



Key AmChams in the Indo-Pacific Region
Digital Trade Recommendations
Comments to the Office of the US Trade Representative
Fair and Resilient Trade Pillar of the Indo-Pacific Economic Framework

Key American Chambers of Commerce (“AmChams”) located in the Indo-Pacific welcome and support the Biden Administration’s proposal of an Indo-Pacific Economic Framework (IPEF). This region is where the future of the digital economy will be determined. In looking to build a strong cooperation framework that is relevant for the 21st century, it is essential that the IPEF include strong digital trade rules and standards which would facilitate the growth of digital trade and commerce between the US and the Asia-Pacific region.

Supporting this statement are the AmChams in Indonesia, Malaysia, New Zealand, the Philippines, Singapore, and Vietnam.

Collectively, we call on the US to play a leadership role in shaping the digital trade landscape. The US should build on the digital trade rules in the US-Mexico-Canada FTA (USMCA), the US-Japan Digital Trade Agreement, as well as the Singapore-Australia Digital Economy Agreement in considering IPEF digital trade disciplines. For US business operations, these rules and standards are particularly important and pertinent to include in the IPEF in promoting open digital markets, facilitating digital trade, and promoting trust in the digital economy.

Promoting open digital markets

The IPEF should promote open digital markets, including the ability to transfer and access data across borders which is critical to all economic sectors. When data flows are restricted, exporters and other stakeholders are hurt. Core principles such as non-discrimination should be applied to digital trade and digital products. Recommended provisions:

- Prohibiting digital customs duties
- Ensuring non-discriminatory treatment of digital products
- Prohibiting forced data localization
- Enabling cross-border data flows
- Banning forced tech transfers and forced disclosure of source code and algorithms
- Ensuring technology choice
- Promoting a free and open internet

Facilitating digital trade

The IPEF should promote rules and initiatives that make it easier to conduct digital trade across borders. This includes a range of measures including the adoption of digital signatures, e-invoicing to help make trade and customs processes more transparent and efficient, and encouraging the development of interoperable e-payments systems. Recommended provisions:

- Enabling paperless trade
- Permitting the use of electronic authentication, e-signatures and e-invoicing
- Logistics and express shipments
- Promoting the development of interoperable e-payments systems
- Prohibiting spam

Promoting trust in the digital economy

Trust is fundamental to the growth and development of the digital economy and cross-border digital transactions. IPEF should promote cooperation on privacy, cybersecurity, and trust in data flows, while ensuring that businesses can transfer data across borders through interoperable data transfer mechanisms. IPEF should also promote measures that help to create a safe online environment for digital transactions and trade. At the same time, IPEF should also set guardrails around digital regulation which is used as a guise for protectionism or censorship and access to private data held by companies and individuals. Recommended provisions:

- Promoting the protection of personal information in digital trade, ensuring that information is transferred across borders consistent with strong privacy principles
- Promoting interoperable cross-border data transfer mechanisms such as the APEC Cross-Border Privacy Rules
- Promoting cybersecurity cooperation
- Ensuring that content removal measures are reasonable and tailored to the objective of promoting online safety
- Promoting online consumer protection

Promoting inclusive trade

IPEF should ensure that digital technologies are utilized to bring the traditionally marginalized groups including small businesses, women, minorities, and rural communities into global trade. IPEF should focus on expanding access to technology so that these communities can participate in and benefit from being plugged into global value chains and the global marketplace. Recommendations:

- Recognizing digital inclusion as a driver of economic and social development and enabling access to digital tools and technologies for all
- Enabling SME access and participation in digital trade by removing need for local presence
- Enabling greater access to public government data, especially for SMEs
- Increasing access to retraining, workforce development and digital skills
- Cooperation on digital capacity building

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