



Summary of topics discussed in the roundtable held in Brussels on 3 October 2017

The mobile economy is an important area for EU jobs and growth. We are pleased to report on the roundtable event which has linked-up the Nordic experience in app jobs and growth together with the EU-wide policy choices and economic opportunities.

Introductory contributions for the roundtable were provided by the following speakers:

- HE Åsa Webber, Ambassador of Sweden to the EU
- Nicklas Lundblad, VP Public Policy, Google
- Dr Bruno Basalisco, Service leader for Digital economy, Copenhagen Economics
- Michela Palladino, Director of European Policy and Government Relations, Developers Alliance

The opening remarks reflected on the findings of our [Jobs in Apps study](#) and tied them up with European challenges and growth prospects. The study found that:

- Via platforms like Android or Apple's App Store, any app developer has access to more than 2 bn smartphone users; **thinking global from start** powers Nordics' app successes
- In the Nordics, the app economy supports 145,000 **high value added jobs** (1.2% of employment)
- The **Nordic app intensity is well over EU and US average** and tapping at the heels of Silicon Valley

- In the **next five years**, there is a potential to support a further 100,000 jobs, yet **policy choices** will influence the outcome, enabling or constraining growth

The contributions made clear that the mobile ecosystem has grown tremendously worldwide and will continue to do so in the years to come. Europe, and in particular the Nordic countries have done extremely well in capturing a disproportionately large part of this global growth, compared to their size. Looking forward there is an opportunity in looking at what policies and initiatives can be enacted in Europe as a whole, based on the Nordic experience.

As summarised by Ambassador Webber, this calls for (i) **openness**, with free trade in data and digital services; (ii) **professional skills**, empowering everybody into a digital economy and society; and (iii) **competition**, being careful about involving government while a conducive environment exposes to competition, which is key.

From the industry viewpoint, Nicklas Lundblad highlighted the open source nature of Android and its large impact. As a result, while Europe is well positioned to draw from the growth of the app economy, its key policy challenge is to overcome **gaps in the skills base**.

The developers' view, as represented by Michela Palladino, stressed that since the mobile ecosystem is growing worldwide, app developers count on their ability to scale globally from the start. Thus it is important to **avoid measures that cause fragmentation of the market.**

Roundtable moderator Martin Thelle (Managing Partner, Copenhagen Economics) then opened up the discussion to the audience. As it turns out, discussants noted that the experience of by app entrepreneurs from different parts of Europe (Belgium, Italy, UK) echoed the Nordic app developers' views surveyed in our study.

The discussion confirmed the Europe-wide nature of the policy challenges identified in our study – in primis a lack of individuals with the right skills, both in terms of quantity of workforce and quality and type of skills needed. This implies that IT educations needs to include syllabi with closer relevance to the skills demanded by e.g. the app sector. Moreover, the plethora of online courses available today might become more relevant to employers if a unitary certification procedure were to emerge.

Furthermore, the sectors targeted by apps are changing over time. While the first wave of apps, to a large extent, has often focused on sectors where market barriers are low (e.g. the multi-billion Euro gaming industry, where European successes include global blockbusters such as Angry Birds, Clash of Clans and Subway Surfer), a second wave is expected to focus on a broader set of industries, e.g. services like finance, legal, insurance and manufacturing. In those sectors, provided cross-country barriers are overcome, new apps can disrupt old ways of thinking and pave the way for new innovations. While this will entail productivity increases ensuring larger economic gains across society, frictions and barriers that are not of a digital nature must be fully removed first. This implies that, while the app sector is already supporting jobs and growth, its potential will be much bigger in the future and so will the EU-wide opportunity from it.

On a related note, to enable growth, it was identified that less regulatory fragmentation across borders within the EU is a key pre-condition for Europe to reap the full benefits of the mobile economy growth opportunity. For small start-up app developers, it is exceedingly important to be able to enter an international market as

soon as possible and scale accordingly. However, differences in regulatory framework governing certain sectors across the EU might present obstacles to this.

Equally, for European entrepreneurial start-ups developing new apps, fragmentation in the mobile operating system ecosystem would raise significantly the cost and thus risk of business, as found in the Jobs in Apps study – since in a fragmented scenario, European app developers would be forced to duplicate code across a plethora of versions, a duplication that would hit the hardest the smallest app ventures. The impact of the European Commission's Android investigation on the mobile ecosystem, and the risk of disrupting European app businesses was highlighted. This is because the mobile economy thrives on a balance between operating system platforms, app developers, telecoms operators, device makers and ultimately app users – a delicate and fast evolving ecosystem.

In conclusion, as a result of its global nature, the app economy is highly competitive. To that end, it is important not to enact counterproductive policies hampering the European potential to further its success in the global race.

The full report Jobs in Apps, published in June 2017, is available at [this link](#).

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