Free Flow of Data proposal brings the Digital Single Market strategy back on track

Brussels, 19 September 2017

DIGITALEUROPE welcomes the regulation proposal for free flow of non-personal data in the EU released last week and presented today by the European Commission.

Ending forced localisation of non-personal data is a clear improvement to the functioning of the EU Single Market, which is currently too fragmented for the digital economy.

DIGITALEUROPE now calls on the co-legislators to remain focused on the positive economic and societal impacts of the proposal, and to clearly limit justified data localisation measures to what is strictly necessary for public safety.

Cecilia Bonefeld-Dahl, Director-General of DIGITALEUROPE, said today: *"Enabling unrestricted movement of data across borders and IT systems in the EU brings the digital single market strategy back on track"*.

"The proposal for a free flow of data represents an upgrade of the Single Market, which must become fit for the digital age now. It will benefit European start-ups trying to scale up, and will enable SMEs and other companies to operate and innovate cross-border in a seamless way", she added.

She concluded by saying: *"EU institutions and Member States must now walk the talk. The proposal cannot be watered down in the coming months.*

DIGITALEUROPE believes that the EU needs strong rules to restrict data localisation across the continent, as data localisation measures have created a major misallocation of resources and have threatened the continent's productivity and competitiveness.

As highlighted by a recent ECIPE Study[1], if existing data localisation measures are removed, GDP gains are estimated to up to 8 billion euros per year (up to 0.06% of GDP), which is on par with the gains of recent free

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[1] *Unleashing Internal Data flows in the EU: An Economic Assessment of Data Localisation Measures in the EU*

trade agreements (FTAs) concluded by the EU". In addition, preventing EU Member States from imposing harmful data localisation measures could be worth 52 billion euros per year (0.37% of GDP).

DIGITALEUROPE believes that the proposed regulation sends a positive signal to the rest of the world, as it shows that data localisation is an obstacle to trade. We therefore encourage the European Commission to advocate for and to scale up this principle globally – e.g. by preventing any forced data localisation via EU trade agreements.

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ABOUT DIGITALEUROPE

DIGITALEUROPE represents the digital technology industry in Europe. Our members include some of the world's largest IT, telecoms and consumer electronics companies and national associations from every part of Europe. DIGITALEUROPE wants European businesses and citizens to benefit fully from digital technologies and for Europe to grow, attract and sustain the world's best digital technology companies. DIGITALEUROPE ensures industry participation in the development and implementation of EU policies.

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