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COMMISSION ISSUES FURTHER PACKAGE OF DIGITAL SINGLE MARKET INITIATIVES

*Brussels, 23 May 2016* – IAB Europe commends the Commission on its continuing strong interest in promoting Europe's digital economy, as evidenced by the e-Commerce Package of 3 initiatives issued today alongside a Communication on online platforms and a Proposal to revise Directive 2010/13/EU on Audiovisual Media Services. But the Association also cautions against the risk of legislative indigestion.

"The Juncker Commission is continuing to drive a broad and energetic digital regulatory agenda, much of which affects online advertising, whether directly or indirectly", noted Allan Sørensen, Chairman of IAB Europe's Policy Committee. "While the EU's focus on the economic opportunities brought by digital is certainly welcome, launching so many initiatives more or less in parallel means that Member States, companies and consumers do not have time to understand the implications of one set of changes to the rules, before a new set is contemplated."

"The ink is barely dry on the recently-agreed General Data Protection Regulation – even the data protection authorities say they will need two years to figure out what it all means – yet the Commission has already launched a review of the e-Privacy Directive and predicts a proposal will be adopted by year's end. To add to the lack of clarity, a draft Directive on digital contracts amalgamates money and data and introduces new legal concepts that temper with the GDPR."

"Today's Communication on online platforms adds up to the legislative swirl by placing a set of fundamentally different digital actors – including advertising players – under the aegis of a new EU-level concept of "online platform". Strikingly, platforms of user-generated content are also officially called out in the Proposal on Audiovisual Media Services, which thus far only applied to actors having editorial control over content. This creates and opens the door to additional confusion in the market."



An optimal single European Digital Market requires clear harmonised rules and the absence of technical barriers. Whether the current regulatory blitz will deliver the culture of innovation and dynamism that EU entrepreneurs and consumers need remains to be seen.

For more information, please contact Townsend Feehan, IAB Europe CEO (<u>feehan@iabeurope.eu</u>) or Allan Sørensen, Policy Committee Chairman (<u>as@danskemedier.dk</u>).

## About IAB Europe

IAB Europe is the leading European-level industry association for the online advertising ecosystem. Its mission is to promote the development of this innovative sector by shaping the regulatory environment, investing in research and education, and developing and facilitating the uptake of business standards. Together with its members – companies and national trade associations – IAB Europe represents over 5,500 organisations. The online advertising

Industry is estimated to account for over a million jobs in Europe and contribute over EUR 100 billion to European GDP, and acts as an incubator of high-end data analytics and other digital skills that can then be deployed in the wider economy<sup>1</sup>.

In 2006, the value of the EU market stood at  $\leq 6.6$  billion, versus  $\leq 36.2$  billion in 2015. This is an increase in spend of  $\leq 30.2$  billion and translates into a compound annual growth rate of 20.5%, or an average  $\leq 3.0$  billion per year<sup>2</sup>. With a year-on-year growth rate of 13.1% in 2015<sup>3</sup> compared to a 1.8% increase in overall Eurozone GDP<sup>4</sup>, the digital advertising sector continues to outperform the overall EU economy.

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<sup>1</sup><u>Report by IHS, November 2015, "Paving the Way: how online advertising enables the digital economy of the future".</u>

<sup>2</sup> IAB Europe AdEx Benchmark report. 2015.

<sup>&</sup>lt;sup>3</sup>IAB Europe AdEx Benchmark report. 2015.

<sup>&</sup>lt;sup>4</sup> eurostat