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POSITION PAPER

on the Call for Evidence for an “Data Union Strategy”

Berlin, 18.07.2025

Data availability is a critical foundation for many business models and a key enabler for the training and application of Artificial Intelligence (AI). Across sectors, companies are currently undergoing a transformation towards AI-driven and data-based processes and business models. However, limited access to high-quality data and legal uncertainty regarding data sharing and reuse remain significant obstacles.

The European Commission rightly assumes that value creation through data-driven innovation and AI will continue to grow. To support this development, the EU introduced a comprehensive Data Strategy in 2020. Its objectives included improving the availability and quality of data, removing barriers to data exchange, and facilitating the reuse of data across sectors and actors. A cornerstone of this vision is the creation of a genuine single market for data – the European Data Space. Yet this goal is still far from being fully achieved. Companies operating across borders within the EU continue to face fragmentation, legal inconsistencies, and technical barriers when sharing data. Recent regulatory developments, especially the adoption of the Data Act, have further contributed to legal complexity and uncertainty for businesses.

Against this background, the Commission's plan to advance a "Data Union Strategy" is a welcome and necessary step to deepen the internal market for data and to provide greater legal and practical clarity. Equally important is the development of an international strategy to enable trustworthy and secure data flows to and from third countries. As part of the AI Continent Action Plan, this strategy could lay the foundation for making Europe an attractive and globally competitive AI location. It could also help unlock the full potential of data-driven technologies for economy, science, and society. However, the EU's Digital Decade targets are currently not being met. According to the Commission, only 13% of EU companies are using AI applications, and the goal of reaching 75% by 2030 appears out of reach under current conditions.

From eco’s perspective, the Data Union Strategy is a fundamentally positive initiative. However, from the viewpoint of the digital and internet economy, several key aspects must be addressed to ensure its success:

1. Simplification of the regulatory framework

The EU data regulatory landscape is characterized by high complexity and overlapping legal frameworks. This creates considerable uncertainty for businesses—particularly small and medium-sized enterprises (SMEs)—regarding

the lawful collection, use, and sharing of data. Some key regulations, such as the Data Act, are still in the implementation phase, and their concrete effects on data practices remain unclear. In many cases, technical and legal standards required to operationalize these laws have yet to be developed, compounding uncertainty for companies across the EU. From the perspective of the internet and digital economy, the forthcoming Data Union Strategy must place a strong emphasis on simplifying and clarifying the existing regulatory framework. The current set of rules is overly complex and often difficult to interpret, especially for SMEs that lack dedicated legal and compliance resources. This inhibits investment in data collection, reduces the availability of high-quality datasets in Europe, and slows down innovation.

Legal certainty is particularly critical for the training and deployment of AI systems. Clear, harmonized rules on text and data mining, the use of non-personal data, and reliable frameworks for pseudonymisation and anonymisation are urgently needed. At present, inconsistent or vague provisions, especially with regard to the compatibility of AI training with the General Data Protection Regulation (GDPR), act as a deterrent to data-driven innovation. To unlock the full potential of AI across the single market, legal clarity across the EU on the conditions for lawful data use and reuse is essential. Additionally, a better understanding is needed of how the EU's various data-related regulations interact with one another. This includes clarification of the legal relationships and boundaries between the GDPR, the Data Act, and the Data Governance Act. The Commission should work toward a consistent and coherent terminology, while identifying and resolving contradictions and overlaps.

Another barrier to the data economy stems from the fragmented implementation of EU law at the national level. Member States continue to interpret and apply key provisions—such as those under the GDPR or Data Governance Act—in divergent ways, creating legal uncertainty, administrative burdens, and a lack of level playing field for cross-border operations. To address this, the Data Union Strategy should propose concrete actions to harmonize enforcement and interpretation across the EU, including binding guidelines, common interpretative tools, and a stronger coordinating role for EU institutions such as the European Data Protection Board.

2. On the creation of data spaces

Data spaces are a key pillar for building a sovereign and competitive European data economy. They enable trusted data sharing between businesses, public institutions, and research organizations, based on clear governance frameworks, technical interoperability, and fair access conditions. The Data Union Strategy should therefore actively support the development, scaling, and practical usability of such data spaces – not just as infrastructure projects, but as real-world innovation environments for AI and data-driven business models. Sector-specific data spaces – for example in mobility, energy, healthcare, finance, or agriculture – hold immense potential to create added value by consolidating fragmented data sources. To unlock this potential, data spaces must be designed to be interoperable by default and must be effectively interconnected. In particular, structured coordination with

Member States is essential, as many have already launched national or regional data space initiatives that currently lack interoperability. The EU should avoid duplicating efforts and prioritize integrated European frameworks over new, isolated structures. Moreover, the current development of data spaces is progressing too slowly and often misaligned with market needs. All relevant stakeholders – especially private-sector actors – must be involved early and systematically in the design and governance of data spaces to ensure relevance and adoption.

Public administrations also have a crucial role to play. They should commit to sharing more data and fully implementing Open Data principles. This requires the adoption of common, EU-wide data standards to improve data usability across jurisdictions and sectors. Open Data initiatives at all levels of government should be actively supported and expanded to significantly increase both the quantity and quality of public data available across the Union.

To make participation in data ecosystems more feasible, technical and regulatory barriers must be reduced. This includes practical standardization efforts, easy-to-use licensing models, and legally sound frameworks for data use in AI training, testing, and validation. In addition, data intermediaries and data trustees should be supported under favorable conditions, enabling them to act as neutral enablers of trustworthy and efficient data exchange across the EU.

3. Simplify data access

As part of the Data Union Strategy, the European Commission plans to establish "Datalabs" linked to the so-called AI Factories. These Datalabs are intended to aggregate and structure data from various sources and provide data-related services such as dataset cleansing and enrichment. The goal is to offer high-quality data resources for AI developers to train models and systems.

From the perspective of the internet industry, these Datalabs can play a valuable role in making curated datasets available. However, access to such datasets should not be limited exclusively to users of AI Factories. Given that some companies may have their own sufficient infrastructure, or that factory capacity may be limited, it is vital to ensure open and flexible access to these datasets across different use cases. Moreover, technical tools that facilitate data sharing and compliance with legal requirements should be actively supported. This includes the development of standardized licensing templates for AI training purposes. Such templates should be developed with input from all relevant stakeholders and should apply EU-wide in order to address practical needs and ensure legal certainty.

Finally, improving data literacy across sectors can significantly simplify data handling. Initiatives that help businesses systematically collect, interpret, and apply data—especially for innovation, automation, or AI—should be supported as a core component of a Data Union Strategy.

4. Supporting Investment in Data Infrastructure

Beyond legal uncertainty and infrastructural limitations, many companies across Europe still lack the internal capacity to fully utilize their own data assets. This is particularly striking given the EU's strength in industrial data – a valuable resource that holds significant potential for training and customizing AI applications. However, in many cases, existing data is not yet digitized or available in machine-readable formats, limiting its usability for innovation and automation.

To fully unlock the potential of AI, a comprehensive and high-quality data foundation is essential. The EU should therefore support necessary investments in data infrastructure, digitization, and quality improvements—for example through tax incentives, targeted funding programs, or co-financing schemes. Equally important is the provision of specialized expertise: competent supervisory authorities should issue clear guidance on key legal and technical issues and act as reliable points of contact for companies navigating the data landscape.

At the same time, the economic framework for data-driven business models must remain attractive, to ensure continued private-sector investment in data collection and preparation. Businesses will only commit resources if the expected benefits outweigh the burdens created by legal risks and regulatory obligations. It is therefore essential that companies retain the ability to monetize curated datasets, and that trade secrets are not undermined by overly broad data-sharing obligations. The Data Union Strategy should thus strike a careful balance: promoting openness and access to data where appropriate, while safeguarding innovation incentives and business confidentiality. Only in such an environment will European companies continue to invest in data as a strategic asset and driver of AI innovation.

5. Promoting international data sharing

The European digital economy depends on the free flow of data across borders – particularly in the field of Artificial Intelligence, where both development and deployment often rely on international datasets, distributed infrastructure, and global collaboration. A Data Union Strategy must therefore treat cross-border data flows not as a threat, but as a strategic necessity. While the protection of personal data rightfully remains a high priority, international data transfers should be enabled – not obstructed – through clear, innovation-friendly legal frameworks.

Specifically, the EU should strengthen existing mechanisms such as adequacy decisions and standard contractual clauses, while also embracing new forms of international cooperation. This includes the creation of trustworthy certification schemes and mutual recognition frameworks for third countries. The EU-U.S. Data Privacy Framework represents a promising step in this direction and should be further expanded and replicated with additional strategic partners. At the same time, unilateral national or European approaches such as mandatory data

localization or de facto protectionism should be avoided. Obligations to store data exclusively within the EU risk fragmenting global value chains, limiting the competitiveness of internationally operating European firms, and ultimately reducing the diversity and quality of datasets available for AI training. Instead, the EU should invest in technological approaches to data sovereignty, such as encryption, federated learning, and secure data interfaces, which can ensure both security and openness.

Moreover, it is essential to take a technology- and sector-agnostic perspective on international data flows. Regulatory principles that apply to personal data cannot automatically be extended to industrial or environmental data. A differentiated, risk-based approach is far better suited to fostering innovation while managing potential risks. With the right balance, the EU has a unique opportunity to become a global leader in trusted, open data flows—a key competitive advantage in the international race for leadership in AI and digital innovation.

6. Conclusion

To strengthen Europe's position in the global digital economy, the upcoming Data Union Strategy must lay the foundation for a more open, coherent, and innovation-friendly data ecosystem. High-quality and widely accessible data is essential for the development and deployment of artificial intelligence, yet current barriers, ranging from legal uncertainty to fragmented infrastructure, continue to limit its full potential.

A key challenge lies in the complexity and fragmentation of EU data regulation, which creates uncertainty, particularly for small and medium-sized enterprises. Inconsistent implementation and unclear interactions between frameworks such as the GDPR, the Data Act, and the Data Governance Act deter investment and slow down innovation. A simplified, harmonized legal environment, with clear and enforceable rules for data use and reuse, is therefore vital. Equally important is the creation of interoperable data spaces that reflect real market needs and are accessible to both public and private actors. These spaces should facilitate cross-sectoral data exchange, support open standards, and be developed in coordination with existing national initiatives to avoid duplication. Trusted data intermediaries, along with initiatives such as Datalabs, can help make curated, high-quality datasets widely available, provided access is not limited to isolated infrastructures like AI Factories.

To unlock the economic value of data, the EU must also invest in digitization, infrastructure, and data quality, while ensuring that companies can benefit economically from their data through clear legal protections and monetization opportunities. A supportive regulatory environment, paired with practical tools and guidance, is essential to encourage businesses to treat data as a strategic resource.

Finally, the EU should approach international data flows not as a risk, but as a strategic necessity. Trusted global data exchange, supported by modern

technologies and clear safeguards, will be key to securing Europe's leadership in AI and digital innovation.

About eco: With approximately 1,000 member companies, eco (international.eco.de) is the leading Association of the Internet Industry in Europe. Since 1995, eco has been highly instrumental in shaping the Internet, fostering new technologies, forming framework conditions, and representing the interests of its members in politics and international forums. eco has offices based in Cologne, Berlin and Brussels. In its work, eco primarily advocates for a high-performance, reliable and trustworthy ecosystem of digital infrastructures and services.