

Mr. Karel De Gucht
Member of the European Commission
Commissioner for Trade
European Commission
Rue de la Loi, 200
B - 1049 - Brussels

Ms. Cecilia Malmström
Member of the European Commission
Commissioner for Home Affairs

Ms. Neelie Kroes
Vice-President of the European Commission
Commissioner for the Digital Agenda

Brussels, 22 November 2011

RE: Cross-Border Data Flows and Trade in Services

Dear Commissioner De Gucht,
Dear Commissioner Malmström,
Dear Vice-President Kroes,

I am writing to inform you that in response to the G20 Leaders' call for fresh approaches to further global trade negotiations, the Financial Leaders Working Group (FLWG) and the Global Services Coalition (GSC), have issued a Statement on Cross-Border Data Flows and Trade in Services (attached). In it they invite the WTO Ministerial Conference to act on this issue at the meeting on 15-17 December when considering fresh approaches to multilateral trade liberalisation.

Modern technology has enabled global cross-border trade in services to grow strongly in recent years and in 2009 it reached a value of \$3.3 trillion. Amongst those technologies key to this growth have been the Internet and electronic delivery, both of which utilise cross-border data flows. In order to sustain this growth, which in the current economic climate is more important than ever, electronic delivery and cross-border data flows must be facilitated.

If rapid growth in electronic delivery is to continue, cross-border data flows will be increasingly important, and this will in turn help create high quality new jobs in all countries. Globalisation of data processing has brought major advantages in terms of synergy and economies of scale through shared infrastructure and technology platforms benefitting industry and services businesses alike; with plentiful scope for further benefits.

The growth in cross-border data flows that has accompanied burgeoning services trade has, however, raised concerns on the part of many governments, leading to some imposing, or considering, restrictions on cross-border data flows for a variety of reasons. This new type of trade

barrier has the potential to dramatically slow down the globalisation process and should be actively eliminated, or at a minimum, strictly controlled so that necessary measures are fair and non-discriminatory.

The European Services Forum (ESF), a member of both the FLWG and GSC and representing the European services sector, would like to call upon the European Union to build new agreements - through bilateral, plurilateral and multilateral means - to protect and facilitate cross-border data flows and act as essential tools in supporting the modern and globalised economy. The attached statement also highlights the international consensus forming around this issue.

We would be grateful if the Commission closely considers these concerns and we remain available to assist your services where necessary.

Yours sincerely,



Mr. Pascal Kerneis
ESF Managing Director

The European Services Forum (ESF) is a private sector trade association that represent the interests of the European services industry in International Trade Negotiations in Services. It comprises major European service companies at the CEO level and European service sector federations covering service sectors such as financial services, tourism, telecommunications, maritime transport, business and professional services, distribution, postal and express delivery, IT services, energy services and the audio-visual industry (see full list of members on the web-site: www.esf.be). It is estimated that ESF membership covers approximately 80% of Extra EU services exports and investments. ESF members employ more than 90 million workers, are present in more than 200 countries and provide services to hundreds of millions of consumers in Europe and around the world. The European Union is by far the largest exporter of international trade in services (26% of world share).