

Results of a survey on data utilisation and security

Some of the results of the Survey on Data Utilisation and Security conducted in April 2022 by the Center for International Economic Collaboration (CFIEC) are introduced in this paper.

1. Survey overview

- Survey target countries: Japan, United States, Singapore, the Philippines, India, Australia, China, Thailand, Indonesia, Taiwan, Malaysia, Vietnam, Belgium (13 countries/regions in total; *notation of “regions” is omitted below).

- Survey period: 31 March (Thursday) – 27 April (Wednesday), 2022 *conducted sequentially by shifting the period of each country.

- Number of responses collected: 100 per country by category (400 in total).

[Consumers] Two groups of consumers from each country were separately surveyed in a question group asking about their sense of security and another enquiring about their opinions on the free flow of data.

[Businesspersons] Two groups of businesspersons from each country were separately surveyed in a question group asking about their sense of security and another enquiring about their opinions about the free flow of data.

- Question content: The two question groups of “security” and “free flow of data” were conducted for the two groups of “consumers” and “businesspersons,” leading to a total of four question groups. Each question group consisted of a maximum of 33 questions, which included questions about respondents’ attributes, awareness of security, awareness of trust, status of cross-border transfer of data, awareness of data usage, and so on (survey companies in each country were in charge of sampling).

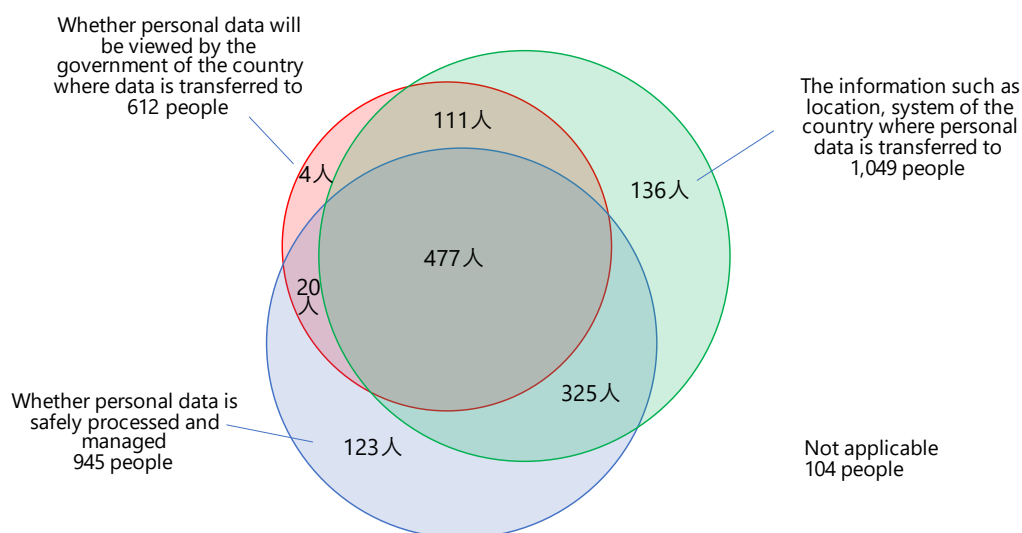
2. Analysis of survey results

2.1 Unexpectedly high concern towards cross-border transfers (concerns shared by many consumers about where data is provided).

In the questions, thoughts on several typical cross-border data transfers were shown to the consumers in each country. We requested that the respondents provide answers for items with which they agreed, allowing for duplication.

CONSUMER•DFFT edition (For Consumers)

Concerns on matters relating to personal data transfer



Source : CFIEC "Survey on Data Utilization and Security" (April 2022)

Of the 1,300 respondents from 13 countries, 1,049 said that they were concerned about cross-border transfers, including the location and system of the transfer destination (location of transfer destination, legal system of transfer destination, handling at transfer destination). Nearly half (612) said that they were concerned about whether their information would be viewed by the government of the transfer destination (government access system/situation). Even consumers were concerned about foreign governments accessing their personal information.

Interestingly, 477 people, more than one-third of all respondents, expressed concern about all three concerns in the above figure. Since respondents who chose one of these three points were roughly close to the total number of respondents, the direction of concerns about data as seen by consumers was generally the same, regardless of the country.

In other words, the shared concerns about the location and legal system, safety management, and

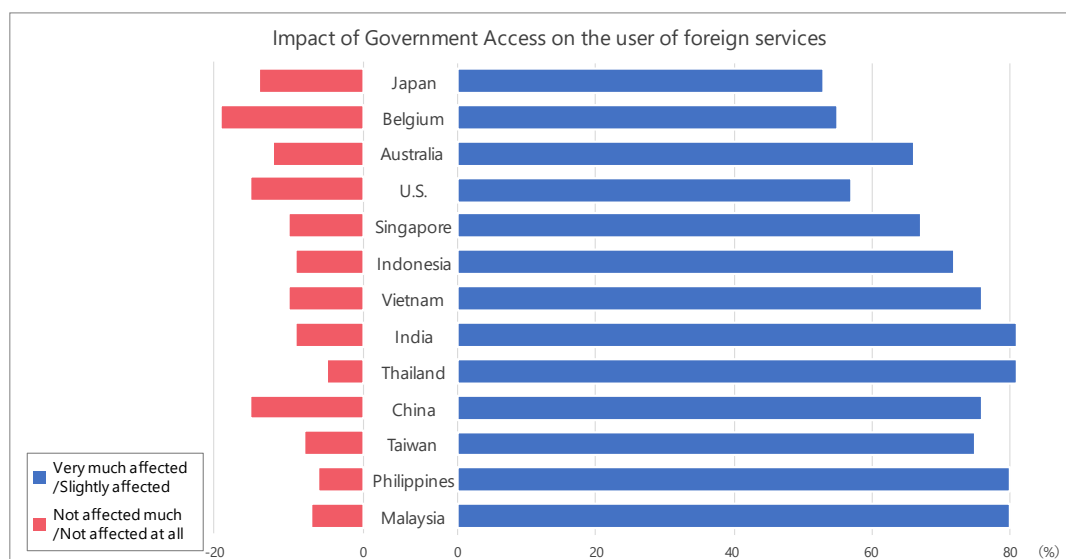
government access of the transfer destination suggest that these will become bigger issues in this region, where data utilisation will become more widespread in the future.

2.2. Over half of the consumers are concerned about government access, regardless of their countries.

We asked consumers from each country whether potential access to their data by foreign governments would affect their decisions when using online services and products located in foreign countries.

CONSUMER•DFFT edition (For Consumers)

Impact of Government Access to Data



Source : CFIEC "Survey on Data Utilization and Security" (April 2022)

Across all 13 countries, 71% of respondents said that they were either “extremely concerned” or “somewhat concerned.” Examining by country, over half of the respondents selected “concerned” even in Japan, where the number was the lowest. Comparing by country, nearly 80% of the people were concerned about this issue in India, Thailand, the Philippines, and Malaysia, followed by Vietnam, China, and Taiwan. Thus, over half of the respondents in each country expressed concern.

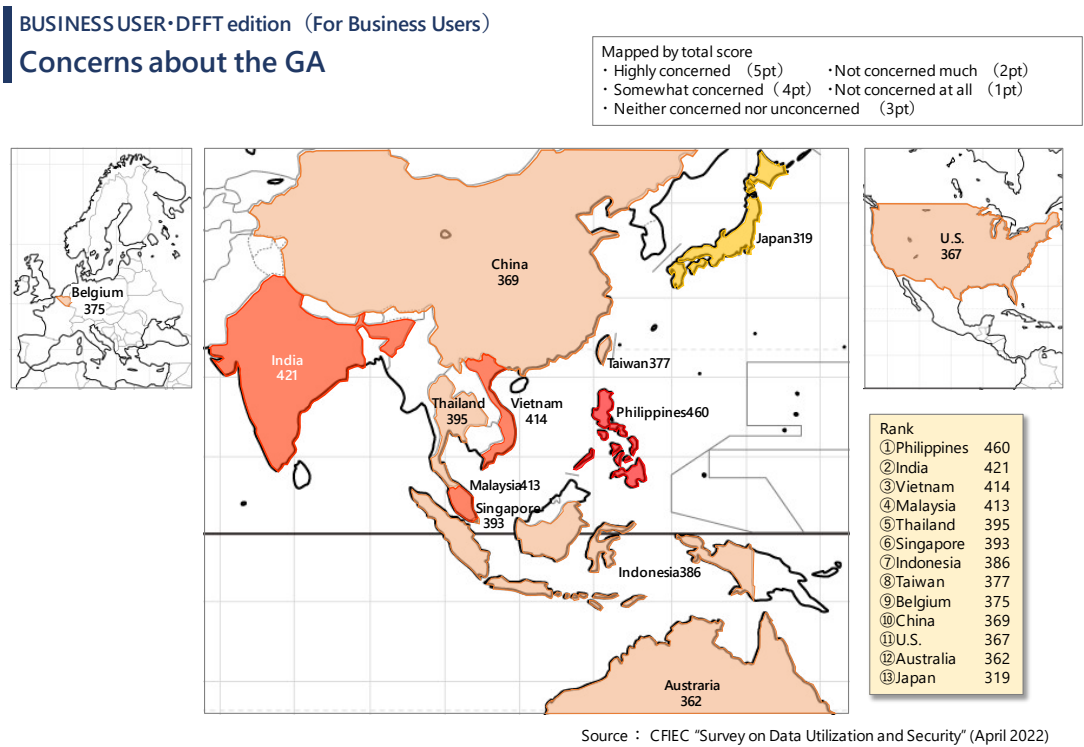
Belgium chose “no impact” at nearly 20%, followed by China. We selected Belgium for the survey because it is believed to represent the EU. There are cases in the EU where the judicial system of other countries within the EU differs from that of the country of residence, and there are also cases where the autonomy of local governments is strongly recognised; hence, the concept of “foreign country”

may be slightly different in the EU.

Although concerns regarding government access were confirmed in all the countries, Japan demonstrated the weakest response. If we look at this lack of a strong response in a positive light, the respondents may expect the government and service providers to monitor the data flow to a certain extent so that their personal information does not leak overseas; they have a certain degree of trust in those entities. Alternatively, it is possible that they had little experience with incidents involving actual harm and had not developed a sense of danger regarding the topic.

2.3. Businesspersons had the same concerns regarding government access that consumers did

We asked businesspersons about the degree to which they had concerns about governments, **regardless of it being the governments of their own countries or a foreign country**, with warrants, court orders, subpoenas, or other legal requests in order to attempt to access customer data through providers of online services and products (e.g., email providers).



By country, the Philippines, India, Vietnam, and Malaysia had a high number of responses that indicated concern. This trend is generally consistent with countries where consumer concerns were

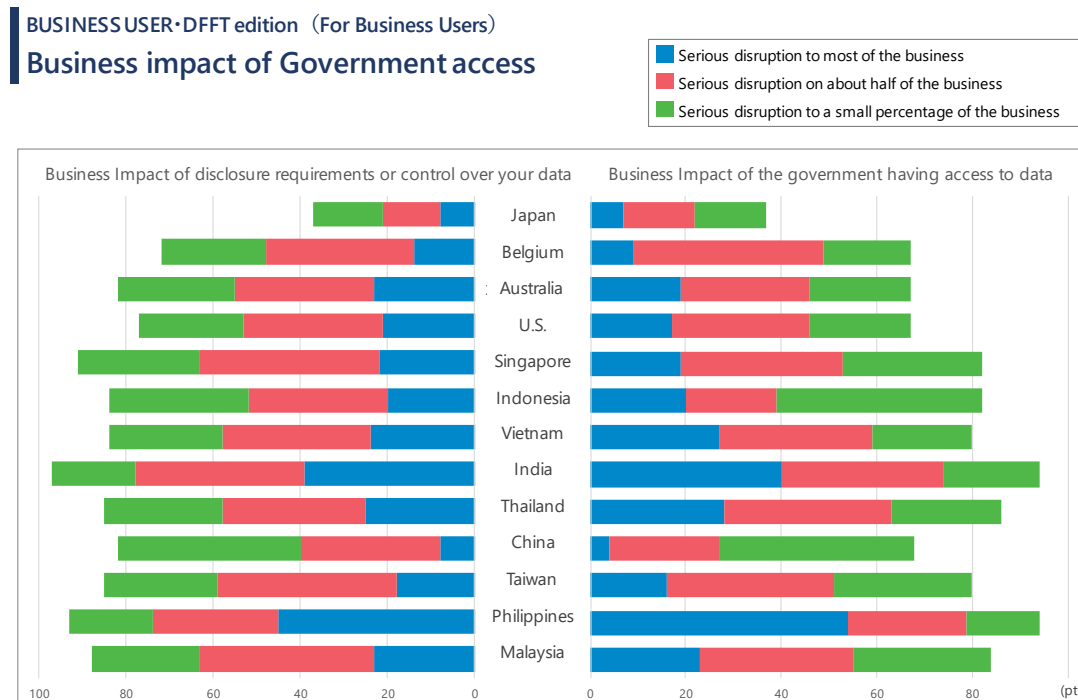
strong.

As with consumers, Japan had the lowest number, with 15 people responding that they had no concerns. Hence, they may maintain a weak response owing to a minimal sense of danger about the topic, as was the case with consumers. In China, where government access to private data is a concern, the concern is not as high as it is for consumers. This likely indicates differences in feelings regarding one's data as an individual and feelings towards maintaining others' data as a business.

2.4. 79% of businesses are severely affected by government access in terms of their transactions.

The left side of the graph shows the results of a question regarding the impact on a business if the government of the country where the business is located or the government of the country where the business operates increases the business's disclosure requirements or excessively strengthens its control over the data.

The right side of the graph shows the result of a question that enquired how much the possibility of government access to business data will affect domestic and foreign transactions.



Source : CFIEC "Survey on Data Utilization and Security" (April 2022)

For both questions, over 60% of respondents in all countries except Japan answered that at least a small percentage of their businesses would be severely disrupted; across all countries, 79% of all respondents indicated that they would be impacted by government access¹.

Particularly in Singapore, the Philippines, India, Thailand, Indonesia, Taiwan, Malaysia, and Vietnam, over 80% responded to both questions that there would be some kind of severe impact on their business. In the Philippines, India, and Thailand, many respondents said that most transactions would be severely affected.

In China, the proportion of those who answered that most of their transactions would be severely impacted from among those who answered that there would be a disruption, was low; it may be said that they are already immune to such a disruption.

* * * * *

The above statistics project the unique aspects of Japan.

According to Section 2.2, over 50% of Japanese consumers responded that the possibility of a foreign government having access to their data affects their decisions when using online services located in foreign countries. According to sections 2.3 and 2.4, businesspersons in Japan have extremely low concerns and impacts regarding government access compared to businesspersons in other countries. Japanese businesspersons should be more sensitive to risk.

¹ This question also had the option “almost no impact,” and the graph shows the number of all other responses, that is, the number of responses that responded that at least a small percentage of their business would be severely impacted. When taking all respondents as the denominator and totalling all 13 countries, the average of the questions on the left side of the graph was 81%, that of the questions on the right side of the graph was 76%, and that of these values was used to calculate the value of 79%.