

# Procedure file

Basic information	
COS - Procedure on a strategy paper (historic) <a href="#">1997/2062(COS)</a>	Procedure completed
The competitiveness of the European information and communication technologies industries ICT	
Subject 3.30.06 Information and communication technologies, digital technologies 3.40.14 Industrial competitiveness	

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	<b>ECON</b> Economic and Monetary Affairs, Industrial Policy		02/10/1997
		PSE <a href="#">GLANTE Norbert</a>	
	Committee for opinion	Rapporteur for opinion	Appointed
	<b>ENER</b> Research, Technological Development and Energy		04/09/1997
		ELDR <a href="#">PLOOIJ-VAN GORSEL Elly</a>	
Council of the European Union	Council configuration	Meeting	Date
	Industry	<a href="#">2043</a>	13/11/1997

Key events			
16/04/1997	Non-legislative basic document published	COM(1997)0152	Summary
18/07/1997	Committee referral announced in Parliament		
13/11/1997	Debate in Council	<a href="#">2043</a>	
23/04/1998	Vote in committee		Summary
23/04/1998	Committee report tabled for plenary	<a href="#">A4-0148/1998</a>	
30/04/1998	Decision by Parliament	T4-0225/1998	Summary
30/04/1998	End of procedure in Parliament		
18/05/1998	Final act published in Official Journal		

Technical information	
Procedure reference	1997/2062(COS)
Procedure type	COS - Procedure on a strategy paper (historic)

Procedure subtype	Commission strategy paper
Legal basis	Rules of Procedure EP 142
Stage reached in procedure	Procedure completed
Committee dossier	ECON/4/08811

### Documentation gateway

Non-legislative basic document	COM(1997)0152	16/04/1997	EC	Summary
Economic and Social Committee: opinion, report	<a href="#">CES1376/1997</a> <a href="#">OJ C 073 09.03.1998, p. 0001</a>	11/12/1997	ESC	Summary
Committee report tabled for plenary, single reading	<a href="#">A4-0148/1998</a> <a href="#">OJ C 152 18.05.1998, p. 0005</a>	23/04/1998	EP	
Text adopted by Parliament, single reading	T4-0225/1998 <a href="#">OJ C 152 18.05.1998, p. 0014-0028</a>	30/04/1998	EP	Summary
Follow-up document	COM(2001)0770	14/12/2001	EC	Summary

## The competitiveness of the European information and communication technologies industries ICT

**OBJECTIVE:** the Communication identifies the main challenges facing the European Information and Communication Technologies Industries (ICT) and suggests several types of measures which could help improve their competitiveness. **SUBSTANCE:** the ICT industries represented an important and growing proportion of manufacturing industries in Europe: 8.3% of turnover, 6.5% of employment, 7.8% of production, 9.1% of total gross value added. Market growth rates are of the order of 7% and are expected to continue at this rate over the next few years. Although these were high figures, they are still lower than those of the USA and the growing Asian economies. Since 1990, Europe's share of world-wide information technology markets has declined from 35% to 28%, while the US share of the market increased from 35% to 41% in 1996. Although the European manufacturers of semiconductors and telecommunications equipment have been able to maintain a competitive position, the electronic assembly sector (both for consumer electronics and for computers) has been less fortunate, and Europe, as a production area, shows the heaviest handicap, largely because of the high cost of labour. With a view to improving the industry's competitiveness, the Commission underlines the need to accelerate the implementation of priority measures already undertaken. These include: the effective liberalization by all Member States before, 1 January 1998, of the telecommunications markets; a European initiative in electronic commerce; the acceptance of internationally agreed principles and rules (competition, intellectual property rights, information security, etc.); ensuring a significant European presence in satellite-based broadband communication systems; action plans for Intelligent Transport Systems; making maximum use of the Framework Programme for R&D; education and training in using new technologies; study of the language issue, particularly important in Europe for software. The Commission also suggests measures aimed at improving conditions on the supply side or opening up the demand side: - improve global competition; - accelerate ICT take-up and promote awareness: education authorities should improve the provision of ICT in schools in order to pave the way for the Information Society; - create new markets by timely standards: to ensure consistency and an optimal use of the European standardization resources, a 'guichet unique' under the umbrella of the European standardization organizations should be considered as a matter of urgency; - exploit the potential of enlargement by paying particular attention to facilitating cooperation between EU industries and the Eastern and Central European countries; - promote transborder cooperation in industry; - facilitate the emergence of SMUs by concentrating on the provision of venture capital and cooperation with financial institutions and reducing the administrative burden; - focus on employment (skills, education, training): the Commission suggests that a 'skills standard' scheme be established to provide a clear reference for building a competent workforce, improving performances and defining training programmes; - promote benchmarking to improve competitiveness in enterprises, particularly in SMUs. The Commission proposes to follow up on this Communication by working together with the Member States and Industry to draw up specific actions responding to these key areas, to establish a work programme for their execution by all concerned parties (Commission, Member States, Industry), and a mechanism for regular review of progress. ?

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The Committee feels that the communication paints a detailed and accurate picture of the situation. The Committee would add that the EU is unlikely to become competitive if it is unable to adopt policies and structures geared to market globalization. Hence purely "European" solutions and approaches could condemn the EU to weakness. The Committee adds a note of caution regarding the employment position. In the absence of precise figures on relocation, it is difficult to say whether the employment balance is positive or negative. A more detailed analysis is needed in order to ascertain whether any new or expanding industries (e.g. telecommunications) show a positive balance that offsets the negative balances of other industries. The Committee feels it extremely positive that the Commission has pinpointed concrete areas for action. Efforts should focus in particular on measures that will create new jobs; this means incentives for SMEs, and especially for the creation of new SMEs in the most promising sectors (software, multimedia content, etc.), support for training for young people and workers, and incentives for schools to use new technologies and join networks. The Committee thinks that a European R&D plan, conducted jointly by industry and the public authorities, should be a top priority. ?

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The Committee has adopted the report by Mr Norbert GLANTE (PES, D) on the Commission Communication on the Competitiveness of the European Information and Communication Technologies (ICT industries). Recognising that the competitiveness of the ICT industries will be crucial to the future development of the European economy as a whole, the Committee urgently calls on the Commission to draw up an action plan and related measures to promote and support the sector. The Committee considers that the public sector should play a leading part in strengthening the competitiveness of the ICT sector as it can influence key areas through its ability to create demand and its capacity to influence education and training. Therefore, the Committee calls on the Commission and the Member States, in co-operation with the social partners, to draw up and publish European guidelines for skills vital to competitiveness in order both to guarantee the availability of a sufficient number of specialists and to align education and training with the requirements of occupational life and industry's needs. Other key recommendations in the report are: - Co-ordination of legislation to avoid small, fragmented markets within the EU - Measures to improve access to venture capital for small and innovative firms; although the EU can do a lot in this area through the EIB etc., the Committee recognises that this problem ultimately only can be solved by the economic operators. - Even stronger emphasis on ICT-related activities in the Fifth Framework Programme on R&D. - European Action to tackle the millennium bug problem. ?

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In adopting the report by Mr Norbert GLANTE (PSE, D), the European Parliament stressed the importance of information technologies for the development of the European economy and called on the Commission to draw up an action plan to promote this sector. It considered that the public sector should play a key role in increasing the competitiveness of ICT (information and communication technologies) industries, particularly by means of its capacity to create demand and also by means of education and training measures. To this end, it was important for the public authorities to be represented on electronic networks. Parliament called for European guidelines for skills vital to the industry's competitiveness to be drawn up and published. This should ensure that enough specialists in information and communication technologies were trained. Among other recommendations, Parliament called for: - better legislative coordination in order to avoid fragmentation of markets within the European Union; - Europe to play a leading role in the formulation of international standards; - encouragement of research in the field of multilingual software; - promotion of cooperation with the countries of Central and Eastern Europe, using the European Training Foundation; - support for cooperation between business and higher education in the field of ICT and their use; - the adoption of measures to improve access to venture capital for small innovative companies; - an increase in the funds adopted for the 1998 budget on the Technology facility for SMEs; - the Fifth Framework Programme to assign greater priority to ICT-related R&D. Parliament called on the Commission to provide a detailed assessment of the number of people engaged in teleworking, with a breakdown according to sectors, level of educational attainment, age group and gender, and to consider the practical implications for social legislation, health and safety and training requirements. ?

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This Communication aims to set out a blueprint to help put information and communication technologies (ICTs) at the service of the world's poor. The report states that ICTs offer both challenges and promises for social and economic development and this is nowhere more apparent than in the world's poorest countries. The Communication states that the EU will support and use ICTs not as a priority sector, but rather as a tool to achieve the objectives within the focal areas and crosscutting themes of the new EC development policy. As such, ICTs are not to be considered in isolation, but as part and parcel of an overall development strategy. The Communication illustrates several concrete possibilities for ICT applications, notably in the context of the EC six development priority areas; trade and development, regional integration and co-operation, support to macroeconomic policies and social services, transport, food security and rural development and institutional capacity building. ICTs offer significant opportunities to decrease social and economic inequalities and to support sustainable local wealth creation, thus helping achieve the broader development goals. However, on the other hand, if misapplied ICTs might result in a further marginalisation of the poor, thus adding a digital dimension to the existing social and economic inequalities in and amongst developing countries. The rapid market and technological advances that are taking place in the area of information and communications technologies (ICTs) have an impact on almost all areas of society, not only in the north, but also in developing countries. While the so-called 'digital revolution' generates truly global information flows and profoundly changes the way businesses, markets and politics work, the term 'digital divide' indicates that not everybody benefits from these revolutionary changes. There is a wide gap between those who have access to ICTs and those who have not. According to the Communication, one third of the world's population has never made a telephone call. More than 3 billion people have no money to spend on communication services, or live in rural and remote areas, where access to information and communications technologies is scarce or absent. Development budgets are limited and development policy is a matter of setting priorities. This Communication makes one step forward. It is argued that, while ICTs are not to be seen as a priority sector as such for Community development cooperation, they do provide an important tool for more efficient and effective aid delivery and need to be recognised as an increasingly important element in the economic and social fabric of countries world-wide. Furthermore, this Communication also recognises that assisting the poor to obtain access to ICTs can indeed contribute to the fight against poverty. As stated in the Communication on the new EC development policy, poverty should not be defined merely as a lack of income and financial resources. It also includes the deprivation of basic capabilities and the lack of access to education, health, natural resources, employment, land and credit, political participation, services and infrastructure. When and where developing countries try to provide their citizens access to knowledge, information, and communications at affordable prices, these efforts may therefore under certain circumstances qualify for support under the EC development cooperation programmes. This communication starts with a short introduction on the term ICTs and the activities of the international donor community in this area. Then it describes how the use of ICT tools can improve the effectiveness of development cooperation programmes. Subsequently it presents a section about how ICTs are currently used by developing countries, and what risks and constraints these countries are facing when they want to increase the utilisation level of ICTs in their society. Finally, this Communication summarises what, according to the Commission, the future role of the EU and the future actions of the EC in this area should be.?