



2020/2216(INI)

25.2.2021

OPINION

of the Committee on International Trade

for the Committee on the Internal Market and Consumer Protection

on shaping the digital future of Europe: removing barriers to the functioning of the digital single market and improving the use of AI for European consumers (2020/2216(INI))

Rapporteur for opinion: Geert Bourgeois

PA_NonLeg

SUGGESTIONS

The Committee on International Trade calls on the Committee on the Internal Market and Consumer Protection, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Notes that production and trade are increasingly depending on digital information being transported, stored and used across borders; stresses that the EU needs to promote its digital transition in order to facilitate its recovery from the COVID-19 pandemic and increase its resilience with a view to overcoming challenges in the future; notes that the digital transition needs to be consistent with the UN sustainable development goals, the Paris Agreement and the EU climate and environmental objectives;
2. Believes that the European Union needs to take urgent steps to close the digital gap with the US and China to increase the number of globally successful technology companies in the EU and be a leader in setting standards for a sustainable digital data-driven global economy that ensures the respect of EU values, human rights, consumer protection, data security and data protection;
3. Emphasises the need to ensure that the digital transition reinforces open technologies, portability and interoperability; points out that the updated trade deal with China should cover such objectives;
4. Notes the risks of incompatibility between the approaches of different trading partners when it comes to the regulation of digital trade; strongly supports multilateral solutions for digital trade rules and for the sustainable opening of markets in order to deliver concrete benefits to companies, consumers and workers; calls for the plurilateral World Trade Organization (WTO) negotiations on e-commerce to be concluded as a matter of urgency, with a balanced outcome; regrets that, in the absence of global rules, EU companies may be faced with non-tariff barriers to digital trade such as unjustified geo-blocking, data localisation and mandatory technology transfer requirements; notes that these barriers are particularly challenging for small and medium-sized enterprises (SMEs); highlights that global rules on digital trade could further increase consumer protection; supports making the WTO moratorium on electronic transmissions permanent and stresses that it is important to provide clarity regarding the definition of electronic transmissions; calls for the WTO Information Technology Agreement, its expansion and the WTO Telecommunications Services Reference Paper to be fully implemented and more widely adopted;
5. Points out the importance of establishing disciplines prohibiting the forced transfer of intellectual property rights in the form of source codes; underlines in this regard that the EU should not make commitments in relation to algorithms; points out the importance of retaining EU public policy space for the auditing of high-risk AI systems, thus ensuring the protection of trade secrets; calls on the Commission to carefully assess the impact of the source code clause currently being discussed in the e-commerce negotiations on future EU AI legislation at WTO level, including its impact on consumer rights, and to involve the European Parliament in this assessment;
6. Recognises the ambition to make the EU a world leader in the development and

application of AI; calls for the EU to work more closely with partners, for instance within the Organisation for Economic Co-operation and Development (OECD) and the WTO, to set global standards for AI in the interest of reducing trade barriers and promoting trustworthy AI in line with the EU's values; supports cooperation on international regulations and other forms of cooperation between OECD countries regarding the digital economy, including the Global Partnership on Artificial Intelligence; encourages the EU to intensify its work with the UN and international standards bodies on this topic;

7. Stresses that data flows are central to digital trade, and that apart from being a means of production, data itself has become a tradable asset; underlines, furthermore, that electronic data represents a key economic 'raw material' for the digital transitions; notes that data access and processing are often indispensable to providing competitive digital services, notably those that use AI; stresses, therefore, that researchers and businesses need to be given greater freedom to use data for AI development in line with the General Data Protection Regulation (GDPR); notes that the construction of 5G infrastructure, which is consistent with the goals of the EU toolbox on 5G Cybersecurity, must be rapidly accelerated in the EU; calls on the Commission to adopt digital trade rules that increase the competitiveness of EU businesses, ensure consumer trust and facilitate the free flow of data across borders, while ensuring EU data protection and privacy rules and consumer protection standards are respected; supports the principle that data should be allowed to flow across borders provided that appropriate legal transfer tools for the protection and security of personal data can be put in place by the parties involved; highlights that in line with the GDPR, personal data can be transferred to non-EU countries via adequacy decisions, standard contractual clauses and binding corporate rules; calls for data protection considerations to be raised in future trade agreements, with the aim to facilitate the adequacy decision process with trading partners and to add ambitious and flexible provisions on cross-border data flows; notes that bilateral and regional regulatory cooperation, such as on promoting mutual recognition, could complement the future WTO e-commerce agreement, taking into account the level of personal data protection under each domestic law; calls for unjustified data localisation practices to be robustly banned in the WTO e-commerce agreement and in EU free trade agreements (EU FTAs);
8. Reminds the Commission that any proposal on the digital single market should fully respect the EU's international obligations, including WTO and bilateral trade agreements; urges the Commission to fully assess the geopolitical and strategic implications of its proposals; considers that the EU should remain a role model in terms of building an open rules-based data economy and should promote the sharing of data between the EU and non-EU countries;⁹. Notes the conclusion of the rules-based Asian Regional Comprehensive Economic Partnership (RCEP) agreement, which has paved the way for the largest economic integration project in the world; regrets, however, the lack of a robust sustainable development chapter including commitments on environmental preservation and social rights in the RCEP, which demonstrates the need for the EU to take the lead in setting global rules for the digital economy; believes that the EU should promote digital rules that are consistent with democratic principles, human rights and sustainable development; supports, in this regard, the proposal to establish the EU-US Trade and Technology Council; demands that the European Parliament be kept fully informed about progress on this proposal and be given the task

of overseeing the negotiations and future work of the EU-US Trade and Technology Council in order to foster transatlantic cooperation on digital issues, including on export restrictions on technology and foreign direct investment screening; urges the Commission to ensure a high level of transparency; supports in this regard the work on a transatlantic AI agreement to build stronger and broader consensus on principles of ethical AI and the governance of data and, within the framework of these principles, to foster innovation and the sharing of data to develop AI and help facilitate trade and the development of compatible rules and common standards in digital trade, ensuring a central role for the EU in the setting of those standards; stresses that this transatlantic AI agreement should also have a chapter dedicated to data security and protection of the data of users and consumers; calls on both parties to use the momentum of the new Biden administration to begin working on these issues urgently, and to find an agreement at the OECD on fair taxation for the digital economy;

10. Underlines the role of digital trade and the use of blockchain, for instance in facilitating access to global value chains for SMEs, including in the least developed countries, and in making cross-border trade processes and commercial transactions more efficient and less costly; notes in this regard that SMEs are hardest hit by opaque regulatory bureaucracy and excessive burdens, and accordingly underlines the fact that legislation needs to be simplified and clarified in order to promote the development and use by SMEs of digital technologies, in particular AI; calls on the Commission to support SMEs in their digital transformation; highlights in particular the benefits this could bring in terms of contributing to women's economic empowerment and further inclusion; notes that using blockchain can facilitate due diligence for companies;
11. Notes that AI is embedded into a wide variety of systems and that it will therefore increase the number of available entry possibilities for malicious actors to exploit; stresses, in this respect, that it is necessary to promote cybersecurity by supporting industry-driven standards, guidelines and best practices to help companies to manage their cybersecurity risks, considering the increase in large-scale cyberattacks from non-EU countries aimed at misappropriating sensitive business information such as trade secrets and intellectual property, of which EU companies are often victims; notes that as a way to apply pressure on non-cooperative states, diplomatic action or economic retaliation could be considered; is of the view that an agreement within the OECD not to engage in commercial espionage against other member countries would also discourage non-EU countries from taking such action;
12. Underlines the importance of EU FTAs in promoting the interests and values of EU companies, consumers and workers in the global digital economy and sees them as being complementary to a competitive digital single market; notes that especially crucial is the cooperation with the United Kingdom, which plays an important role in the global digital economy; welcomes the Digital Trade and Telecommunications chapters of the EU-UK Trade and Cooperation Agreement and considers them a benchmark for negotiations with other developed EU trading partners; calls on digital trade and telecommunications chapters to be included in all future EU FTAs; calls for digital trade to be a pillar of the EU's new trade strategy;
13. Underlines the importance of correcting existing imbalances and distortions in the global market that are hampering the growth of EU technology companies; calls on the

Commission to continue working with the US, Japan and other like-minded partners on reforming the WTO rules on, inter alia, subsidies, forced technology transfers and state-owned enterprises; underlines the need to better enforce existing trade and investment agreements, move towards reciprocity in some areas of trade and investment policy, and develop new EU regulatory frameworks, including a new instrument on foreign subsidies; considers it necessary to develop supportive conditions for EU technology companies with appropriate financing measures and export credits; supports the development of safeguards in EU legislation and in trade agreements against anti-competitive behaviour of all actors in the digital value chain, including telecommunications.

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

Date adopted	25.2.2021
Result of final vote	+: 36 -: 4 0: 3
Members present for the final vote	Barry Andrews, Anna-Michelle Asimakopoulou, Tiziana Beghin, Geert Bourgeois, Saskia Bricmont, Udo Bullmann, Jordi Cañas, Daniel Caspary, Miroslav Číž, Arnaud Danjean, Paolo De Castro, Emmanouil Fragkos, Raphaël Glucksmann, Markéta Gregorová, Enikő Györi, Roman Haider, Christophe Hansen, Heidi Hautala, Danuta Maria Hübner, Herve Juvin, Karin Karlsbro, Danilo Oscar Lancini, Bernd Lange, Margarida Marques, Gabriel Mato, Sara Matthieu, Emmanuel Maurel, Carles Puigdemont i Casamajó, Samira Rafeela, Inma Rodríguez-Piñero, Massimiliano Salini, Helmut Scholz, Liesje Schreinemacher, Sven Simon, Dominik Tarczyński, Mihai Tudose, Kathleen Van Brempt, Marie-Pierre Vedrenne, Jörgen Warborn, Iuliu Winkler, Jan Zahradil
Substitutes present for the final vote	Markus Buchheit, Jean-Lin Lacapelle

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

36	+
PPE	Anna-Michelle Asimakopoulou, Daniel Caspary, Arnaud Danjean, Eniko Gyori, Christophe Hansen, Danuta Maria Huebner, Gabriel Mato, Massimiliano Salini, Sven Simon, Jörgen Warborn, Iuliu Winkler
S&D	Udo Bullmann, Miroslav Číž, Paolo De Castro, Raphaël Glucksmann, Bernd Lange, Margarida Marques, Inma Rodríguez-Piñero, Mihai Tudose, Kathleen Van Brempt
RENEW	Barry Andrews, Jordi Cañas, Karin Karlsbro, Samira Rafaela, Liesje Schreinemacher, Marie-Pierre Vedrenne
ID	Roman Haider, Hervé Juvin, Markus Buchheit, Danilo Oscar Lancini, Jean-Lin Lacapelle
ECR	Geert Bourgeois, Emmanouil Fragkos, Dominik Tarczynski, Jan Zahradil
NI	Carles Puigdemont i Casamajó

4	-
VERTS/ALE	Saskia Bricmont, Markéta Gregorová, Heidi Hautala, Sara Matthieu

3	0
The Left	Emmanuel Maurel, Helmut Scholz
NI	Tiziana Beghin

Key to symbols:

+ : in favour

- : against

0 : abstention