

Entrenched data localisation is holding back Europe's digital economy

Is the Commission hearing the calls for action?

Brussels, 19 December 2016

DIGITALEUROPE has long supported the European Commission's original plans in its DSM strategy to remove the obstacles to data flows in the EU that prevent companies from accessing markets across national borders. Unfortunately, the current legislative framework does not address the data localisation requirements that exist in national law and administrative rules in public procurement.

These anticompetitive measures do not necessarily offer better protection. Instead they entrench a fragmentation of the Single Market, which in turn is hampering the development of the digital economy in Europe. Worse, the trend is clearly towards more data localisation in the EU, not less.

On 2 December at the Transport, Telecommunications and Energy Council and again on 13 December ahead of the European Council, a clear majority of Member States (as of now, the coalition represents sixteen) very explicitly called for "resolute Commission action to keep the DSM 'free flow of data' initiative on track, in particular through early presentation of a legislative proposal to prevent unjustified data localisation requirements." The national ministers voiced criticism of inexplicable delays and hesitations over the past few months. They stressed that the Commission should bring forward a legislative proposal as soon as possible.

On 15 December, EU Heads of State and Government gathered at the European Council echoed this call for action, requesting in their conclusions that EU Institutions "further increase the level of ambition notably in the vital areas of services and the Digital Single Market, ahead of the March 2017 European Council." The European Council specifically "calls for removing remaining obstacles within the Single Market, including those hampering the free flow of data."

We are therefore surprised that the European Commission appears not to be planning to respond positively to these strong calls for action, at least according to a draft of the "Building the Data Economy" Communication to be published in January that was recently circulated in the media. While the Commission accurately describes all the problems caused by data localisation in the EU, it paradoxically postpones any meaningful solution, only offering a vague allusion to a hypothetical "horizontal initiative" in the future.

DIGITALEUROPE urges the European Commission to reconsider. Only a Regulation banning unjustified data localisation in the EU, and one which addresses both localisation mandates in national law and public procurement rules, can solve the problems the Commission itself has identified. There is a good reason why the whole industry and most Member States have been relentlessly calling for the Commission to decide on this necessary action to keep the Digital Single Market out of jeopardy: the very principle of a Single Market in the 21st century cannot tolerate data localisation.

--

For more information, please contact:
 Luc Chomé, DIGITALEUROPE's Communications and Marketing Director
 +32 2 609 53 15 or luc.chome@digitaleurope.org

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. DIGITALEUROPE's members include 62 corporate members and 37 national trade associations from across Europe. Our website provides further information on our recent news and activities: <http://www.digitaleurope.org>

DIGITALEUROPE MEMBERSHIP

Corporate Members

Airbus, Amazon Web Services, AMD, Apple, BlackBerry, Bose, Brother, CA Technologies, Canon, Cisco, Dell, Dropbox, Epson, Ericsson, Fujitsu, Google, Hewlett Packard Enterprise, Hitachi, HP Inc., Huawei, IBM, Ingram Micro, Intel, iQor, JVC Kenwood Group, Konica Minolta, Kyocera, Lenovo, Lexmark, LG Electronics, Loewe, Microsoft, Mitsubishi Electric Europe, Motorola Solutions, NEC, Nokia, Nvidia Ltd., Océ, Oki, Oracle, Panasonic Europe, Philips, Pioneer, Qualcomm, Ricoh Europe PLC, Samsung, SAP, SAS, Schneider Electric IT Corporation, Sharp Electronics, Siemens, Sony, Swatch Group, Technicolor, Texas Instruments, Toshiba, TP Vision, VMware, Western Digital, Xerox, Zebra Technologies, ZTE Corporation.

National Trade Associations

Austria: IOÖ	Germany: BITKOM, ZVEI	Slovakia: ITAS
Belarus: INFOPARK	Greece: SEPE	Slovenia: GZS
Belgium: AGORIA	Hungary: IVSZ	Spain: AMETIC
Bulgaria: BAIT	Ireland: ICT IRELAND	Sweden: Foreningen Teknikföretagen i Sverige, IT&Telekomföretagen
Cyprus: CITEA	Italy: ANITEC	Switzerland: SWICO
Denmark: DI Digital, IT-BRANCHEN	Lithuania: INFOBALT	Turkey: Digital Turkey Platform, ECID
Estonia: ITL	Netherlands: Nederland ICT, FIAR	Ukraine: IT UKRAINE
Finland: FFTI	Poland: KIGEIT, PIIT, ZIPSEE	United Kingdom: techUK
France: AFNUM, Force Numérique, Tech in France	Portugal: AGEFE	
	Romania: ANIS, APDETIC	