AT A GLANCE

Requested by the ITRE Committee

Study in Focus

European Parliament

The emergence of non-personal data markets

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The original full study[1] discusses the emergence of non-personal data markets in Europe. The study seeks to identify the potential value of the non-personal data market, potential challenges and solutions, and the legislative/policy measures necessary to facilitate the further development of non-personal data markets. The study also ranks the main non-personal data markets by size and growth rate and provides a sector-specific analysis for the mobility and transport, energy, and manufacturing sectors.

Background

The European Commission's Data Strategy aims to create a single market for data, open to data from across the world, where personal and non-personal data, including sensitive business data, are secure. The EU Regulation 2018/1807 on the free flow of non-personal data allows non-personal data to be stored and processed anywhere in the EU without unjustified restrictions, with limited exceptions based on grounds of public security. The creation of multiple common sector-specific European data spaces aims to ensure Europe's global competitiveness and data sovereignty. The Data Act proposed by the Commission aims to remove barriers to data access for both consumers and businesses and to establish common rules to govern the sharing of data generated using connected products or related services.

Key findings

Main findings from the case studies

The data economy in the **transport and mobility sector** is one of the five fastest growing and is expected to expand to nearly €25 billion annually by 2025. Data includes dynamic information from sensors about ongoing movements as well as details of events such as accidents or traffic jams and static information about road layout, parking, and fuelling areas etc. Data use in this sector has been driven by growing demand for safer, more efficient, and sustainable mobility, as well as progress towards connected modes of transport and the proliferation of connected devices. However, challenges arise because of the high proportion of personal data in the mobility sector, and the wide variety of actors involved with differing standards.

The European **energy sector** is a dynamic sector that is characterised by a large number of agents and stakeholders. These include energy producers, distributors, regulators, and technology providers on the supply side as well as a wide variety of commercial and residential consumers. Leveraging non-personal data could enable more efficient energy systems, improved asset management, and optimised energy generation and consumption, as well as facilitating the integration of renewable energy sources into the grid and supporting the development of innovative solutions for energy storage to address gaps in supply. Various data platforms have emerged for the energy sector. However, most of these are still in their early stages of implementation and have not reached widespread usage. As it is a critical and interconnected sector, characterised by large players in certain market segments, some experts have suggested that in addition to incentives, data sharing mandates may be necessary in certain cases (e.g. to require data sharing between grid operators and energy storage providers), while taking into account proportionality.

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The **manufacturing sector** could reap significant benefits from increased data sharing including improved efficiency in processes and equipment use and the development of new use cases, as well as faster and more localised supply chains. Many companies already take advantage of self-produced data. However, the use of third party data in the manufacturing sector is not yet widely exploited – in particular by SMEs, which make up a very high proportion of actors in this sector. Challenges include lack of IT knowledge in particular amongst smaller firms, a lack of interoperability between the different systems used to steer machines, and a lack of acceptance of standards in some cases where they do exist. Questions can also arise around data ownership and confidentiality. Experts in the field call for continued support for initiatives such as GAIA-X and related ecosystems such as manufacturing dataspaces, standardisation, and initiatives such as digital product passports to help the sector achieve its full potential.

Recommendations

The sharing of non-personal data is limited in part because the data in some sectors are not sufficiently digitised, and also because SMEs in the EU are not sufficiently digitised. Measures to promote digitisation are in place in some sectors (notably transport, energy, and health), but are likely to be needed in other sectors. It is recommended that instruments and tools should be developed for each policy enabling the European institutions to track progress towards the objectives and to identify problems in time to address them.

More needs to be done to provide positive incentives (and to mitigate disincentives) for organisations to share their digitised non-personal data.

Given that personal data is often mixed in with ostensibly non-personal data, some form of safe harbour is needed in order to protect organisations from legal liability to the extent that they have attempted in good faith to anonymise their data, in line with recognised best practice. Detailed guidance at EU level is likely to be needed.

In order to ensure legal clarity regarding the compensation that an organisation can expect to receive for sharing its non-personal data, further study is needed. This is due to the numerous distinct EU measures that seek to promote the sharing of personal data, which can lead to overlaps and gaps in the legal framework. Additional measures are likely to be needed in specific, justified cases – either additional compensation, or else obligations to share non-personal data.

There is a need for extensive development and implementation of standards in order to achieve full and meaningful portability and interoperability of non-personal data. Horizon Europe has launched numerous Coordination and Support Actions (CSAs) in preparation for later sector-specific standardisation, but these actions alone are not likely to ensure (1) that the stakeholders actually agree on usable standards, and (2) that they actually implement the standards that have been agreed on. The relevant provisions of the Data Act appear to provide a useful model that could potentially be applied on a much broader scale.

The lack of skilled data specialists and regulatory staff, and the limited data literacy of employees are over-arching problems that are already addressed to some extent through existing EU and Member State initiatives; however, there is likely to be a need for more focus on data literacy in education, in vocational training, and in up-skilling and re-training.

Cybersecurity continues to be a problematic issue for all digitised industry, and is clearly relevant to the sharing of non-personal data; however, we have not identified cybersecurity risks associated with the sharing of non-personal data that have not been covered by the existing legislation.

There is a risk that competition problems could arise as regards the sharing of non-personal data; however, we have not identified threats that cannot be addressed by means of EU competition law in conjunction with the Digital Markets Act and the Data Act.

[1] Batura O., Wion A., Gonzalez S.N., Marcus J. S., Godlovitch I., Wiewiorra L., Kroon P., Tas S., and Steffen N., 2023, *The Emergence of non-personal data markets*, Publication for the committee on Industry, Research and Energy (ITRE), Policy Department for Economic, Scientific and Quality of Life Policies, European Parliament, Luxembourg. Available at: https://www.europarl.europa.eu/RegData/etudes/STUD/2023/740098/IPOL_STU(2023)740098_EN.pdf

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