Speech by Vice-President Ansip at the Consumer Summit 2016 - Consumers matter: making the most of data and the digital world

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Speech by Andrus Ansip, Vice-President for the Digital Single Market, at the Consumer Summit 2016 in Brussels

Honourable Ministers, Members of the European Parliament, Commissioner Jourová, ladies and gentlemen,

A new type of consumer is shaping today's societies and economies. A consumer who is digitally aware, digitally empowered and digitally demanding.

Consumers matter. They drive demand. Innovation responds to that demand. And so technology advances, providing more digital services that increase consumer choice.

These days, many people carry the internet around with them in their pocket – on the move.

- they want to compare prices when they shop online;

- they want to read the news, watch sports and stream music;

- they want apps to order food, book a plane ticket and pay bills.

And they want to be able to do all of this anywhere, any time – day or night.

Today, online stores are usually available 24 hours a day.

You can shop from home without waiting for a store to open.

Online shopping has come a long way since the first secure retail transaction over the web was made some 20 years ago.

Once considered a novelty, it has transformed society and is now one of our many daily conveniences.

Online shoppers today truly are digitally aware, empowered and demanding.

I focus on e-commerce because it shows clearly how much consumers have gained from digital progress. Why?

It is consumers who have driven its success, its revenues and development into new versatile business models like online platforms and the sharing economy.

Socio-economic changes like these bring new challenges in policy and regulation, which we address in the project to build a Digital Single Market.

Better online access. Stronger online rights. Protection of personal data.

In all of these areas, we are looking to clarify how existing law applies and see if new rules are needed as our society changes.

Commissioner Jourová is carrying out an extensive assessment of EU consumer and marketing laws to check if they are fit for purpose in an online environment.

The Consumer Rights Directive is one of the most important. It was the first EU law to introduce the concept of digital content into consumer law.

Commissioner Jourová will update you shortly with the progress of what we know as the Fitness Check.

It goes hand in hand with the Commission's work on the sharing economy, role of online platforms, unjustified geo-blocking and on the parcel delivery market.

It all aims to boost consumer trust and create a business-friendly environment.

To adapt to new realities, we started in late 2015 with the digital contracts package: one proposal on digital content and another on the online sale of goods.

Both of these are equally important.

They will sort out a complex legal situation around EU countries regarding consumer contract law.

They will help to eliminate legal barriers to online cross-border trade.

By balancing different interests, they will provide a good deal for both consumers and businesses. The idea is to cut costs for companies, especially smaller ones, and help them to expand across borders –

complying with one set of EU rules instead of a patchwork of national laws.

Online consumers will get more rights and protection.

They should feel more confident to enjoy a wider choice of products and services from other EU countries.

However, I am concerned about the slow progress of these and other Digital Single Market initiatives.

There is a real danger that they get held up in the EU decision-making process.

They now need to move forward quickly, not get bogged down in delays.

It was almost 18 months ago that the European Commission identified what needs to be done to build a Digital Single Market in Europe.

We consulted extensively. We produced and presented a credible way forward.

But, in the meantime, the clock is ticking.

While others take their time, Europe's people and businesses are losing out.

Ladies and gentlemen,

The initiatives I mentioned - in fact, all those in the Digital Single Market – also relate to data.

Data is not only a growing trend in the digital world, it is the future.

Whatever it is used for, data is the basis for progress and opportunity

Data is a commodity. The right to use that data can be transferred.

So can its physical location. It can be marketed, re-used, aggregated, transformed, bought and sold.

However, the starting point for anything to do with data is privacy: how people can protect their personal information.

Trust is everything – and vital for the overall success of the Digital Single Market itself.

People generate vast amounts of raw data, often without realising. It could be produced through sensors or devices, or research and scientific activities, through social networks or sharing economy platforms like Airbnb or Uber.

Although we *possess* this digital information, we do not yet fully *control* it.

This is a widespread and genuine public concern, as many surveys confirm.

Now, after the EU agreed new general rules on data protection in May, I hope consumers will feel more confident to do what they want with their personal data. This is a powerful European law that provides a single set of rules that are simpler, clearer and stronger than before.

Raw data has an intrinsic economic value, and therefore a market value.

As new online business and data economy models grow and expand, so does the value of data.

Smart use of data brings more commercial opportunities, as machine-collected data is monitored, marketed and used in countless new and imaginative ways.

Data gatherers will compete for it in the emerging data market.

In fact, they are already doing so. Some experts estimate that the value of personal data in Europe could grow to nearly €1 trillion annually by 2020.

We simply need more freedom for people to access data and decide how it is used. But this can be difficult for them – so perhaps we need new intermediaries like data brokers to gain the full value of our data.

Why not? It is another good reason not to be afraid of data – because data is here with us to stay.

If individuals had more control and portability of their own data, they could choose between rival service providers who want to use it.

This is not a complicated business model for a new market.

It leads easily to more innovation, competition and also creates new industries.

But it does depend on data being transferable between locations.

Data has to be able to move freely, across national borders and in a single data space. If it does not, the growth potential of our digital economy will be limited.

That will affect business and industry as much as it will consumers, who have so much to gain from

digitisation.

I do not just mean economic gain.

Data benefits many other areas as well: lifestyle, social inclusion, the right digital skills for employment, quality of public and private online services.

Take modern healthcare, which relies on data to provide medical assistance.

That includes data from people's electronic health records and genomics, and also from other sources: our internet clicks, social media, mobile and business transactions.

Good data analytics will develop a better understanding of health patterns. That can lead to new correlations that can be used to cure diseases and maintain quality of life.

Ladies and gentlemen,

As I said at the start, consumers matter. It is why they occupy such a prominent position in the plan to build a Digital Single Market in Europe.

Consumers create the demand for innovation that drives our emerging digital economy forwards.

Together with Commissioner Jourová, we are working hard to improve conditions for consumers in the digital age. There have already been welcome advances in the protection of consumer rights online.

At the same time, we know the situation on the ground can still be improved.

The digital world moves fast.

We have to be able to adapt and respond – but also to think ahead, to prepare for the future.

So let us work together, move ahead and build a free flowing and thriving data economy:

to meet the needs and desires of consumers, protect their rights and allow them to make the most of a true digital society.

Thank you.

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