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From Potential to Progress: Strengthening the CEE Region's Digital Economy

On Thursday, 14 November 2024, the Union of Entrepreneurs and Employers (ZPP) in partnership with SME Connect held a working breakfast titled "From Potential to Progress: Strengthening the CEE Region's Digital Economy" at the European Parliament in Brussels, Belgium. The welcome was delivered by Agata Boutanos, Director of the Representation to the European Union of ZPP, followed by opening remarks from the host of the event, Ľubica Karvašová, Member of the European Parliament and Vice-Chair of the Committee on Regional Development. The overview of findings from the report, "EU Digital Single Market: A Catalyst for the Development of Companies in the CEE Region," was presented by Lusyne Kesziszan, Public Affairs Manager at the European Enterprise Alliance. The keynote was given by Dariusz Standerski, Minister of Digitalisation of Poland. The panel discussion featured Kamila Gasiuk-Pihowicz, MEP and Vice-Chair of the Committee on the Internal Market and Consumer Protection; Rafal Kaminski, Advisor to MEP Kosma Złotowski; Jakub Bińkowski, Board Member at ZPP; and Anna Mazur, EU Regulatory Affairs Manager at Allegro. The discussion was moderated by Dr. Horst Heitz, Chair of the Steering Committee of SME Connect.

Agata Boutanos, Director of the Representation to the European Union of ZPP, welcomed participants and introduced the event's focus on advancing the digital economy in the CEE region. She emphasized the importance of collaboration within the Digital Single Market (DSM) framework to unlock the region's full potential and drive sustainable growth in the digital sector.

Lusyne Kesziszan presented findings from the report, "EU Digital Single Market: A Catalyst for CEE Region Companies' Growth," which highlighted the benefits of digital integration for CEE SMEs. With e-commerce projected to reach significant retail shares in Poland and the Czech Republic by 2026, she emphasized that despite high cross-border delivery costs and competition from subsidized platforms, the DSM offers critical expansion pathways for regional businesses.

Ľubica Karvašová, Member of the European Parliament & Vice-Chair of the Committee on Regional Development, provided context for the meeting, connecting recent Commission hearings with aspirations for strategic initiatives in the incoming agenda. She highlighted the Digital Single Market's (DSM) role in the EU's digital transformation, noting advancements within Central and Eastern Europe (CEE) yet emphasizing the need for stricter regulatory enforcement by Member States.

Karvašová's recommendations focused on bolstering educational tools and infrastructure as essential foundations for sustained DSM progress.

Dariusz Standerski, Secretary of State, Ministry of Digital Affairs in Poland, linked DSM developments with the priorities of the upcoming Polish Presidency of the EU Council. He emphasized the focus on enhancing digital security and accessibility across the DSM, aiming to lay the groundwork for a resilient and inclusive digital Europe by embracing technologies like artificial intelligence and strengthening cybersecurity. Standerski highlighted the role of AI in driving innovation and efficiency within the DSM, alongside an agenda centered on digitalization and cybersecurity. He also underscored ongoing efforts to engage citizens and SMEs with practical digital tools, building a solid foundation for DSM growth while safeguarding the digital ecosystem against external threats.

Kamila Gasiuk-Pihowicz, MEP and Vice-Chair of the Committee on the Internal Market and Consumer Protection, projected DSM's impact on the EU economy by 2026, stressing the need for robust, inclusive legislation. She spotlighted Poland's e-commerce growth, particularly Allegro's success, as a testament to DSM's value. Gasiuk-Pihowicz advocated for sustained investment in digital education and tools to support SMEs and ensure a competitive DSM landscape.

Rafal Kaminski, Advisor to MEP Kosma Złotowski, emphasized the need for effective implementation of the Digital Single Market (DSM) rather than adding new regulations. Highlighting the challenges SMEs face in keeping up with complex digital rules, he advocated for consistent regulation across the EU and increased funding for SME training, stressing that SMEs are vital to the economy and must be prioritized in the DSM's future.

Jakub Bińkowski, Board Member and the Director of the Law and Legislation Department, Union of Entrepreneurs and Employers, advocated for a cohesive regulatory approach across the EU to reduce compliance costs for businesses operating in multiple countries. He called for a level playing field, particularly with the rise of subsidized Chinese platforms in the market, emphasizing ethical concerns, cybersecurity, and the need for transparent data management. Bińkowski urged organizations to carefully consider partnerships, stressing ZPP's responsibility to preserve European standards and security.

Anna Mazur, EU Regulatory Affairs Manager at Allegro, addressed Allegro's leading role in Poland's e-commerce sector, emphasizing the importance of developing DSM while protecting regional players from unfair competition. She stressed the necessity of implementing existing regulations across Member States to prevent exclusion due to subsidized non-EU competition.