Backpedalling on the free flow of data threatens the digital single market

From John Higgins, DigitalEurope

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Sir, Duncan Robinson, in "A stalled single market" (Brussels Blog, November 24), is quite right to point out that vested interests in some large EU countries are undermining the construction of a single EU market fit for the digital age.

He points out that trade in cross-border services within the EU remains weak due to the barriers that remain at national borders. More serious still is the lack of political support for measures to safeguard the free flow of data around the EU.

All trade — in goods as well as services — relies on data flows. I was very disappointed this week to learn that the European Commission has all but abandoned plans for legislation designed to outlaw unjustified national barriers to data flows — so-called data localisation laws — following pressure from France.

A free data flows regulation would create the equivalent of a Schengen area for data. As such it would add data to the existing four freedoms of

movement that the EU single market relies on — free movement of goods, services, capital and people — and it would be the cornerstone of the EU's ambitions to build a digital single market.

There are already numerous cases of data localisation laws around the EU. Without a clear steer from the commission these are likely to proliferate. Backpedalling on the free flow of data initiative now shows a worrying lack of commitment to the whole digital single market project.

The consequences go wider than just Europe too. If Europe doesn't champion free flows of data at home it sends a negative message to its trading partners, many of which are also adopting laws designed to keep data within their borders.

Countries around the world are looking to Europe for a strong lead on data flows now. Weak opposition to data localisation may encourage others to go much further down the road of digital protectionism and that will have an inevitable impact on global economic growth.

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