

Dear Deputy Prime Minister

The continued decisive facilitation of the digital transformation of Europe is a prerequisite for European competitiveness and prosperity. Moving data across borders is a crucial part of modern production, and such data flows contribute greatly to trade, job creation and growth across all sectors.

However, digital protectionism is growing globally and many European trading partners are restricting cross-border data flows by a variety of forced data localisation rules that prevent European companies from operating overseas. The EU competes with the rest of the world, but not on equal terms.

The Swedish business community supports the idea of enabling cross-border data flows in the trade and investment agreements negotiated by the EU, and acknowledge that such inclusion must not undermine the EU General Data Protection Regulation. However, looking at the proposal that was put on the table by the European Commission, it offers no instruments to tackle digital barriers to trade in 3rd countries as long as these are framed as privacy measures.

For European companies, the ability to process and transfer data *both to and from* our subsidiaries in other parts of the world is absolutely crucial for the functioning of global supply chains. Without such data flows, our ability to compete globally is severely diminished.

Facilitating cross-border data flows is an important strategic issue for the EU and needs a well-balanced and enforceable proposal. Unfortunately, the Commission proposal helps legitimize protectionism instead of preventing it. The proposal does not add any safeguards to GDPR, and it effectively undermines EU's ability to address protectionism through its Free Trade Agreements.

As the world's major exporter of goods and services, and a leader in Internet of Things, Europe's economy is critically dependent on the ability to move data across borders to be competitive and to serve customers abroad. The EU must take an active part in shaping international rules that will set high data flow standards for the future.

We, the undersigned associations remain at your disposal to further discuss these concerns constructively.



Teknikföretagen



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IT & Telekomföretagen



**Confederation of Swedish Enterprise
Association of Swedish Engineering Industries
Employers' Organisation for the Swedish
Service Sector**

**Swedish IT and Telecom Industries
Stockholm Chamber of Commerce
International Chamber of Commerce,
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