



BUILDING A EUROPEAN DATA ECONOMY

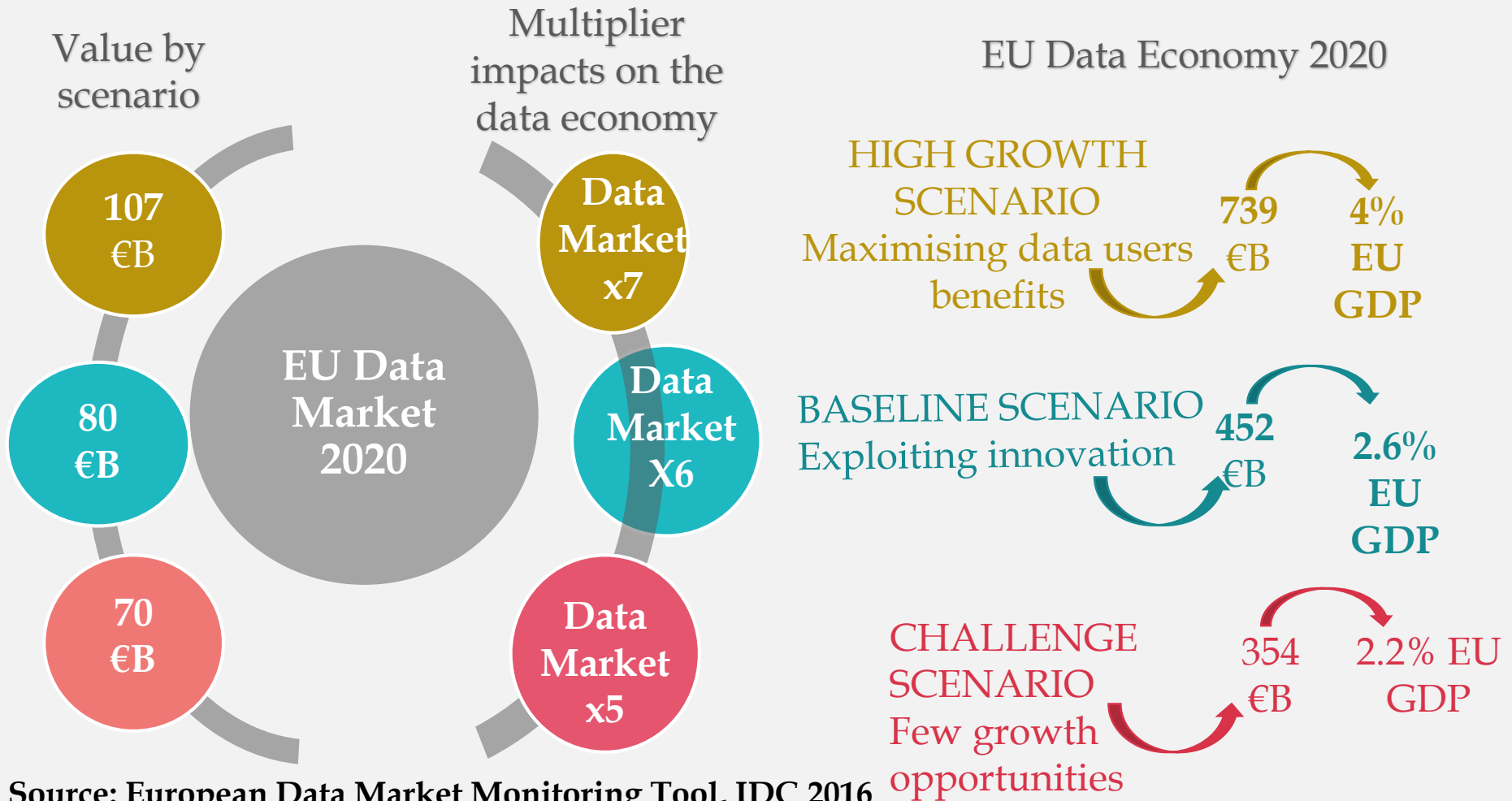
Main features of the initiative Online public consultation

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**Workshop on Digitising European Industry
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By 2020 the European Data Economy in the most favourable scenario could contribute up to 4% of EU GDP



Source: European Data Market Monitoring Tool, IDC 2016
data: www.datalandscape.eu

Creating a European Digital Economy and society with growth potential



Pillar 3
ECONOMY
&
SOCIETY

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...?

Objectives of the online consultation (10 Jan - 26 April 2017)

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
- 1/4 of company respondents are SMEs

Preliminary trends



Free Flow of Data

- 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).



Emerging issues: liability

- 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.

NEXT STEPS



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.)

DIGITAL SINGLE MARKET STRATEGY: MIDTERM REVIEW

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!

