



2017/2065(INI)

8.11.2017

OPINION

of the Committee on Industry, Research and Energy

for the Committee on International Trade

on towards a digital trade strategy
(2017/2065(INI))

Rapporteur: Reinhard Bütikofer

PA_NonLeg

SUGGESTIONS

The Committee on Industry, Research and Energy calls on the Committee on International Trade, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

- having regard to Directive 2000/31/EC of the European Parliament and of the Council of 8 June 2000 on certain legal aspects of information society services, in particular electronic commerce, in the Internal Market (the E-Commerce Directive)¹,
 - having regard to the Commission communication of 28 September 2017 entitled ‘Tackling illegal content online: towards an enhanced responsibility of online platforms’ (COM(2017)0555),
1. Notes that the increased speed and convenience of digital tools empower companies and expand their reach; stresses that the EU must develop strategies to harness the benefits of digital technology for its citizens, businesses and consumers, bridge the digital divide between regions and generations, ensure fair, transparent and sustainable market access and protect the fundamental rights of all citizens, including freedom of expression and data protection;
 2. Notes that information communications technology (ICT) facilitates an inclusive economy and could act as a key driver of innovation, growth and job creation, which can have a positive knock-on effect on the entire value chain and across all industries and regions, including on consumers and employees; calls on the Commission, therefore, to pursue 21st-century trade agreements that recognise the fundamental nature of the advancement of technology and the internet and their potential for prosperity; calls on the Commission, in this connection, to show that there is a coherent link between the digital internal market strategy and a digital trade strategy and make clear its benefits for EU citizens;
 3. Takes note of the ongoing negotiations on the legislative files on the digital single market and calls on the Commission to ensure coherence between the new EU digital single market and its external policies so as to pursue an integrated approach in trade negotiations; highlights that free trade agreements (FTAs) should not be the only cooperation mechanism to facilitate digital trade;
 4. Highlights that the deployment of and access to infrastructure, especially in rural, mountainous and remote areas, that is adequate in coverage, quality and security and supports net neutrality, is crucial for digitising European industry and increasing e-governance;
 5. Notes that reaching the EU’s strategic connectivity objectives for 2025 will require an estimated EUR 500 billion in investment in very high-capacity infrastructure over the coming decade; stresses that the European Electronic Communications Code will be instrumental in achieving a more predictable investment environment, in particular through regulation adapted to the risks and challenges of deploying predominantly new networks, with rewards for early movers;

¹ OJ L 178, 17.7.2000, p. 1.

6. Stresses the need for the simplification and alignment of rules through a technologically progressive and transparent model of e-governance for administrative procedures; calls on the Member States to advance rapidly their e-governance policies, legislation and practice;
7. Highlights the global nature of best ICT standards and technical specifications for trade infrastructure, both locally and internationally; asks, therefore, for closer cooperation at G7 and G20 level; underlines that the online environment acts as the gateway for the application of a range of other standards, including with regard to consumer rights, the environment, health, and social and fundamental rights;
8. Supports the Commission communication of 19 April 2016 on ICT standardisation priorities for the digital single market (COM(2016)0176); stresses that while ICT standardisation must continue to be primarily industry led, voluntary and consensus driven, based on the principles of transparency, openness, impartiality, consensus, effectiveness, relevance and coherence, a clearer set of priorities for ICT standardisation, together with high-level political support, will boost competitiveness; notes that this process should make use of the instruments of the European Standardisation System and involve a wide range of stakeholders, both within the EU and at international level, to ensure delivery of improved standard-setting processes, in line with the Joint Initiative on Standardisation; calls on the Commission to foster the emergence of global industry standards under EU leadership for key 5G technologies and network architectures, notably through the exploitation of the 5G public-private partnership (5G PPP) results at the level of key EU and international standardisation bodies;
9. Notes that digital connectivity enhances the volume of trade, but that an efficient delivery system is a prerequisite for online merchants; underlines, in this respect, that the EU supports harmonised labels, that can lead to better and more efficient cross-border tracking services; welcomes the open IT standards developed within the European Committee for Standardisation (CEN) and suggests that the Commission promote such effective tools with international trade partners to reduce the costs of cross-border delivery and ultimately benefit end users and consumers;
10. Notes that when shopping online, EU consumers continue to encounter obstacles to making purchases from traders in other Member States, such as the rejection of their payment or products that cannot be delivered in their country;
11. Stresses that the EU has a major role to play in developing and promoting these standards worldwide;
12. Underlines that the EU should strengthen cooperation on digital trade with its trading partners, who apply high digital standards by working at multilateral, plurilateral and bilateral levels in order to reduce both tariffs and non-tariff barriers through tools such as e-labelling and promote global recognised standards; warns against the use of trade agreements as a standardisation tool;
13. Underlines that while EU trade agreements increasingly have to tackle behind-the-border barriers beyond tariffs, they must preserve the primary function of regulations, which is to advance the public interest, and limit themselves to facilitating trade and investment through the identification of unnecessary technical barriers to trade and duplicated or redundant administrative burdens, which affect SMEs to a disproportionate degree, while

ensuring that the technical procedures and standards on health, safety, consumer, labour, social and environmental protection, and cultural diversity are not compromised; recalls that corresponding mechanisms must be based on enhanced information exchange and improved adoption of international technical standards, and lead to increased convergence, while under no circumstances undermining or delaying the democratically legitimised decision-making procedures of any trading partner;

14. Stresses that products on the digital market need to be clearly labelled to ensure that citizens and companies can verify the origin and safety of these goods;
15. Highlights the major societal impact of digital trade on employment, working conditions, labour rights, education and skills; insists that trade agreements keep competition fair, prevent further relocation, do not lower European standards, protecting workers' rights and their social security benefits and preventing digital exploitation, and do not use the lower standards of partner countries as a means to avoid meeting social and quality standards;
16. Stresses that fair and similar treatment of stakeholders must be included in all trade agreements; believes that European businesses should, for reasons of reciprocity, enjoy the same rights as economic actors from partner countries, so as to fully ensure the cybersecurity of their operations and the confidentiality of their communications; underlines the need to ensure protection against demands that would undermine the ability of businesses or citizens to ensure the cybersecurity and confidentiality of their communications;
17. Recognises that the principles of the E-Commerce Directive have been crucial in developing the digital economy and guaranteeing freedom of speech and the freedom to conduct a business; stresses that online intermediaries should not have a general obligation to monitor the information they transmit or store, or to actively seek out facts or circumstances indicating illegal activity; believes, however, that they should cooperate to swiftly detect, remove and prevent the reappearance of illegal content and guarantee the fair remuneration of authors and rights holders, for instance by establishing an appeal mechanism to enable users and copyright holders to flag unlawful third-party content or improving the use of filters, and to prevent legal content from being taken down mistakenly, by introducing counter-notice mechanisms;
18. Stresses that trade agreements should encourage the use of advanced technologies, the interoperability of systems, predictable contractual relations and the rule of law; stresses the need for the digitalisation of customs information and management via the on-line registration and management of information, in respect of international standards, e-certification and the on-line payment of customs duties; calls on the Commission to consider setting up new cooperation mechanisms between regulators in order to support joint collaboration in R&D, exchange best practices to foster innovation, create new ecosystems (e.g. smart cities) and ensure the highest standards of consumer protection and cybersecurity;
19. Stresses the importance of the compatibility and interoperability of digital and cross-border payment systems and clear and binding rules on the payment of taxes and duties; stresses that taxes must be paid in the Member State in which the profits are generated; calls attention to VAT fraud in this context; calls on the Commission to review the

exemption of small consignments and apply effective VAT procedures;

20. Emphasises that digital trade is best facilitated through an open exchange of data, provided that, as a minimum requirement, an initial provision is included in trade agreements to ensure that cross-border data transfers comply with the existing and future EU legal data protection framework, and in particular with adequacy decisions, and that a horizontal provision that fully maintains the right of a party to protect personal data and privacy, with the clear condition that it must not be used with the intention to restrict data flows for reasons other than the protection of personal data, is incorporated in EU trade agreements, accompanied by a second provision that prevents unjustified requirements for data localisation, as forced data localisation can be used as a protectionist tool and translate into a trade barrier, putting SMEs in particular at a disadvantage; reiterates that the protection of personal data is a priority in order to strengthen consumer trust and fundamental rights;
21. Stresses that telecommunications companies worldwide not only provide their own products and services, but also enable other sectors, providing the connectivity infrastructure that is essential for functioning and growing in the digital economy, especially with a view to innovative business models, and urges the Commission, in this respect, to continue incorporating provisions in trade agreements with levels of access similar to those in the EU; considers that trade partners with pro-competitive telecommunications networks will increase trading opportunities for the EU and contribute to the digital divide between developed countries and less-developed countries with limited access to the internet;
22. Calls on the Commission to promote rule-based competition in the telecommunications sector, guaranteeing the independence of regulators and ensuring fair and non-discriminatory access to telecom networks for EU undertakings, which will increase consumer choice; strongly supports the principle of non-discriminatory access to the internet and encourages the Commission to actively promote this principle at multilateral level and in FTAs;
23. Highlights that the global digital trade in goods is confronted with the problem of counterfeiting and urges the Commission to promote initiatives such as an open-system IT trustmark to boost the trust of consumers in e-merchants and ensure a level playing field; encourages the use of instruments such as the Memorandum of Understanding on the sale of counterfeit goods via the internet (COM/2013/0209).

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

Date adopted	6.11.2017
Result of final vote	+: 36 -: 2 0: 6
Members present for the final vote	Bendt Bendtsen, Jonathan Bullock, Reinhard Bütikofer, Angelo Ciocca, Jakop Dalunde, Pilar del Castillo Vera, Christian Ehler, Fredrick Federley, Adam Gierek, Theresa Griffin, Kaja Kallas, Barbara Kappel, Peter Kouroumbashev, Zdzisław Krasnodębski, Christelle Lechevalier, Janusz Lewandowski, Edouard Martin, Miroslav Poche, Carolina Punset, Paul Rübig, Massimiliano Salini, Sven Schulze, Claude Turmes, Vladimir Urutchev, Henna Virkkunen, Martina Werner, Lieve Wierinck, Anna Záborská, Flavio Zanonato, Carlos Zorrinho
Substitutes present for the final vote	Eugen Freund, Françoise Grossetête, Benedek Jávor, Jude Kirton-Darling, Olle Ludvigsson, Vladimír Maňka, Răzvan Popa, Dennis Radtke, Sofia Sakorafa, Pavel Telička
Substitutes under Rule 200(2) present for the final vote	Inés Ayala Sender, Michael Gahler, György Hölvényi, Agnes Jongerius

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

36	+
ECR	Zdzisław Krasnodębski
ENF	Angelo Ciocca, Barbara Kappel
PPE	Bendt Bendtsen, Christian Ehler, Michael Gahler, Françoise Grossetête, György Hölvényi, Janusz Lewandowski, Dennis Radtke, Paul Rübig, Massimiliano Salini, Sven Schulze, Vladimir Urutchev, Henna Virkkunen, Anna Záborská, Pilar del Castillo Vera
S&D	Inés Ayala Sender, Eugen Freund, Adam Gierek, Theresa Griffin, Agnes Jongerius, Jude Kirton-Darling, Peter Kouroumbashev, Olle Ludvigsson, Edouard Martin, Vladimír Maňka, Miroslav Poche, Răzvan Popa, Martina Werner, Flavio Zanonato, Carlos Zorrinho
Verts/ALE	Reinhard Bütikofer, Jakop Dalunde, Benedek Jávor, Claude Turmes

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EFDD	Jonathan Bullock
GUE/NGL	Sakorafa Sofia

6	0
ALDE	Fredrick Federley, Kaja Kallas, Carolina Punset, Pavel Telička, Lieve Wierinck
ENF	Christelle Lechevalier

Key to symbols:

+ : in favour

- : against

0 : abstention