential as other global players, should be a key objective of the strategy. A truly European ambition for digital culture will have an impact on European arts and entertainment. It should have the potential to favour the emergence of innovative digital creativity models (for example in the domain of education, gaming, and the fruition of art and heritage online). The end result will be better universal access to information, skills and education, thus contributing to the establishment of a European identity and spurring creativity.

Public authorities in the EU can play a major role in the digitalisation of European societies: by designing incentives; promoting connectivity; encouraging innovative ways of thinking and finally by spearheading truly European cultural ambitions.

Relying on key European players

Through their commitment to investment and innovation, European network operators have been key contributors to forging the way forward towards a European knowledge-based society. The deployment of efficient broadband networks will pave the way towards an increasing digital life experience for EU citizens. Network operators will continue investing in these networks in a climate where competition and investment incentives are reconciled.

It is critical that the European economic digital policy protects the chances for major players to remain competitive worldwide. These companies must have the opportunities of contending with other worldwide players and their role and interests equally recognised, irrespective of the layer of the digital value chain they belong to. In this respect, A European 2020 strategy should uphold actions that reduce fragmentation and, when needed, enable consolidation.

A realistic and up-to-date view of ICTs will also stay away from any temptations to commoditise European networks. It will favour a comprehensive approach where network operators are eventually seen as strategic, multi-capacity and long-term partners in solving European challenges. While SMEs will continue to play an important economic role, the economic future of Europe crucially depends on the development of strong market players that operate in the digital economy. These players, ranking well in the global economy, are vital for the competitiveness of the EU and for continuing to generate growth, employment and an improved quality of life for European citizens.

The EU must continue to strengthen the development for creative capacity within Universities, the network of high-technology companies, as well as the capacity of its financial system to support its enterprises and therefore consolidate the internal market. Equally, however, the EU must support the technological development models that are at the basis of the digital success stories of the past few years, where the contribution of the largest European companies has been key.



ICTs are quickly penetrating an ever-expanding range of economic sectors. It is therefore easily foreseeable that the role that they will play in the building of a prosperous and successful European Union up to 2020 will be substantial. The sustainable economy, the knowledge society, ageing populations and connected citizens do, amongst others, largely rely on the ICTs' promise to provide for a more serene and secure future.





Europe will not undergo these changes without the involvement of the major European players within the digital economy. Their growth and involvement at all stages should therefore be a fundamental element of the European digital strategy. In order to have a leading role, Europe cannot only rely on the network resources; it will have to learn to harness them. It must encourage further synergies throughout the value chain in order to stimulate the creation of innovative European digital services for all EU consumers.

An ambitious and knowledge-based digitalisation will preserve the European leadership, and the involvement of all digital players will be critical in order to reach this goal.

>> In addition to this paper, please refer to the Orange France Telecom Group's position paper which accompanies our answers to the online consultation on post-i2010.

http://ec.europa.eu/information_society/eeurope/i2010/docs/post_i2010/additional_contributions/france_telecom_orange.pdf | See also our contribution to hearing on Research & innovation: http://ec.europa.eu/information_society/eeurope/i2010/docs/post_i2010/public_hearing/orange.pdf

