



Digital Summit 2020, Ministerial Meeting

Tirana, 2 November 2020

Introductory remarks by the Secretary General of the Regional Cooperation Council (RCC) *Majlinda Bregu*

Your excellences,

Prime Minister,

Dear Marija,

Ministers,

Dear Ladies and Gentleman,

Following the events a year and half from WB Digital Summit in Belgrade is like watching our fingers jammed on the fast forward button. We were all sure the digital transformation of WB is a process of high importance that demands a lot of investing to catch up with the rest of the world, but no one was aware of the calamity of Covid 19 upon our lives.

A year and half ago we couldn't foresee that our health and wellbeing will be safeguarded by the accelerated adoption of certain digital technologies that help reduce face to face interactions, changing the reality we live in from living standards, to the very nature of our work.

Whoever was in doubt on when the digital future was going to abruptly land in our lives, by today should be convinced: that future is now.

Future is quite simple. It is created by events in our life. Events usually interact.



-In July this year, the average amount of time per day for internet users **aged 16 to 64 was 6 hours and 42 minutes versus watching TV with 3 hours and 22 minutes**¹.

-59% of world population uses internet².

-For the first time in July 2020 more than half of the world's population used social media (51%)³.

-And Zoom, our usual meeting point, has 300 million daily participants worldwide.

While in our region 69% of individuals use internet (BB 2020).

-Social media with FB leading has been enormously in increase during pandemic.

-In Albania in February FB was the most important social media platform with 53.2% and in September 2020 the figure reached 92.05%.

These numbers constantly grow. People are online. Every single one of us is online. And people's experiences in real life, that sort of distinction between real life and digital, that's already sort of melted away.

So what will eventually happen in our region as per digital transformation?

How the digital technology can shape a sustainable recovery from the pandemic and even more, ensure a digital infrastructural foundation to reach greater resilience to bridge the digital divide btw our region and the rest of the world?!

Experts with a computational thinking say: It's simple.

Deploy and drive digital technology solutions in response to health, economic, social and security needs.

Provide services. Something which sticks no barriers between you and getting that service. Clear services. Faster Services. That's the plan leaders of WB will have to endorse as Part of the Common Regional Market at Sofia Summit of Berlin Process on 10th of this month.

While EU and the world are advancing to Fit to the Digital Age, we need to run twice as fast to close the discrepancies.

¹ Wearesocial.com, July 2020

² Ibid

³ Ibid



1. Pay-Toll services for example. The plan to be confirmed at Sofia Summit provides the commitment on offering pay toll to citizens while on highways or passing borders. Through a regional approach using 5g to unify rules and standards, pay-toll service is not only a contactless and cashless payment, but it saves time for each on the road.

2. E commerce- that will be part of Tirana Declaration today is a business model that lets individuals and firms buy and sell over the internet, **through a system that recognises documents with e-signature issued in each country and reducing the cost of online payment cross-border.**

(This is part of Mini Schengen, am I right)

E-commerce is becoming a solution for individuals and businesses not just because of pandemic, but due to rapid technological change and mostly because of the necessity of WB to have a Common Regional Market.

Turnover from e-Commerce in WB economies lags behind EU - only Serbia exceeded the EU average with 19.9 percent.

Individuals in WB shop online between 3% and 32% which is less than half of EU's average of 68%. (DESI 2019).

3. Cyber Security- even the most beautiful melody will become a monstrosity if the strings are out of tune. Same goes for e-commerce or development of digital agenda. The other side of the digitalisation coin is cyber security. **1 in 5 citizens in the WB do not use online payment because they are concerned with respective security.**

The plan is for WB to apply a twofold approach on that: align the legislation and practice with EU on one hand and enhance capacities to implement and safeguard on the other. This could secure our digital future.

4. Infrastructure fit for the future: Broadband networks are the foundation of digital transformation and critical to the economic growth. If we want to catch up with e-services, the region needs broadband infrastructure in place. The need for investment in broadband infrastructure swims from half a billion euros, the lowest rate for Kosovo*, to almost 1 billion euros for Albania and Serbia.

Ultrafast broadband take-up in 2018 stood at 15% at Union level, while in WB economies that number varies from 1% to 5%. Percentage of population in the WB economies using e-government services is from 9% to 21%, while the EU28 average is 59%.

That's why a significant part of **Economic and Investment Plan** for the Western Balkans will be dedicated **to digital transformation and broadband network.**



5. *Skills for the future: The lockdown brought high unemployment rate rise* in the WB between 5 and more than 30%. Investing in technologies and becoming digital can make the difference.

Digital transformation in WB may bring an increase of 4% in productivity.

More intensive digital transformation is associated with new job creation in WB manufacturing sector - **1% increase in the level of digital transformation roughly corresponds to a 1.16% increase in employment**⁴.

Skills gaps continue to be high as in-demand skills across jobs change in the next five years. We will have more digital oriented professions in a few months, but WB lags behind EU in basic skills.

Governments have a lot of policy options to invest in human capital in adapting workers to labour markets to support men and women in particular in STEM disciplines and ICT.

The price of keeping women out of STEM fields is higher than ever before: 180 million predominantly “female” jobs have at least 70% probability of automation; 90% of the world’s future jobs will require STEM skills. Contrary to popular belief, digital transformation is less about technology and more about people.

6. *Automatization* is fast growing in manufacturing and services, attesting people’s ability to compete with robots while new and specialized digital skills are required.

- 80% of businesses in WB consider digital skills crucial for their business operations (BB 2020) while more than 90 million workers across Europe (about 40% of the total workforce) will have to develop significant new skills within their current roles in the next ten years.⁵

To support digital innovative solutions, RCC organized the first ever regional competition “*Balkathon*” in July 2020 to support innovative solutions from youngsters from WB. 3 young people from WB won the competition one in each category, digital learning platform, smart tourism and online payment.

⁴ Study prepared by the industry and presented in Skopje DS, 2018

⁵ McKinsey report, June 2020



Dear ministers, what you will sign here today will bear results in a near future.

We know we are not where we want to be and many challenges lay ahead of us but we showed that by *working together we can deliver*. *From last year's Digital Summit we have witnessed a success story*: Regional Roaming Agreement – historical in its kind, reduced roaming charges for WB citizens on the first day of its implementation. Today we pay between 83% and 96% less roaming charges.

Next step, 1 July 2021, WB *roaming-free region will be a reality*.

Mid-term goal remains *reduced roaming charges WB-EU* and this calls for *joint work*. I'm confident the region will deliver again having full support from EC and highest political commitment from WB6.

Where are we heading?

- *one region - one market*, promoting open societies based on shared values of *solidarity and togetherness*.
- CRM to be endorsed at Sofia Summit will be a catalyst for deeper regional economic integration and a stepping stone towards EU Single Market and will be transformational for WB. Based on *four freedoms* (goods, services, capital, people) and strengthened with *digital, investment, innovation and industry* areas we are all confident it will generate new opportunities for companies and new jobs for citizens in WB.

To sum up, WB aims to *integrate into the pan-European digital area*, support strengthened digital infrastructure, enable digital upskilling and reskilling, improve access to e-services and facilitate cross-border interoperability of data and services, establish cyber resilient region, promote *Artificial Intelligence*, apply unified principles and standards for *smart cities* based on EU standards to improve services for citizens, connect with *EU High Performance Computing* to support digitisation of industry and boost innovation which will all be part of WB joint work in the upcoming four years.

But as President Truman said: we must collaborate to make it work.