**Introductory notes / Samuel Laurinkari, Senior Manager EU Government Relations, eBay**

**6th eRegions Conference 2016, Castle Jable, Slovenia, September 19-20, 2016**

At this point in the ongoing evolution of the Internet, most citizens’ and businesses’ online activities rely on digitally interconnected ecosystems built on top of the Internet’s access layers. Access to key resources such as Digital Platforms – here simply defined as multi-sided online markets where suppliers and consumers of content, goods and services meet - is therefore essential for users to reap the benefits of what is generally considered “the Internet”, the connected world.

As recognized by the European Commission, Digital Platforms enable economic and social activity in the EU and beyond. For businesses in all sectors of the economy, from manufacturing to services, they provide a basis to innovate and to exploit the advantages of global online commerce. This is hugely beneficial to a great number of companies (in particular Small-, Micro-, and Medium-sized Businesses) and to the economy as a whole. Digital Platforms also enable citizens and consumers to communicate, compare, discover, and trade information, services, and products. Moreover, Digital Platforms have proved to be innovators in the digital economy and can be expected to be important drivers towards the further development of more inclusive and participatory economies and social models. Finally, the global nature of the Internet means that these opportunities are no longer limited to domestic markets, but extend to foreign markets whether across Europe or overseas. This is why the appropriate framework conditions for Digital Platforms are core to the Digital Single Market and Europe’s digital economy.

More specially, in the e-commerce context, EU policymakers have appropriately identified e-commerce as the fundamental tool that will open up foreign markets to Small-, Micro-, and Medium-sized Businesses (SMMBs). However, a range of statistics indicates that cross border SMMB commerce is not growing as quickly or widely as possible based on the underlying technology and trends in other advanced economies. Instead, only 15% of companies in the EU sell online and no more than 7% of them sell cross borders. But this is not the full picture.

The [research](http://www.ebaymainstreet.com/sites/default/files/ebay_europe_dsm_report_exec_summ_10-13-15.pdf) we have carried out together with economists at Sidley Austin tells a different story over an open, technology-enabled platform commerce model. Our team studied cross-border trade by small online businesses and entrepreneurs on eBay from all EU countries. Across the EU, the trend is identical: nearly every small online business engages in international operations. Specifically, in 2014 93% of European small businesses on eBay, most of which are micro businesses, export, serving customers in an average of 18 different countries annually, and 10 of those are EU countries. This contrasts with an average of just 26% of traditional firms. In short, the goal of dramatically increased rates of cross-border sales by European SMMBs is being realised right now in the context of technology-enabled small enterprises engaged in commerce over platforms like eBay. Cross-border trade within the EU is growing fast and steadily for SMMBs on the eBay Marketplace. For the period 2010 to 2014, it grew by 61%, outpacing traditional trade by four times. This means that a lot of the aspirations inherent in the EU’s vision for the Digital Single Market are already being realised in the online marketplace.

These statistics reflect the fact that platform-enabled SMMBs are leveraging the global network of the internet together with new digital services to reduce barriers to selling to foreign markets. The online platform business model has helped these businesses get access to the kind of support with marketing, traffic, delivery, translation, technology development, and payments that had previously been out of reach for firms of their size. That combination is proving a powerful model for connecting businesses with consumers across national and cultural borders, and helping them punch above their weight with larger competitors. These market opportunities are not remarkable or new to large, established corporations, but to those that are small, remote or located in challenged economic regions, they are in fact unprecedented and point to a far more inclusive economic model for growth.

In essence, the only proven way that a meaningful number of SMMBs from across Europe are likely to overcome the negative economic impacts of being small and remote is through digital commerce platforms. Achieving DSM objectives for European small online businesses therefore requires (1) ensuring SMMBs’ ability to use open, technology-based commerce platforms and (2) ensuring that the platforms can operate effectively to give those SMMBs a meaningful chance to compete against the large, established incumbent enterprises.