



**Indo-Pacific Economic Framework for Prosperity
Joint Services Industry Statement for the February 2023 Negotiating Round
8-11 February, New Delhi, India**

We, the Coalition of Services Industries (CSI) and the Australian Services Roundtable (ASR), express our strong support for the negotiating process for the Indo-Pacific Economic Framework for Prosperity (IPEF) our hope that the New Delhi special negotiating round on Pillars 2, 3 and 4 is productive and achieves substantive progress.

IPEF has an ambitious agenda, linking major emerging economies to tackle 21st century challenges, all while advancing trade that is both inclusive and sustainable. Although India is not participating in the Pillar 1 negotiations on Trade, there are some significant synergies across all the 4 Pillars with respect to the digital transformation. We consider that high standard digital rules should be a key thread woven through all pillars of the IPEF to help ensure a resilient trading future that benefit all, within and across our region.

We strongly support the fundamental goal of IPEF to promote inclusive economic growth. The promotion of digital tools and digital skilling are extremely important to that goal. We commend Commerce and USTR for the launch of the IPEF Upskilling Initiative, a public-private endeavor to provide over 7 million women and girls across the IPEF region with access to training and education in digital skills. We encourage Commerce and USTR to continue to work with the private sector on digital inclusion efforts and in the Indo-Pacific region as a whole.

For IPEF participants to reap the full benefits of the digital transformation, they should ensure that all people and businesses are able to participate in and contribute to the digital economy. The IPEF should be a vehicle to encourage and cooperate on matters relating to digital inclusion and should contain provisions that ensure minority- and women-owned businesses have access to the networks and digital tools as well as the training to use such tools to enable them to become digital merchants. Provisions in recent digital agreements, such as the DEPA, emphasize that the benefits from digital trade should be equitably shared throughout the population of each of the parties, regardless of race, gender, or socioeconomic status. IPEF partners can also promote greater digital inclusion by committing to join and fully implementing the WTO Information Technology Agreement to promote the accessibility of ICT products and the digitally enabled services they support to all. Domestic regulatory settings for the services sector should be conducive to digital innovation and in keeping with the principles enshrined in the WTO Reference Paper on Services Domestic Regulation.

High standard digital rules will support IPEF's objective of increasing supply chain resiliency. For example, international standards play a central role in digitalizing the supply chain, which in turn enhances the scope, speed and scale of digital delivery of services. Digitalizing global value chains requires the adoption of multiple standards in a widespread and consistent manner across trading partners, including those related to e-payments, e-invoicing, QR codes, cross-border logistics and last mile delivery, wireless communication, digital identities, cross-border data flows and data portability. This is particularly critical for emerging technologies built on Big Data and AI. Increasingly sophisticated artificial intelligence (AI) technologies, such as advanced analytics-based forecasting, digital-twin supply-chain simulations, and

supply-chain optimization tools, increase supply chain resiliency by helping companies monitor and predict changes and mitigate risk. Further, ubiquitous adoption of 5G technologies requires adoption of common 5G standards to ensure compatibility across jurisdictions. Aligning 5G standards can reduce infrastructure costs and lower the barriers to data-intensive information exchange for digital delivery of services.

We strongly support the goal of IPEF to make trade more sustainable. High standard services and digital rules will facilitate cross-border access to the digitally enabled services that support sustainability efforts such as decarbonization of operations and green energy transitions. Free and fair services trade, and provisions that guarantee the flow of cross-border data, are necessary to drive sustainability-related research, innovation, knowledge-sharing, and decision-making, using digitally-enabled services to absorb, analyze, and forecast based on sustainability data. We note that several services sectors are critical to addressing climate risks at home and abroad, including the insurance sector, which not only underwrites risks and supports economic recovery after climate events, but also helps mitigate risks before events and significantly invests in modeling that helps our societies understand climate risks.

The IPEF should include commitments to promote a regulatory framework that will allow IPEF companies to reach renewable energy goals. Examples of commitments that can be included under Pillar 3 are:

- Open access to energy markets for renewable electricity suppliers, consumers, and corporate buyers and link those markets across borders;
- Removal of regulatory barriers to privately built and operated renewable energy projects and foreign investments in renewable energy;
- Increasing consumer options for sourcing renewable energy beyond the existing grid mix;
- Alignment of voluntary and mandatory energy efficiency requirements for technology products to prevent barriers to trade and reduce energy consumption;
- Promotion of common accounting tools to track renewable energy such as renewable energy certificates (REC) or other similar instruments; and
- Facilitating trade for IPEF insurers and reinsurers, recognizing the critical role they play in disaster recovery and climate risk mitigation.

As Commerce works with IPEF partners to develop provisions and cooperation to mitigate and prevent future supply chain disruptions, to advance cooperation on clean energy and climate-friendly technologies, and to innovate and strengthen shared approaches to implementing competition, anticorruption and tax measures, digital technologies and services should be instrumental. In order for the full potential for IPEF to be realized, digital and services opportunities should be considered for every pillar. Our members stand ready to work with all IPEF governments and all stakeholders towards shared prosperity in the Indo-Pacific region.