



Digital Agenda Targets Progress report

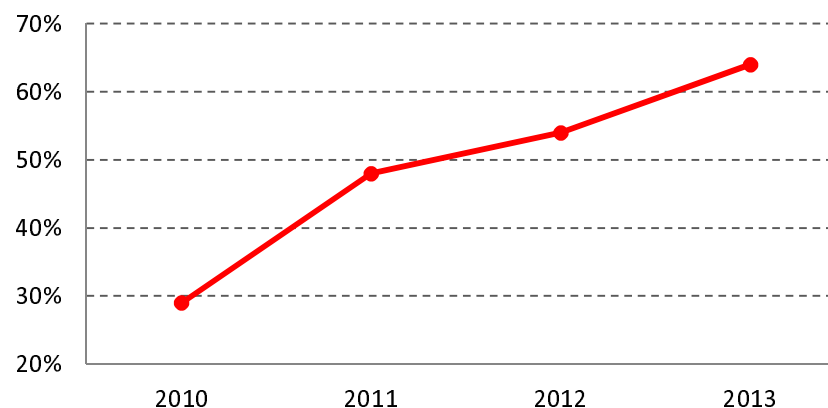
NGA coverage: Fast broadband technologies capable of providing at least 30 Mbps are available to 64%, up from 54% a year ago

Among the Next Generation Access technologies Docsis 3.0 for cable has the highest coverage (42%) followed by VDSL (32%) and FTTP (15%).

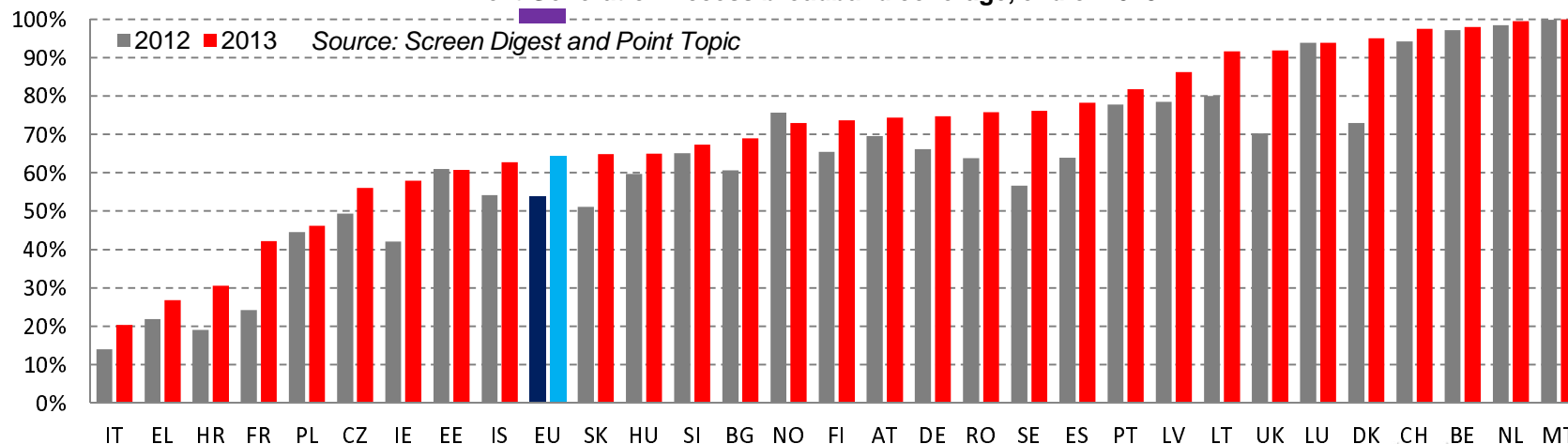
There is a number of Member states which have already coverage of 90% of homes or more. Most of these have cable and telecom networks competing for customers.

However, rural areas are lagging behind: only 16% of households are covered.

NGA broadband coverage in the EU, 2010-2013



Next Generation Access broadband coverage, end of 2013



Executive Summary

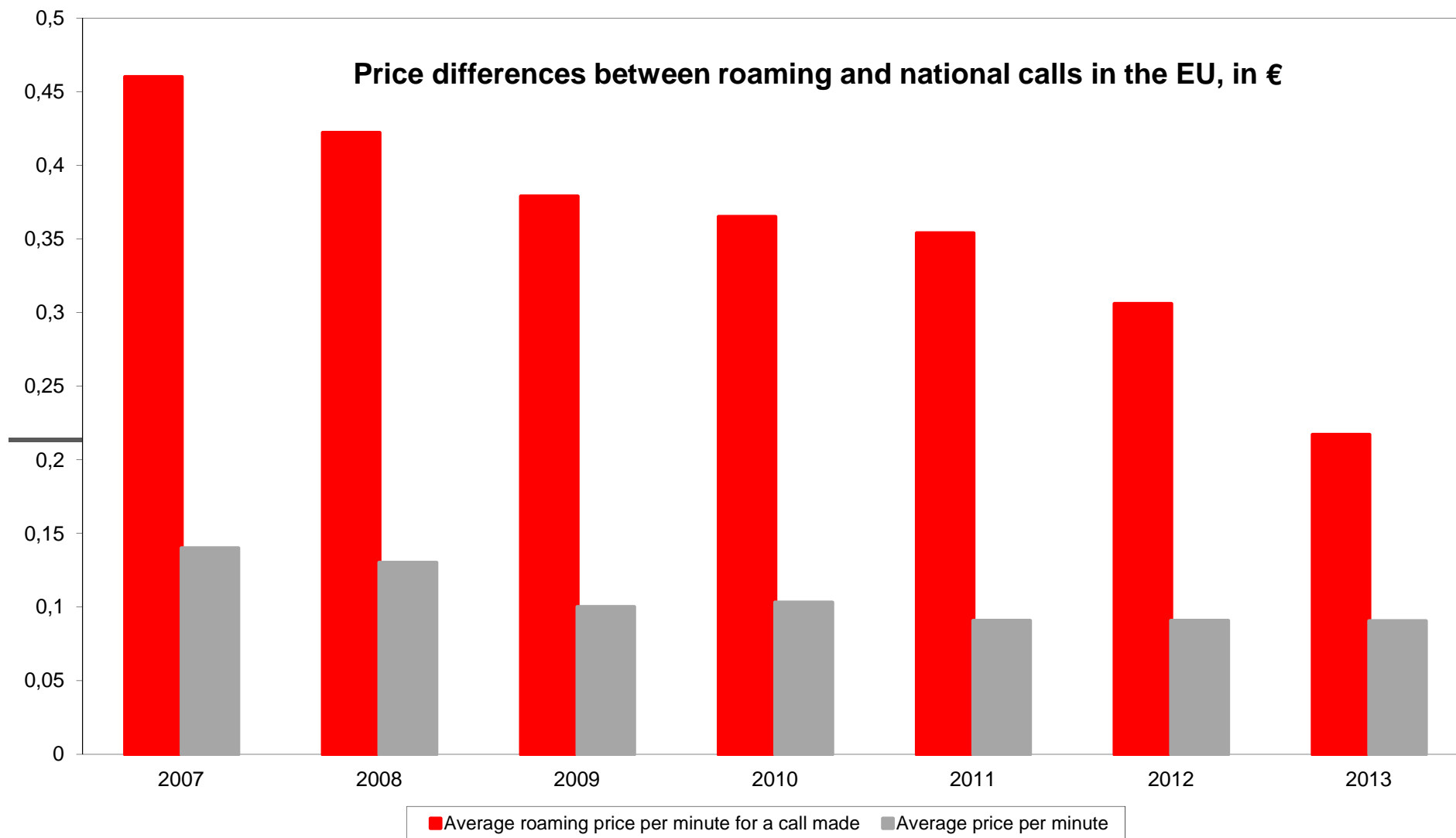
In general, the results are positive.

- Internet usage is increasing rapidly, and now stands at 72%, up from 60%. Progress has been even faster among disadvantaged groups.
- Online shopping is doing well, too, arriving at 47% and 10 points up from the start of the DAE.
- High-speed broadband is now available to 62% of the population, more than twice the 29% we had in 2010. Still, progress so far has been heavily concentrated in urban areas. Given the limited advancement in rural areas, it is thus too early to judge whether the 2020 broadband targets will be reached.

However, there are a few areas where progress is insufficient.

- eGovernment take-up by citizens only added four points over four years, is growing more slowly than other online applications and is indeed stagnating in a number of countries. Clearly, neither the potential savings in administration costs nor the potential benefits to citizens are fully exploited.
- A mere 14% of SMEs use the Internet as a sales channel, only two points up in four years. With such low rates, eCommerce can only be a very limited tool for SMEs to grow and create jobs.
- Public support for R&D in ICT is well below the annual growth needed to achieve a targeted doubling by 2020; budget deficit reductions have taken their toll.
- Finally, cross-border shopping is growing only slowly.

Roaming charges are coming down, thanks to legislation



Every European Citizen Digital: consistent progress

Regular Internet use in the EU has increased by 11 percentage points since the launch of the Digital Agenda, from just above 60% to 72%. Although growth is slowing somewhat, on current trends the target of 75% will be reached by 2015.

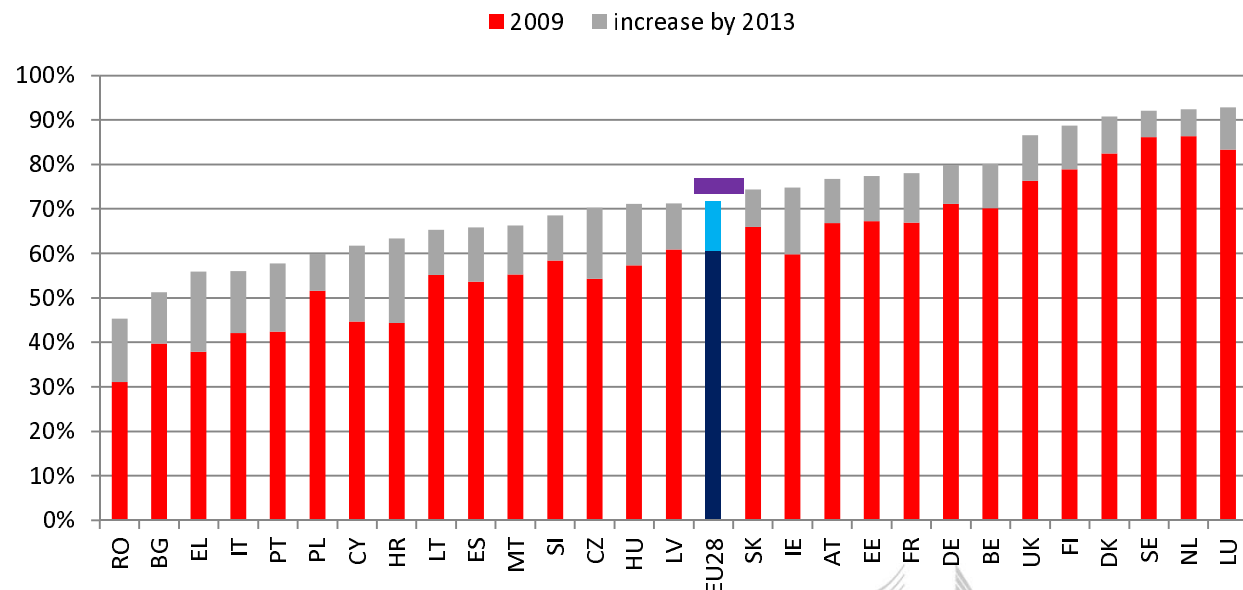
Progress has been largest in countries with a low starting level, especially in Greece, Romania, Ireland, Portugal, the Czech Republic and Croatia. Nevertheless, even Luxemburg has managed to add 10 pp in four years from a very high baseline. Denmark, Sweden, the Netherlands and Luxemburg have now crossed the 90pp threshold, showing that "Every European Digital" is possible in the not-so-distant future.

Conversely, the share of the population which has never used the Internet has declined by 10 points to reach 20%, making the achievement of the target in 2015 possible but not yet assured.

Frequent Internet usage, i.e. connecting at least daily, has risen by 14pp (as opposed to 11pp at least weekly for regular Internet usage), indicating a trend among regular users to more frequent use.

Progress has been especially strong for disadvantaged groups, among which regular Internet use has now reached 57%, up from 41% four years ago. On current trends, this target of 60% will be reached even before 2015.

Regular Internet Users (at least once a week) in %

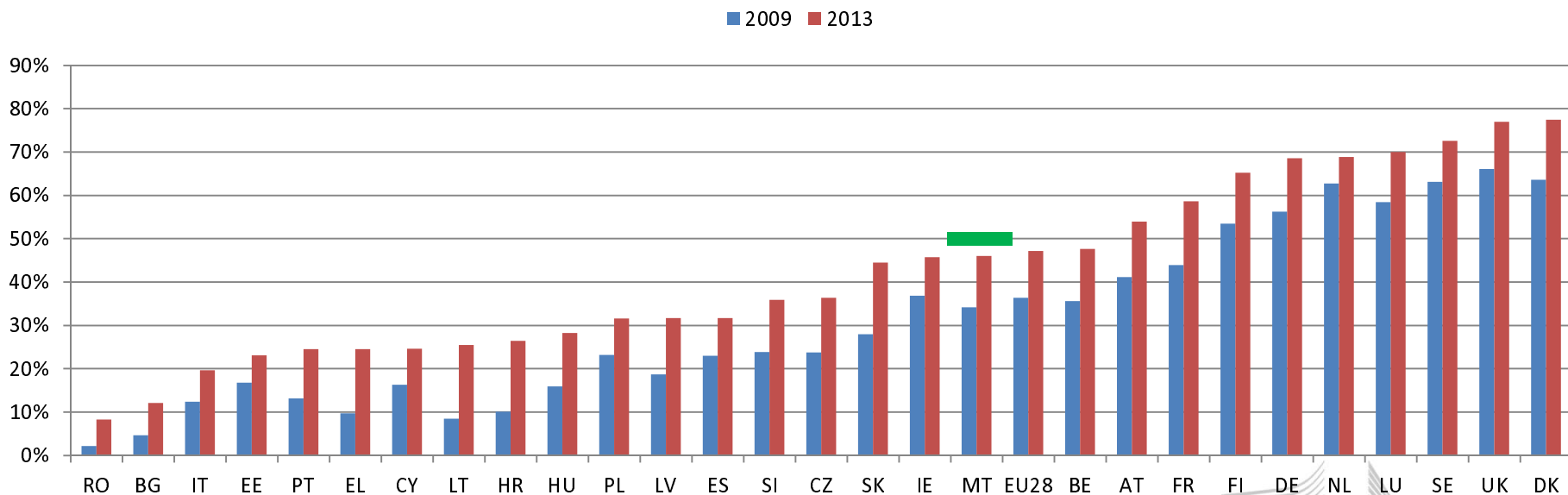


Online shopping is growing, but less so cross-border

The proportion of online shoppers continues to grow, up more than 10 points over the period 2009-2013 to 47% of citizens, advancing in a close parallel with the rate of Internet use. The target of 50% by 2015 is likely to be achieved. While there appears to be no overall relationship between the rate of online shoppers in a country and the rate of increase in this rate over the period observed, the countries with the lowest rates of online shoppers (Romania, Bulgaria, Italy and Estonia) have also seen least progress in increasing rates.

Cross-border online shopping has also increased somewhat over this period, up to 12% in 2013 (+4 percentage point over 2009), but this pace is too slow to achieve the target of 20% by 2015. As could be expected, smaller member states have higher rates of cross-border shopping. However, they also exhibit higher growth. In Poland only 9% of online shoppers purchased cross-border, the lowest share of all member states by far.

Online shopping by citizens (% of individuals)

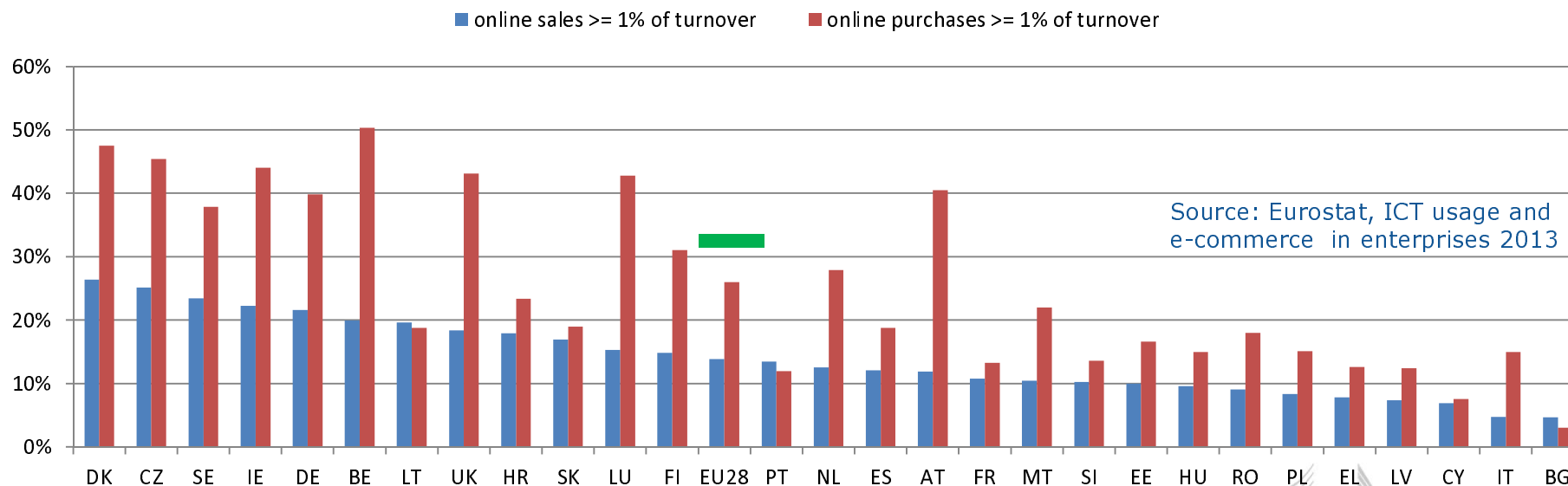


SMEs are hardly exploiting the Internet for sales

The share of European SMEs selling online is growing at a glacial pace, reaching 14% in 2012, compared to a DAE baseline of 12%. Even in the best performing countries increases are marginal, and only the UK, the Czech Republic and Slovakia register rises of 5% and more. On current trends, not a single member state will even come close to achieving the EU average target of 33% by 2015.

The share of SMEs purchasing online is generally much higher, and the EU average of 26% is much closer to the target. This relative success is partly due to a much higher starting point. Also, it is easy to purchase online (a credit card number is sufficient), but difficult to sell (a platform needs to be set up, with payment and delivery mechanism).

eCommerce - SMEs selling/buying online in 2012, in %



Digital Agenda Scoreboard 2014

Footnote: data on e-commerce refer to the reference year (2012); online purchases: 2010: BE, DK, DE, EE, HR, UK; 2011: AT, MT, SE



eGovernment: use by citizens increases, but too slowly

The use of eGovernment services by citizens has advanced over the last four years, but the most recent data indicates progress which is somewhat slower than the trajectory of the first years. As a result, overall progress of only four percentage points over four years is insufficient to achieve the 2015 target of 50%.

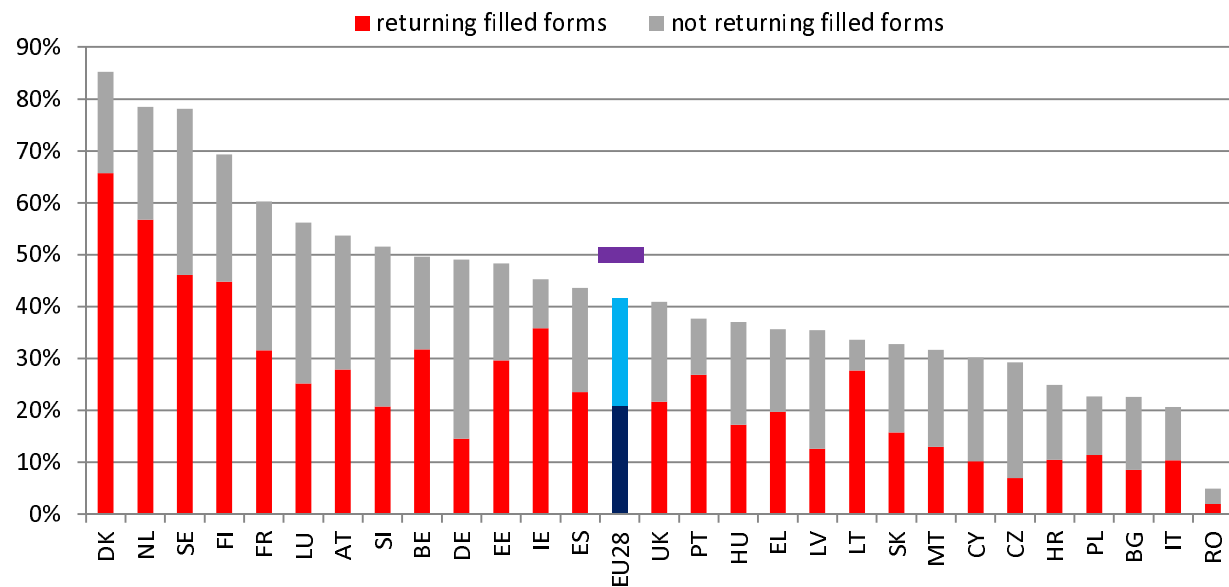
There has been considerable progress in a number of countries, but very slow change or even decrease in several large member states (Italy, Poland, United Kingdom, Germany) means that the EU average has moved with limited speed.

The variation of eGovernment uptake is much larger than for most other indicators. Even considering Romania as an outlier, the best-to-worst ratio of 4 is twice as high as for Internet use.

The share of citizens returning filled forms among those using eGovernment services is very stable across the EU at 50%, a share which is roughly valid for most countries as well, although some countries display much higher shares, such as Denmark, the Netherlands, Lithuania and Ireland.

Among the key cross border public services which have been identified in the Connecting Europe Facility Guidelines, electronic ID, electronic signature, electronic delivery and electronic invoicing will be implemented in 2014.

Use of eGovernment by individuals, 2013 (% of individuals)



Low energy lighting is growing fast

The shift towards energy-efficient lighting is happening fast. Indeed, the market share in value of solid-state lighting such as light-emitting diodes (LEDs and OLEDs), which consume little energy, increased from 14.4 % in 2012 to 19% in 2013, an eleven-fold increase compared to the Digital Agenda starting point of 1.7 % in 2009. It is to be expected that this rapid growth will continue apace in the remaining years of the Digital Agenda, ensuring that the target will be met.

Public R&D for ICT has stopped growing

After increasing for several years, in 2011 public R&D in ICT had managed to increase despite a fall in total public R&D. In 2012, it has followed the overall decrease and went down by 2.5%, a bit faster than the overall decline.

The target of doubling public R&D by 2020 requires an annual growth rate of 5.5%. Already last year actual performance was below the necessary trend line; now the gap is about 20%.

Public funding for ICT R&D in the EU

