



"The voice of crafts and SMEs in Europe"

Cloud computing: EC strategy goes in the right direction, say SMEs

UEAPME welcomes focus on data security, legal certainty, access to broadband; doubts basis for model contract terms

Brussels, 27 September 2012 – UEAPME, the European craft and SME employers' organisation, largely welcomed the new integrated strategy for "cloud computing" in the EU unveiled by the European Commission today (Thursday). According to UEAPME, the EC communication gives a correct overview of the benefits of cloud computing for enterprises as well as for society as a whole. It also rightly shows the key areas where action is needed, including data security and legal certainty. Moreover, the association pointed out SMEs' need for neutral information on the advantages of the cloud, and stressed the importance of access to broadband for SMEs. Finally, while welcoming the decision by the EC to work on model terms of contract for cloud services, UEAPME criticised the choice to base these terms also on the new Common European Sales Law.

Enterprise Policy Director **Luc Hendrickx** offered the following comments:

"SMEs will indeed benefit from a more widespread adoption of cloud computing in the EU, both in terms of possible savings in their IT budgets and in terms of the employment potential of the sector. However, many are still reluctant to embrace this technology, as they need more information and remain concerned with the security of their data, as well as with the lack of legal certainty on the jurisdiction over files and services in the cloud. The strategy unveiled by the Commission today rightly tackles some of these issues, but more must be done to accelerate the uptake of cloud computing by SMEs."

"To move 'en masse' to the cloud, SMEs will require tailored training and information courses, so they can be made aware of the advantages that the cloud can offer and change their mindset about it. However, they do not need empty advertising: the information provided must be complete, neutral and understandable. Unfortunately, today's strategy remains vague on this point. Access to broadband is another key aspect for SMEs, as cloud-based services require a fast, reliable internet connection as a precondition. We welcome the Commission's mentions of this aspect in its strategy, and we hope that all Member States will work to put in place a better broadband infrastructure everywhere in the EU."

"On the positive side, the strategy acknowledges that a climate of certainty and trust must be established so that SMEs concerned with data security can move their files to the cloud. The European Commission has already taken several initiatives in this area, for instance on electronic identification and authentication. However, it is also working on a new set of data protection rules for companies that will also cover online activities. That is why it is crucial that the new legal framework on data protection properly takes into account the needs of SMEs and does not hamper their activities in the cloud."

"On contract terms, SMEs cannot work with the 'take it or leave it' attitude of many operators. They need clear directions on their rights, for instance when a supplier goes bankrupt or when they need to change providers. That is why we welcome the Commission's intention to develop model terms of contract for the sector. However, the decision to base these terms also on the Common European Sales Law is questionable. This instrument is still in the making, it is clearly skewed more towards consumers than towards SMEs and it is optional, not to mention the fact that it is still unapplied in practice, with all the legal uncertainties that this entails. This is not a solid basis on which to build workable model contract terms."

"Last but not least, we look forward to the establishment of the 'European Cloud Partnership' later this year, and to being involved in the work of the European Commission and of its expert groups on cloud computing. If Europe is serious about fully reaping the benefits of this technology, it must realise that this will only happen by taking SMEs and their concerns on board. Thankfully, today's communication is a step in the right direction in this respect."

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EDITORS' NOTES: UEAPME is the employers' organisation representing exclusively crafts, trades and SMEs from the EU and accession countries at European level. UEAPME has 80 member organisations covering over 12 million enterprises with 55 million employees. UEAPME is a European Social Partner. For further information: <http://www.ueapme.com/>

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