

Dear Madam Chairwoman,

Distinguished Members of the Internal Market and Consumer Protection Committee,

Ladies and Gentlemen,

I am deeply honoured to address you, as Deputy Prime Minister of Slovakia, of the country which has the privilege, for the first time in its history, to hold the Presidency of the Council of the European Union in the upcoming six months.

Today, we are witnessing times of a **constant change** in both, the physical and interconnected online worlds – **a change** that is reshaping the way we live and the way we work but also **a change**, that like a wake-up call exerts pressure on us, politicians, to **earn back the trust of our citizens in democracy, in the competence of public institutions and even the trust in the European project**. It is a **change** that promises amazing technological breakthroughs, evolutionary rise of civic participation in the decision-making process of the governments but also **a change** bringing and large-scale economic disruptions which directly affect us all. The pace of such a change will only accelerate, yet the outcomes are hard to predict.

Now, in addition to the crisis resulting from the influx of refugees and terrorist attacks, we will have to cope with the unprecedented situation resulting from the results of the UK referendum. Taking over the Presidency in these difficult times, we need to see the opportunity where others see only risks and danger – we need to become stronger, better, and, where possible, more united, including in the new digital era. We clearly need to deliver a **comprehensive positive agenda** for the citizens and businesses. After years of economic stagnation and digital divide, they want to see improvements **in their quality of life and in the work delivered by the European Union**. Therefore, I would like to

underline that what **we are going to do** or **not going to do** in the Digital Single Market agenda, will have a significant impact on the developments in the years ahead.

I would like to take a full benefit of our friendly appearance and present our plans to you, distinguished Members of the Parliament. We are aware of the crucial role that national parliaments and the European Parliament play in our democracies. Today, it is the only place where the peoples of the 28 countries are still represented and where the EU policies are at stake. And that's why I very much look forward to interact and work with you closely over the next few months. I have already had the privilege to meet several MEPs before Slovakia took over the Presidency. I hope that **together** we will work effectively to contribute to strengthening of the EU's economy by modernising and deepening of the digital single market, from which the whole EU will benefit. I believe that the Commission, the Council, and you, the distinguished Members of the European Parliament can broadly agree on what we want to achieve. **The Slovak Presidency will spare no efforts in facilitating efficient cooperation among the institutions.**

For our meeting today, I will make some general remarks on the **main principles** and **priorities** guiding the Slovak Presidency within the Digital Single Market agenda. Then, I will further discuss the main tasks on our plate.

The Slovak Presidency is fully committed to the Digital Single Market goals as set in the EU strategy and will guide the Member States to achieve them successfully. We consider the DSM as a new broad axiom of the EU for the years to come, legitimizing the online economy as a new economic sector and placing "data" as an innovative source of growth next to the traditional economic resources. By adopting the DSM strategy, Europe aims to end the post-crisis economic stagnation and to be "digital by default". We, as European leaders, must embrace new and even more challenging digital innovations that are already calling into question our established legal frameworks in order to better protect human rights

and to support creation of jobs and growth. The current regulatory processes in place across Europe must be adapted to become less time-consuming and up-to-date.

In the position of an honest broker we will be managing and streamlining the positions of individual countries. Our aim is to pursue the ambitious goals of the DSM initiatives without **sacrificing their added values**. We must understand what is at stake **if Europe does not manage to transform** into a continent with modern regulatory framework **that attracts innovators and entrepreneurs from all over the world**.

Equally importantly, we must always bear in mind how crucial it is to spread the ideas of the Digital Single Market initiatives to the general public. Citizens and businesses across Europe must see **tangible benefits** that they can easily gain. In this context, the recent proposals covering the e-Commerce related aspects, namely **Geo-blocking, Consumer Protection Cooperation, Parcels Delivery** and the proposals on **Digital Online Contracts** or **Cross-border Portability of Online Content** will be in the forefront of our activities. The Slovak Presidency priorities in the neighbouring area of telecommunications and information society include also **eGovernment, cyber security**, proposals on **harmonisation of spectrum in the range of 700MHz** and the **end of the roaming fees**.

Geo-blocking

In March 2016, the European Commission published initial findings on frequent geo-blocking practices preventing consumers from buying the goods and accessing the online digital content in the European Union. The answers of over 1400 retailers and digital content providers from all of the 28 EU Member States show that geo-blocking in our market is a common practice. 38 % of asked consumer goods retailers and 68 % of digital content providers answered that they geo-block consumers from other EU Member States. Tackling unjustified geo-blocking will be the priority file during the SK Presidency. The proposal aims to ensure that consumers seeking to buy products and services in another EU country,

be it online or in person, are not discriminated against in terms of access to prices, sales or payment conditions, unless this is objectively justified for reasons such as VAT or certain public interest legal provisions. To avoid introducing disproportionate burden on companies, the Regulation does not impose an obligation to deliver across the EU and exempts small businesses falling under the national VAT threshold from certain provisions.

Our goal is to prepare the ground for the Maltese Presidency to start negotiations with the European Parliament. The SK PRES will so do its utmost to reach a **general approach** during the November COMPET Council.

Consumer Protection Cooperation

At present, the cross-border cooperation of enforcement authorities is not efficient enough and is prevented by several obstacles. On the other hand, one of the preconditions for the creation of the Digital Single Market is ensuring an efficient system of consumer rights enforcement in all Member States. This system should contribute to building consumer confidence in cross-border and online purchases and to reducing the costs resulting from unfair competition for entrepreneurs. We wish for an equal treatment of any consumer in the Union both for online and offline sales and that business can fully benefit from a fair and competitive Digital Single Market. The proposal aims to give more powers to national enforcement authorities to enforce consumer rights more effectively, notably when buying cross-border. We welcome that in case of breach, the Commission should be able to coordinate common actions with national enforcement authorities to stop these practices. It will ensure a swifter protection of consumers, while saving time and resources for Member States and businesses.

The Slovak Presidency is firmly committed to advance the negotiations on the proposal. We will work hard to reach a **general approach** during our Presidency which would enable our Maltese friends to strike a deal with the Parliament.

Digital Content Contracts

The contracts for the supply of digital content and the online sales of tangible goods are important elements of the Digital Single Market strategy. In 2015, less than 16% of European online shoppers ordered online services or goods from other EU countries. In general, the cross-border e-commerce still operates deeply below its potential due to many barriers: various legal rules of commercial law and consumer protection create an unclear and complicated environment. Today, the right to return a defective home appliance purchased online is routinely applied, while the return of a digital content is not so simple. There are no rules to govern what should be done when a customer buys a movie or a piece of software online but is not satisfied because the movie has a poor quality of image or the software does not operate at all. We share the objective of boosting cross-border e-commerce by creating a modern and business-friendly environment for traders, while increasing consumers' trust and maintaining a high level of consumer protection.

SK PRES intends to continue the negotiations on the basis of the recently revised joint Dutch-Slovak Presidency proposal. We will strive to achieve at least a **partial general approach** in the Council, in the case of the directive on digital content contracts submitted by the Commission in December 2015. For the second directive on the contracts covering the distance sales of goods, the Slovak Presidency will commence an in-depth examination of this Proposal once the REFIT results are ready (hopefully in September).

Parcels Delivery

In order to support the growth of the cross-border e-Commerce even more, it is crucial to increase the transparency of the prices for the cross-border parcel delivery, to decrease the price of delivery, especially of small parcels and to ensure the interoperability among various operators who are commonly involved in the cross-border transportation. The most sensitive topic is the indirect price regulation that can lead to unintended negative social impacts in terms of significantly lower employment rates in the logistics and delivery sectors. The main outstanding issues of the proposal seem to be the clarification of the scope of the Regulation (certain provisions apply only to Universal

Service Providers (USPs) and not to all undertakings of the sector which may lead to an unfair differentiated treatment) as well as the affordability assessments by national regulatory authorities (28 different assessment or further harmonisation by implementing act).

The Slovak Presidency will continue with discussions, aiming at a **general approach**.

Cross-border Portability of Online Content

Furthermore, we want to progress towards a solution in the area of the pan-European portability of online content services so that the single market of digital content and services can flourish. Therefore, it is necessary to clarify the rules for the providers of online content protected by the copyright law and to give legal confidence to the cross-border use of digital content. The legal differences between the digital and physical world must be settled and the copyright law must be adapted to the new technologies and online environment within EU.

With regards to the current draft Portability Regulation, the Slovak Presidency welcomes the agreement in Council on a general approach in May 2016. We think that the Council has generally found the right balance between the need to enable the cross-border portability of online content services, and the necessary protection of right-holders right to fair remuneration. We are now looking forward to the **launch of the trilogues** with the European Parliament in October in view of an **early first-reading agreement** on this file which is important for European citizens.

As regards the other dossiers significantly important for the fully functioning Digital Single Market, the Slovak Presidency will strive to reach **a political agreement** with the European Parliament in **spectrum harmonisation in the range of 700MHz**, which will unlock a great potential for the use of wireless high-speed mobile broadband in the EU and most importantly, **elimination of the roaming charges** for EU citizens but also businesses (as of June 2017) across the EU is a symbol of **positive agenda, so concrete delivery** in this area will be our **absolute priority**. We are therefore targeting at a **general approach** or early trilogues and hope that the EP can be ready fast.

Last but not least we are ready to endorse the **eGovernment Action Plan** and a recent **Communication on cybersecurity in the industry throught Council Conclusions**. The Slovak Presidency will prepare also the right conditions to discuss the upcoming DSM initiatives, for instance the **free flow of data** and others.

Finally, I would like to stress that our Presidency also considers the Digital Single Market strategy as a great opportunity to win the **second round of the international battle for the leadership in online platforms**. Online platforms play a key role in economic growth and innovation. They have revolutionised the access to information and have connected the buyers and sellers in a better and more efficient way. We need to ensure that EU online platforms will become more competitive in the future, especially in the sectors like transportation, manufacturing, energy and healthcare. We welcome the position of the European Commission that outlined a targeted, principles-based approach, to fix problems flagged by respondents to the Commission's public consultation.

I also agree with the Commission on the fact that governance and timely delivery of the Digital Single Market is a shared responsibility of the European Parliament, the Council and the Commission as stipulated in the European Parliament's Resolution on DSM from January 2016.

Our Presidency is ready to work jointly with you on our European project.

Thank you for your attention.