Ireland improved performance in European Digitalisation Index and is top of the Integration of digital technology by businesses category

On 11 June 2019, Mr Pat Breen, T.D., Minister for Trade, Employment, Business, EU Digital Single Market and Data Protection welcomed the announcement from the European Commission that Ireland has moved up one place – from 8th to 7th – in the EU Digital Economy and Society Index (DESI) Report for 2019 compared to 2018.

Ireland now ranked 7th in the DESI Rankings (Source: European Commission DESI Report 2019)
Ireland has consistently improved its ranking year on year since DESI 2014. The methodology of the DESI 2019 has been changed from previous years to take account of the latest technological developments. The DESI has been recalculated for all countries for previous years to reflect the change in the indicators and corrections to the underlying data. Ireland has made continuous improvements in these rankings since 2014.

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 2019 shows that Ireland is now ranked as the 7th (using the new methodology) most advanced digital economy in the EU – the top six countries are Finland, Sweden, Netherlands, Denmark, UK and Luxembourg.

Ireland’s overall score increased due to an improved performance in all DESI dimensions measured – we improved or maintained our performance in 33 indicators within the Index and were above the EU average in 28 of these. Ireland is number one in the EU in the Integration of digital technology by businesses dimension, particularly because Irish SMEs excel in the use of e-commerce. 30% sell online and 17% sell cross-border, well above the EU average, and 26% of the total turnover generated by Irish SMEs comes from online sales, more than double the EU average.

Ireland recorded the highest growth in Digital public services with the top ranking in the EU for Open Data and a second-place ranking in Digital public services for businesses. Ireland’s impressive performance also reflects improvements in the use of Video on Demand services which has seen an increase in the last few years from 24% of Internet users in 2016 to 48% in 2018.

In a European context, the report reveals that Ireland is significantly ahead of the EU average in the areas of 5G Readiness and has a strong ranking (5th in the EU) for fast broadband coverage. Finally, we rank highly in the EU in terms of ICT graduates (2nd place) and Female ICT Specialists (4th place), something which places us in a good position into the future.

Inter-Departmental Committee on the Digital Single Market

Minister Breen chaired the 13th Meeting of the Inter-Departmental Committee on the Digital Single Market (DSM) on 15th May 2019 which focused on a new strategic approach for European digital policy. At the meeting, Departmental representatives provided updates on a range of issues, including:

- A non-paper on a coherent European policy for the digital future which was signed by 20 Member States including Ireland.
- The work underway on the next National Cyber Security Strategy (NCSS) which will be organised under three pillars: ‘Protect’, ‘Develop’ and ‘Engage’. Thematic stakeholder sessions have taken place and the responses to a Public Consultation process were analysed.
- The Data Sharing Act which came into effect on 4 March 2019 and the associated Data Governance Board (yet to be established). This will encourage use and ensure that data sharing happens in a secure and efficient manner,
protecting citizens’ privacy and maintaining trust.

- The Platforms to Business Regulation was agreed by the European Parliament on 17 April 2019. Following a review (18 months after the date of application), the EU Commission may take further appropriate measures, including more legislative proposals.

- The Digital Europe Programme which is a component of the Multi-annual Financial Framework (2021-27). It includes five key policy areas with an indicative budget of €9 billion. These are five big growth areas for the next iteration of the Digital Single Market strategy. The focus is about ensuring that the EU can be globally competitive by supporting players with key growth potential.

- Work that is continuing at the Member States’ working group on digitising European industry and Artificial Intelligence to implement the EU Coordinated Plan. The High-Level Expert Group (HLEG) has now published its Ethical Guidelines which adopt a human-centric approach. Our forthcoming National AI Strategy will be aligned with the themes set out in the aforementioned Plan.

- ePrivacy was also discussed and it was pointed out that it is unlikely to be progressed as there are a number of intransigent positions across Member States. In the meantime, the EU Commission is to seek information from Member States as to how the original Directive is being implemented.

Bilateral Meeting with Polish officials

The Department of Business, Enterprise and Innovation (DBEI) Digital Single Market and Digital Economy Unit hosted a bilateral meeting with Polish officials on 29 May 2019. The DBEI officials, along with those from the Departments of Foreign Affairs and Trade; and Communication, Climate Action and Environment met with a delegation of Polish officials involved with the Digital Single Market representing their Ministries of Entrepreneurship and Technology; Foreign Affairs; and Digitalisation.

The purpose of the meeting was to discuss the Polish non-paper on the future of Digital Single Market (DSM). This paper sets out a vision for the Digital Single Market in a time of rapid technological change when the EU needs to increase its efforts to keep pace with global competitors and assert itself as a digital powerhouse. According to this paper, the EU must address the opportunities and challenges that the digital transformation presents while ensuring EU competitiveness and benefitting all European citizens in an inclusive way.

In keeping with this vision, it is important that we ensure an innovation friendly environment with the right policy framework and avoid the fragmentation of the Single Market and unnecessary inflation and differentiation of legislation. The mutual positions of both countries on the following key European digital initiatives were discussed:

- The place of digital policy in the future agenda of the European Commission;
- Development of Artificial Intelligence;
- Free flow of non-personal data (industrial data);
- Personal data protection (revision of GDPR and e-Privacy);
- Regulation of Internet Platforms;
- Competition policy in digital era; and
- Security of ICT infrastructure.

Both countries agreed that, given that our outlooks are so well aligned, there were important benefits to be obtained from maintaining links as we not only look forward to the further evolution of the Digital Single Market but also try to find ways to shape and direct it.