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Strengthening the European Creative Industries in the Light of the i2010 Strategy

*Check Against Delivery
Seul le texte prononcé fait foi
Es gilt das gesprochene Wort*

Opening address at the Austrian Presidency Expert Seminar:
Content for competitiveness

Vienna, 2nd March 2006

Ladies and Gentlemen,

I am very grateful to the Austrian Presidency and Secretary of State Morak for inviting me to Vienna. It is my pleasure to join you and open this conference on European content for competitiveness.

The digital revolution and other developments in technology are transforming the media landscape. The link between certain types of content and the way in which they are delivered to consumers is gradually disappearing. Telecom operators are providing television, telephony and high-speed internet services in one offer, known as Triple Play.

In today's world, we can chat to friends on the other side of the world whilst reading the Wiener Zeitung on the Internet. We can watch the action from the Winter Olympics or read the latest bestseller on our mobile phones. We can access interactive services through our digital TV-sets.

Real convergence between the different media, so long talked about, is now taking place. Most content providers used to specialise in one distribution channel. Now they have to compete for attention over different distribution networks. All that means innovative services for consumers and businesses, wherever they are.

The content industry is ever more in the vanguard of the digital revolution. For European creative industries this is a great opportunity for innovation and growth. It also allows us to promote European ideas, values and creativity.

Policy makers can help by creating a regulatory framework which ensures fair competition, liberalised markets, and less red tape. We need rules which address the challenges faced by the industry and which stimulate innovation. We have to promote high quality content and enhance the spread of the high-speed networks needed to deliver that content to businesses and consumers.

The i2010 strategy for an information society responds to this challenge. As part of the European Commission's key objective of growth and jobs in Europe, it evaluates all EU policy instruments to develop the digital economy. The information society and media sectors are core industries for the sustainable future growth of our economies.

Competition policy is a key driver for competitiveness and one of the main pillars of the Lisbon agenda. It plays an essential part in the i2010 strategy. The European Commission acts against anti-competitive practices and distortive State aid, in this sector as in any other. In doing so, we help to open markets, allowing diverse, creative content to develop. Look at the development of competitive broadband markets. This has triggered innovative services, such as video on demand and triple play.

In the new digital environment, people want easy access to quality content. This demand can only be met if content can easily make its way onto effective distribution platforms. Ensuring easy access to these platforms is one of the key objectives of antitrust enforcement in the content industry. That is why the Commission has intervened against long exclusivity agreements by dominant players. That is why we have acted against exclusive joint selling or purchasing agreements and market partitioning.

Open and efficient markets are the best way to deliver quality products at reasonable prices to consumers. But sometimes the market alone may not deliver fundamental European policy objectives, such as social and regional cohesion, cultural diversity and high-quality public services.

State aid can help fill this sort of gap, where needed - just enough to encourage developments that will strengthen the European economy overall.

This is the case when it comes to new ideas and new technologies. With this in mind, we launched a public consultation on aid for innovation last September, to assess how State aid can stimulate innovation without discouraging private investment.

Competition naturally creates a positive race towards a fully digital broadcasting infrastructure, which allows for more TV channels and new and better services. I'm glad the industry has approached this with enthusiasm. You know the market better than anyone, and it is the market that we should trust to be in the driving seat here. Member States should let competition play between different TV transmission platforms. At the end of the day, 450 million European consumers are probably not wrong.

High-speed broadband networks are essential if rich media content is to reach homes and businesses. The expansion of broadband is best achieved through competition between alternative technologies. Antitrust action in the telecom sector aims to ensure the development of such competition. Of course, State help may be needed where market forces alone do not deliver - for example to deliver broadband connections in rural and remote areas.

Turning now to content, one of Europe's main strengths is its cultural diversity. This is reflected in the production of about one thousand European feature films per year. Major hurdles for European film productions are the absence of a truly European market and the lack of commercial finance. State aid can sometimes be needed to overcome these shortcomings. But it should only be used when it fills genuine gaps which market forces and other instruments do not resolve. It must also be used wisely, to avoid unnecessary distortion of competition. In 2007 we will revise the rules on State aid to films. This gives us an opportunity to adapt the legal framework so it continues to promote a competitive film industry in Europe.

Similarly, the Commission recognises the importance of public service broadcasting. I believe there are three essential values to uphold in this sector:

- pluralism,
- universal access and
- quality of content.

Public and commercial broadcasters have different but equally vital roles in achieving these goals. The competition rules aim to create the best conditions for operators to perform their respective roles in the interest of viewers and tax-payers. As regards public service broadcasters, it's important that the public service mandate is clear. Funding must be transparent, and the broadcaster must behave according to normal market conditions in any commercial activities. Applying these basic concepts enhances legal certainty for public service broadcasters. It ensures that public money is properly used for public services. And it guarantees commercial opportunities for the full range of operators.

Developing technology has blurred the traditional concept of broadcasting. Today, content is increasingly distributed over new platforms such as the Internet. So policy makers need to reflect on the mission of public service broadcasters in this new media environment. The European Commission will address these issues by revising the Broadcasting Communication in 2007 to 2008.

You will by now have got my main message. You live at the cutting edge of a fast-moving sector. I'm convinced that effective competition is one of the keys to the future competitiveness of your industry. In some cases, State support may be appropriate, but it is no miracle solution. Our reaction must always be to look to other instruments first. That includes having the courage to release all the creativity and potential which is already there in this sector. And only when gaps cannot be filled by any other means should we have recourse to the last resort option of state support.

Ladies and gentlemen, finding the right policy mix is what this conference is about.

Strengthening the European content industry is one of the goals of the European Commission. However, we cannot achieve it without the parallel actions of Member States, national competition and regulatory authorities, the business community and consumers.

It is a great opportunity to have you, the key stakeholders gathered together at this conference. Make the most of the coming days, and make the most of the enormous potential your industry offers the Europe of tomorrow.