



European Union

Statement

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Agenda Item 5 – Digital Economy Report 2019

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**Statement by the European Union Delegation to the UN and other international
organisations in Geneva**

Geneva, 30 September 2019

- CHECK AGAINST DELIVERY -

Digital Economy Report

Dear Secretary General, Mr Kituyi, Mr. President, Excellencies, distinguished Delegates,

I am pleased to present comments on the 2019 Digital Economy report by UNCTAD on behalf of the E and its Member States. This well researched and balanced analysis captures the main characteristics of digital economy, policy and regulatory challenges and rightfully focuses on the need to streamline international efforts to address the global digital divide.

Let me briefly analyse the main elements of UNCTAD report in relation to the EU's digital policy and inform UNCTAD membership about the latest developments on our side.

As far as policy and regulatory dimension of the digital transformation is concerned, the EU's Digital Single Market strategy has put Europe in the forefront of the development of a rules-based global digital economy. It brings solutions to a number of key issues and challenges that the world is facing in the digital age and which are rightfully identified in your report. These include data protection, cybersecurity, competition, taxation, the role of online platforms, connectivity with a particular focus on 5G, or ethical questions around artificial intelligence.

Let me remind that the EU is the first actor in the world to regulate business to business relations in online platforms with the objective to strengthen the position of small entrepreneurs who rely on online platforms to – as the Report puts it – "*create and capture value in the digital economy*". (*Quote of the theme of the report*). The EU's competition policy is also focusing on rebalancing the relations between small businesses and big online players and the EU is keen to share our experience with UNCTAD membership, as exemplified by the participation of the European Commission in the last IGE on competition policy (July 2019).

The Digital Single Market has generated a strong interest in EU's digital policy framework around the world. On this basis, the EU has worked on comprehensive strategies for cooperation with Africa, Latin America and South East Asia, for them to build integrated markets. The role of digital policies in the EU external relations is well documented in a large number of strategic documents, including the EU Global Strategy and the EU Consensus on Development. The EU recognises the importance for developing countries to create enabling environment to foster digital entrepreneurship, attract investments and ensure that their citizens can benefit from digital technologies, all being highly relevant drivers for the national economies.

Moving to the question of support for the digital transformation in developing countries mentioned in UNCTAD report – it is relevant to note that the EU and its Member States are the biggest donor of developments assistance and important supporters of UNCTAD's activities. In this sense, let me inform the audience of the forthcoming Neighbourhood, Development and International Cooperation Instrument (NDICI), which is currently being finalised in Brussels as a part of the EU's Multiannual Financial Framework and which will strengthen even further EU's collective capacity in this field.

With a proposed budget of €89.2 billion over the period 2021-2027, the new financing instrument will radically overhaul the manner in which the financing of the European Union's external action is administered. The new instrument has three components: a geographic, a thematic and a rapid response component.

The geographic component with a financial envelope €68bn consists of geographic programmes for the (i) European Neighbourhood (ii) Sub-Saharan Africa; (iii) Asia and the Pacific; and the Americas and the Caribbean.

While the detailed thematic programming of the NDICI is not decided yet, support for digital transformation in developing countries feature prominently in the EU's future cooperation with third countries.

Digitalisation has a central role to play in the fight against climate change, for peace in a world where cyber defence is key to a safe world and people's skills have to be upgraded to be able to live and work in a digital society.

We need more digital connectivity, both within a large number of countries and regions but also to connect Europe to the rest of the world, like the BELA project between Europe and Latin America which illustrates our connectivity strategy.

Mainstreaming digital technologies and services is key to meet, if not all, the large majority Sustainable Development Goals by 2030.

Within the framework of the EU-Africa Alliance for sustainable investments and jobs, the report prepared by the AU-EU Digital Economy Task Force in June 2019¹ will inspire the allocating resources to meet the recommendations on digital connectivity, digital skills and

¹ <https://ec.europa.eu/digital-single-market/en/news/new-africa-europe-digital-economy-partnership-report-eu-au-digital-economy-task-force>

entrepreneurship, as well as e-Services. Our common objective is to promote private investments in Africa for the benefit of Africans, but also to strengthen experience sharing between both continents, instead of relying on traditional development logics.

This Report – has been prepared by independent experts from both Europe and Africa – paves the way for successful digitalisation of African society and economy. Implementation modalities are being presently discussed, but we are already working together on such topics as research and entrepreneurship with the Africa-EU Innovation Partnership², or on regulatory issues through the PRIDA project³ on which a large number of African public institutions are consulted.

Other themes to be addressed by the EU in the post 2020 financing period include artificial intelligence, cybersecurity, the data economy and data protection, but also new technologies such as High Performance Computing, quantum cryptography and microelectronics.

Dear Secretary General, dear colleagues,

The EU would like to thank UNCTAD Secretariat, and in particular Technology and Logistics section for preparing the 2019 Digital Economy report. We are pleased to read this well researched and informative report which does not jump to easy conclusions but analyses opportunities and challenges of the digital economy in a nuanced and balanced way. We would also like to highlight that we are particularly pleased to see that the report addresses gender related impacts of digitalization and also introduces a fair amount of gender segregated data. We can only wish that all UNCTAD publications would follow the same example and help build the reputation of your organisation as a neutral centre of excellence on digital and development issues.

The EU and its Member States are looking forward to continue working with UNCTAD on these important issues.

Thank you.

² <https://africaeurope-innovationpartnership.net/>

³ <https://www.africa-eu-partnership.org/en/projects/policy-and-regulation-initiative-digital-africa-prida>