Boosting data sharing in the EU: what are the benefits?

By creating trust in data sharing, EU legislation aims to stimulate innovation, facilitate the green transition and benefit people.

With immense possibilities in areas from farming to health, big data can play a key role in the EU's digital transformation. However, data sharing is essential to unlock this potential. Data sharing is the process of making the same data resources available to multiple users - businesses or public bodies.

Currently, data is not reused as much as it could be because of low trust in data sharing, conflicting economic incentives and technological obstacles. The EU wants to increase trust in data sharing with two pieces of legislation.
80% of industrial data is never used

The Data Governance Act, adopted by Parliament on 6 April 2022, aims to boost data sharing in the EU, so that companies and start-ups will have access to more data that they can use to develop new products and services. Access to big data is crucial to exploiting the potential of artificial intelligence.

Building on the Data Governance Act, in November 2023 Parliament approved the Data Act, which will make it easier for businesses to access large amounts of high-quality industrial data, especially coming from the Internet of Things.

Harnessing big data to deliver the services of tomorrow

What are the benefits of data sharing?

Increasing data sharing should boost innovation and the competitiveness of the EU economy. For example, access to big data is crucial to exploiting the potential of artificial intelligence, because AI requires huge amounts of data to train algorithms.

Green transition

Data can help to reduce the carbon footprint and energy consumption, for example by mitigating traffic jams and optimising the energy efficiency of buildings and cars. Factories, farms or
construction companies will be able to optimise production lines and supply chains thanks to the availability of data about the functioning of industrial equipment. Data from satellites and sensors will enable farmers to manage water and crops better and optimise productivity.

Data about the environment will improve responses to emergencies such as floods or wildfires.

**Driver of innovation**

With more data available, companies will be able to develop new products and services. Providers of aftermarket services such as repairs will be able to compete on an equal footing with comparable services offered by manufacturers, which may reduce prices and boost innovation.

**Benefits for people**

People using connected products should have more choice when it comes to providers of repair and maintenance services. New, more innovative products and more personalised medicines could appear. Cities could become smarter and greener. Data can also help manage public health emergencies better.

*Learn more about the definition, benefits and challenges of big data in our infographic*

**How will new data sharing legislation help build trust?**

**Data Governance Act**

The Data Governance Act aims to create trust in data sharing, making it safer and easier as well ensuring it is in line with data protection legislation. This will be achieved through a range of tools, from technical solutions such as anonymisation and data pooling to legally binding agreements by the reusers.

The rules will enable **data collected in some public sector areas** to be better used. They also allow the creation of common **European data spaces** for important areas: health, environment, energy, agriculture, mobility, finance, manufacturing, public administration and skills.

The new rules for **data marketplaces** - usually online platforms where users can buy or sell
data - will help new intermediaries to be recognised as trustworthy data organisers.

The rules will also make it easier for companies, individuals and public organisations that wish to share data for the benefit of society (data altruism).

The rules aim to create an alternative to big data platforms that have access to a mass of data.

**Data Act**

The Data Act removes issues standing in the way of reusing industrial data. For companies and consumers generating data, it clarifies who can use such data and under which conditions.

Consumers and business using connected devices will gain access to the data they generate - which is now often exclusively harvested by the manufacturers - and will have the right to share such data with third parties.

The law also protects micro-enterprises and small and medium-sized enterprises from unfair terms in data sharing contracts imposed by stronger companies.

In order to prevent competitors from retro-engineering services or devices thanks to increased access to data, MEPs strengthened provisions to protect trade secrets.

The regulation makes it easier for customers to switch between cloud service providers and increases safeguards against unlawful access to non-personal data held in the EU.

The regulation also defines how public sector bodies can access data held by private companies that are necessary in exceptional circumstances, such as health emergencies or natural disasters.

**Next steps**

Parliament adopted the Data Act, which now needs approval from the Council to become law.

Read more about the EU does to shape the digital transformation

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