



European Commission priorities in the Baltic context

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Structure of the presentation

- President Juncker's 10 priorities
- Investment plan
- Energy Union
- Digital Single Market

President Juncker's 10 priorities (I)

- 1. New Boost for Jobs, Growth and Investment**
- 2. Connected Digital Single Market**
- 3. Resilient Energy Union with a Forward-Looking Climate Change Policy**
- 4. Deeper and Fairer Internal Market with a Strengthened Industrial Base**
- 5. Deeper and Fairer Economic and Monetary Union**

President Juncker's 10 priorities (II)

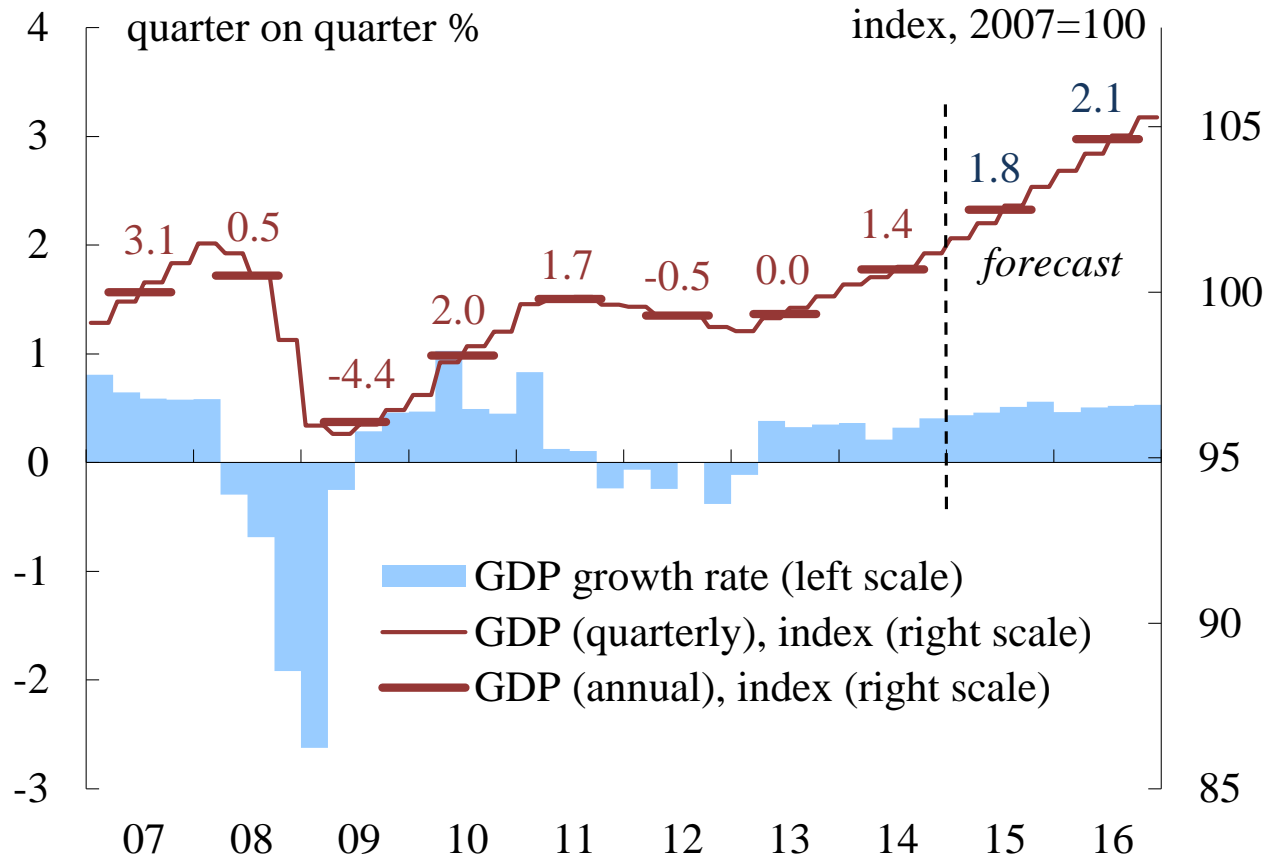
- 6. Reasonable and Balanced Free Trade Agreement with the U.S.**
- 7. An Area of Justice and Fundamental Rights Based on Mutual Trust**
- 8. New Policy on Migration**
- 9. Stronger Global Actor**
- 10. Union of Democratic Change**



Investment Plan for Europe - key to economic growth

EU growth gradually firming

GDP growth in the EU

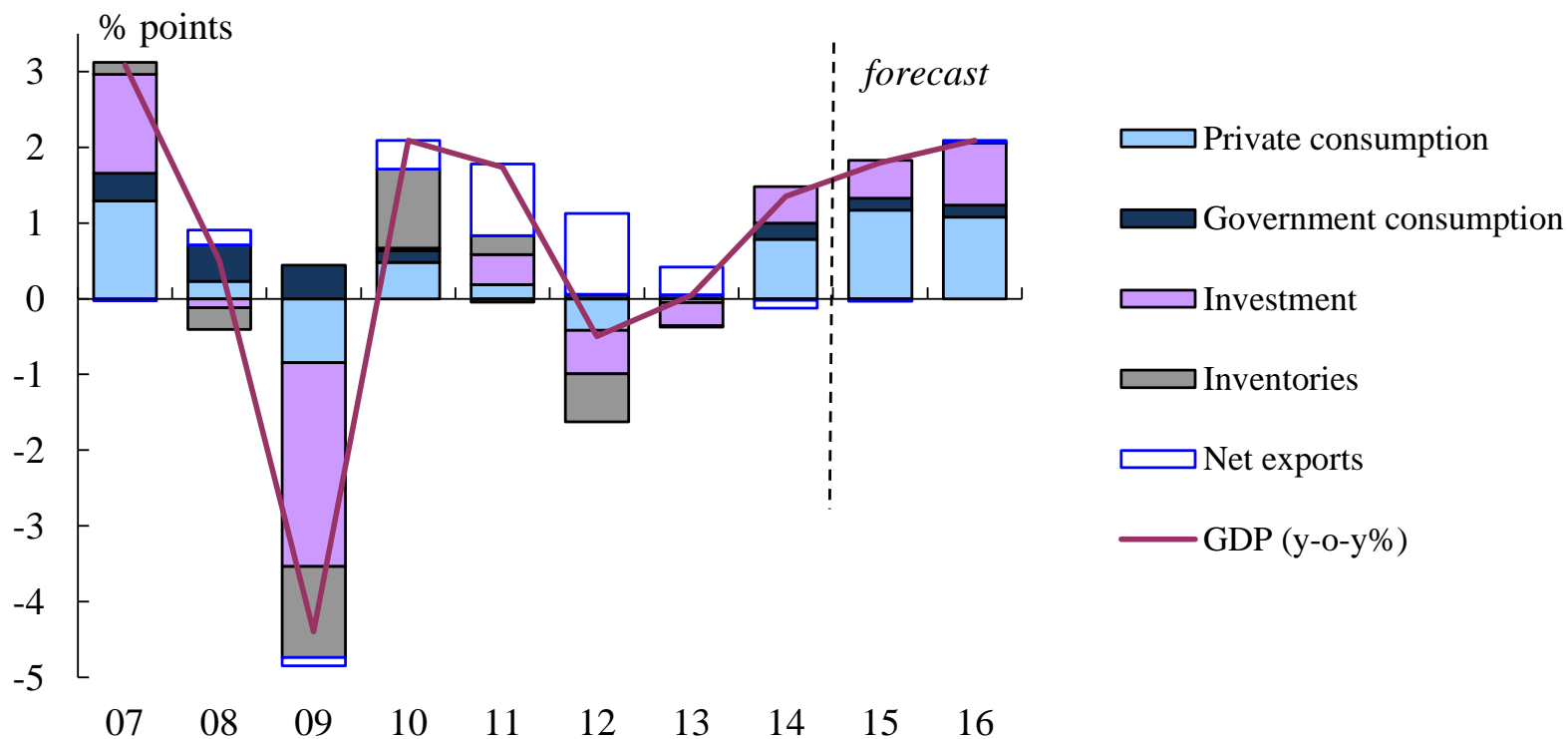


Figures above horizontal bars are annual growth rates.

Source: Spring 2015 Forecast, May 5, Eurostat, European Commission

Private consumption: the main growth driver

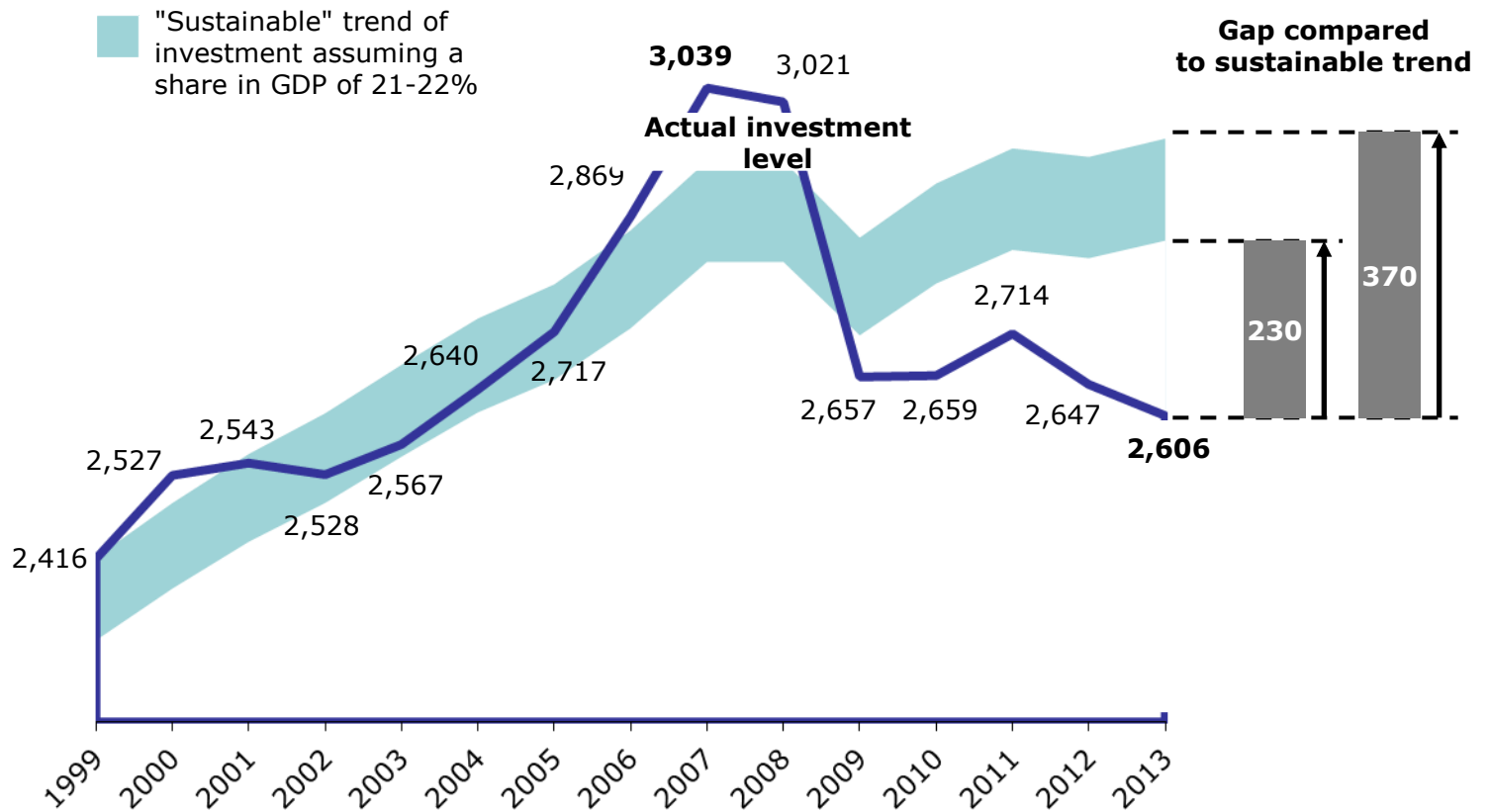
GDP growth and its components, EU



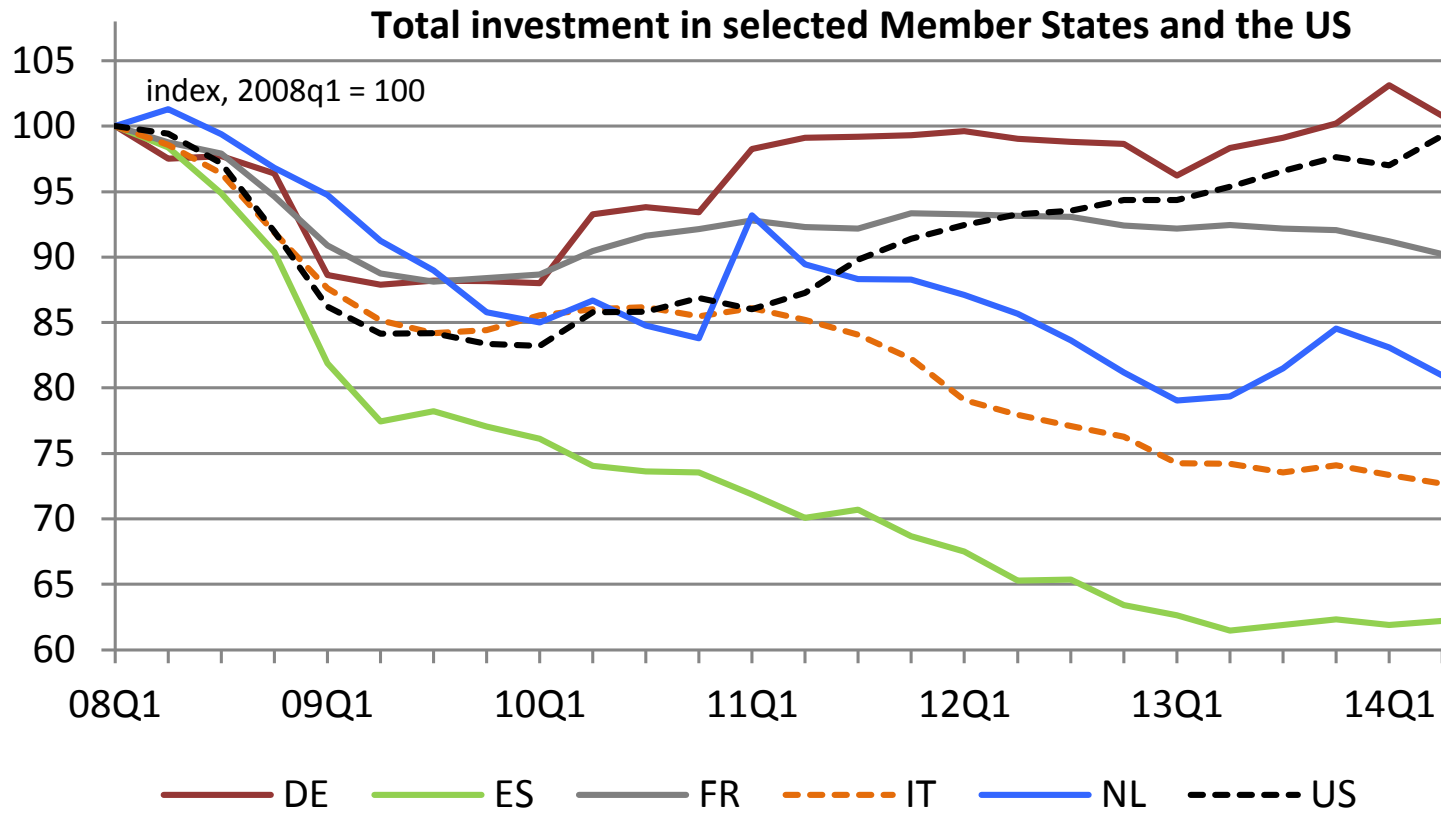
Source: Eurostat, European Commission

The investment gap in the EU is sizeable

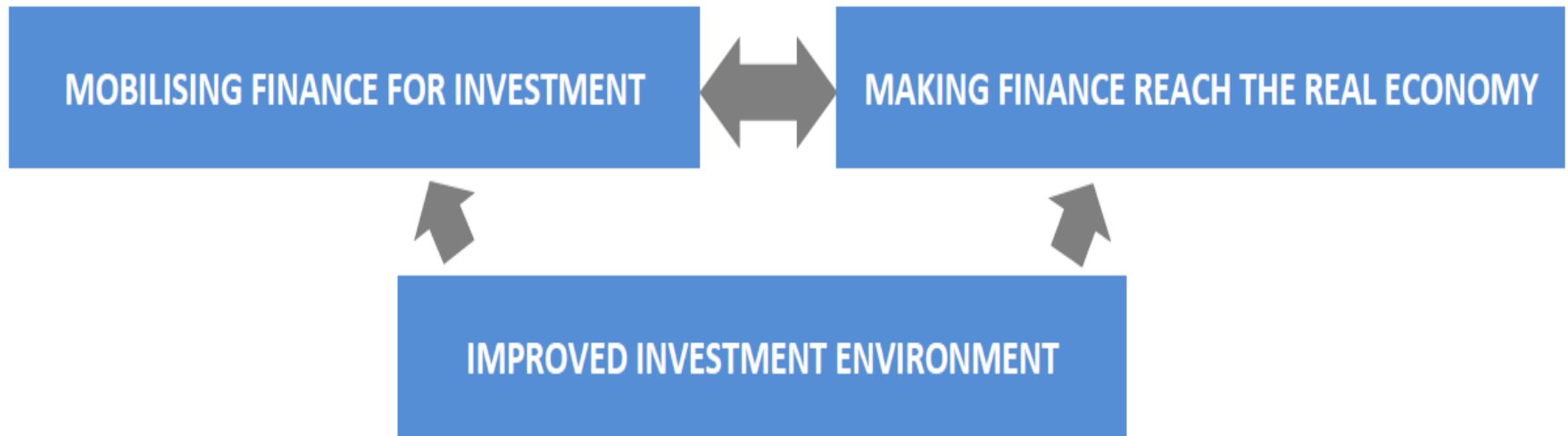
Real gross fixed capital formation
EU-28, in 2013 prices, EUR bn



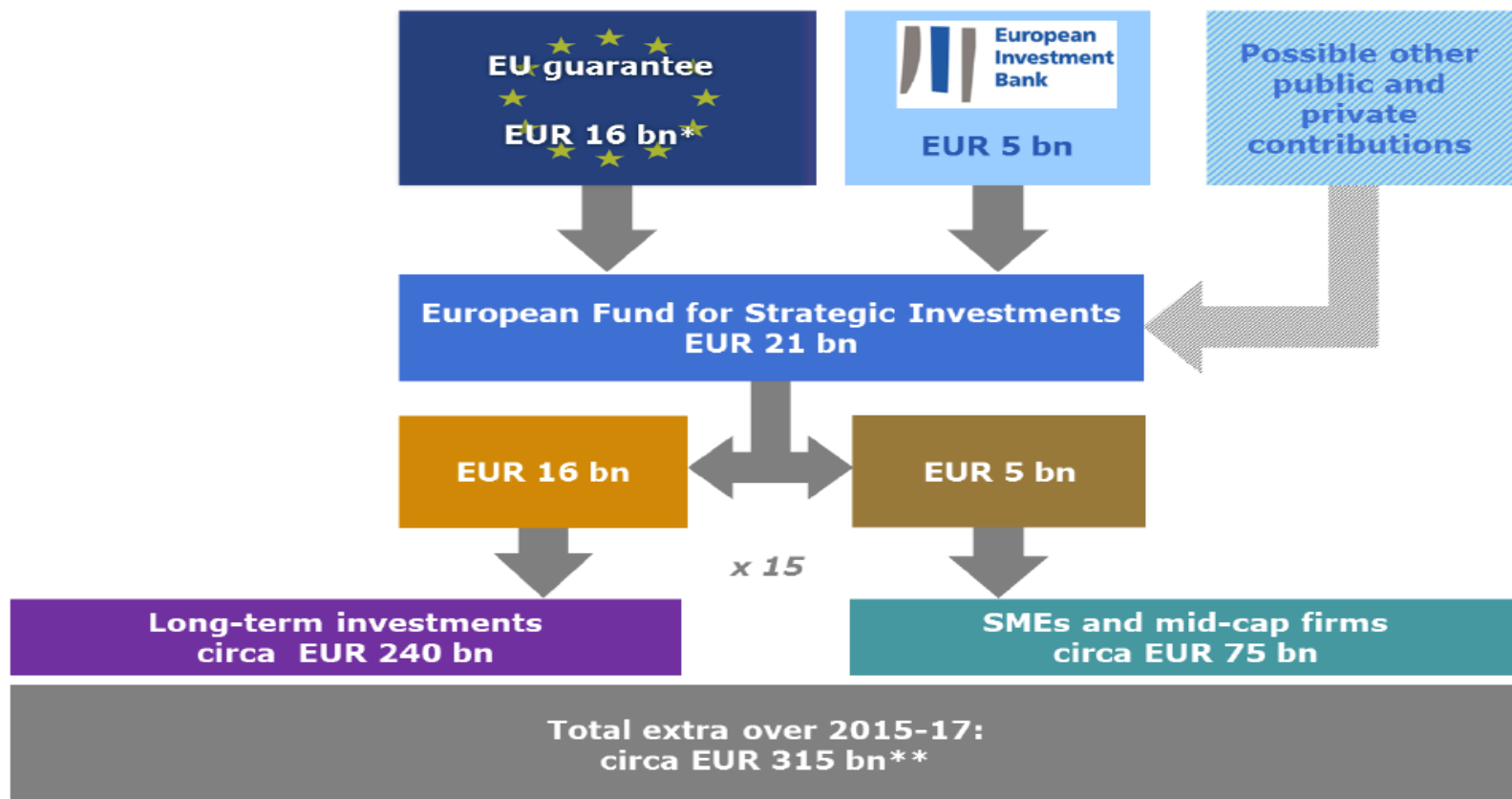
Investment in key MS has been very weak



Three elements of Investment Plan

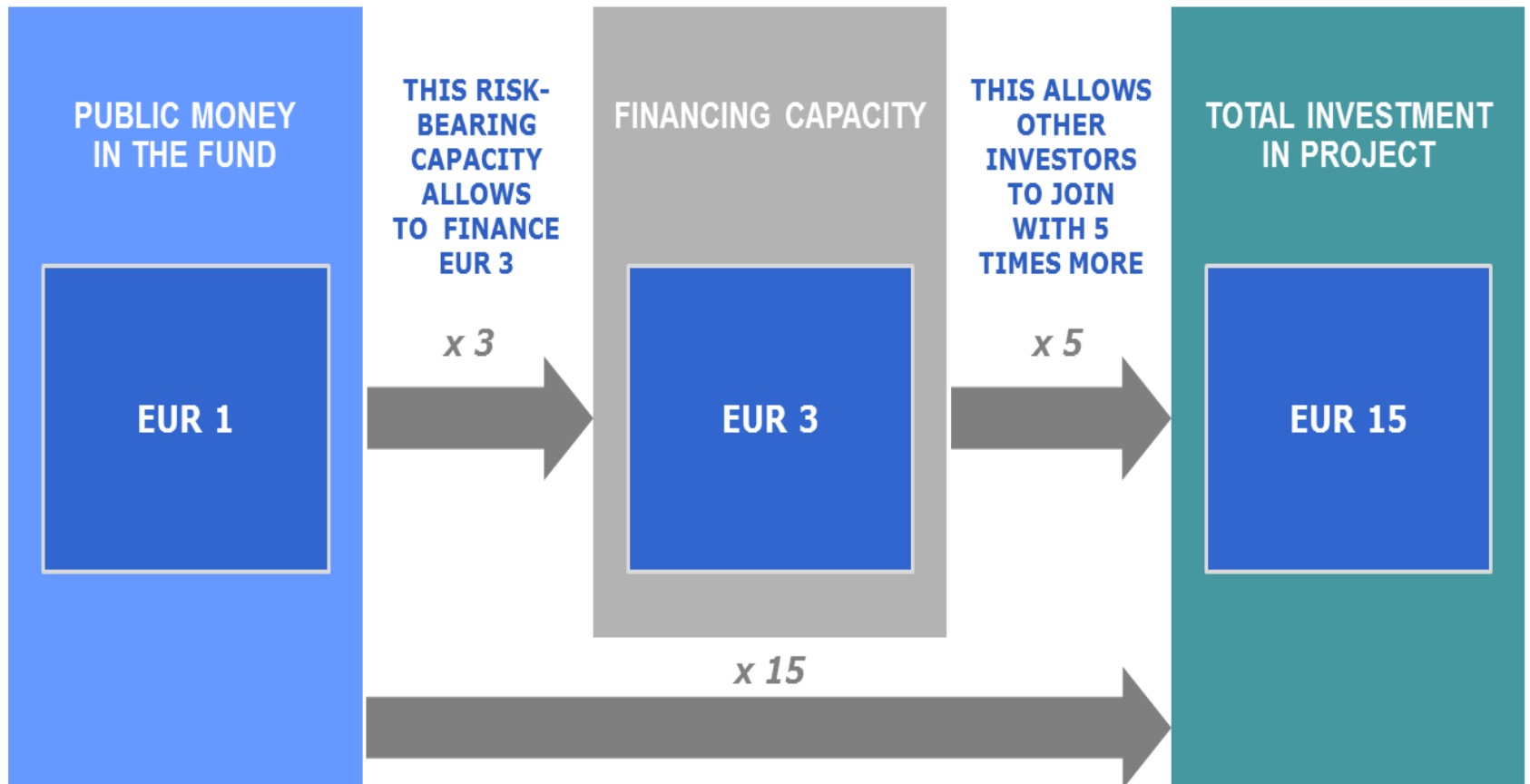


A new European Fund for Strategic Investments (EFSI)

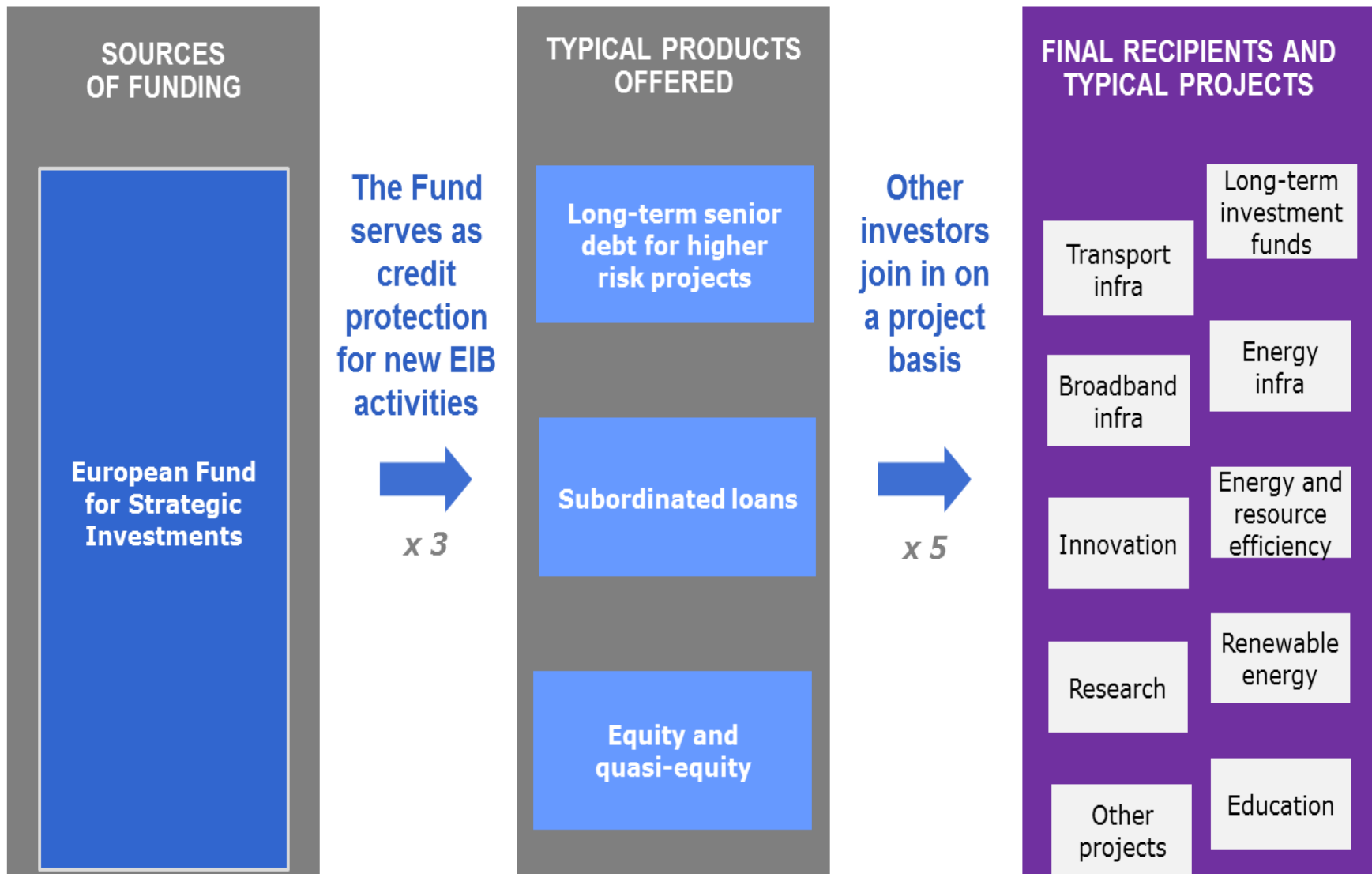


* 50% guarantee = EUR 8 bn from Connecting Europe Facility (3.3), Horizon 2020 (2.7) and budget margins (2)
 ** Net of the initial EU contributions used as guarantee: EUR 307 bn

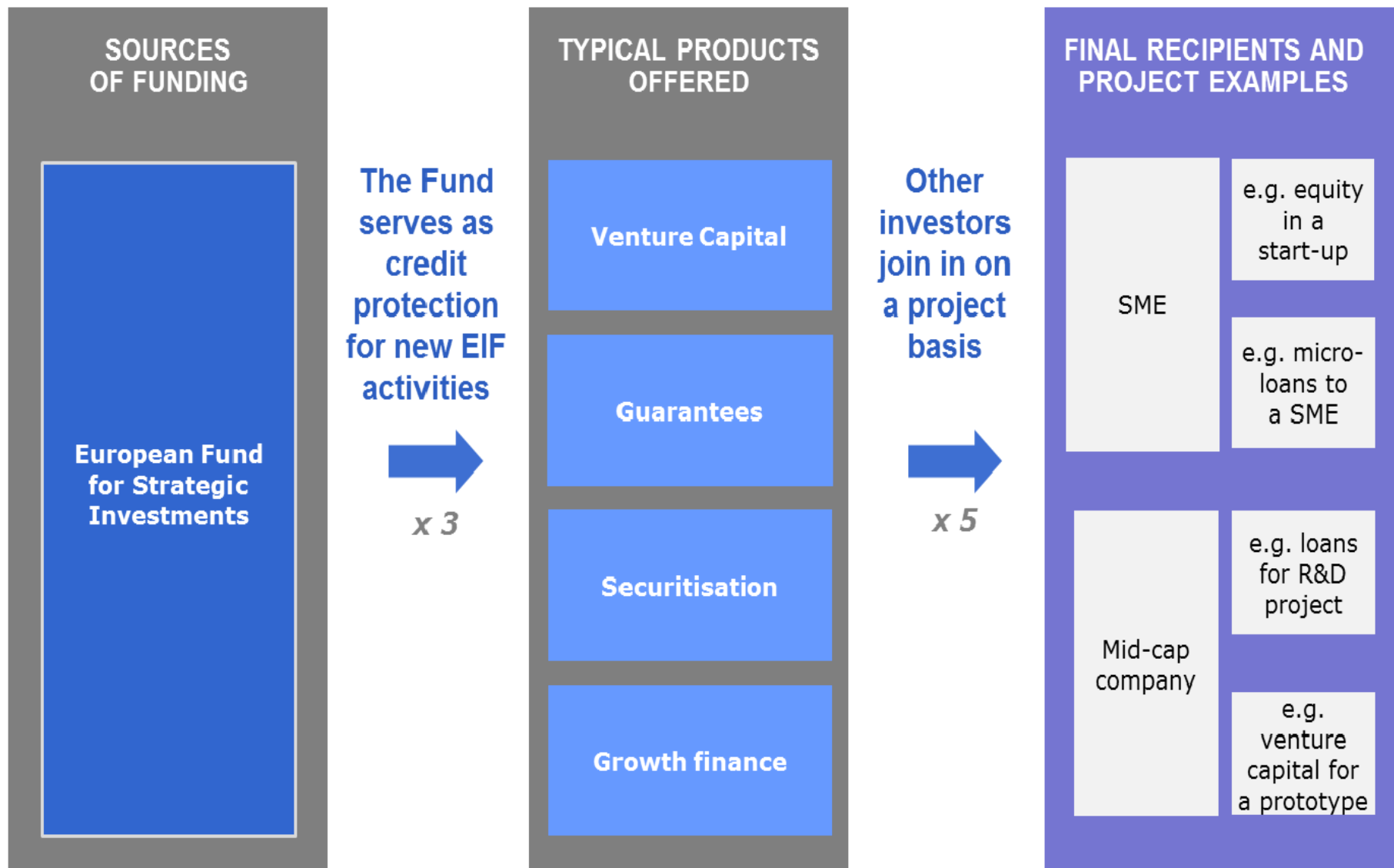
Multiplier effect



Long-term investments



SMEs and mid-cap



Potential projects/directions in the Baltic context

- **Infrastructure**
 - Electricity interconnections
 - Gas interconnections
 - LNG projects
 - TEN-T transport routes in the Baltic States (road and railways)
- **Support to Business and SMEs**
- ***Additional funding to support Research and Innovations***

Energy Union



- Current geopolitical events have forcefully reminded us that Europe relies too heavily on fuel and gas imports
- EU needs to pool resources, combine infrastructures and unite negotiating power vis-à-vis third countries
- We need to diversify our energy sources, and reduce the high energy dependency of several of our Member States

Potential benefits for the Baltics - Energy Security

- diversification of gas sources, suppliers and routes
- better coordination of emergency response mechanisms among Member States

=> reduction of the dependence on gas supplies from Russia.

Potential benefits for the Baltics – Internal energy market

- electricity interconnections => better functioning of the Baltic electricity market => lower wholesale electricity prices
- Market opening and new electricity suppliers => lower retail electricity prices in long-term



Potential benefits for the Baltics – Research and Innovation

R&D funding can contribute to new forms of regional cooperation and good practice sharing in the Baltic Sea region area

Why we need a Digital Single Market

315 million
Europeans
use the
Internet
every day



A Digital Single Market

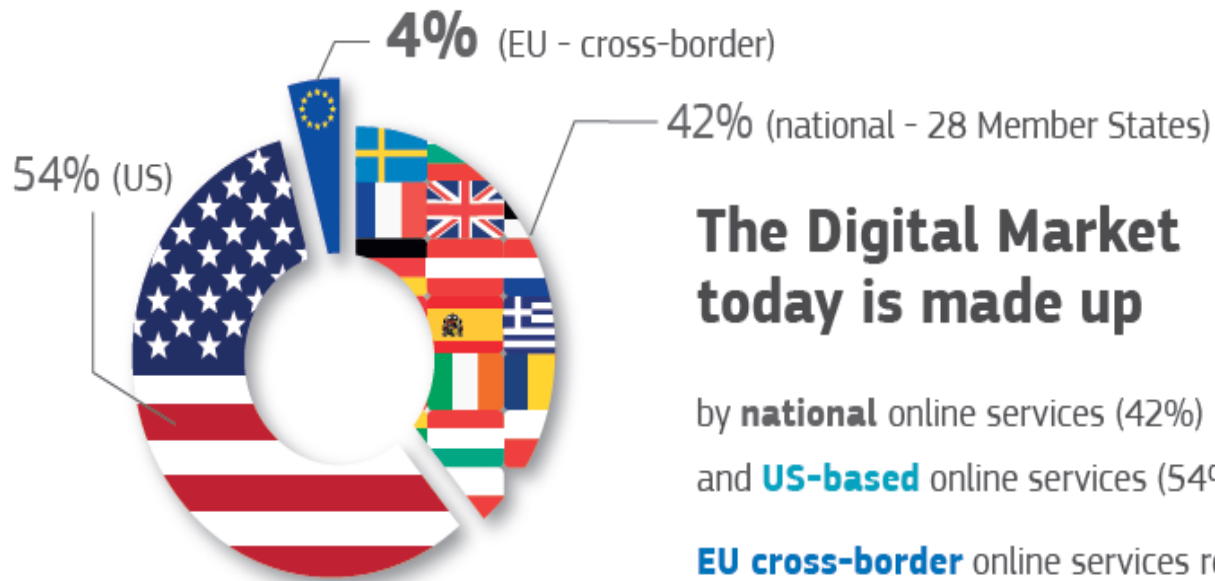
can create up to

€415 billion in additional growth,

hundreds of thousands of new jobs,

and a **vibrant knowledge-based society**

But obstacles remain to unlock this potential...



The Digital Market today is made up

by **national** online services (42%)
and **US-based** online services (54%)

EU cross-border online services represent only 4%

1

Better access for consumers and businesses to digital goods and services across Europe

Unlocking e-commerce potential



15% of consumers bought online from other EU countries in 2014, while **44%** did so **domestically**

→ EU consumers could **save €11.7 billion** each year if they could choose from a full range of EU goods and services when shopping online



Only **7% of SMEs** in the EU sell cross-border

Small online businesses wishing to trade in another EU country face around **€9,000 extra costs** for having to adapt to national laws

→ If the same rules for e-commerce were applied in all EU Member States, **57% of companies** would either start or increase their online sales to other EU countries



2

Shaping the right environment for digital networks and services to flourish



72% of Internet users in Europe still worry that they are being asked for too much **personal data online**

Rolling out fast broadband for all

Take-up of fast broadband is low: only **22.5% of all subscriptions** are fast ones (above 30Mbps) and Europe has witnessed significant time lags in the roll-out of the latest 4G technology due to the non-availability of suitable spectrum

Spectrum reforms can decrease prices of mobile services and boost productivity over time (estimated EU-wide GDP increase **between 0.11% and 0.16% over 5 years**)





3

Creating a European Digital Economy and society with growth potential

An inclusive e-society

Almost half the EU population (**47%**) is not properly digitally skilled, yet in the near future, **90% of jobs** will require some level of digital skills

A strategy of 'digital by default' in the public sector could result in around **€10 billion of annual savings**





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The Baltic context of DSM (I)



CONSUMERS

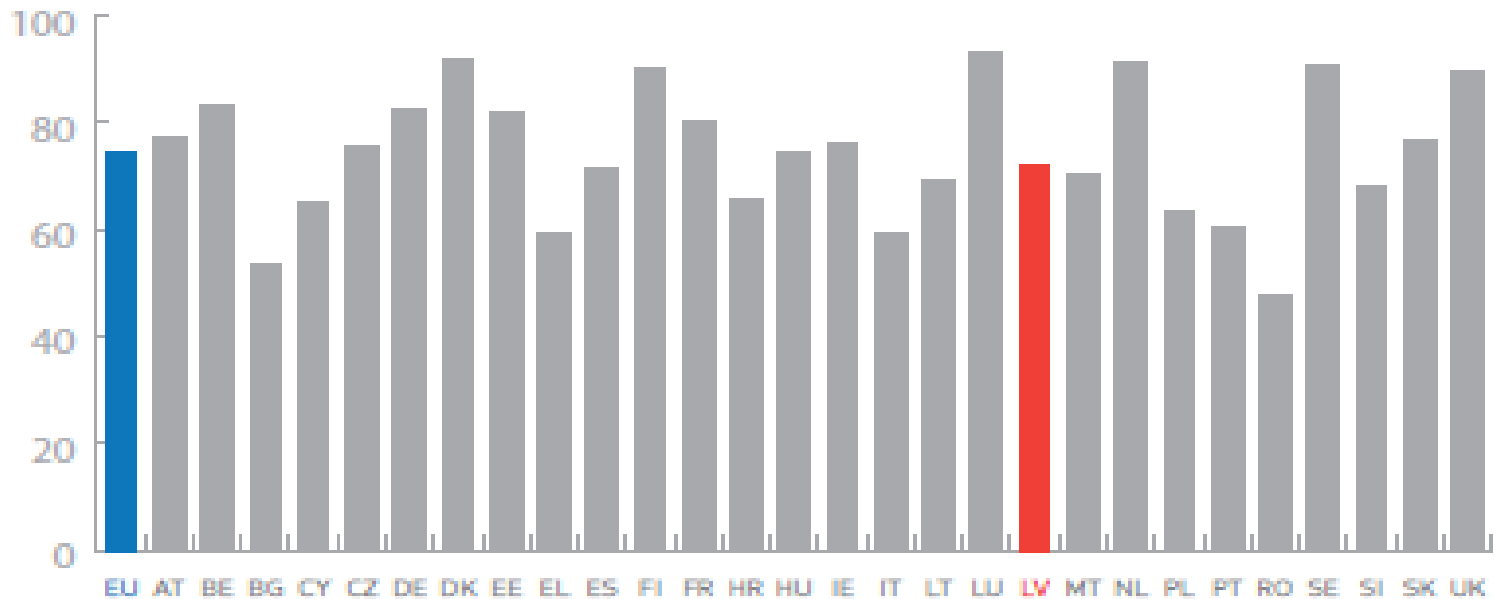


LV



EU

Using the Internet **75%** / **72%**

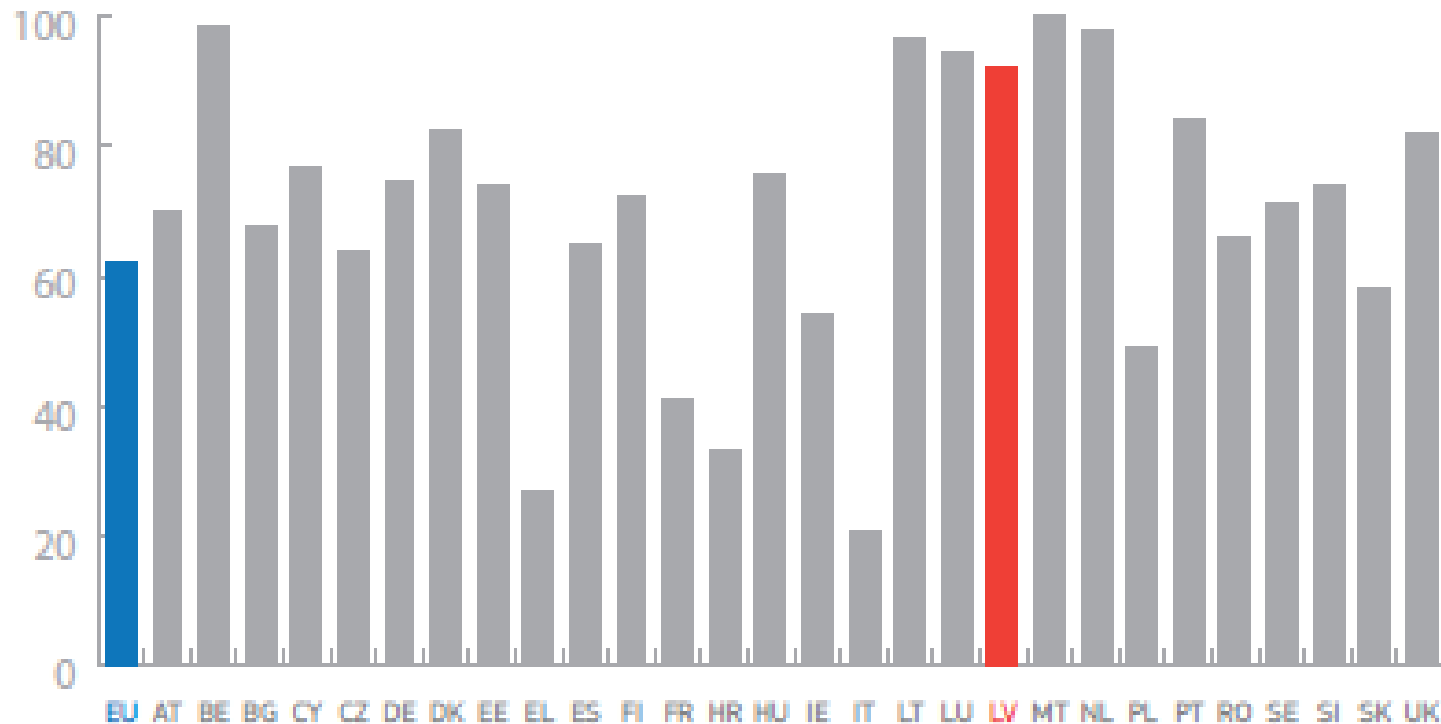




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The Baltic context of DSM (II)

Fast Broadband (Next-Generation Access) Coverage **62%** / **92%**
% households, out of all households





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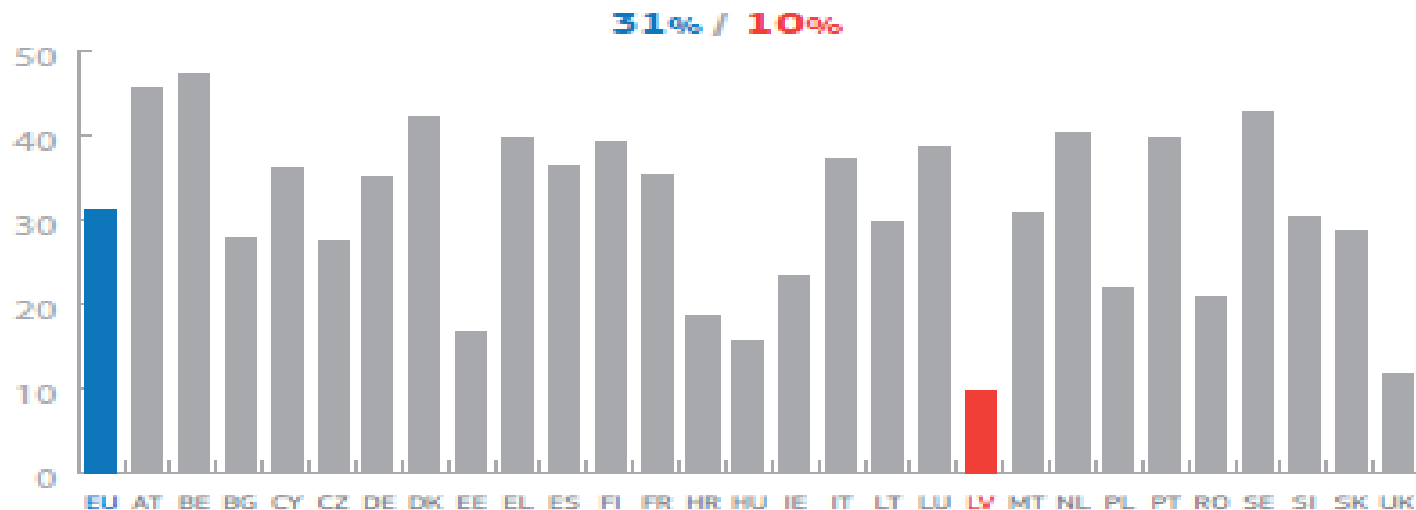
The Baltic context of DSM (III)



BUSINESSES USING ICT

■ LV ■ EU

Businesses that use an Enterprise Resource Planning (ERP) software package, to share information between different functional areas (e.g. accounting, planning, production, marketing)





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Thank you!