



Joint statement: The Data Act is a leap into the unknown

1 February 2023

Data sharing will be fundamental to the success of the European economy in the coming years, with data contributing at least €1 trillion by 2030.¹ But **the Data Act as it stands is a huge leap into the unknown**, affecting the fundamentals of European companies' data-driven business models, with only the promise of a better data future.

As the policymaking process accelerates on this pivotal proposal, industry warns against possible unintended economic consequences across data value chains.

At a time of great economic upheaval, record-high energy prices and the negative impact of pandemic and war on global supply chains, **what industry needs to succeed is stability, not more uncertainty**. Before opening Pandora's box, the Data Act's rules need to be tried and tested in real-world market conditions to make sure that they work for European businesses.

The opposite result will be achieved if the Data Act rushes to impose widespread data sharing onto unsuspecting businesses already overwhelmed by an unprecedented amount of new regulation.

The European Parliament and Council should take sufficient time to preserve European innovation and competitiveness. Concretely, they must ensure that the proposal:

- Protects trade secrets, safety, security and privacy by including effective safeguards to prevent data misuse and unfair competition;
- Gives certainty to companies as to *if* and *what* they must share, starting by setting clear definitions, e.g. 'data' and 'data holder';
- Enables companies to find mutually beneficial data-driven relationships by recognising the central role of flexible contractual terms, including on compensation;
- Differentiates between the business-to-business (B2B) and the business-to-consumer (B2C) contexts and provides different rules and safeguards accordingly;
- Sets strict conditions to business-to-government (B2G) data requests and limits the scope to public emergencies, to avoid endless litigation and uncertainty for Member States;
- Promotes cloud adoption through an applicable and adaptable switching framework that reflects technical reality and market needs, and provides legal clarity;
- Does not create new obstacles to international data flows, which are critical to European companies' operation and growth in foreign markets;

¹ See study data (high-growth scenario), European Commission, 2022, [European Data Market study 2021-2023](#).

- Allows for a longer transition period, of at least 36 months, to give companies time to prepare, and does not apply retroactively to ensure predictability of current investments.

We trust that EU policymakers will take the time to build a framework that supports Europe's data economy.

List of signatories

ACEA – European Automobile Manufacturers' Association, acea.auto

ACEM – European Association of Motorcycle Manufacturers, acem.eu

AIOTI – Alliance for IoT and Edge Computing Innovation, aioti.eu

ASD – Aerospace, Security and Defence Industries in Europe, asd-europe.org

BusinessEurope, businesseurope.eu

CECE – Committee for European Construction Equipment, cece.eu

CECIMO – European Association of the Machine Tool Industries, cecimo.eu

COCIR – European Coordination Committee of the Radiological Electromedical and Healthcare Information Technology Industry, cocir.org

DIGITALEUROPE, digitaleurope.org

E.DSO – European Distribution System Operators, edsoforsmartgrids.eu

eco – Association of the Internet Industry, international.eco.de

eCommerce Europe, ecommerce-europe.eu

EFCEM – European Federation of Catering Equipment Manufacturers, efcem.info

EGMF – European Garden Machinery Federation, egmf.org

ESIA – European Semiconductor Industry Association, eusemiconductors.eu

eu travel tech, eutraveltech.eu

EUUnited – European Engineering Industries, eu-nited.net

Euralarm, euralarm.org

EuroCommerce, eurocommerce.eu

EUROFEU – European Committee of the Manufacturers of Fire Protection Equipment and Fire Fighting Vehicles, eurofeu.org

EuropaBio – European Association for Bioindustries, europabio.org

EUTA – European Tech Alliance, eutechalliance.eu

FEM – European Materials Handling Federation, fem-eur.com

Independent Retail Europe, independentretailleurope.eu

ISFE – Interactive Software Federation of Europe, isfe.eu

LightingEurope, lightingeurope.org

Orgalim – Europe's technology industries, orgalim.eu

SEA Europe – Shipyards' & Maritime Equipment Association, seaeurope.eu

T&D Europe – European association of the electricity transmission and distribution equipment and services industry, tdeurope.eu

UNIFE – The European Rail Supply Industry Association, unife.org