



APSI's proposal to:

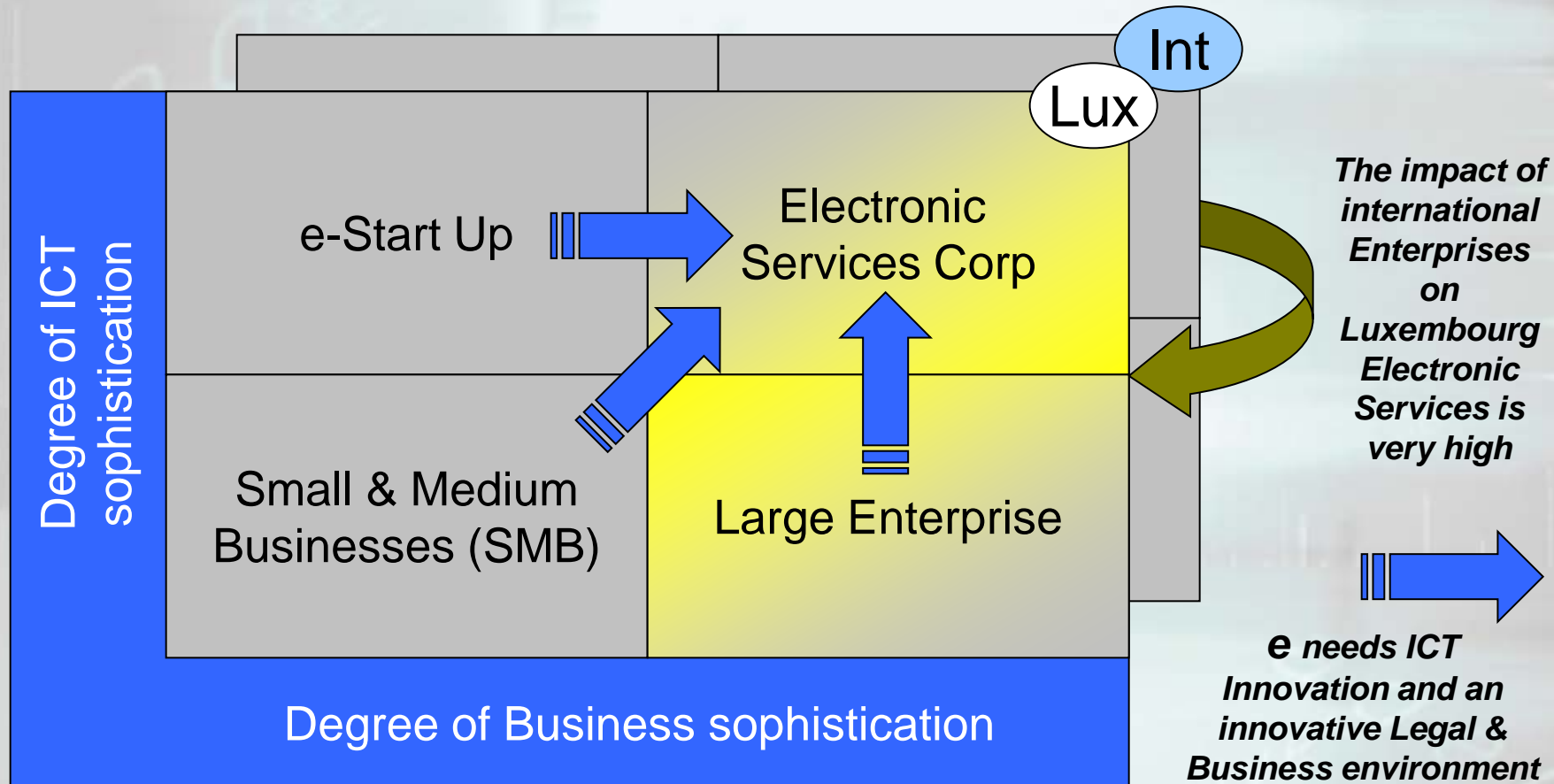
# Luxembourg, an electronically supplied services centre

by APSI's **e**-Workgroup

## What are the targets of the action Plan? A SWOT per category

- APSI's e-Workgroup has analysed the September 2010, SWOT and Key business trends proposed for the PWC steered e-Business action plan.
- APSI represents all categories of ICT companies, small, medium and larger, in Luxembourg. In order to be efficient, and allow to all businesses to be part of the action plan, APSI is proposing to focus on a SWOT analysis for each target business group:
  - “AS-IS” figure per target business group
  - “Assets versus Developments”
  - “TO-BE” figure on impacts (Costs versus Benefits)
- APSI has defined a model of different target business groups to be considered in the “Luxembourg e-Business action plan 2012-2020”

# Move Business into e : Possible target groups of the action Plan?



*The impact of publically owned Enterprises on Luxembourg Electronic Services could be too high!*



Private owned



Publicly owned

## From the EUROPEAN INNOVATION SCOREBOARD 2007...

Based on their innovation performance, the countries included in the EIS 2007 fall into the following 4 country groups:

1. The **innovation leaders** include Denmark, Finland, Germany, Israel, Japan, Sweden, Switzerland, the UK and the US. Sweden is the most innovative country, largely due to strong innovation inputs although it is less efficient than some other countries in transforming these into innovation outputs.
2. The **innovation followers** include Austria, Belgium, Canada, France, Iceland, Ireland, **Luxembourg** and the Netherlands.
3. The **moderate innovators** include Australia, Cyprus, Czech Republic, Estonia, Italy, Norway, Slovenia and Spain.
4. The **catching-up countries** include Bulgaria, Croatia, Greece, Hungary, Latvia, Lithuania, Malta, Poland, Portugal, Romania and Slovakia. Turkey currently performs below the other countries.

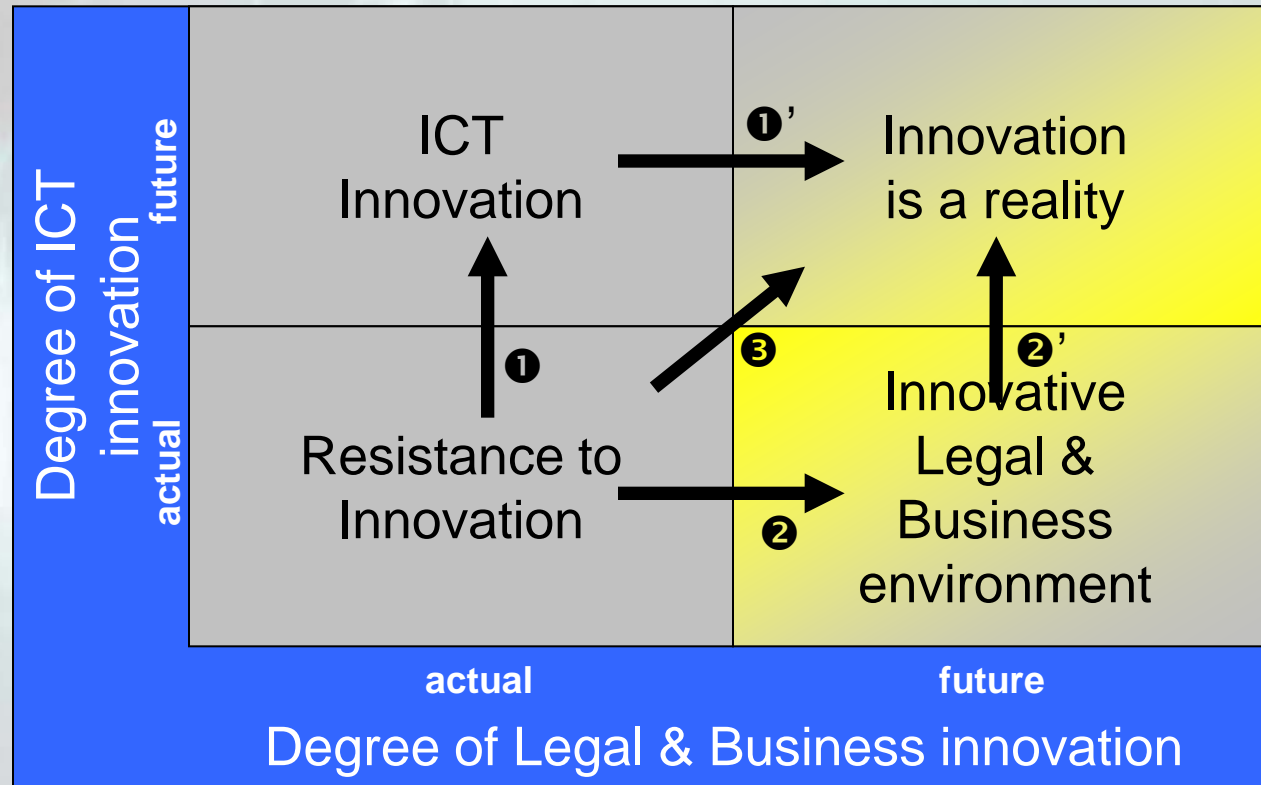
These country groups appear to have been relatively stable over the last five years. Within these groups, countries have changed their relative ranking but it is rare for a country to have moved between groups. Only Luxembourg seems to be on the verge of entering the group of innovation leaders in 2009.

## ... to the EUROPEAN INNOVATION SCOREBOARD 2009

EU27 Member States fall into the following 4 country groups:

1. Denmark, Finland, Germany, Sweden and the UK are the **Innovation leaders**, with innovation performance well above that the EU27 average and all other countries. Of these countries, Germany and Finland are improving their performance fastest while Denmark and the UK are stagnating. Luxembourg failed to join the leaders group.
2. Austria, Belgium, Cyprus, Estonia, France, Ireland, Luxembourg, the Netherlands and Slovenia are the **Innovation followers**, with innovation performance below those of the Innovation leaders but close to or above that of the EU27 average. Cyprus, Estonia and Slovenia have shown a strong improvement compared to 2008, providing an explanation why these countries have moved from the Moderate innovators in the EIS 2008 to the Innovation followers. Luxembourg continue to stay on the same level as 2007!
3. Czech Republic, Greece, Hungary, Italy, Lithuania, Malta, Poland, Portugal, Slovakia and Spain are the **Moderate innovators**, with innovation performance below the EU27 average.
4. Bulgaria, Latvia and Romania are the **Catching-up countries** with innovation performance well below the EU27 average.

## e needs ICT Innovation and an innovative Legal & Business environment



## VAT on electronic services, telecommunication and broadcasting

- The **ECOFIN adopted a set of measures in 2007 known under the name of the "VAT package"**: amendment of EU VAT rules for telecommunications, broadcasting & TV and electronic services
  - **From the country of origin to the principle of country of destination** (place of residence of the customer).
- **How to keep a single European price for consumers? Determine the country of destination?**
- **APSI defends the principle of the country of origin and with a redistribution:**
  - Maintain the rule of taxation of electronic services from the location of the provider by linking it to an automatically redistribution of a portion of the taxes (compensating) to the country of destination. A system similar to the savings Directive.

## Impact Analysis

The impacts should be analysed on the following levels:

1. Impact on **Suppliers** of electronic services **installed in Luxembourg**
2. Impact on **Suppliers** of electronic services **installed in another member state of the EU**
3. Impacts on the **final consumer** (keep a single **European price for an electronic service proposed in the EU27**)
4. Impact on **administration** and their legal obligations
5. Impact on **tax revenues in Europe**
6. Impact on **EU competitiveness**



**FYI: 27 Member States apply VAT standard rates that vary**

**25.0% Denmark, Hungary, Sweden**

**24.0% Romania**

**23.0% Finland, Greece, Poland, Portugal**

**22.0% Latvia**

**21.0% Belgium, Ireland, Lithuania**

**20.0% Austria, Bulgaria, Czech Republic, Estonia, Italy,  
Slovakia, Slovenia, United Kingdom**

**19.6% France**

**19.0% Germany, Netherlands**

**18.0% Malta, Spain**

**15.0% Cyprus, Luxembourg**

## APSI 's e-Workgroup

Present:

Jean Diederich – President

Gary Kneip – Vice-president

Fernand Thill – General Secretary

Steve Glangé – Member

Absent:

Claude Lüscher - Ambassador

Marc Hemmerling - ABBL

Renaud Oury (for Manuel Fischer) - Member