



CSI Statement on Indo-Pacific Economic Framework Pillar I

Washington, D.C. (November 21, 2023) — *The Coalition of Services Industries (CSI) issued the following statement:*

Said CSI President Christine Bliss, “From IPEF’s onset, CSI believed that IPEF should be a binding trade agreement with high standard disciplines and market access commitments including on services, financial services and digital, to reflect the multifaceted importance of the region and the need to create new opportunities for Americans, especially small businesses and workers.

“As IPEF evolved into a cooperative regional framework rather than a traditional binding trade agreement that excluded disciplines and market access commitments on services and financial services, we nonetheless hoped that IPEF Pillar I would produce commercially meaningful high standard, binding digital disciplines. Deepening commercial ties with the Indo-Pacific region is critically important to US services, which are increasingly digitally delivered and a key enabler of Indo-Pacific trade in all sectors. In 2020 alone, the value of US services exports to the Asia-Pacific region was \$182 billion, of which \$124 billion were digitally enabled services. These digitally delivered services are supporting economic sectors across the economic spectrum from manufacturing, to agriculture, combatting climate change to supporting global supply chains.

“We remain concerned about the lack of adequate consultation with Congress and all interested stakeholders, particularly in light of the recent US retrenchment on longstanding bipartisan positions on cross border data flows, data localization, source code and non-discriminatory treatment of digital products in the WTO e-commerce JSI. Moreover, we have yet to see any positive developments regarding the US decision to pause IPEF negotiations on core digital provisions. These twin developments are a serious blow to achieving the important benefits that can be advanced through the growth of the digital economy, including expanding job opportunities, greater inclusion, promoting democratic values, and pushing back against measures imposed by authoritarian regimes.

“To achieve these objectives and provide commercially meaningful results, Pillar I must provide high standard digital disciplines, including core disciplines on cross-border data flows, data localization, a prohibition on mandatory transfer of source code and non-discriminatory treatment of digital products, disciplines on digitally-enabled services standards, and electronic payment services. Along with Pillars II, III, and IV, Pillar I should lay the foundation for negotiation of a binding, high standard regional trade agreement.”

CSI is the leading U.S. industry association devoted to promoting the trade policy priorities of the U.S. services sector on services and digital issues. Our members include companies that provide financial services, information and communication technology services, telecom services, express delivery and logistics, media and entertainment, distribution, and professional services to all sectors of the economy, including manufacturing and agriculture. CSI members include manufacturers of consumer electronics, telecommunications equipment and health and nutrition products. Our members operate in all 50 states and in nearly 200 countries, representing both large and small firms. CSI also works with counterpart organizations around the globe as co-chair of the Global Services Coalition and the Asia Pacific Services Coalition.