The competitiveness of the European information and communication technologies industries ICT

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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.