

Heinz Paul Bonn

Speech on the occasion of the annual BITKOM Brussels reception

Dear Commissioner Reding,

Ladies and Gentlemen,

In our vernacular there is a saying stating that every event that takes place a second time is already a tradition. Well then: I may therefore welcome all of you to our second and hence traditional annual Brussels reception here in the Bibliothèque Solvay. I am particularly proud that Commissioner Reding has accepted our invitation to deliver tonight's key-note speech. A special welcome to you!

Moreover I am glad to see numerous MEPs among our guests – a warm welcome to them, too.

Ladies and gentlemen,

Today we celebrate a very special anniversary. I do not mean the second anniversary of our reception. I mean the 70th anniversary of a core part of the IT industry. Have a guess which one it might be! - It is the anniversary of the digital computer. The first one was constructed by Konrad Zuse in Berlin in 1936. It didn't work with transistors but mechanically with cards. The first freely programmable machine again was constructed in Europe, in 1936. And even the famous Mark I ("Mark one") was not build in the US but in the UK, in 1948.

If you tell US people that the computer was invented in Europe, they don't believe you. Very recently a real dispute between our Chancellor and the US President took place over the question "Who invented the computer?" BITKOM was asked to deliver the background for a letter our Chancellor wrote to the US President on that particular issue. That story sounds strange, but that's how perceptions are. Perception is reality. We should take it seriously.

Europe is extremely rich in IT and telecommunications innovations: from the fax machine and basic communications systems through GSM to MP3 - many technologies have their roots in Europe. Even if we look for recent success stories in the ICT industry, we discover some of them in Europe like Ericsson, Nokia and SAP. However, most of the new business models

and services originate as an idea in America and they are dominated by American companies:

Be it Ebay and Amazon for electronic marketplaces.

Be it Google and Yahoo for search engines.

Be it Blackberry and Microsoft for mobile E-Mail push services.

In other cases, take Skype, take Linux, European know-how was bought up by American companies. There is not even one prominent recent example where we turned the tables.

Don't mistake me, please. Nothing against American companies. Europe strongly profits from technology know-how from all over the world.

However, the more we transfer economic and social life from the analogue into the digital world, the more it becomes crucial to possess the relevant technology know-how. In the former industrial age at no time Europe was as dependent on the "outside" world as today when entering the digital age. In all big industry areas as the automotive, chemical or machinery industry, Europe holds a strong position until today.

Looking at the digital world we see search engines - just sticking to that example - as a corner stone. Most of us are hardly aware of that. Some months ago, Google ignored specifically the BMW website causing quite a substantial economic damage to BMW.

I have a queasy feeling when I envisage that pupils let's say from Brazil, looking for information about the Roman Empire, are lead by Google to Hollywood and draw their historic knowledge from the latest Metro Goldwyn Mayer production. We should not ignore these completely new challenges.

Ladies and gentlemen,

Today Europe is heckled by the US software industry, hardware producers from East Asia and offshore service providers from India. On that background we have to redefine Europe's position in the global information society.

There is one rather common respective vision defining India as the brain, China as the factory, the US as the government and Europe as the market of the digital world. Allow me to say that I do not share that vision. I am deeply convinced that we do need a genuine European ICT industry if we want to maintain our current prosperity and wealth.

Such an industry definitely needs an infrastructural basis and some big projects. Small is beautiful, yes. However we need a kind of Airbus for the ICT industry. We need an independent global positioning system like Galileo. We need an independent Telematics system like TollCollect for traffic management. And we urgently need an independent European search engine like Quaero, just to quote three examples.

But we cannot plan everything top down. We also need favourable framework conditions which lay the grounds for new business models and successful technology development.

Large projects as well as the creation of a favourable legal framework need a close interacting between all stakeholders. When we stood together in this very place last year we underlined the need for dialogue between politics, administration and industry. As a fruit of these joint endeavours we had appreciated the European Commission's i2010 initiative.

However, have our far-reaching expectations and ambitions been fulfilled?

1. First of all we clearly see that the Commission's activities in ICT have encouraged governments all across Europe to become even more active in promoting high tech. In Germany for example, a programme called "iD2010" is about to be drafted as a national input into i2010.
2. Second, we do see the positive and indispensable role the European institutions can play with regard to one of our priority topics, i. e. copyright levies, an issue of great concern to us. Frankly said, I believe that this is one topic where industry and the European Commission can and should work in one direction with the aim of phasing out and freezing levies on ICT devices and thus giving priority to growth and innovation in the distribution of digital content. We do need the helping hand of the EU in order to create a common European legal environment for electronic commerce, also what regards electronic trade in music, pictures, film and text.
3. Third – and at this point I am not only speaking as BITKOM Vice President but as a long-term entrepreneur – industry welcomes new funding opportunities made available to SMEs. Besides the research framework programmes that have successfully liaised SMEs with larger companies, academia and other SMEs, the recently issued CIP (Competitiveness and Innovation) Programme provides elements useful for SME, e. g. in the field of finance.

On the other hand, we do fear that our innovative industry's undertakings are sometimes nipped in the bud as in the following cases:

1. The first and at the moment probably most prominent example is the draft audiovisual media directive that is currently discussed in the European Parliament. Whereas we appreciated the Commission's efforts to set up a flexible framework giving room to innovative products and services. We nevertheless have serious doubts concerning a possible over-regulation of a tender shoot such as many parts of our industry are indeed. We as industry are looking for clearer and better ways to create legal certainty for our companies, taking into account the particular character of our services under existing legislation such as the eCommerce directive. Let me also say we recognize the Parliaments open and constructive approach to this issue.
2. I would also like to add a general remark we often make with regard to European legislation. Despite the efforts linked to "better regulation", we sometimes feel surprised at the lack of thorough impact assessments made at the European level. Highly differentiated markets like IT and telecommunications do need unbiased approaches to legislation, taking into account several options available. To call a spade a spade: The current roaming services discussion does not fully consider the problems entailed to excessive regulatory interference in telecommunication markets. It would thus diminish incentives to competition, hamper market flexibility and probably increase domestic prices.

BITKOM organizes a network of 4.000 experts in IT, telecommunications and new media. We maintain an office here in Brussels as a bridge to European Institutions. We produce the European Information Technology Observatory - EITO for short - as main source of information about current trends and perspectives of the ICT sector. And we back the CeBIT, the largest trade show in the world as the main marketplace of the ICT industry, bringing together more than 400.000 people every year in the heart of Europe. We offer our unique network and knowledge to whoever takes political responsibility in the EU.

Connecting visions, creating solutions - this has been the BITKOM slogan from the very beginning. That's what we stand for, and we will do everything in order to make ICT a top priority of the German EU Presidency in the first half of 2007.

Ladies and gentlemen,

On the very place where the first computer worked 70 years ago, today they grow wine. It is the only vineyard in Berlin, by the way. This symbolizes - in a way - the antithesis of the transformation from analogue into digital. It is the transformation from digital into very very analogue. And it is the antithesis of our vision of Europe's digital future.

Ladies and Gentlemen,

Commissioner Reding is well known as an anchorman of the transformation from analogue into digital. We are keen to hear more about your vision and the way the European Commission is going to realize it.

Mrs Reding, the floor is yours.

[Speech Commissioner Reding]

Thank you Mrs Reding.

[Ev. eine Replik auf eine oder zwei Kernthesen.]

And now I wish you an interesting evening and a fruitful conversation in this fantastic atmosphere.

[Ende]