BUILDING A EUROPEAN DATA ECONOMY

Main features of the initiative
Online public consultation

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By 2020 the European Data Economy in the most favourable scenario could contribute up to 4% of EU GDP.

**Value by scenario**
- **EU Data Market 2020**
  - **HIGH GROWTH SCENARIO**
    - Data Market x7
    - 107 €B
  - **BASELINE SCENARIO**
    - Data Market x6
    - 80 €B
  - **CHALLENGE SCENARIO**
    - Data Market x5
    - 70 €B

**Multiplier impacts on the data economy**
- **EU Data Economy 2020**
  - **HIGH GROWTH SCENARIO**
    - Maximising data users benefits
    - 739 €B
    - 4% EU GDP
  - **BASELINE SCENARIO**
    - Exploiting innovation
    - 452 €B
    - 2.6% EU GDP
  - **CHALLENGE SCENARIO**
    - Few growth opportunities
    - 354 €B
    - 2.2% EU GDP

Source: European Data Market Monitoring Tool, IDC 2016
data: www.datalandscape.eu
Creating a European Digital Economy and society with growth potential

Ensuring that Europe's economy, industry and employment take full advantage of what digitalisation offers.

- Digitising industry ✓
- Cloud ✓
- Inclusive digital economy and society ✓
- e-government ✓
- Standardisation & interoperability ✓
- Digital skills ✓
- Data economy ✓
European Commission actions to unleash the data economy

- A Communication that outlines possible policy and legal solutions for a European data economy in relation to:
  - Free flow of data
  - "Emerging issues" relating to data: access, portability, liability and experimentation
- Launch of a public consultation and a debate with Member States and stakeholders to define next steps
Building a European Data Economy - COM(2017)9

• Need to access & exploit industry-held data better

• Focus on non-personal, machine-generated data

• Contracts as main vehicles to share and re-use

• Data silos, innovation hampered

• Objective: facilitate B2B data sharing and trading
2. Data access and transfer

- **Limited access to data**: companies tend to analyse data only in-house and keep data to themselves, creating data silos.

- **Lack of comprehensive policy framework** for the economic utilisation, re-use and tradability of machine-generated data.

- When contract is king, there is risk of **unfair standard contract terms** imposed on weaker parties.

- Manufacturers **de facto "owners"** of machine-generated data.

- Data silos hamper innovation.
2. Data access and transfer

OBJECTIVE
Making machine-generated data more accessible for businesses to boost innovation and the digital economy

POSSIBLE ACTIONS
- Guidance on data sharing
- Foster technical solutions to identify and exchange data
- Default contract rules
- Access for public interest and scientific purposes
- Data producer's right
- Access against remuneration
3. Data portability, interoperability and standards

- GDPR rules on portability do not apply to non-personal data
- Portability of non-personal data could foster innovation and new services, and stimulate competition
- Data portability should be made easier and less costly in B2B contexts
- Importance of interoperability of services, and of appropriate technical standards

POSSIBLE ACTIONS

- **Recommended contract terms** to facilitate switching costs of service providers
- Developing further **rights to data portability**
- Improving **technical interoperability and sector-specific standards**
4. Liability in the context of autonomous systems

- Public consultations related to Product Liability Directive and Building a European Data Economy

- Product Liability Directive undergoing a full evaluation (to be finalised towards the end of 2017):
  - Is an unintended, harmful autonomous behaviour a defect as stipulated in the Directive?
  - With complex value chains e.g. in the IoT domain, can always one producer be identified and be held liable?

- Some MS pushing ahead: revised road traffic act in Germany to allow deployment of semi-autonomous vehicles, liability shifted to manufacturer
5. Experimentation and testing

- Important part of the exploration of the emerging issues
- Dedicated trials should be organised for testing possible solutions

**EXAMPLES**

- Cooperative connected and automated mobility – with trials based on 5G
- Experimenting with geo-spatial data
- More...?
The consultation centred on 4 issues:

- Do data localisation restrictions inhibit the free flow of data in Europe ("Free Flow of Data")?

- To what extent are digital non-personal machine-generated data traded and exchanged? What are the barriers to sharing?

- Is liability an issue in the context of the Internet of Things (IoT) and robotics?

- What about data portability, interoperability and standards?
Contributions

- 380 replies to the questionnaire, 113 position papers (28 as stand-alone contributions)
- Mainly businesses and organisations
- From all EU Member States
- ¼ of company respondents are SMEs
Preliminary trends
• Existence of data localisation measures confirmed by 63% of respondents

• High or medium impacts of such measures, specifically on costs

• 62% in favour of removing data localisation restrictions within the EU.

  • Most prefer legislation as the type of action at EU level ...

  • ... but sizable groups of respondents favour soft measures (guidance on data storage, increasing transparency of data localisation restrictions)
Emerging issues: access and transfer

- A large majority of respondents agrees that wider data sharing should be facilitated and incentivised.

- Almost half of business respondents that declare they depend on data generated by others, and report difficulty with respect to data access.

- Most respondents do not favour regulatory intervention, but prefer soft measures (increased use of APIs, non-binding guidance, sharing best practices).
Extra-contractual liability is a concern for manufacturers, suppliers, and for users of IoT/robotics devices.

Few consumer respondents acknowledge encountering damages due to a defective IoT/robotics device.

A majority of respondents favors a risk-management approach (party that is best placed to minimise or avoid the realisation of the risk).
Emerging issues: portability, interoperability, standards

• Services allowing the portability of non-personal data in demand, mainly because of the possibility to switch providers.

• However, portability services not necessarily offered by businesses.

• Vast majority of the cloud service users prefer standard compliant solutions, mainly for reasons related to security, data protection and service interoperability.
Synopsis report in July 2017
Structured dialogue - workshops

- 29/05: Workshop on emerging issues – focus on SMEs and start-ups
- 31/05: emerging issues with Member State representatives
- 06/06: Workshop on emerging issues - focus on smart manufacturing
- 08/06: Workshop on access to privately held data & technical measures (APIs)
- 16/06: Session on data economy, Digital Assembly (Malta)
- 26/06: Workshop on access to privately held data of public interest
- 17/07: Estonian Presidency conference on the data economy (Tallinn)
- + bilateral meetings with stakeholders and sector-specific workshops (e.g. data sharing in AGRI business, access to car data, etc.)
10 May 2017: Mid-Term Review adopted - COM(2017) 228

Chapter on the European Data Economy:

Autumn 2017: legislative proposal on the EU free flow of data cooperation framework (principles: free flow of data within the EU, porting non-personal data, availability of certain data for regulatory control purposes)

Spring 2018: initiative on accessibility and re-use of public and publicly funded data; further explore the issue of privately held data which are of public interest (subject to evaluation / impact assessment)

Analyse whether to define principles to determine who is liable in cases of damage caused by data-intensive products

Continue to assess the need for action concerning "emerging data issues" (e.g. data access rights).
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Thank you!