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Digital Single Market Bulletin

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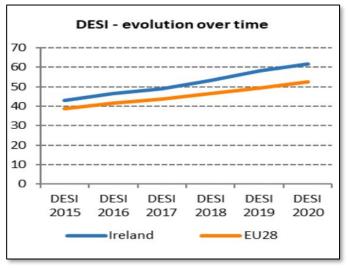
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Further Reading: More in-depth updates and commentary on the Digital Single Market agenda is available <u>here</u>.

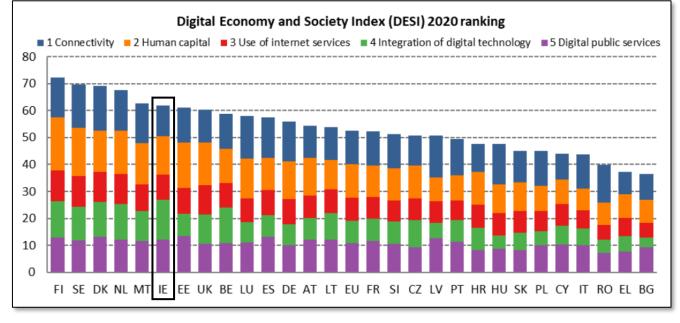
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Ireland ranks 6th out of 28 EU Member States in the Digital Economy and Society Index (DESI) 2020

On 11 June 2020, Mr Pat Breen, Minister for Trade, Employment, Business, EU Digital Single Market and Data Protection welcomed the announcement from the European Commission that Ireland had improved its performance in the in the EU Digital Economy and Society Index Report for 2020 compared with 2019. Ireland is now ranked 6th place. Over the last five years, Ireland has made continuous improvements in these rankings and is now the fastest growing Member State in the EU.



Ireland has consistently improved its ranking year on year since DESI 2015



Ireland now ranked 6th in the DESI Rankings (Source: European Commission DESI Report 2020)

The DESI is a composite index that summarises five relevant indicators (Connectivity, Human Capital, Use of Internet Services, Integration of digital technology by businesses, Digital public services) on Europe's digital performance and tracks the evolution of EU member states in digital competitiveness. The DESI 2020 shows that Ireland is now ranked as the 6th most advanced digital economy in the EU. Ireland either improved or maintained its performance in 29 indicators within the Index and was above the EU average in 24 of the indicators.

The methodology of the DESI 2020 has been changed from previous years to take account of the latest technological developments. The DESI has been re-calculated for all countries for previous years to reflect the changes in the indicators and correction to the underlying data. Country scores and rankings may thus have changed compared with previous publications.

Ireland continues to rank first in the Integration of Digital Technology dimension and has maintained a leading position in the use of e-Commerce by SMEs. It entered the top 10 on the Use of Internet by individuals and recorded a notable increase in the share of internet users. It maintained its top 10 position in Digital Public Services, where it excels in open data and the provision of digital public services for businesses. Digital transformation continues to be one of the core economic policy issues in Ireland. This is reflected in the various policy initiatives in 2019.

Ireland ranks very highly when it comes to the integration of digital technologies by businesses, mostly because many SMEs embraced ecommerce. Internet users increasingly take advantage of high-speed infrastructures, such as for use of Video on demand services, and also make good use of online public services.

Ireland has taken a large number of targeted measures in digital to deal with the COVID-19 crisis. A joint rapid-response call was launched to fund research, development, and innovation activities to find solutions to the COVID-19 emergency, a contact tracing call-centre was set up and a contract tracing app is being developed. Additional funding has been made available for two targeted existing schemes to help companies trade online and efforts have been made to help move tertiary (including further) education online.

Inter-Departmental Committee on the Digital Single Market

The 17th Meeting of the Inter-Departmental Committee on the Digital Single Market (DSM) took place on 11th June 2020. At the meeting, a senior representative from DG Connect presented on "EU Digital Policy Priorities" with a focus on the contribution of these to the COVID-19 response and economic recovery. Departmental representatives also provided updates on a range of issues, including:

- European Council Conclusions on shaping Europe's digital future – which were endorsed on 3 June 2020 by Deputy EU ambassadors and adopted by a written procedure on 9 June. The Council conclusions address a wide range of issues related to the implementation of the EU digital strategy. The areas covered by the conclusions include the data economy, artificial intelligence, digital services act, cybersecurity and tech sovereignty. The conclusions also highlight the impact of the digital transformation on fighting the pandemic, and its critical role in the post-COVID-19 recovery.
- Incoming Presidency's Priorities on 1 July • 2020, Germany will take over the EU Presidency. The digital priorities for the German Presidency include: reinforcing digital sovereignty and competitiveness: Digital Europe Programme; Promoting an Innovation European Platform and Data Economy: Data Strategy/Data Governance, Digital Services Act; Setting a Legal Framework for a Human Centric Digital Transformation: ePrivacy Regulation, Artificial Intelligence and Strengthening EU Cybersecurity: European Cybersecurity Centre: e-Privacy is the only existing legislative file that the Germany presidency will need to conclude on, the remaining files are to follow later on in the year.
- Platforms to Business Regulation The 12 July 2020 remains the date the P2B Regulation comes into effect. The Ranking Transparency Guidelines to assist search engines comply with Article 5 will be available in late June / early July 2020. A

detailed Q&A document will be published in tandem with the Guidelines. The work to date of the EU Observatory on the Online Platform Economy will be published within the coming weeks. DBEI is still awaiting a Departmental decision on which body will enforce the Regulation. The enacting legislation is drafted and the decision on the body is all that remains for national transposition.

- Digital Services Act Package The EU Commission has commenced a period of public consultation, which will run until 8th September. The Commission has stated that it is generally satisfied with the general principles that underpin the eCommerce Directive, However, in the Inception Impact Assessment, the Commission point out that the horizontal legal framework for digital services is unchanged since the adoption of the e-Commerce Directive in 2000 and will now carry out an evaluation of the Directive. Following this evaluation, there will be a further Impact Assessment. Three policy options are to be considered, other than a baseline option which would maintain the status guo and concentrate on enforcement of the current rules. The Commission has expressed its intention to pursue the two streams by means of separate legal instruments, the nature of which is still to be agreed.
- Other files for which updates were given were Copyright, ePrivacy, as well as updates on the National Cyber Security Strategy and the National Artificial Intelligence Strategy.

National Submission to the Public Consultation on the EU Artificial Intelligence White Paper

The Department has prepared a <u>National Submission to the EU White Paper on Artificial</u> <u>Intelligence</u> based on an extensive cross-Government consultation.

The submission, representing the response of the Irish authorities, outlines that the issues raised by the White Paper are of high relevance to Europe's economy and society at this time and Ireland welcomes the opportunity to comment on them.

Artificial Intelligence is of particular importance to Ireland, Europe and indeed globally, both in providing opportunities to drive productivity but also in benefitting society through the applications based upon it. Ireland agrees that the two issues raised in the White Paper are of critical importance for consideration. These issues are how to encourage the adoption of the benefits of Artificial Intelligence through the ecosystem of excellence described in the paper, enabled by the EU Coordinated Plan on Artificial Intelligence, and the need to consider regulation in order to address perceived risks that Artificial Intelligence may represent through the ecosystem of trust. Indeed, these ecosystems are mutually interdependent not least because trust in Artificial Intelligence is an essential condition for its adoption and use.

We are generally supportive of the proposals relevant to the ecosystem of excellence. Responses concerning the ecosystem of trust are less positive, pointing out issues with the scope and proposed approach in consideration of legal regulation of Artificial Intelligence. Following analysis of the responses to the public consultation, the Commission, together with the Member States, will carry out a review of the EU Coordinated Plan on Artificial Intelligence by the end of this year and come forward with any proposals for regulation by the end of Q1 in 2021.

Call for views in response to the European Commission's public consultation on the Digital Services Act

On 2 June 2020 the European Commission launched <u>a public consultation on the Digital Services Act</u>. The consultation covers the two work strands which aim to establish:

1. A set of rules would relate to the fundamentals of the e-commerce directive, in particular the freedom to provide digital services across the EU single market in accordance with the rules of the place of establishment and a broad limitation of liability for content created by users, see Inception Impact Assessments on e-Commerce aspects; and

2. A level playing field in European digital markets where currently a few large online platforms act as gatekeepers, see Inception Impact Assessment on ex-ante tools.

Submissions, marked "Public Consultation on the Digital Services Act", can be emailed to <u>dsaconsultation@dbei.gov.ie</u> The deadline for submissions is close of business **on Friday**, **24 July 2020**.

Department seeking views on new EU competition proposal

The EU Commission has launched <u>a public consultation on a New Competition Tool</u> which is intended to address perceived gaps in current EU competition rules.

DBEI is seeking the views of any interested parties on the EU Commission's proposal and to the measures proposed along with the policy options identified by the EU Commission. Respondents are requested to make their submissions to Helen McCarthy **by Friday**, **24 July 2020**.

Email: conspol@dbei.gov.ie

This Bulletin is issued by the EU Digital Single Market and Digital Economy Unit of the Department of Business, Enterprise & Innovation. The Unit supports the Minister of State for Trade, Employment, Business, EU Digital Single Market and Data Protection on DSM issues with the cooperation of the members of the Digital Single Market Inter-Departmental Committee.