

***The Opportunities and Challenges of
the Digital Age***

Speech by

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The spoken word shall prevail

Do not release before: Beginning of the
speech.

Ambassador Ischinger, [*Chairman of the Munich Security Conference (event sponsor)*]

Mr. Höttges, [*CEO of Deutsche Telekom AG (event sponsor)*]

Ladies and gentlemen,

Nearly two weeks ago, we met in Hamburg for the national IT summit, which bore the motto "working and living in a time of digital change" ("Arbeiten und Leben im digitalen Wandel"). We talked about the opportunities that digital technologies present and the revolutionary changes for entire economic sectors that "industry 4.0" is going to bring.

Policy makers and industry agree that European industry must not allow itself to fall behind and simply sit on the sidelines while American Internet corporations revolutionize entire economic sectors around the world.

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With our Digital Agenda, we want to set a course for digital change, and thereby establish the framework we need in order to keep pace with the enormously rapid innovation that is occurring.

Ladies and gentlemen, when we speak of the "fourth industrial revolution – industry 4.0", we're still speaking about something in the future.

But it's near. Soon, machines, systems and mobile devices will converge into flexible production systems and will be embedded in automated value creation chains.

Linking of production and products with state-of-the-art digital technologies is expected to bring additional value creation of 78 billion euros, through the year 2025, for sectors such as mechanical and plant engineering, electrical engineering, the automotive industry, the chemical industry, information and

communications technologies and agriculture.

[Source: *BITKOM and Fraunhofer IAO "Industrie 4.0 – Volkswirtschaftliches Potenzial für Deutschland" ("Industry 4.0 – the economic potential for Germany")*]

What is more, industry 4.0 will open up new markets for the ICT sector.

We are sure that the keys to the success of industry 4.0 in Germany include bringing together the various relevant players in the areas of industry, science and policy making.

That is why, under the auspices of the Federal Ministry for Economic Affairs and Energy (BMWi), a new political **"Industry 4.0 Dialog Platform"** (**"Dialogplattform Industrie 4.0"**) is being established – to promote discussion between leading stakeholders in the areas of industry, science, society and policy making, regarding the

necessary political and societal framework for the major trends tied to industry 4.0.

The Platform will focus on

- the necessary conditions for smart production,
- the shifting of data and applications into the Internet,
- the processing and analysis of enormous quantities of data in real time, and
- standardization issues.

Industry 4.0 does not stop with production. We want to initiate new business models and services innovations, by supporting the development and spread of secure big data and cloud applications. To this end, Minister Gabriel, speaking at the IT Summit last week, launched the "Smart Services World" ("Smart Services Welt") funding project,

which is being funded with up to 50 million euros by the BMWi, and is designed to support efforts to develop innovative services for industry – and, especially, to promote combination and collaboration across the boundaries of different industrial sectors. Significantly, the project will promote productive interactions between different economic sectors (logistics, commerce, energy, health care, media, and many more), as well as overarching use of data and services in everyday life (at home; for shopping, travel, education, care and much more).

Ladies and gentlemen, it is only obvious that security risks are going to grow in a world in which just about every adjustable component, throughout the spectrum from industrial technology and sensitive production systems to home appliances, is "smart" and connected to the Internet.

The increasing use of digital technologies is multiplying and broadening the possibilities for cyber criminals. And cyber criminals are constantly getting smarter, more sophisticated, and more professional.

A survey commissioned by the Alliance for Cyber Security (Allianz für Cyber-Sicherheit), in which 257 companies, government agencies and other institutions, of all sizes and representing all sectors, took part, found that over the last three years one out of every two companies has already been targeted by cyber attacks. And one out of every four

companies suffered damages as a result of a cyber attack.

The most frequently detected types of attacks include broadside attacks against entire software suites and infections with malware.

In addition, we see numerous targeted cyber attacks involving espionage, sabotage, extortion, data abuse and data theft.

These findings make it clear that our aim of making Germany a leading European player in digital technologies requires us to pay close attention to the important issue of ICT security. We can only fully realize the opportunities and potential of digital technologies if data security and data privacy are assured in cyberspace, and if we know we can trust the people we meet there.

The issue of ICT security is thus a strategic element

of the Digital Agenda for Germany.

In the following I would like to discuss three measures of the Digital Agenda in this area:

- the Cyber Security Act,
- the "Platform for Dialog on Trustworthy ICT" ("Dialogplattform vertrauenswürdige IT"), and
- the "ICT Security in Industry" ("IT-Sicherheit in der Wirtschaft") initiative.

Cyber Security Act

The Digital Agenda calls for the introduction of a Cyber Security Act, with a view to significantly improving the security of ICT systems in Germany.

The act, for which the Federal Ministry of the Interior has lead responsibility, prescribes minimum security requirements for ICT systems and, for operators of critical infrastructures and a number of Internet

services providers, establishes obligations to report significant ICT security incidents.

The Federal Ministry for Economic Affairs and Energy (BMWi) is constructively supporting the planned Cyber Security Act and is working to ensure that it enhances ICT security without placing disproportionate burdens on industry.

Platform for Dialog on Trustworthy ICT

We plan to conduct a strategic discussion on technological sovereignty in the framework of the Platform for Dialog on Trustworthy ICT.

The purpose of the platform is to work with industry to strengthen German technology competence in trustworthy ICT and safeguard it in the long term.

In particular, we are looking at how national ICT security technologies can best be promoted.

The ICT security industry is playing a key role, and not only in assuring technological sovereignty.

It is one of Germany's most dynamic and capable new industries, and it has enormous growth potential.

A study commissioned by the Federal Ministry for Economic Affairs and Energy (BMWi), on the ICT security market in Germany, found that in the year 2013 the ICT security industry produced goods worth a total of 10 billion euros.

In addition, the German ICT security industry features disproportionately high growth in gross value added. From 2005 to 2013, it amounted to 7.3%.

By comparison, the growth rates for manufacturing were 1.8%; for ICT as a whole: 4.0%; for the services sector, 3.1%; and for the economy as a whole, 2.6%.

Minister Gabriel will join with Minister de Maziere to invite selected industry and association representatives to the kickoff meeting for the "Platform for Dialog on Trustworthy ICT", which is planned for this year.

The focuses of this meeting could well include:

- Industry 4.0

[Key words: standardization of process and Internet routing]

- Protecting citizens in cyber space

[Key words: leading location for encryption; promoting wide use of De-Mail and the new personal ID card with online identification]

- The automotive industry

[Key words: digital technologies in the transport infrastructure; motor vehicles with commercial communications interfaces (and, especially, certification of such vehicles)]

- Secure cloud

[Key words: the legal framework for data storage abroad; development of protection profiles for cloud services: privacy seal]

- Core competencies for trustworthy ICT

[Key words: measures for expanding and maintaining competencies]

The "ICT Security in Industry" ("IT-Sicherheit in der Wirtschaft") initiative.

In addition to focusing on the aforementioned measures, we are also concentrating on small and medium-sized companies (SMEs).

Via the "**Initiative for ICT Security in Industry**", which is being led by the Federal Ministry for Economic Affairs and Energy, we will join with ICT security experts from industry, science and administration to support SMEs in improving their ICT security.

The initiative is offering services such as:

- a diverse range of informational services and measures to raise awareness,
- a website check that can identify potential security risks on companies' own websites,
- training of ICT "security ambassadors" at chambers of commerce and
- a tool for calculating relevant cost-benefits ratios.

The services under the "ICT Security in Industry" initiative are being expanded in connection with the Digital Agenda.

Conclusion

Ladies and gentlemen,

To enjoy the potential of digital technologies, we need to be able to trust information and communications technologies and use them securely.

Our aim of making Germany a leading European player in digital technologies requires us to pay close attention to the important issue of ICT security.

Consequently, all stakeholders in industry, science, policy making and society need to work together more closely and more intensively in this regard.

We should use today as an opportunity to discuss security strategies against the threats from

cyberspace and to provide new impetus for trustworthy use of ICT.

I wish all participants much stimulating and interesting discussion.

Thank you.