



SMART NETWORKS AND SERVICES TASK FORCE INTRODUCTORY STATEMENTS

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Smart Networks and Services Partnership
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PROPOSAL TOWARDS THE SPECIFIC PROGRAM



- The proposal is allocated to
 - Horizon Europe
 - cluster “Digital, Industry and Space”
 - area of Intervention “Next Generation Internet” as the center of gravity
 - with some links to other areas such as “Key Digital Technologies” and “Artificial Intelligence”
 - CEF – Connected Europe Facility, sub-program on 5G deployments at major European transport routes

VISION



- Combination of digitalization, artificial intelligence and ubiquitous communication will change the world we live in
- Support of grand challenges of
 - climate change
 - environmental and resource management
 - Mobility
 - aging population
 - increasing urbanization
 - digital inclusion and industrial competitiveness
- Communication networks and services are a key enabler by bringing together artificial intelligence, big data, high-performance computing and cybersecurity
- In a world, where everything will be networked seamlessly with nearly infinite bandwidth, we need a flexible, affordable and sustainable communication network that can adapt and evolve
- Smart Networks and Services will be grounded on the idea of ensuring a **human-centric** digitalisation that is directly aligned with the social and ethical values Europe is promoting: **openness, inclusion, security, trust, participation and privacy protection**

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS TOWARDS 2030

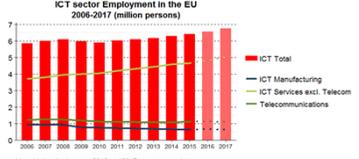


Source: United Nations: <http://www.un.org/sustainabledevelopment/sustainable-development-goals/>

SOCIO-ECONOMIC TRENDS

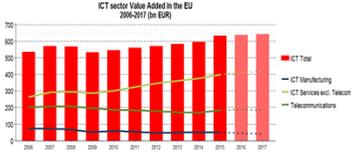


ICT sector Employment in the EU 2006-2017 (million persons)



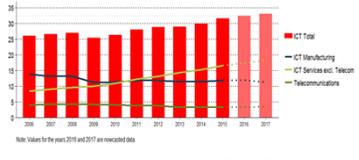
Note: Values for the years 2016 and 2017 are forecasted data.

ICT sector Value Added in the EU 2006-2017 (bn EUR)



Note: Values for the years 2016 and 2017 are forecasted data.

ICT sector Business Expenditure in R&D (BERD) in the EU 2006-2017 (bn EUR)



Note: Values for the years 2016 and 2017 are forecasted data.

- About 27.2 % (1.74 million employees) of ICT employment
- 37 % (€ 234 billion) of ICT market size
- 47 % (€ 15 billion) of R&D expenditure in Europe
- Smart Networks and Services is addressing additional share of ICT Services excl. Telecommunications

Source: EU Commission: Digital Agenda Scoreboard – The EU ICT Sector and its R&D Performance, 2018, http://ec.europa.eu/newsroom/dae/document.cfm?doc_id=52246

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SWOT ANALYSIS



<h3>Strengths</h3> <ul style="list-style-type: none"> • Large footprint of 4G/5G coverage and penetration • Investment grade regulation (EECC) • Two out of three of major telecommunication communication systems vendors • Wide manufacturing industry • Vertical industry ready for adoption • Privacy regulation (GDPR) now a worldwide benchmark • High awareness of network security issues • Strong research ecosystem in industry, R&D centers and universities • Highly skilled personal in ICT (incl. wireless, network, AI, IoT...) and many vertical sectors • In some EU countries strong start-up scene • Research programs for cooperation among different stakeholders • 3 world-wide satellite operators are based in Europe 	<h3>Weaknesses</h3> <ul style="list-style-type: none"> • Regulation not oriented to data economy (ePrivacy Directive still limits network operators in processing data) compared to US and Asia • Fragmented European market and regulatory environment • Lack of strong Cloud providers in Europe • Lack of highly reliable, secure, intelligent, flexible and open multi-service Internet (a platform industry in Europe) • Weak European industry in the communication and computing micro- and nano-electronics industry (components) • No European devices industry • Weak European IT industry • Access to venture capital more difficult than in other regions (e.g. the issue of scaling-up in Europe) • Lack of investment in newest technology • Later deployment of newest technology compared to other regions • Less skilled personal in computer science and software technology
<h3>Opportunities</h3> <ul style="list-style-type: none"> • Smart connectivity and network services supporting all types of applications, enabling innovation in advance application services • Strong SMEs driven enablement for digital transformation of industry/verticals and public sectors • Create a data driven economy for automation of industry by distributed computing • Push and strengthen the data driven economy in the EU with EU data (over 500 Million population under coverage), reap full benefit of AINL on EU data • Boost data driven public policies (e.g. Data for Smart Mobility and SDGs), consolidate Verticals digital transformation • Build-up a new micro- and nano-electronics industry for communication and computing components • Establishment of a devices industry for IoT and vertical sectors by supporting e.g. ECSEL and/or the proposed Key Digital Technologies Partnership • Base new systems on European values and ethical principles to improve security and user-controlled privacy, which is becoming attractive also for other regions • A strong European drive for advanced use of smart network and communication solutions for the mitigation of climate change and other societal challenges (e.g. aging population, urbanisation, etc.) • EU will provide a coherent and comprehensive policy framework on digital autonomy that can deliver critical value to the Union's economic standing by ensuring an ethic and secured Smart Networks and Services environment including security in exploring protected data and IPRLs. • Providing fog, edge and core cloud processing under European data security law and secure communication networks providing end-to-end security for applications • 5G and beyond can prove to be a testing ground for EU industrial policy. There should be an initiative to further boost EU connectivity, accelerate the adoption and diffusion of digital technologies among Europe's traditional industries. The deployment of 5G would in particular gain from more coordination at EU level • Investment friendly environment • Full implementation of digital single market 	<h3>Threats</h3> <ul style="list-style-type: none"> • EU unable to keep pace with US and Asia economies which will be largely AI driven in the next decade (now largely data driven) • Benefits of EU data leveraged outside EU by non-European players. Verticals and SMEs may lose competitiveness • Single stakeholder platform industry from outside of Europe dominate markets and business models • Access to latest micro- and nano-electronics components to EU players, may be in danger in future due to changing political environment • Not enough personal available with skills in computer science, AI, machine learning and software technology • The industrial value chains increasingly rely on digital infrastructure that are susceptible to be hacked or sabotaged. The EU's high reliance on foreign imports and technology can expose it to supply chain disruptions penetrating its critical infrastructure. • Foreign direct investment is a means for foreign players to have access to sensitive European technologies and business secrets or gaining influence over critical infrastructure. The rollout of 5G is a stark example where neither foreign investment screening nor procurement rules apply, as the network components are purchased by private operators. Yet, the impact in terms of cybersecurity and susceptibility to espionage can be considerable. • Foreign companies (largely) controlling European data networks (because of equipment and/or operation).

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(*) Cf. "EU Industrial Policy after Siemens-Alstom. Finding a new balance between openness and protection". European Political Strategy Centre - <https://ec.europa.eu/europe-observatory/other-publications/eu-industrial-policy-after-siemens-alstom>
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TECHNOLOGY VISION



Data Analytics
(Machine Learning)

High Performance Distributed Computing (Cloud/Edge/Fog)

Smart Networks and Services (Smart Connectivity)

Smart Networks in relation to other major areas

Cybersecurity

Communication

Automation of everything

Key building block of Smart Networks

Artificial Intelligence

Cybersecurity

Smart Networks and Services

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