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## **GAIA-X Summit**

**November 18<sup>th</sup> – 19<sup>th</sup>, 2020**

### **Keynote Casper Klynge, Vice President European Government Affairs, Microsoft**

Thank you, it is an honor to participate in this Summit to discuss GAIA-X. I deeply appreciate the opportunity to speak to all of you today on behalf of Microsoft.

Even under normal circumstances, GAIA-X would be an important initiative. Creating a federated data infrastructure built on a foundation of openness, transparency, and trust reflects a powerful and ambitious vision. It is a vision that is well-suited to an era in which economic growth, prosperity, and opportunity are fundamentally rooted in digital innovation and the free flow of information across international borders.

But of course, these are not normal circumstances. We live in a world that has been profoundly disrupted by a terrible pandemic. Over the last nine months, it has been remarkable to watch the unprecedented response that has taken place among businesses across Europe.

To keep operations running and employees working safely, companies in every sector have dramatically accelerated the adoption of digital tools and technology. In the process, the digital transformation of the European economy has leaped forward years in a matter of just months. This means that many European businesses are becoming digital businesses and are deeply engaged in the task of pioneering new ways to use data to compete, innovate and grow.

It also means that without access to the most advanced technology; without access to global markets and customers; and without access to the wealth of data generated around the world, innovation in Europe will falter and economic growth will stagnate. As a result, what was an important initiative when this project was launched before the coronavirus changed our lives, has taken on even greater urgency.

In an age where economies are deeply entwined, bringing together global partners to create an open standards-based federated infrastructure can be a catalyst for inclusive and sustainable recovery in the near term, but also a more competitive European economy in the future.

We too believe it is critical for European companies to have the freedom and flexibility to choose from among many paths to cloud adoption. But there is much work to be done. At Microsoft we are excited to have the opportunity to contribute to the GAIA-X project. As a company at the forefront of innovative digital technologies that are driving the current transformation, we embrace our responsibility.

A key part of our responsibility is to support European efforts to foster global competitiveness and promote local economic opportunities. We do this because we know that our success is built on the success of the businesses we serve.

This is why we do not compete with our customers.

It is why we do not use their data to expand our reach or drive our business.

It is why we are not a financial services business or a car maker or an energy company.

But it is why we will continue to do what we have done in Europe for almost four decades —provide digital tools that enable companies from the smallest start-up to the largest enterprise thrive and grow and create the jobs and opportunities that are the backbone of strong economies.

Take for example the manufacturing industry, that provides more than 35 million jobs in Europe and accounts for almost 15 percent of European GDP. To accelerate manufacturing innovation at scale, we have co-founded the Open Manufacturing Platform. The Platform enables faster, more cost-effective digitization through cross-industry collaboration, knowledge and data sharing as well as access to new technologies.

We are equally committed to supporting the small- and medium-sized businesses that employ so many millions of Europeans. Companies like Mascarillas Béjar, in Salamanca, Spain. In response to the pandemic, Mascarillas Béjar shifted from making pillowcases to manufacturing high filtration surgical masks. Now they are using Microsoft's cloud-based tools to manage the sale and distribution of millions of masks to its expanding list of customers. And today, the company has grown from fewer than 10 employees to more than 100.

Whether it's for large enterprises or small businesses, we support European companies through partnerships with local technology providers who use their knowledge and skills to help their customers harness the most advanced cloud capabilities. Working with these partners, we strive to live up to our clear commitment to Europe with full respect for European values and rules.

Chief among these values is privacy.

Our commitment to privacy is longstanding and unwavering. We were enthusiastic supporters of GDPR when it was proposed in 2012. We were the first company to extend the core rights of GDPR to all our customers around the world.

And later today, we will take another important step by announcing new protections for public sector and enterprise customers that move data from the European Union. These protections include a contractual commitment to challenge government requests for data and to provide compensation if we improperly disclose customer information in response to such a request.

Because of our commitment to European global competitiveness and our shared belief in privacy, transparency, and interoperability, we believe the open and market-driven approach of GAIA-X can be a competitive advantage for European businesses and the European economy. The GAIA-X project is focused on ensuring that Europe benefits from the value of the data its companies generate, the business models they pioneer, and the innovations they bring to market.

We believe GAIA-X offers a bold and thoughtful framework of principles to achieve this. But it won't be easy. In our view, 4 aspects will be key:

Firstly, because innovation is essential, GAIA-X must ensure that European businesses have access to a full range of cloud solutions at global scale and competitive prices, and embrace state-of-the-art, native cloud architectures rather than looking to past designs as a starting point.

Secondly, because data protection is so important, GAIA-X services must conform to GDPR, and respect local data protection laws to ensure that European industry can truly be globally competitive.

Thirdly, because digital sovereignty and self-determination are critical, GAIA-X must include user controls that enable individuals and companies to choose for themselves where their data is processed and stored.

Fourthly, because free market access and European value creation lie at the heart of the GAIA-X vision, the resulting infrastructure must embrace cutting-edge innovation rather than relying on cloud technologies that are quickly becoming obsolete.

We also believe there are areas where GAIA-X can be bolder and even more ambitious.

We see a unique opportunity to ensure that GAIA-X infrastructure and data centers support the European Green Deal by meeting—or even exceeding—the goals of Europe’s 2030 Climate Target Plan.

And we see an opportunity to address some of our most important shared technical challenges. For example, the GAIA-X federated cloud will require a transition to decentralized identity management. Right now, identity management standards and technology simply aren’t mature enough to achieve this. But we believe that through the GAIA-X project, we can come together to find the way forward for this and other critical technologies.

Summing up, Microsoft shares the values and vision that will guide the development of the GAIA-X federated infrastructure. And we have great admiration for the vision, leadership and hard work that has gone into this project since its inception over a year ago.

We look forward to working with all of you to support European economic growth and opportunity by creating the world’s first truly federated data and cloud marketplace.

Our message today is clear: Together, we can make Europe fit for the digital age, by building Tech Fit for Europe.

Thank you.