



European Materials Handling Federation

EFM / Orgalime event on 21 June 2017 in Brussels - discussion in the European Parliament on “EU data economy - new business models for manufacturing”

EVA VIRTUTE'S INTERVENTION

Dear Ladies and Gentlemen, Dear Representatives of the European Institutions, Dear Colleagues,

it's a pleasure and an honor for me to be here this evening and to share with you views and ideas on the new scenario and on the opportunities that this *digital times* are bringing to us. So, first of all, I would like to thank you for the invitation.

I have listened to interesting speeches in the previous session and it is evident that, from different perspectives, the European Institutions and the European Industries are faced with an important cultural change which is affecting people's behaviour, the customer approach and expectations, and the industry's way of doing business. And, inevitably, we have a lot of questions on what should be the role of the laws and of the policy makers in this specific context.

As legal advisor of Toyota and as Chair of the Technical & Regulatory Committee of FEM, the European Materials Handling Federation, I have witnessed first-hand the change that digitization is generating within the companies and the production sites.

The digital technology and the use of data is transforming and innovating the whole supply chain, from the assembly line to logistics, from the delivery planning to e-commerce. New business models are being investigated or already carried out, while new skills and competences are needed and must be acquired.

There's no doubt that the use of data plays a key role in the development of new (smart) products, new (smart) services and new competitive scenarios. For this reason, it is of a crucial importance that both the European and national legal frameworks are innovation friendly and support the industry in its challenge.

In particular, in a *B2B system*, in which the materials handling industry operates, the use of non-personal data or of machine generated data, is the basis of a new generation of products, of safer machines and a friendly partner to monitor the efficiency of the goods produced, to improve the solutions functioning in the plants and to contribute to a “*greener*” industry.

Let me give you an example of data technology from Toyota Material Handling Europe (“TMHE”), a part of Toyota Industries Corporation which deals with materials handling equipment under the brands of TOYOTA, BT, RAYMOND and CESAB. TMHE is active all over Europe and, in the last fiscal year, has reached a turnover around 2.0 billion euro and employs about 9.500 people.

TMHE combines the expertise accumulated in various logistics sites with cutting – edge ICT (e.g. (Information and Communication Technology) to offer a fleet management system that supports the establishment of efficient logistic sites for customers, in different market and countries.

For instance, in Europe, we propose the “I-Site” system, a solution based on cloud technology – offering data, analysis and ongoing advice and which allows the possibility to check the status of each truck, including the utilization rate and the battery consumption, by means of a telematics unit communication between individual machines and a central database server. The solution contributes to eliminate what we call “muda” (namely, waste) and ensures a more efficient fleet operation, supporting the reduction of the environmental impact.

But to develop smart products and to have a competitive European materials handling industry, we need to maintain and preserve that necessary flexibility which only contracts can provide and that is vital in the business relationship. Maintaining the *freedom of contract* makes it possible to adapt to a digital environment that is in constant evolution.

However and besides that, companies need to be ensured that their intellectual property rights and intangible assets are protected, not only in the “tangible” world, but also in the digital one, in order to plan secure investments in EU.

The lack of a unique and clear scenario in terms of (non-personal) data ownership and management and the different national legal and administrative requirements, create uncertainty and lack of confidentiality on how to handle the data exchanged or acquired and on the liability profile, with a direct impact on the costs borne by the companies and on the industries’ business strategy. Many materials handling companies operate at supranational level, with different production sites or operation centers. One of the main problems they face results from different rules in force in the EU Member States, which often create difficulties and extra costs during the handling and the process of data transmission and storage, especially in terms of time and administrative requirements.

All the examples mentioned are just to say that we are called to be responsible and find a way to preserve the European values, products and intangible assets and to transform our passion to innovate and to create into a *new competitive way to do business, to develop new skills, new values, new goods*. And I know that the materials handling industry can be supportive of this evolution, but in order to do this, we need to have the support of our Institutions, looking for a fertile ground where smart and innovative factories may create smart products, contributing to the *Europe’s economic growth*.