

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

Second Bruges European Business Conference

24 March 2011

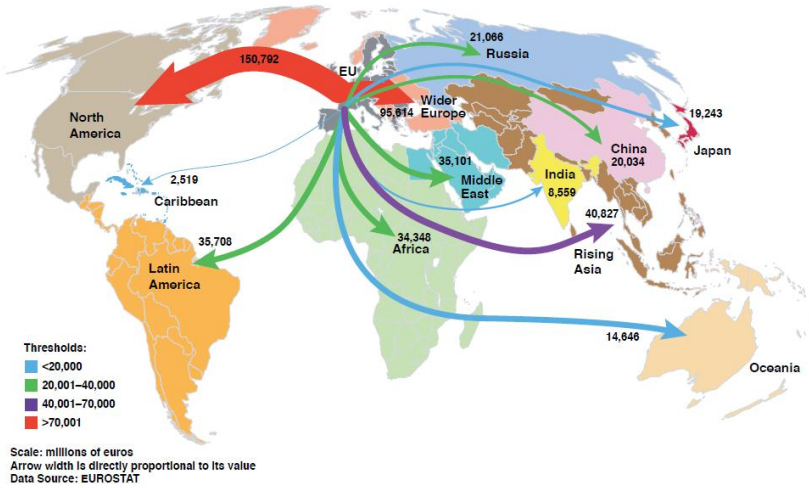
**LIBERATING THE POWER OF SERVICES**

# 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**

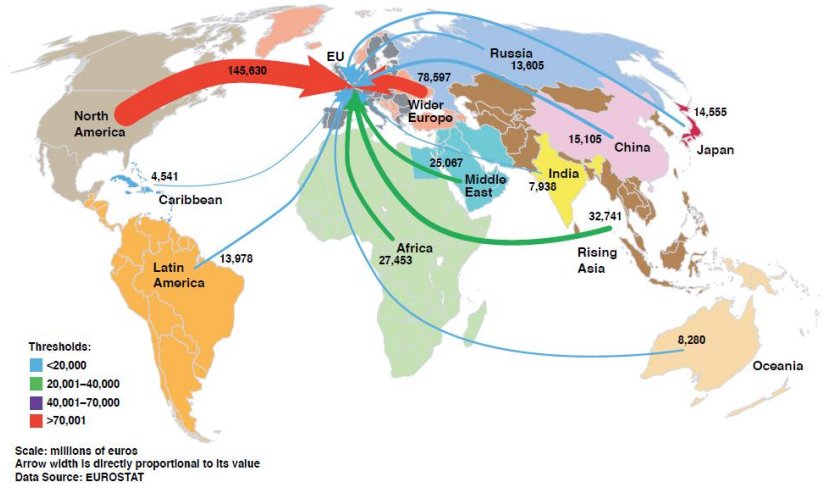
## EU Services Trade with Other World Regions in 2008

### EU Exports to the World

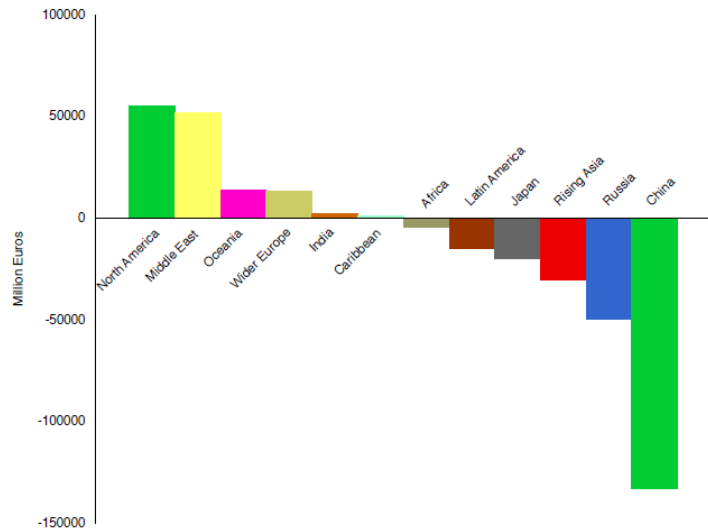


## EU Services Trade with Other World Regions in 2008

### EU Imports from the World

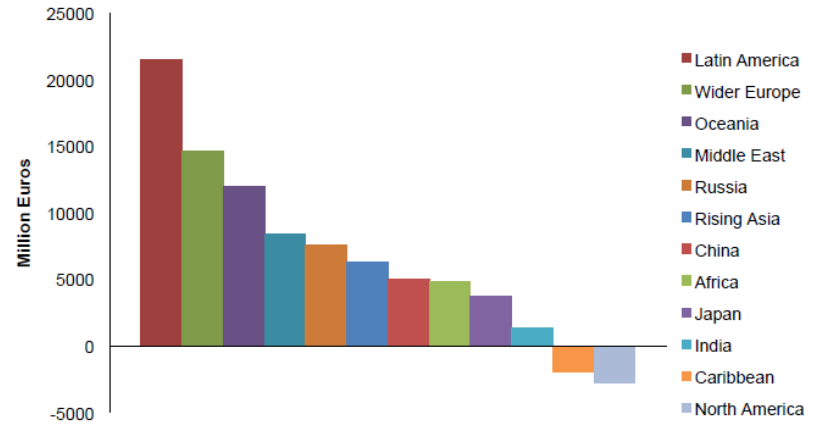


## EU Goods Trade Balance by Region 2009



Source: Eurostat; IMF; WTO.

## EU Services Trade Balance by Region, 2009



Source: Eurostat.



**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

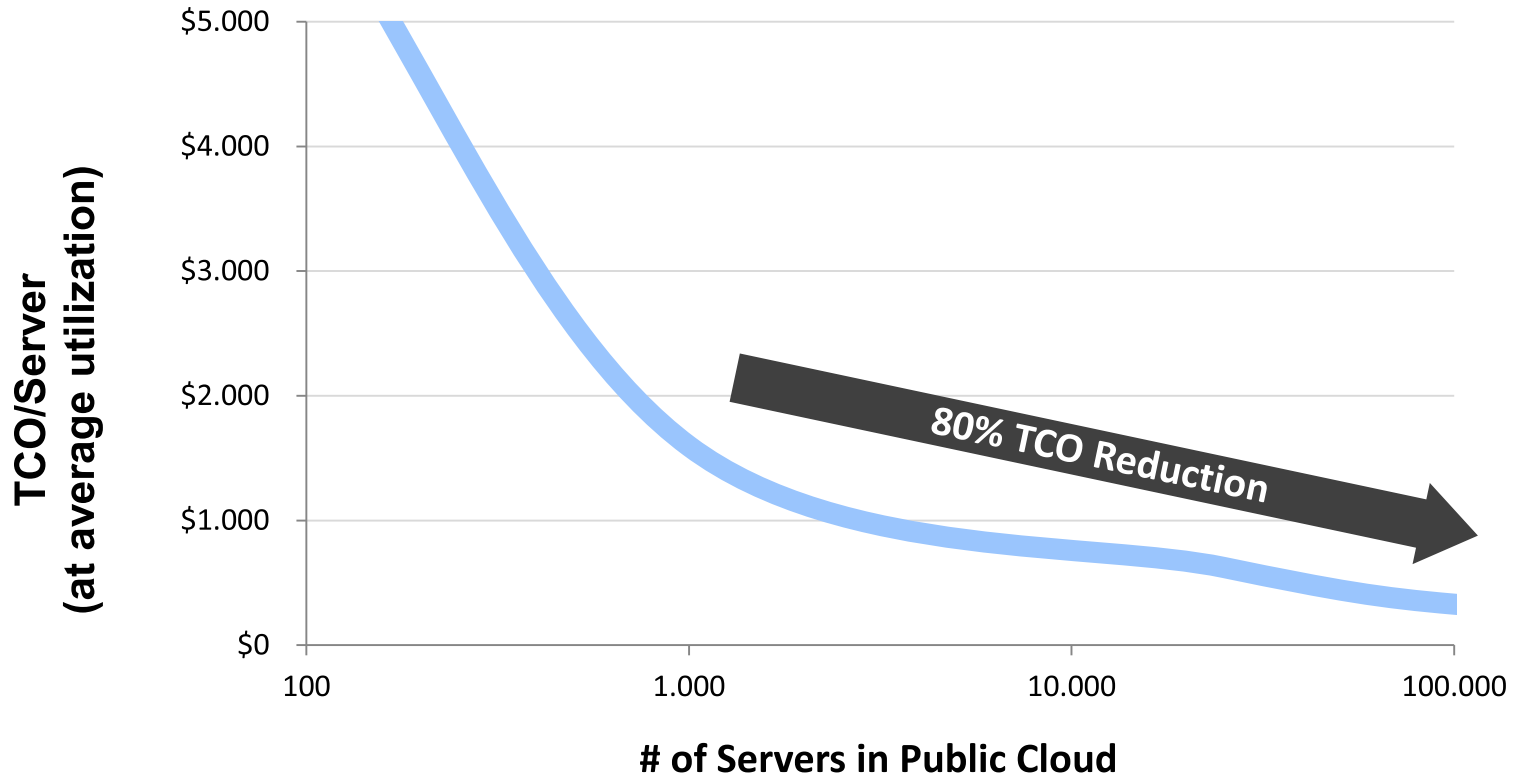
# Three Characteristics of the Cloud

- 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

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# 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