

Prepared by DigitalTrade4.EU

Feedback on the Call for Evidence for a European Data Union Strategy

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About Us

The **DigitalTrade4.EU consortium** envisions a **seamlessly interconnected Europe** and **neighbouring regions** powered by harmonized standards for the digitalisation of trade documents and processes. By fostering the digital transformation of trade, we aim to promote economic integration, enhance cooperation, and ensure long-term trade facilitation across borders.

Our consortium is made up of **experts in their field**, including **105 full partners**—trade associations, logistics providers, shipping lines, banks and insurances, technology innovators, etc.—**from 17 European Union countries** (*France, Belgium, Netherlands, Austria, Estonia, Finland, Italy, Latvia, Spain, Germany, Sweden, Poland, Luxembourg, Lithuania, Slovenia, Denmark, Bulgaria*) and **22 non-EU countries** (*United Kingdom, Switzerland, Montenegro, Japan, Singapore, Hong Kong, Australia, New Zealand, India, Nepal, Canada, United States of America, Cameroon, Morocco, Egypt, Kenya, Pakistan, Nigeria, Brazil, Uzbekistan, Turkey, Ukraine*).

Our consortium is already **aligned with the fundamentals** of the **EU Competitiveness Compass**. Learn more:

- How DigitalTrade4.EU Can Help Achieve the Objectives of the EU Competitiveness Compass (February 2025)

<https://www.digitaltrade4.eu/how-digitaltrade4-eu-can-help-achieve-the-objectives-of-the-eu-competitiveness-compass/>

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Executive Summary

This document presents the consolidated feedback of the **DigitalTrade4.EU** consortium in response to the European Commission's strategic communications on the Single Market, a future European Data Union, and the European Defence Readiness strategy. We commend the Commission for its ambitious vision to create a **simpler, stronger, and more secure** European Union. Our feedback asserts that these three strategic pillars—**economic competitiveness, data sovereignty, and defence capability**—are deeply interconnected and can be mutually reinforced through a unified commitment to **digital transformation**.

DigitalTrade4.EU advocates for an approach centred on **interoperability, decentralisation, and harmonised international standards**. We believe the **digital solutions** vital for a **modern, green, and efficient single market**—such as those compliant with the **UNCITRAL Model Law on Electronic Transferable Records (MLETR)**¹, the **EU eIDAS 2.0 Regulation**², the **UNECE Recommendation No. 49 ("Transparency at Scale")**³, and the **Digital Product Passport (DPP) framework**—have significant **dual-use potential**. These tools can simultaneously **enhance economic competitiveness** and **bolster European defence readiness** by enabling **secure cross-border logistics, trusted digital identities, and traceable supply chains** for both **civilian and military applications**.

Our key recommendations are to:

- **Champion harmonised digital standards (MLETR, eIDAS 2.0)** across all sectors to serve both commercial and defence logistics.
- **Extend the Digital Product Passport (DPP)** framework to critical defence components to enhance traceability and security of supply.

¹ UNCITRAL. Model Law on Electronic Transferable Records

https://uncitral.un.org/en/texts/ecommerce/modellaw/electronic_transferable_records

² European Commission. Discover eIDAS

<https://digital-strategy.ec.europa.eu/en/policies/discover-eidas>

³ United Nations Economic and Social Council. Recommendation No. 49: Transparency at Scale – Fostering Sustainable Value Chains (March 2025)

<https://unece.org/sites/default/files/2025-05/ECE-TRADE-C-CEFACT-2025-03E.pdf>

- **Leverage the European Data Union** to create secure data spaces for both industrial innovation and strategic defence applications.
- **Invest strategically** in dual-use digital infrastructure that supports both seamless trade and military mobility.

By strategically aligning these initiatives, the EU can create powerful synergies, turning its regulatory leadership in the green and digital transitions into a cornerstone of its **strategic autonomy** and global leadership.

***Note:** In this document, the terms **Small and Medium-sized Enterprises (SMEs)** and **Micro, Small and Medium-sized Enterprises (MSMEs)** are used interchangeably and carry the same meaning and weight. This clarification is important because different sources and contexts may refer to these groups using either acronym, but both encompass the full range of smaller business categories critical for economic development.*

Introduction

The DigitalTrade4.EU consortium, representing over 100 partners from across the EU and beyond, is dedicated to fostering a seamlessly interconnected Europe powered by the **digitalisation of trade**. In an era of profound geopolitical shifts and technological acceleration, we believe the EU's future prosperity and security hinge on its ability to integrate its economic, digital, and defence strategies.

The **Commission's** recent communications—the **Strategy for a simple, seamless and strong Single Market (COM(2025) 500 final)**⁴, the **call for a European Data Union**, and the **Joint White Paper for European Defence Readiness 2030 (JOIN(2025) 120 final)**⁵—rightly identify the **core challenges** and **opportunities** facing the **Union**. However, the absence of **explicit mechanisms** to align these **strategies** risks **undermining their collective impact**. For instance, **fragmented data governance frameworks**, such as differing national rules on logistics data sharing, may hinder **cross-border military mobility**, while **inconsistent adoption of digital standards**, like varying e-signature validity across borders, could weaken the **resilience of critical supply chains** by causing delays and inefficiencies.

DigitalTrade4.EU strongly supports this comprehensive vision. Our contribution is to highlight the critical, cross-cutting role of **digital trade and data infrastructure** as the foundational enabler for these ambitions.

A fragmented approach will yield limited results. A **truly single market** cannot exist without seamless data flows; a **sovereign data union** is meaningless without the economic dynamism to leverage it; and a **credible defence posture** is unachievable without a resilient industrial base and secure, efficient logistics. This document outlines our perspective on how to weave these threads together into a cohesive and actionable strategy.

⁴ European Commission, Internal Market, Industry, Entrepreneurship and SMEs. The Single Market: our European home market in an uncertain world (May 2025)
https://single-market-economy.ec.europa.eu/publications/single-market-our-european-home-market-uncertain-world_en

⁵ European Commission. Joint White Paper for European Defence Readiness 2030 (March 2025)
https://defence-industry-space.ec.europa.eu/document/download/30b50d2c-49aa-4250-9ca6-27a0347cf009_en?filename=White%20Paper.pdf

Expectations from the Commission's Side: The Objectives

DigitalTrade4.EU acknowledges and supports the ambitious objectives set forth by the European Commission. We have synthesized the core goals from the provided strategic documents, which form the basis of our responsive recommendations.

From the Single Market Strategy (COM(2025) 500 final):

- **Reduce Barriers:** A focused effort to eliminate the most harmful Single Market barriers, the '**Terrible Ten**', to unlock trade and investment.
- **Boost Services:** A new, ambitious sectoral approach to invigorate the underdeveloped **Single Market for services**.
- **Simplify Rules:** A commitment to **reduce red tape** and move from a document-based to a **data-based Single Market**, guided by the principle of "1 in, 27 out."
- **Strengthen Enforcement:** A call for greater **political and national ownership** to ensure the consistent application and enforcement of Single Market rules.
- **Enhance Digitalisation:** A paradigm shift towards digital-by-default solutions, including the **Digital Product Passport (DPP)** and **eInvoicing**, to streamline compliance and administration.

From the European Data Union Call for Evidence (Ref. Ares(2025)4163996)⁶:

- **Stimulate Investment:** Make data assets more available through voluntary measures and funding to enable **scaled-up data use**, particularly for the development of **generative AI**.
- **Simplify the Legal Framework:** Streamline existing data rules (Data Act, Data Governance Act) to **reduce administrative burden** and create legal certainty for businesses.

⁶ European Union. European Data Union Strategy, Call for evidence
https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/14541-European-Data-Union-Strategy_en

- **Develop an International Data Strategy:** Formulate a cohesive strategy to **safeguard the export of EU data** while stimulating secure **data import into the EU**, reinforcing Europe's role as a global digital leader.

From the European Defence Readiness 2030 White Paper (JOIN(2025) 120 final):

- **Re-arm Europe:** Achieve sufficient **military readiness and capabilities** by 2030 to credibly deter aggression.
- **Strengthen the Defence Industrial Base (EDTIB):** Foster a strong, resilient, and innovative EDTIB with **secure supply chains** and reduced external dependencies.
- **Enhance Military Mobility:** Develop **dual-use transport infrastructure** and digital systems to ensure the rapid and seamless movement of troops and equipment.
- **Foster Collaboration and Interoperability:** Generate economies of scale and improve the **effectiveness and interchangeability** of Member States' defence efforts.

These objectives signal a clear mandate for a more **integrated, technologically advanced, and strategically autonomous** European Union. Our following recommendations are designed to directly support these goals through the transformative power of digitalisation.

Approach and Recommendations

Our consortium approach is founded on a core principle: the creation of a **secure, interoperable, and decentralised digital backbone** for Europe. This infrastructure, built on harmonised international standards, can and should serve both civilian and defence purposes, creating a powerful **synergy between economic competitiveness and security**.

Champion Harmonised Digital Standards for Dual-Use

The **fragmentation of digital rules and standards** is a **critical barrier** to both a **seamless single market** and **interoperable defence capabilities**. The EU must champion a **single set of high-quality, international standards**. For example, **divergent e-signature recognition** across **Member States** currently **delays cross-border trade transactions** by up to **15%, as estimated by impact assessments on regulatory fragmentation in the digital economy**⁷. This delay increases transaction costs and slows down business processes across borders.

Similarly, **inconsistent cybersecurity protocols** for **military logistics systems** expose **vulnerabilities** that undermine **joint defence operations**, highlighting the critical need for harmonized digital standards at the EU level⁸.

- **Recommendation:** Actively promote and mandate the **EU-wide adoption of UNCITRAL MLETR** for electronic transferable records. This legal framework, which provides the foundation for digital bills of lading and other trade documents, is essential for streamlining logistics. Its application should be extended to **military logistics**, enabling secure, legally-recognized, and paperless movement of defence assets across borders.
- **Recommendation:** Fully leverage the **eIDAS 2.0 framework** and the **European Digital Identity Wallet** as a universal standard for secure identification. This is crucial not only for citizen and business services but also for creating **trusted digital identities for defence personnel and contractors**, ensuring secure access to sensitive systems and installations across Member States and with allied forces (e.g., NATO).

⁷ European Commission. Shaping Europe's digital future, The Digital Economy and Society Index (DESI)
<https://digital-strategy.ec.europa.eu/en/policies/desi>

⁸ OECD, Digital Services Trade Restrictiveness Index (Digital STRI)
<https://goingdigital.oecd.org/en/indicator/73>

Extend Digital Product Passports (DPPs) for Supply Chain Security

The DPP is a revolutionary tool for transparency and sustainability in the Single Market. Its potential for enhancing security is equally significant.

- **Recommendation:** Adapt and **extend the DPP framework to cover critical components** in the defence and dual-use sectors. A **DPP** for a **missile guidance system**, an **engine turbine**, or a **critical microchip** could securely track its **entire lifecycle** - from raw material origin and manufacturing data to maintenance history, software updates, and chain of custody. For example, a DPP for a turbine blade could cryptographically verify its alloy composition, manufacturing facility certifications, maintenance intervals performed, and any repairs or modifications, ensuring authenticity and airworthiness throughout its service life in both civilian aircraft and military transport fleets.

This technology could also integrate blockchain-based audit trails to prevent tampering and ensure compliance with EU or NATO defence procurement standards.

- **Benefit:** This provides **unprecedented traceability**, helping to **prevent counterfeit parts** from entering the supply chain, manage strategic stockpiles, verify compliance with security standards, and ensure the **security of supply** for the EDTIB.

Integrate Green and Digital Trade with Defence Resilience

The **EU's leadership** in the **green-digital transition** offers **unique synergies** with its **security objectives**. **Sustainable practices** often lead to **more resilient** and **efficient systems**. For instance, **energy-efficient data centres** powered by **renewable energy** can support both **carbon neutrality goals** and the **energy security requirements** of **military installations** dependent on **stable power supplies**.

- **Recommendation:** Link **trade finance digitalisation with environmental, social, and governance (ESG) criteria**, as proposed in our MFF input. By providing preferential financing for companies that demonstrate sustainable and secure supply chains (tracked via DPPs), the EU can incentivise the private sector to build the **resilient value chains** that the defence sector depends on. **This approach** directly enhances **defence readiness** by fostering **diversified, transparent, and ethically compliant** suppliers capable of meeting **stringent security requirements**.

- **Recommendation:** Leverage the **Carbon Border Adjustment Mechanism (CBAM)**⁹ data infrastructure. The systems built to track embedded emissions in goods can be adapted to track other critical data points, such as the origin of strategic raw materials or compliance with **forced labour regulations**, which are critical for both ethical trade and security.

Foster a Unified Data and Digital Infrastructure

A **siloe d approach** to **data spaces**—one for **industry**, another for **public services**, and a third for **defence**—would be **inefficient** and **insecure**. For example, **separate cloud infrastructures** for **civilian** and **military use cases** could lead to **duplicated investments**, **interoperability gaps** during **joint operations**, and **increased vulnerabilities** to **cyberattacks** due to **fragmented security protocols**.

- **Recommendation:** Ensure the **European Data Union strategy** explicitly includes **provisions for dual-use data spaces**. These **secure, federated environments** can facilitate **collaboration on R&D** between **civilian and defence industries**, enabling the **training of specialised AI models** on **sensitive data**. This also allow for **secure information sharing during crises**, all built upon **security-by-design principles** like **granular access controls**, **zero-trust architectures**, and **robust encryption** validated under frameworks like the **EU Cybersecurity Certification Scheme (EUCC)**¹⁰.
- **Recommendation:** Invest a significant portion of the **Connecting Europe Facility (CEF)** and **Digital Europe Programme** funding into **dual-use digital infrastructure**. This includes **quantum-secure fibre optic networks** along **military mobility corridors**, **sovereign cloud infrastructure**, and **5G/6G networks** that meet the **high-security requirements** of both **modern industry** and **defence operations**.

⁹ European Commission, Taxation and Customs Union. Carbon Border Adjustment Mechanism (March 2025) https://taxation-customs.ec.europa.eu/carbon-border-adjustment-mechanism_en

¹⁰ ENISA. EUCC Certification Scheme https://certification.enisa.europa.eu/certification-library/eucc-certification-scheme_en

Conclusion and Next Steps

The European Union stands at a critical juncture. The path to a more competitive, resilient, and secure future requires breaking down the silos between economic, digital, and defence policy. **Digital transformation**, guided by the principles of **interoperability**, **security**, and **harmonised standards**, is the **most powerful tool** at the **Commission's disposal** to achieve this **integration**. By embedding these principles into the **European Data Union Strategy**, the **EU** can position itself as a **global leader** in **ethical technology governance**, setting a **benchmark** for other **regions to follow**.

The recommendations outlined by DigitalTrade4.EU are not separate initiatives but parts of a **single, coherent vision**. A secure digital identity for a business is built on the same principles as one for a soldier. A traceable supply chain for a consumer product uses the same technology as one for a critical military component.

DigitalTrade4.EU is committed to this vision and proposes the following next steps for collaboration:

1. **Engage in a structured dialogue** with DG TRADE, DG CNECT, and DG DEFIS to create a cross-directorate task force focused on implementing dual-use digital standards.
2. **Launch pilot projects** that demonstrate the concepts outlined here, such as a DPP for a dual-use component or the use of MLETR-compliant documents in a joint military-civilian logistics exercise.
3. **Collaborate on developing the legal and technical frameworks** to ensure the European Data Union and other digital initiatives are designed from the outset with dual-use potential and security-by-design principles.

By embracing this unified approach, the EU can ensure that its investments in the digital and green transitions directly contribute to its strategic autonomy and security, creating a virtuous cycle where **economic strength and defence readiness** reinforce one another.

Our **consortium** stands ready to collaborate with the **Commission**, the **European Data Innovation Board**, and other **stakeholders** to help **shape** and **implement** a **forward-looking Data Union Strategy** that fosters a **thriving, competitive**, and **sustainable European data economy**.

EU Green-Digital Trade Leadership Roadmap (DigitalTrade4.EU, 2025)

activity	objective	indicative metrics	tools/enablers
1. EU-Singapore DTA & Expand DEPA Partnerships	Strengthen digital trade diplomacy in Asia through high-standard agreements.	- 5+ new digital trade agreements with key Asian partners (e.g., Japan, India, ASEAN) by 2030 - 15% increase in EU-Asia digital services trade by 2028	DEPA framework, EU-Singapore DTA, Global Gateway Initiative, eIDAS 2.0
2. Implement Digital Product Passports (DPPs)	Ensure traceable, sustainable supply chains aligned with EU Green Deal.	- 50% adoption of DPPs by 2030 - 20% reduction in supply-chain carbon intensity by 2030	EU Sustainable Products Initiative, CBAM incentives, UNECE Recommendation 49
3. Fund Secure Digital Corridors in Asia	Build interoperable digital infrastructure for EU-Asia trade.	- ~€2B allocated via NDICI-Global Europe - 10+ blockchain-based traceability pilots by 2027	NDICI-Global Europe, ASEAN digital customs systems, EU Customs Data Hub
4. Harmonize Digital Standards (MLETR/eIDAS 2.0)	Enable cross-border recognition of e-documents and digital identities.	- 90% mutual recognition of e-signatures by 2028 - 70% SME adoption of eIDAS wallets	MLETR framework, eIDAS 2.0, EU Transport Law updates, UN/UNECE protocols
5. Launch Green-Digital Trade Academy	Upskill SMEs and officials on DPPs and carbon accounting.	- 40% increase in SME participation by 2027 - 60% cost savings for SMEs	Erasmus+ grants, COSME programme, tiered compliance thresholds
6. Integrate ESG into Trade Finance	Link trade finance to sustainability metrics for cheaper capital access.	- €10B/year unlocked for green trade finance - 30% lower Scope 3 emissions by 2030	InvestEU guarantees, CSRD-aligned reporting, FinTech platforms
7. Enforce Platform Interoperability	Prevent vendor lock-in and empower SMEs.	- 100% compliance with CJEU rulings by 2026 - 50% reduction in platform dominance	Court of Justice of the European Union (CJEU) Case C-233/23, DEPA, eIDAS 2.0, Digital Markets Act (DMA)
8. Global Digitalisation Projects with EU Standards	Extend EU digital infrastructure and norms globally.	- 20+ co-funded projects by 2030 - 80% interoperability with EU systems	Digital Europe Programme, CEF funding, EU-Asia Digital Standards Taskforce
9. Advance UNECE Transparency Protocols	Globalize EU sustainability standards for supply chains.	- 100% alignment with UNECE Rec. 49 by 2028 - 30% reduction in greenwashing claims	UNECE CEFAC, W3C Verifiable Credentials, EU CBAM registry
10. Pilot CBAM-DPP Corridors	Link trade finance to verifiable ESG metrics for tariff incentives.	- 20% CBAM compliance cost reduction - 50% DPP adoption by 2030	IoT carbon trackers, CBAM rebate schemes, EU Customs Single Window

Table 1. The roadmap above, DigitalTrade4.EU's input to the European Commission's "International Digital Strategy" operationalises the recommendations outlined in this document. For instance, Activity 1 (EU-Singapore DTA & Expand DEPA Partnerships) directly supports the harmonisation of international digital standards, while Activity 8 (Global Digitalisation Projects with EU Standards) aligns with efforts to promote dual-use infrastructure globally. These activities collectively reinforce the EU's ability to leverage digital trade diplomacy as a tool for both economic growth and strategic security.