

W3: Hi-tech services Cloud Computing and the Regulatory Framework

Second Bruges European Business Conference
24 March 2011

LIBERATING THE POWER OF SERVICES

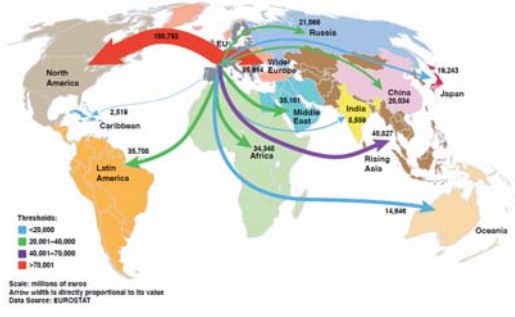
Services: Europe's Sleeping Giant

- **Services: all net job growth in EU**
- **EU#1 services trader 18 EU Member States among Top 40 43% export share**
- **EU#1 in 8 of 11 categories**
- **EU 10% export growth/yr; 1% > than global; 1% < than Asia; 4% > than NA**
- **EU15 4x trade surplus**
- **EU27 trade surplus with all except Caribbean and North America**
- **70%+ of EU economy; only 23% of global exports = room to grow**

- **North America: 1/3 of exports and imports**
- **Wider Europe: 18% EU exports/17% EU imports**
- **BRIC s trade: *12% EU exports/10% EU imports**
investment: *services 60% of EU FDI; 33% manufacturing
***top means to enter emerging markets**

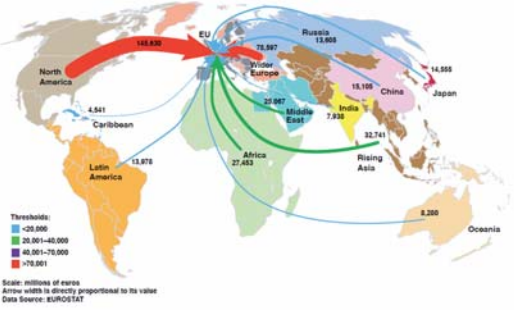
EU Services Trade with Other World Regions in 2008

EU Exports to the World

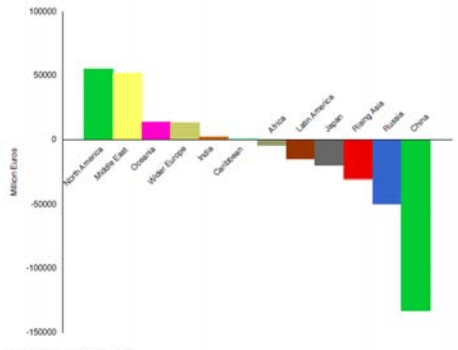


EU Services Trade with Other World Regions in 2008

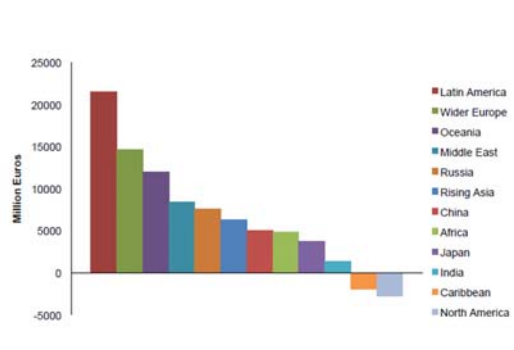
EU Imports from the World



EU Goods Trade Balance by Region 2009



EU Services Trade Balance by Region, 2009



What is the Cloud?

Continuous Cloud Services For Every Person And Every Business!



- Where is Microsoft?

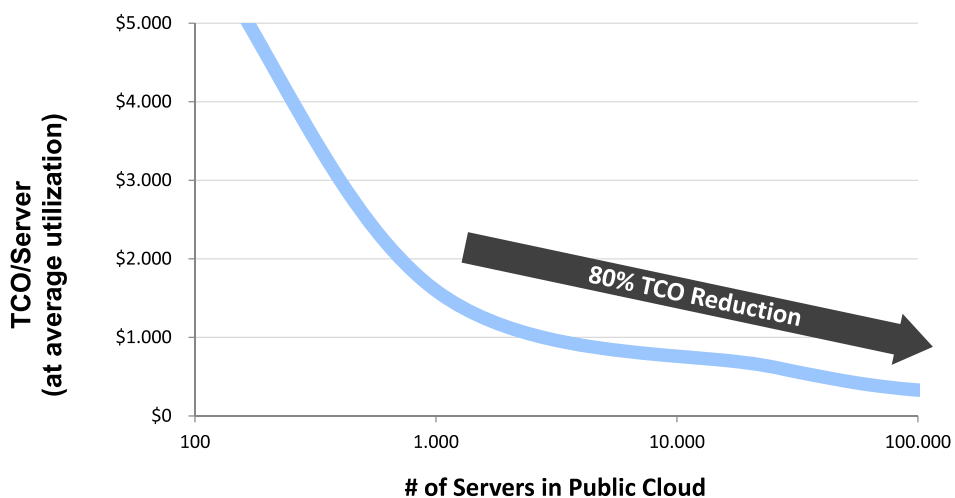


From “a PC in every home” to
massive data centers

Three Characteristics of the Cloud

1. **Real-Time Access** – putting the power of technology in the hand of the masses
2. **Scale** – removing the barriers technology infrastructure previously imposed
3. **Elasticity** – reducing time to and cost of task completion

OVERALL ECONOMIES OF SCALE



Cloud Computing without borders?

- Scale requires big data flows and efficient cross-border transactions
- The need for harmonized regulations
- A Digital Single Market in EU and globally

Cloud Computing Challenges

- Broadband infrastructure
- Data sovereignty , jurisdiction, applicable law
- Security (identity, access control, physical security)
- Data protection and privacy
- Data retention
- Interoperability and lock-in