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OUTCOME OF PROCEEDINGS

From:	General Secretariat of the Council
To:	Delegations
Subject:	- *Transport, Telecommunications and Energy Council on 7 June 2019*
	Conclusions on the Future of a highly digitised Europe beyond 2020: "Boosting digital and economic competitiveness across the Union and digital cohesion"
	- *Adoption*

Delegations will find in Annex the text of the Council Conclusions "Future of a highly digitised Europe beyond 2020: "Boosting digital and economic competitiveness across the Union and digital cohesion"", as adopted by the Transport, Telecommunications and Energy Council at its meeting on 7 June 2019.

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FUTURE OF A HIGHLY DIGITISED EUROPE BEYOND 2020: BOOSTING DIGITAL AND ECONOMIC COMPETITIVENESS ACROSS THE UNION AND DIGITAL COHESION

THE COUNCIL OF THE EUROPEAN UNION,

RECALLING

- The Commission Communication of 8 April 2019 on Building Trust in Human-Centric Artificial Intelligence,

- the European Council conclusions of 21 and 22 March 2019 on jobs, growth and competitiveness,

- the Bucharest Informal Ministerial Meeting of 1 March 2019 on the future of a highly digitised Europe beyond 2020,

- the Council conclusions of 18 February 2019 on the coordinated plan on artificial intelligence,

- The Commission Communication of 7 December 2018 on the Coordinated Plan on Artificial Intelligence and its annex entitled 'Coordinated Plan on the Development and Use of Artificial Intelligence Made in Europe - 2018',

- Council conclusions of 4 December 2018 on Special Report No 12/2018 of the European Court of Auditors entitled "Broadband in the EU Member States: despite progress not all the Europe 2020 targets will be met".

- the Council conclusions of 27 November 2018 on the strengthening of European content in the digital economy,

- European Court of Auditor's Special Report of 5 June 2018 No 12/2018: "Broadband in the EU Member States: despite progress not all the Europe 2020 targets will be met",

- The Commission's Communication of 25 April 2018 on Artificial Intelligence for Europe,

- The Tallinn Declaration on eGovernment of 6 October 2017,

- the Commission's Communication of 10 May 2017 on the mid-term review of the implementation of the Digital Single Market Strategy 'A Connected Digital Single Market for All',

- The Commission Communication of 14 September 2016 on Connectivity for a Competitive Digital Single Market - Towards a European Gigabit Society,

- the Commission's Communication of 6 May 2015 on 'A Digital Single Market Strategy for Europe'.

1. STRONGLY EMPHASISES that digitalisation is essential for the competitiveness, economic development, cohesion and security of Europe. Addressing opportunities and challenges related to digitalisation is therefore a most urgent task for Europe. The EU's competitive edge lies at sustainable, human-driven digital economy. We have to ensure that all European citizens can widely benefit from this process and that all European businesses, irrespective of their size, location and type can grow and compete globally, that no one is left behind in the digital transformation, that gender equality is taken into account in all areas of digitalisation, including enhancing the number of women in tech, and that all vulnerable groups reap the benefits of digitalisation;

2. RECALLS the intensive efforts of the Member States and competent EU institutions to create a true Digital Single Market. HIGHLIGHTS the results of the Digital Single Market Strategy and CALLS ON Member States and the Commission to ensure the efficient implementation and enforcement of EU rules. CALLS on the Commission to take stock of cross-border unjustified barriers and evaluate of the effectiveness and consistency of existing legislation. This comprehensive assessment of the existing regulatory framework should go together with a targeted, agile, fact-based, and problem-solving approach, where necessary followed by appropriate actions;

3. ENCOURAGES the Commission to continue to bring together stakeholders, in collaborative projects and ecosystems, and develop long-term European action plans, taking into account Member States' priorities. INVITES the competent EU institutions to act jointly and in a coordinated manner with a view to a horizontal and forward-looking consistent digital policy, which is evidence-based, promotes security by design and enables new technologies and business models without imposing unnecessary burdens and cost nor obstacles to innovation. They should bear in mind the need to strengthen digital trust and security, which includes both ICT products and services, and to minimise fragmentation of the Single Market, aiming at an efficient, transparent and coherent European framework;

4. CALLS on the Commission and Member States to put in place an integrated approach addressing the current and emerging opportunities and challenges, in particular by further developing the borderless dimension of the digital economy and the use of digital applications and infrastructure, while empowering citizens and ensuring respect for their rights to privacy, confidentiality of electronic communications data and personal data protection, protecting consumers and also innovators and creators, notably through intellectual property rights, facilitating accessibility, enabling cross-border trade including through targeted harmonisation and mutual recognition, upscaling key technologies, developing the network of European Digital Innovation Hubs, promoting the opportunities for SMEs and start-ups to scale up, become highly digitised and take part in global value chains. CALLS on the Commission and Member States to commit to promoting global competitiveness and the digital sovereignty of civil societies in Europe;

5. RECOGNISES that a vibrant digital ecosystem, which encompasses businesses of all sizes, is required to ensure a sustainable digital economy. CALLS on Member States and the Commission to ensure that the right framework conditions are in place in order to strengthen European businesses' ability to scale up which in turn will create opportunities for smaller innovative companies to grow in the single market and for digital businesses to operate globally;

6.   UNDERLINES the need to:

- remove unjustified barriers to innovation and growth, while labour conditions, health and safety at work, cultural and linguistic diversity, rights and opportunities to obtain the latest digital skills and knowledge and other general interests should be safeguarded.

- make Europe a space for enabling the development of new digital companies in the EU which have the potential to become the global digital champions of the future. In this regard, Europe must reduce the unjustified financial and administrative barriers to digital entrepreneurship, as well as develop, attract and retain talent to boost the creation and scale up of European start-ups.

- ensure conditions for fair competition and effective freedom of consumer choice in digital matters amongst others through effective enforcement of a future-proof competition law, including an examination whether the competition framework needs to be updated, guaranteeing a competitive and innovative digital single market.

- adapt our taxation systems to the digital era, while ensuring fair and effective taxation, in line with European Council conclusions of 28 June 2018 and 22 March 2019,

7.   STRONGLY EMPHASISES that Europe's cybersecurity capacity should be reinforced in order to protect its digital infrastructures, products, services and users, and its global competitiveness and digital sovereignty. STRESSES the need to fully implement and enforce existing rules ensuring a high level of cybersecurity across the Union. HIGHLIGHTS the importance of developing relevant cybersecurity entities open to the private and public sectors, increasing cyber resilience and strengthening technological and industrial capacity and transforming cybersecurity into a competitive advantage for European companies and the need to enhance synergies between the private and public sectors at European level in the research and development of new cybersecurity solutions;

8.   STRESSES the need to consider and adequately address the opportunities and challenges of digitalisation for environmental, climate and nature protection through targeted policy-instruments at EU level, thus contributing to a sustainable approach to digitalisation in the EU;

9. RECOGNISES that artificial intelligence[1] and other new technologies can contribute to a more efficient and competitive economy by strengthening European businesses through the optimisation of their processes leading to the boosting of their competitiveness. STRESSES that these technologies can solve key societal challenges, such as improved healthcare including meeting the challenges of ageing societies, achieving a sustainable welfare system, food security and combating climate change. HIGHLIGHTS the importance of ensuring full respect of European citizens' rights as well as boosting consumer and user confidence by piloting ethical guidelines for the development and use of artificial intelligence, making ethics in artificial intelligence a competitive advantage for Europe. CALLS upon the Commission to consider the evaluation of existing legislation in order to meet the challenges and opportunities stemming from new technological developments inter alia to create a reliable framework for a human centric implementation of artificial intelligence safeguarding ethical principles and basic values. SUPPORTS the Commission's effort to bring an EU ethical approach to the global stage and ENCOURAGES its promotion in international initiatives on artificial intelligence, such as that of the OECD and the International Panel on Artificial Intelligence;

10. STRONGLY CALLS for a European policy that both supports innovation and fosters the European key digital technologies, not only enabling the development and use of artificial intelligence, but also ensuring its integration into the internal processes of companies of all sizes: start-ups, SMEs, and scale-ups, and also ensuring international cooperation so that Europe becomes a world leader in this sector. STRESSES the necessity for investments in research and innovation and in technology infrastructures as well as the promotion and financing of digital entrepreneurship in order for companies to be able to scale up and successfully deploy key digital technologies such as artificial intelligence on a global scale;

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[1] High Level Expert Group on Artificial Intelligence document of 8 April 2019: Ethics Guidelines for Trustworthy AI.

11.   HIGHLIGHTS the crucial role of:

- adopting a human-centric approach, respecting ethical values rooted in the Charter of Fundamental Rights of the European Union and, while recognising the freedom to conduct a business, ensuring respect for privacy, data protection rights and intellectual property rights and ensuring rules of product safety and liability,

- enhancing EU, international and multi-stakeholder cooperation thus contributing to an active role in international discussions and to the strengthening of the EU's approach on the global stage,

- participating in the development of technical standards for digital technologies,

- exchanging best practices while taking into account legitimate needs for commercial confidentiality,

- adopting a coherent approach to data sharing also supporting European businesses, including SMEs, start-ups and mid-caps,

- assisting the public sector to take up artificial intelligence solutions, and enhancing trust among governments, citizens and companies;

12.   RECOGNISES the importance of connectivity for the European economy. RECOGNISES, furthermore, the need to bridge the digital divide and promote social and economic inclusiveness, efficiency and innovation, and to connect, where needed, the less connected regions, industries, administrations and citizens, including the low-income and rural and outermost regions' communities, while ensuring greater empowerment, inclusion and a higher take-up of advanced digital technologies by citizens, businesses, especially SME-s and public authorities. CALLS on the European Commission to review and if needed update the 'EU Guidelines for the application of state aid rules in relation to the rapid deployment of broadband networks' in order to support the achievement of the Gigabit Society goals and to ensure the handling of pre-notifications and notifications within a reasonable period of time, as the fast deployment of the emerging digital technologies, including ultra-fast broadband, is crucial for European global competitiveness;

13. UNDERLINES that Europe must benefit from the opportunities while further preparing its society for the socio-economic challenges derived from the digital transition and preserving cultural and linguistic diversity, taking into account local specificities as well as an open and fair internet;

14. RECOGNISES that digital development, including the development of digital skills (e.g. digital skills needed for industrial sectors and services, cybersecurity and key emerging technologies such as artificial intelligence and high performance computing), for the benefit of all must be ensured, thus preventing the digital divide and creating conditions for a more inclusive digital economy. Education, vocational training, the social protection of new forms of work, including for vulnerable groups, as well as workers' social rights must be central concerns, best adopted in a national lifelong learning strategy;

15. STRONGLY UNDERLINES the need for the continued promotion, development and deployment of the European data economy, including related research activities, if needed, through a strengthened European data strategy, guaranteeing respect of the freedom to conduct a business as well as the rights of users and creators, including the question of data access by users and creators. ENCOURAGES the Commission and Member States to develop, in full respect of the provisions of the General Data Protection Regulation, the free flow of non-personal data Regulation and the re-use of public sector information and open data Directive, a coherent European framework for secure, interoperable and trustworthy data sharing, to promote voluntary data sharing and reuse of certain sets of data enabling innovative digital technologies such as artificial intelligence, the Internet of Things, Quantum technologies, high performance computing, distributed ledger technologies (such as blockchain) and Earth observation services. ACKNOWLEDGES the need to work towards a global enabling framework for promoting a fair competition between digital services and the movement and sharing of data, including provisions facilitating data flows across markets into trade agreements strictly in accordance with the EU legal framework. INVITES the Commission to explore ways on further opening and reuse of the data held by the private sector for general public interest, while respecting companies' interests such as trade secrets;

16. RECOGNISES the importance of transparency, fairness, accountability and responsibility in the use of algorithms, so that online platforms across the EU operate in a transparent and predictable manner;

17. ACKNOWLEDGES the importance of further promoting the development of the Gigabit Society, in particular via the deployment of fixed and mobile ultra fast digital infrastructure including 5G, for example through the establishment of test beds as well as the promotion of its use in different sectors of the economy and society, aiming at full coverage and wide use - by citizens and enterprises, including SMEs - of ultra fast broadband networks. WELCOMES the recently adopted Commission Recommendation on cybersecurity of 5G which sets out a number of concrete actions to be implemented in a short timeframe, including in relation to risk assessments and WILL WORK towards its implementation. A coordinated approach is necessary to ensure that the EU remains a world leader in 5G deployment;

18. STRESSES that combined and coordinated investments at EU level are the best way to achieve and maintain state of the art innovation in Europe and in this context, without prejudice to the negotiations on the future Multiannual Financial Framework, RECOGNISES the potential of the sectoral proposals, in particular the Digital Europe Programme, the Connecting Europe Facility, the Space Programme and the Horizon Europe package. Other programmes may enable innovative funding schemes, particularly for start-ups;

19. RECOGNISES the need for effectively digitalised public administrations to ensure better access to public services for citizens, organisations and businesses across Europe. RECOGNISES ALSO expectations towards governments to digitally evolve by offering open, efficient and inclusive, borderless, interoperable, personalised, user-friendly, trustworthy, secure, end-to-end digital public services. HIGHLIGHTS the importance of principles such as digital-by-default and once-only. CALLS on the Commission to take stock of the progress achieved under the eGovernment Action Plan and identify the main remaining challenges for cross-border services. HIGHLIGHTS the need to further consolidate and reuse the European digital infrastructure with common standards and digital building blocks (so-called Digital Service Infrastructures (DSI), e.g. CEF eDelivery, eID and eInvoicing). RECOGNISES that the Single Digital Gateway constitutes a significant initiative ensuring better coherence in European digital public services where Digital Service Infrastructures will form a critical common foundation for its successful implementation;.

20. SUPPORTS the development of the Internet of Trust, the prevention of the spread of hate speech, violent and illicit content on the Internet and the combat of disinformation and manipulation of information as an integral part of, but not limited to, building resilience against hybrid threats.