



GLOBAL DATA ALLIANCE

TRUST ACROSS BORDERS

CROSS-BORDER DATA FLOWS: ENABLING LOCAL ECONOMIES AND DRIVING E-COMMERCE

June 17, 2020

Virtual Seminar: Event Summary

How does the ability to move data from one country to another impact local economies, create jobs, and foster economic growth? Why are cross-border data flows important to industries that provide an array of products and services, including the avionics, financial services, and software sectors? What are the implications of impeding the movement of data across borders? How can data flows support COVID-19 response and recovery efforts?

To answer these questions, the Global Data Alliance hosted a virtual seminar at the invitation of the co-conveners of the Joint Statement Initiative on E-Commerce Negotiations (JSI) on June 17, 2020. The seminar was attended by representatives of more than 50 WTO delegations.

Joseph Whitlock, Policy Director at BSA | The Software Alliance (BSA), opened the event by introducing the Global Data Alliance, which is a BSA-administered, cross-sectoral coalition of companies with headquarters in different regions of the world. Global Data Alliance member companies rely on the ability to transfer data responsibly around the globe to create jobs and help make local economies more competitive.

Isabelle Roccia, Senior Policy Manager at BSA's Brussels office, moderated a discussion with industry experts from the avionics, financial services, and software sectors, looking at how cross-border data flows enable companies—especially Micro, Small, and Medium Enterprises (MSMEs)—to better serve and empower their customers. Speakers provided practical examples of how different sectors, from finance to farming, can leverage the flow of data across borders to provide services that boost local economies and benefit citizens in all regions of the world.

Kevin Rogers, Panasonic's Head of Mobile Services, highlighted that cross-border data flows are key to the avionics solutions that Panasonic provides to airlines, benefiting customers worldwide. Mr. Rogers explained that one of the key avionics services that Panasonic provides is inflight communications via satellite, allowing passengers to have access to entertainment and productivity

tools such as email while in the air. These services require data to be transferred as the airplane travels over different land borders.

- Airlines also use aircraft information collected during flights through sensors to increase efficiency—for fuel consumption, for instance. In addition, sensors can send aircraft information to servers on ground in real time, allowing local crews to utilize data analytics to help predict upcoming maintenance priorities immediately upon landing, thereby increasing safety and decreasing equipment downtime. This predictive maintenance creates local jobs in many sectors from parts supply, to mechanic engineers, among others.

Shola Sanni, Director, Public Policy, Sub Saharan Africa, Mastercard, explained that Mastercard offers the technology platforms used by some 22,000 banks and 2.4 billion payment card users throughout the world, enabling more than 100 billion transactions per year. These transactions, which take place almost instantaneously, must happen in a secure and efficient manner. Mastercard leverages trusted technologies that rely on responsible cross-border data transfers to achieve this objective. For instance, machine learning solutions, which use data gathered in more than 200 countries to create fraud detection systems, are deployed to ensure that transactions are secure, whether purchasers and vendors are in the same room or on different continents. Leveraging these secure transactions in this way benefits companies throughout the world—particularly MSMEs that rely on e-commerce to access markets abroad. This is particularly relevant as business try to recover from the negative impact of the COVID-19 pandemic.

Ms. Sanni also explained that Mastercard is partnering with other organizations to leverage technology that relies on cross-border data flows to help small farmers in Kenya, Tanzania, Uganda, and India to grow their business and improve the quality of lives of their families and local communities.

- The Mastercard Farmers Network is a digital platform that enables small farmers to sell and receive payments for agricultural products remotely via their phones. The platform gives farmers direct access to buyers and helps them access loans and other financial services. This initiative, which was launched before the COVID-19 pandemic, has become even more relevant now that access to physical marketplaces and in-person financial service providers has become more challenging. So far, more than 460,000 farmers have registered to participate in the network, as well as 80 organizations, and 43 financial institutions. Access to data across countries participating in the initiative and to data originating from other countries enables this digital marketplace work and allows for innovations such as fraud prevention.

Seminar participants also heard from Rimini Makama, Government Affairs Director, Middle East Africa - Emerging Markets, Microsoft. She explained that the software products and services that Microsoft offers to governments and companies of all sizes around the world rely heavily on cloud computing and that the flow of data across borders is essential to cloud computing. Data needs to be able to move freely so that no matter where you are you have access to the information and services that you need. Cloud service providers strategically position the necessary infrastructure in various countries to maximize internet speed and access, implement redundancy and backup capabilities, and ensure the deployment of state-of-the-art security for user data. Ms. Makama shared an example of how cloud computing is helping farmers increase their productivity.

- The FarmBeats solution unleashes the future of agriculture using data-driven agriculture for precision farming. The process involves using broadband connectivity through TV whitespaces, connected to IoT sensors that enable data-driven farming. These data, when collected over time, will help farmers improve their yields and lower costs. The current program in Nairobi will be focused on addressing the specific challenges of farming in Africa with the intent to expand to other countries.
- Cross-border data flows enable better water management using IoT via the REACH program. The program is aiming to make 5 million poor people water secure in Africa and Asia. Sensors are attached to the handle of a borehole, which comprises a manual water hand pump and an attached hand bucket. When the hand bucket is lowered to the bottom of the well, the handle captures data on water levels. The data is sent to servers via cloud computing. The IoT data from specific wells is combined with data consumption data, data from other neighboring wells, and rain forecast data to inform actions necessary to manage water supply.

Main takeaways

- Cross-border data flows should be understood as a two-way street. If data is not allowed to leave a country, then all the innovations that rely on the movement of data across borders will not benefit the population of that specific country.
- Restricting the movement of data among countries can create market disruptions, loss of income, and job losses. These effects impact MSMEs, which rely on and stand to benefit from technologies that use cross-border flows. Cross-border data flows drive our economies, producing economic opportunities and innovation that help create new jobs.
- Cross-border data flows are a critical enabler of the recovery from the economic and social hardships caused by the COVID-19 pandemic. MSMEs must continue to be able to rely on cross-border data flows and access to digital technologies during recovery efforts.
- A video recording of this virtual seminar is available [here](#).

The Global Data Alliance is a cross-industry coalition of companies that are committed to high standards of data responsibility and that rely on the ability to transfer data around the world to innovate and create jobs. It is administered by BSA | The Software Alliance.