

Brussels, 15 July 2025

ESF Contribution to Call for evidence

Subject: ESF comments on the Commission's call for evidence on its upcoming Data Union Strategy

The European Services Forum (ESF) represents the interests of the European services sectors in international trade and investment activities. We are committed to actively promoting the liberalisation of international trade and investment in services.

As an introductory remark, we would like to reiterate the importance of digital trade for the EU economy. The EU is today the biggest global exporter and importer of “digitally delivered services”. The EU exported \$1.86 trillion of digitally enabled services in 2024, while the US exported \$706 billion, the UK \$452 billion, and China \$220 billion¹. When we look at more traditional statistics of “computer related services” (SI2 of EBOPS classification²), the European Union is a strong exporter to the rest of the world (€264 billion in 2023) and has a significant trade surplus of €171 billion.

Foreign direct investment is also crucial for the EU economy. The EU is the biggest investor and the biggest recipient of FDI in the world³. These investments allow the EU to shine abroad and projects its values. Most importantly, these investments create jobs and growth in the EU and contribute to keep the competitiveness of the EU economy. It is important to note that, according to Eurostat in 2022, 77.7% of total EU outward FDI originates from services sectors, and 81% of total EU inward FDI targets services sectors.⁴

This is why the EU is a critical international player in digital trade and investments, and any policies negatively impacting trade in these areas would therefore have important consequences for the EU economy. Trade openness in digital services therefore fully contributes to keeping the EU abreast of ongoing fast-paced innovation in this domain.

ESF welcomes the European Data Union Strategy, which updates the 2020 data strategy based on recent geopolitical and technological developments. ESF supports the European Commission's initiative to develop a coherent and streamlined Data Union Strategy.

ESF calls upon the European Commission to ensure that the Data Union Strategy will pair well with the EU's recently launched International Digital Strategy, which incorporated many of the ESF priorities.

As an umbrella organisation representing services sectors that export and import and invest across Europe and beyond, ESF sees data sharing as a critical enabler for innovation, sustainability, and

¹ [WTO statistics](#)

² [Eurostat – Bop-Its6 Det](#)

³ [UNCTAD Dat Hub - Foreign direct investment: Inward and outward stock](#)

⁴ [EUROSTAT - EU direct investment positions by country - bop_fdi6_pos](#)

competitiveness in all services sectors. The ongoing digital transformation across the entire economy, encompassing all aspects of the supply chains, depends heavily on the availability of high-quality data and trustworthy data, wherever the data are coming from.

The potential of data innovation and AI adoption in the EU is currently often constrained by a fragmented and complex regulatory landscape. A more coherent, innovation-friendly regulatory framework is needed to unlock the full potential of EU's data economy.

The EU's export-oriented economy depends on cross-border data flows. International data flows are crucial for EU competitiveness. The EU Common Trade Policy is a powerful tool to ensure broad market access and legally binding rights and obligations that provide legal certainty and predictability for businesses. ESF supports the EU policy in negotiating advanced digital trade chapters in its Free Trade Agreements and standalone Digital Trade Agreements with the largest possible number of countries.

The EU should actively continue to work on digital partnerships with third countries and advocate for open markets that respect free flow of data. ESF urges the Commission to ensure that any initiatives that would increase protectionism, complexity and red tape should be rejected.

In recent years, there has been a surge in EU regulation conditioning (or prohibiting) its flow or mandating that data to be stored or processed domestically (data localisation) with negative macroeconomic implications.

The data strategy should focus both on the quality implementation of existing EU regulations, especially AI and data regulations and on boosting private investments in the domain of the digital economy. The EU should also initiate an in-depth impact assessment of these existing regulations, and when deemed necessary, review or revise them to ensure better single market coherence, less burdensome reporting requirements (e.g. in the framework of GDPR) and better regulatory prerequisites to engage in international trade and international trade policy integration.

The regulatory landscape on data used in the EU is marked by a complex mix of general and sector-specific laws, which are operating in silo while businesses need to apprehend them all and often are struggling to enforce them, creating inefficiencies and uncertainties. This is the case for the access to talent, for the access to capital, and for the access to computing facilities. It must be highlighted as well that, looking at for instance rules on processing of personal data, the fact that each individual EU Member States can deviate the EU text based on rights to specific opt-outs is making the process for businesses even more complex. These additional requirements contribute to further fragmentation of the EU single market.

ESF reserves the right to come back on additional issues at a later stage and remains at disposal for any further information on the above.

Yours sincerely,



Pascal Kerneis
Managing Director