



# Digitalisation of Businesses and the network of European Digital Innovation Hubs (EDIH)

Dr. Heidi Cigan, DG CNECT A4 - Digital Transformation of Industrial Ecosystems

28.06.22

# Digitalisation top priority

- **Digitalisation**, together with the greening of the economy, is **one of the Commission's highest priorities**.
- It is only through greater digitalisation that we will be able to successfully tackle some of the **major challenges we face in Europe today**:
  - recovering from the **COVID-19 pandemic**
  - creating more **resilience** to future economic shocks,
  - addressing **climate change**
  - and reducing our **dependence on Russian oil and gas**.

# COVID-19 impact on digitalisation

- **Pandemic hit SMEs particularly hard** – loss of customers and revenue, labour shedding, closures.
- **More digitised SMEs fared much better**
- **Highly digitised firms increased revenues** - as people went online to shop, work, learn and communicate with family and friends.
- **Response to the pandemic** - many **businesses increased their investments in digitisation** or made the decision to start their digitalisation journey.
- Despite this, it remains the case that **too many SMEs have an insufficient level of digitisation** to truly benefit their business.

# State of digitalisation in the EU

- Only around **60% of SMEs have basic level of digital intensity** (Digital Intensity Index)
- Up-take of some **advanced digital technologies** - Artificial Intelligence, cloud and big data - are still quite low, though increasing
- Significant difference in digitalisation by **country/region** and **sector**:
  - Most digitalised countries: DK, FI, SE, NL, BE, EE (DESI 2021)
  - Least digitalised countries: BU, **RO**, LV, **HU**, CY, **PT**, **PL**, (DESI 2021)
  - Most digitalised sectors: ICT, Finance, media, professional services
  - Least digitalised sectors: **Agriculture**, **construction**, hospitality, healthcare

# Digital Decade (9th March 2020) – Europe’s digital transformation until 2030

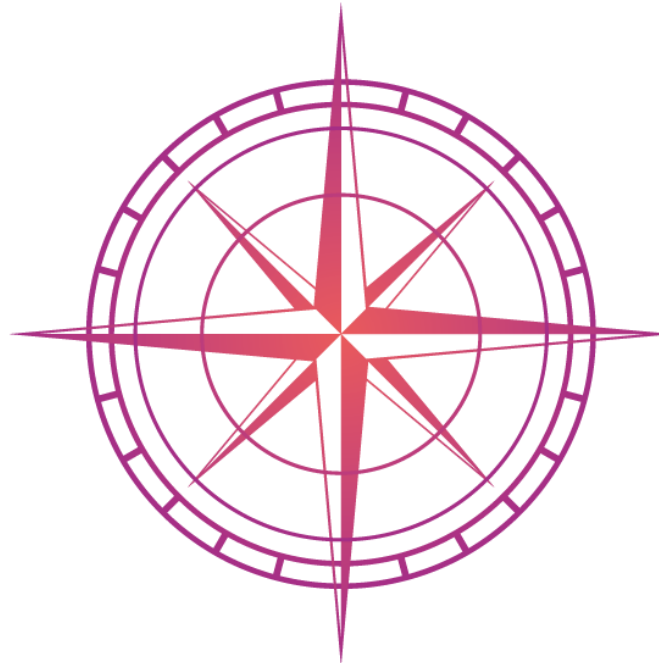
- 4 Cardinal points:

Citizens’ Digital rights

Digitalisation of Public services

Multi-country projects (MCPs)

Skills



Digital transformation of business

Targets and milestones

Infrastructures

Joint governance structure

# Digital Decade 2030 Targets:

		EU Baseline	2030 Target
<b>Skills</b>	ICT specialists (nbr employed)	7.844.100	20.000.000
	<i>Gender distribution</i>	18% of women	convergence
	Basic digital skills	56%	80%
<b>Infrastructures</b>	Gigabit coverage	59%	100%
	5G in all populated areas	14%	100%
	Semiconductors (EU share of global production)	10%	20%
	Edge/Cloud (nbr of nodes)	0	10.000
	Quantum Computer	0	1
<b>Business</b>	Cloud Uptake	26%	75%
	Big Data Uptake	14%	75%
	AI Uptake	25%	75%
	SMEs with at least basic level of digital intensity	61%	90%
	EU Unicorns (nbr)	122	250
<b>Government</b>	Key Public Services Online (service completion score)	75	100
	Medical records availability	N.A.	100%
	Digital Identity Adoption	N.A.	80%

# DIGITAL Europe programme

- Commission has mainstreamed digital in all its policy areas and is dedicating billions of EU funds to support digitalisation.
- DIGITAL EUROPE programme is the first EU programme specifically dedicated to supporting the roll out of digital technologies across the economy.
- Foresees EUR 7.5 billion for projects in 5 key capacity areas:
  - Super computers (HPC)
  - Artificial Intelligence (AI)
  - cybersecurity,
  - advanced digital skills
  - Digital Innovation Hubs.

# Network of European Digital Innovation Hubs (EDIH)

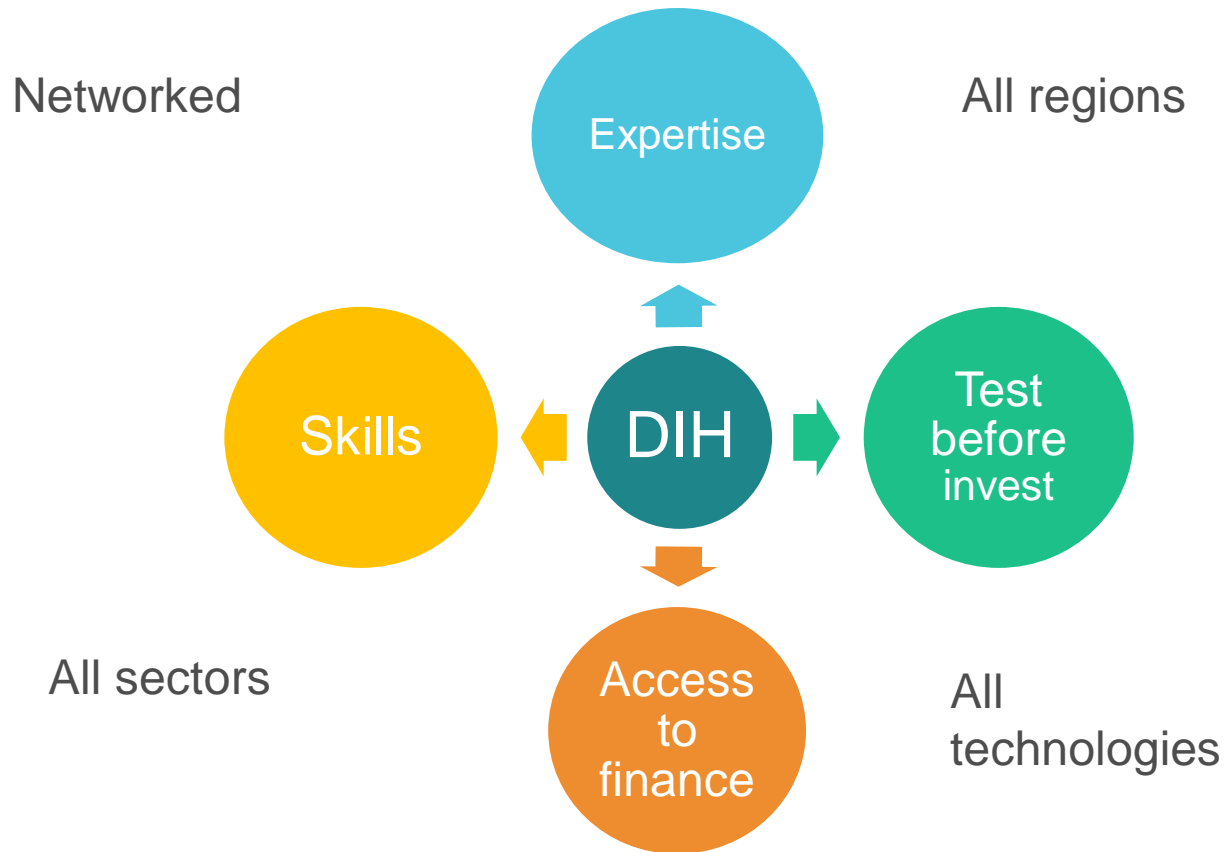
- To support the digitisation of businesses and public sector in the EU, under the new Digital Europe programme, the Commission is providing **EUR 750 m to support the setup of an EU-wide network of European Digital Innovation Hubs**.
- The funds from DIGITAL will be complemented by **Member States' contributions** (50% co-funding), possibly including private sector contributions.
- A number of Member States have also opted to fund **extra hubs (30-50)** through digital funding opportunities under the **Recovery and Resilience Fund (RRF)**. 26% of the RRF is dedicated to digital reforms and investments. 20% of this goes to businesses.
- Member States can also make use of **synergy funding** possibilities to support their hubs e.g. ERDF



# What do hubs do? How do they work?

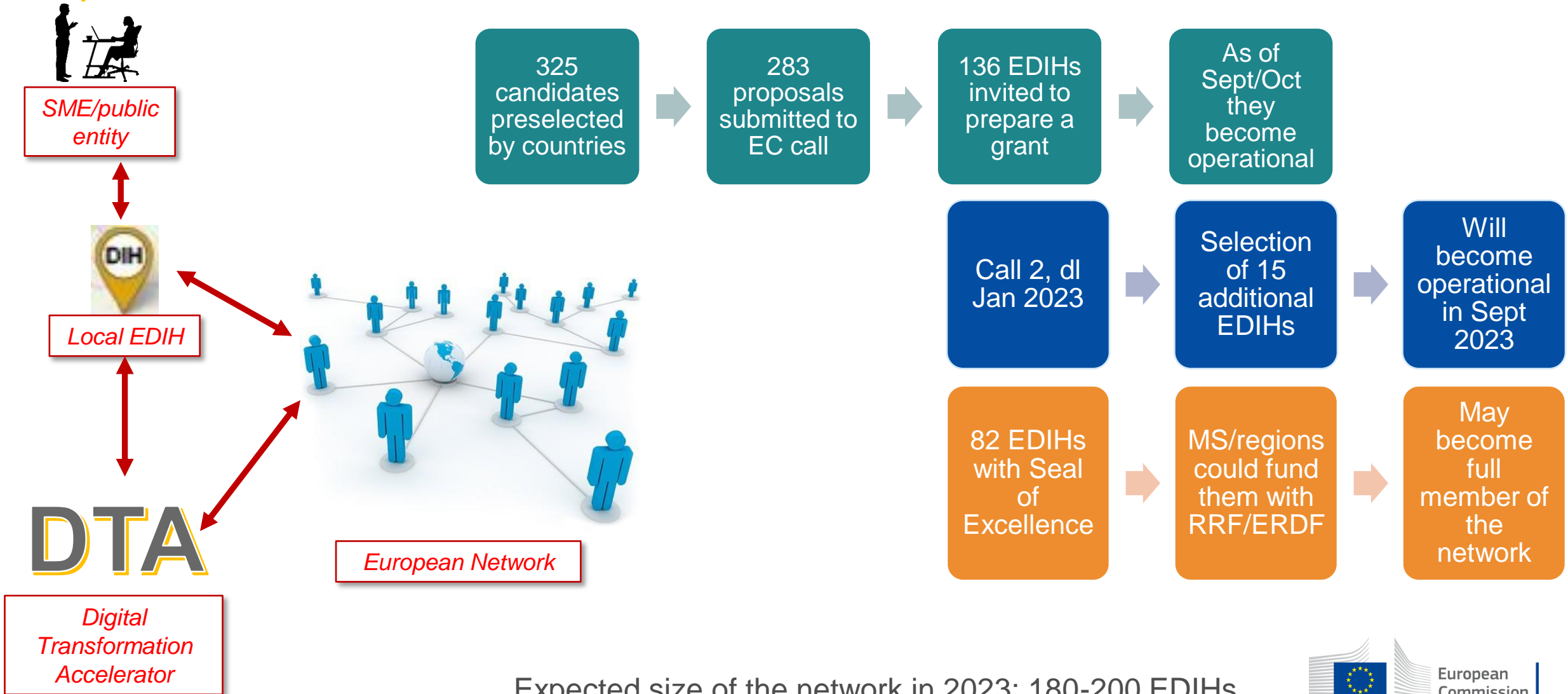
– help reduce barriers to digitalisation

A one-stop-shop for digital transformation



- Digital maturity assessment
- Advice on how to digitally transform the business
- Advice on technologies
- Access to technologies to test before investing
- Links to local businesses providing digital technologies and technology services
- Training
- Support in accessing finance

# Setting up the network of EDIH



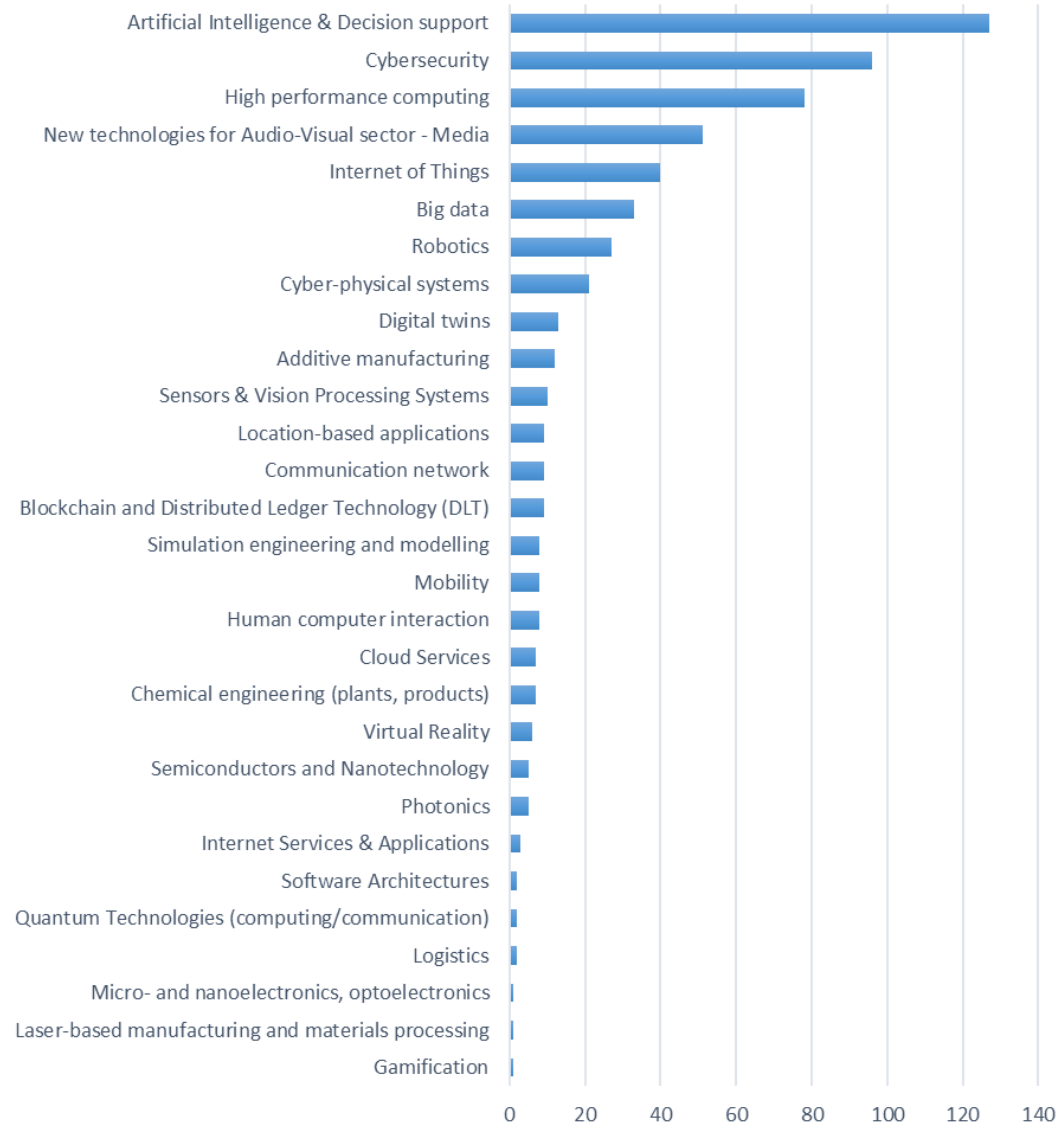
Expected size of the network in 2023: 180-200 EDIHs

Overview of EDIHs in Europe

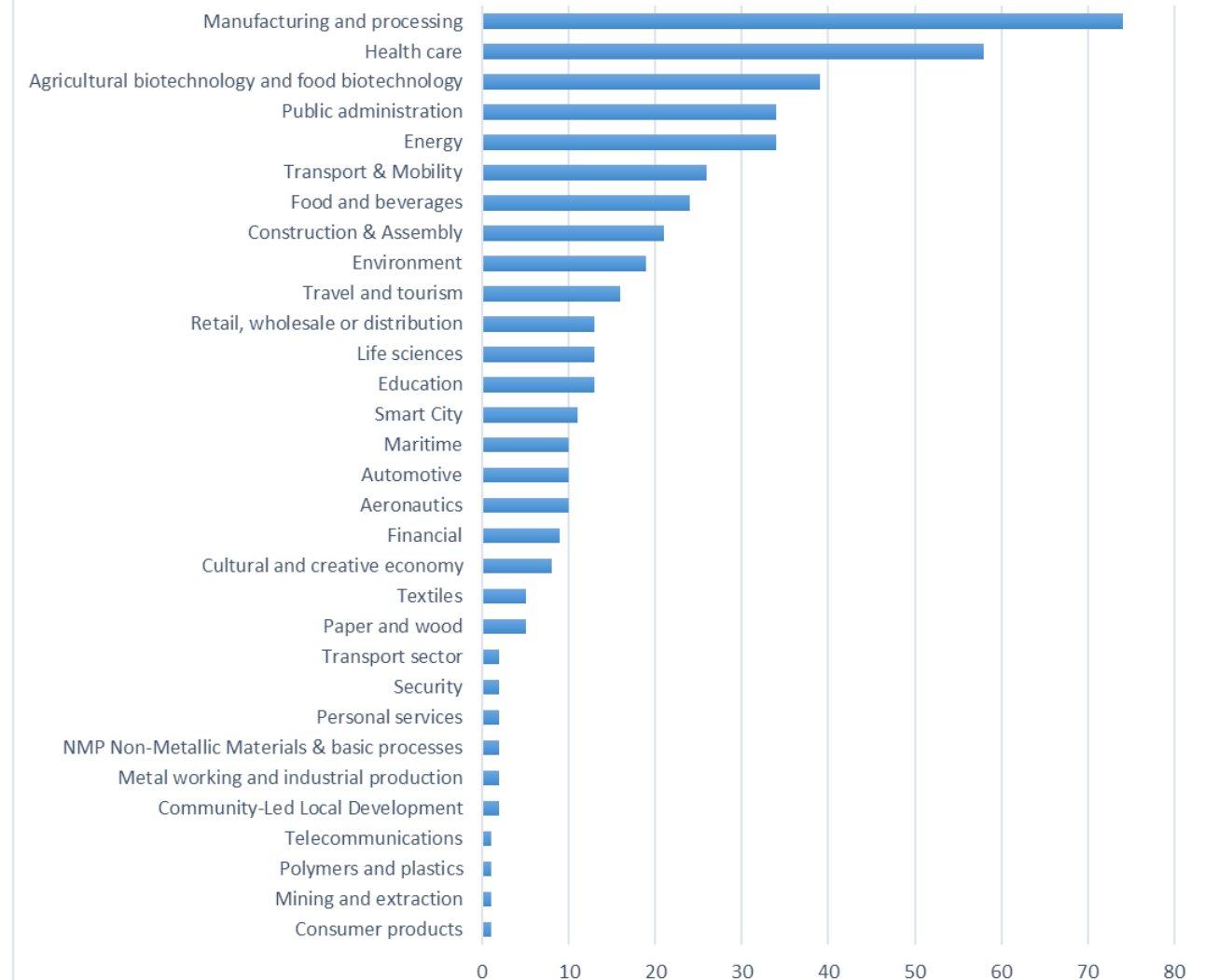
Country	EDIHs selected in Call 1	Extra EDIHs to be funded by the country	Expected Nr of hubs to be funded in the 2nd Call
Austria	4		
Belgium	6		
Bulgaria	4		
Croatia	4		
Cyprus	1		
CzechRepublic	5		1
Denmark	3		2
Estonia	1		
Finland	4		
France	10		5
Germany	14		2
Greece	4		
Hungary	3		2
Iceland	1		
Ireland	2	2	
Italy	13	17	
Latvia	2		
Liechtenstein			1
Lithuania	3		
Luxembourg			1
Malta	1		
Netherlands	6		
Norway	2		
Poland	11		
Portugal	3	6	
Romania	7		1
Slovakia	4		
Slovenia	2		
Spain	12	5	
Sweden	4		
<b>Total</b>	<b>136</b>	<b>30</b>	<b>15</b>

# Funded proposals

## Technological coverage



## Sectoral coverage



# Thank you



© European Union 2020

Unless otherwise noted the reuse of this presentation is authorised under the [CC BY 4.0](https://creativecommons.org/licenses/by/4.0/) license. For any use or reproduction of elements that are not owned by the EU, permission may need to be sought directly from the respective right holders.

