

**EU Data Strategy, PromethEUs: “Progress in the lead-up to the US and China, internally Northern EU countries excel in driving data innovation”**

- **PromethEUs**, an independent network of four Southern European think tanks, presents the joint paper “The EU’s Data Strategy from a multifaceted perspective. Views from Southern Europe”. The paper focuses on providing a Southern European viewpoint to enrich the discussion on the EU Data Strategy. It examines the strategy from three crucial angles - economic, geopolitical and regulatory - and explores its implications in key sectors such as healthcare.
- According to the index measuring performance in the implementation of data driven innovation (developed by I-Com), Denmark leads the way (100points), followed by Sweden and the Netherlands. Italy Portugal and Greece in mid-table with 52, 47 and 47points respectively. At the bottom end, we find the Eastern Europe countries (Romania, Bulgaria, Hungary), and Spain.
- The EU data economy is lagging behind the US and China, with the Northern EU countries leading while the Southern and Eastern EU countries are facing more challenges. In 2022, Germany had the highest data market value among European countries, reaching €20,351 million, a growth of 13.1% compared to 2021. France and Italy ranked second and third, with data market values of €12,300 million (+14%) and €6,886 million (+12.2%), respectively.
- Regarding digital readiness in the health sector, Italy ranks 18th in the EU, three places behind Portugal. Among the Southern European countries, it is Spain that is in the best position (7th), while Greece is the least prepared (25th).

*Brussels – 8 June 2023.* Italy is in the middle of the European ranking in terms of data-driven innovation with Portugal and Greece following slightly behind. Denmark leads with a perfect score of 100, followed closely by Sweden, the Netherlands and Finland. These countries excel in utilising Big Data and cloud computing. Conversely, the Eastern European countries (Romania, Bulgaria, Hungary) and Spain rank lower, indicating a lower level of data-driven innovation implementation.

This is what emerges from the study entitled “**The EU's Data Strategy A multifaceted perspective from Southern European countries**”, realized by PromethEUs, the network of think tanks, including [Elcano Royal Institute](#) (Spain), [I-Com – the Institute for Competitiveness](#) (Italy), [IOBE – the Foundation for Economic and Industrial Research](#) (Greece) and [the Institute of Public Policy – Lisbon](#) (Portugal).

The research shows that the **data market value** in the European Union reached **€72,963 million**, reflecting a growth of 12.6% compared to 2021. Among the Member States, Germany had the largest share, with a value of €20,351 million, a 13.1% increase from 2021. France and Italy followed with data market values of €12,300 million (+14%) and €6,886 million (+12.2%), respectively. The **top five Member States** - Germany, France, Italy, the Netherlands and Spain - accounted for over **68% of the EU data market**. In terms of sectors, Finance is the largest sector for data, while Public Administrations and Construction experienced a significant growth of +41.9% and +34.9%, respectively, between 2021 and 2022. Forecasts suggest that the **EU data market will reach €116 billion by 2030**, with Spain (7.9%) and Italy (5.9%) markedly contributing to this growth, along with Germany.



Geopolitically, Data Strategy is closely related to **EU strategic autonomy** and the promotion of its technological global perspective considering three aspects - security, economy and rights. It is not a coincidence that the EU has been actively addressing the relationship between its goods, services, assets and personal data with third countries using various approaches - **regulation, multilateral initiatives** and the **building-up of EU technology diplomacy**.

From a regulatory viewpoint, the EU Data Strategy offers important benefits such as transparency, innovation, interoperability, improved services, and reduced market barriers. However, **there are concerns that need to be addressed**. Firstly, there is a lack of incentives for competitors to share their data, raising questions about the reasons for data sharing and the risk of free-riding. Secondly, the legal framework gives rise to multiple authorities with varying levels of supervisory powers, which may lead to inadequate regulatory controls and monitoring capacity, potentially causing delays in the process. The coordination between Member States in terms of choosing agencies and determining penalties is another challenge.

As well, **by improving access and transfer of health data in the healthcare sector, the EU could save €5.5 billion over ten years**. Furthermore, an optimal utilisation of health data by the research and innovation community and policymakers could result in an additional €5.4 billion in savings for the EU. The digital healthcare sector is also projected to grow significantly, with an estimated growth rate of 20-30%. In the evaluation of policy performance, **Greece is considered less prepared due to poorer policy quality and less advanced execution stages, while Italy, Portugal, and Spain are leading with superior policy quality and greater progress in implementation**.

Coauthor **Stefano da Empoli, President and principal Policy Analyst at I-Com**, said: "More investment in R&I and a revision of educational and training programmes should be pursued as a high priority. Specifically, EU policies should target reducing the disparities within the continent using a mix of European and national funds. The Resilience and Recovery Facility, providing important financial resources and reform requirements for EU Member States (especially the Southern), is a great opportunity to accelerate this convergence and should not be wasted."

Coauthor **Raquel Jorge Ricart, Policy Analyst, Elcano Royal Institute**, added: "The European Union is developing a broader package to address the governance of data globally. To do so effectively, it will need to face a number of challenges regarding security, economy and rights, that are not always considered sufficiently in the existing policies. New scope, intensities, stakeholder engagement and a higher level of ambition and monitoring will be the drivers to make the EU's leverage of its Data Strategy worldwide successfully with partners."

Coauthor **Steffen Hoernig, Member of the IPP-Lisbon board and Professor of Economics at Nova School of Business and Economics**, said: "Through the DGA and the DA, the Commission seeks to construct a navigable data landscape, where users can easily control their data and give their consent for its use and reuse, while protecting confidential data, intellectual property rights and trade secrets. Although we expect the EU Data Strategy to have an overall positive impact, the remaining uncertainty regarding its associated acts and their practical implementation still needs to be addressed in the trilogue and will require further action through future legislative initiatives and industry-wide coordination activities."

Coauthor **Aggelos Tsakanikas, Scientific Advisor at IOBE and Professor of Economic Evaluation of Technology at the National Technical University of Athens**, declared: "Establishing precise rules and policies for data security and privacy in the healthcare industry is imperative. Encouraging standardisation procedures, which could entail the adoption of standard terminology and processes



by various healthcare stakeholders, could also be useful. Transparency in data management, privacy protection and patient consent could increase trust and foster health digitalisation. Last, but not least, fostering cooperation and collaboration amongst various healthcare stakeholders could significantly promote the digitalisation of healthcare and the successful secondary data usage”.

The paper outlines a set of policy recommendations to European policymakers as below.

- **Government intervention** is crucial for regulation and providing access to datasets. **Increased investment** in research, education, and training is needed. The **development of high-performance computing infrastructure** and specialised digital skills is necessary. SMEs should receive support through **digital innovation hubs**. EU policies should aim to reduce disparities and leverage financial resources for convergence.
- Geopolitical strategies should vary depending on the country and type of technology company. **Data governance should align with export control regimes** with the EU having an opportunity to partner with like-minded countries, as well as engaging with developing and digitally non-aligned countries.
- Compliance costs for businesses, especially SMEs, and the practical implementation of the strategy require further attention and coordination. Overall, the strategy is expected to have a positive impact, but **uncertainties need to be addressed through legislative initiatives and industry-wide coordination**.
- To optimise the utilisation of data in healthcare, a **unified roadmap is essential**. This roadmap would support the transformation and rationalisation of healthcare, improve health spending, and foster clinical research and innovation. Specific rules and policies for data security and privacy within the healthcare industry are crucial. Lastly, **fostering cooperation and collaboration amongst the various healthcare stakeholders** would greatly advance the digitalisation of healthcare and enable the successful use of secondary data.

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