Australia-India Economic Cooperation and Trade Agreement Submission 11



Committee Secretary
Joint Standing Committee on Treaties
PO Box 6021
Parliament House
Canberra ACT 2600

Via email: <u>isct@aph.gov.au</u>

Dear Committee Secretary,

RE: AUSTRALIA-INDIA ECONOMIC COOPERATION AND TRADE AGREEMENT

Background

Amazon Web Services (AWS) is the world's most comprehensive and broadly adopted cloud platform. AWS launched in Australia in 2011 and opened its Sydney Region in 2012. In the past decade, Amazon including AWS has invested AUD \$5.3 billion in local infrastructure and jobs across Australia. Our investment includes a workforce of more than 5,000, including 1,000 employees joining in the past year. These roles include high value AWS jobs such as machine learning scientists, sales and solutions architects, and data centre operators. In late 2020, we announced a second Australia AWS Region in Melbourne, which will offer our Australian customers a second onshore option when choosing where their data and workloads are hosted. This means they can run full primary and secondary sites that are geographically separated but still within the borders.

Amazon has announced investment in three renewable energy projects in Australia as part of our commitment to being 100% powered by renewable energy by 2025. Further projects in Australia are in final stages of consideration. Amazon's committed investment currently exceeds AUD\$200m. Two of the three announced projects are now operational and will generate 717,000 MWh of renewable energy annually, the equivalent to the annual electricity of almost 115,000 average Australian homes.

AWS has trained more than 200,000 people across Australia with digital and cloud skills since 2017.

Comments

AWS congratulates the Australian Government for signing the Australia-India Economic Cooperation and Trade Agreement (ECTA) on 2 April 2022. This agreement continues Australia's excellent track record of raising the bar in international trade policy. As key economies in the Indo-Pacific and core members of the Indo-Pacific Economic Framework (IPEF), ECTA will deepen bilateral economic links and anchor Australia and India as an integral part of the regional economic architecture.

We note that ECTA is intended to be an "early harvest" agreement in advance of a Comprehensive Economic Cooperation Agreement (CECA) between Australia and India. We welcome the progress achieved on tariff elimination and meaningful commitments for cross-border trade in services under ECTA. This will unlock new opportunities and improve regulatory certainty for Australian companies doing business in India. In this regard, we believe ECTA provides a good stepping stone for even fuller trade liberalization between both countries under the future CECA.

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In particular, we believe that high standard digital trade provisions should be included in the future CECA. The CECA should include strong, binding commitments that promote trusted cross-border data flows and prohibit data localization. These are key commitments that underpin the digital economy and promote the competitiveness of Australian businesses engaged in digital trade, especially SMEs, as they do not have to duplicate data storage and processing resources to access the Indian market. The CECA should also include commitments that advocate for interoperability of personal information protection regimes and risk-based approaches to cybersecurity, and strong prohibitions on forced disclosure of software source code and customs duties on electronic transmissions. These protections and commitments will enhance the ability of Australian businesses to effectively participate in digital trade with India, by lowering costs and compliance burden.

We also believe that it would be important to include high standard government procurement provisions in the future CECA. Australia is already a key and active member of the Government Procurement Agreement (GPA) at the World Trade Organization (WTO) which has unlocked the global government procurement market worth A\$2.5 trillion annually for Australian businesses. We note that India is not currently party to the GPA. The CECA should replicate binding commitments in the GPA on non-discrimination, transparency and procedural fairness, alongside meaningful market access commitments. This will unlock new market access opportunities, reduce regulatory uncertainty and ensure a level playing field for Australian businesses participating in the Indian procurement market.

In summary, AWS strongly supports the ECTA and recommends that the Joint Standing Committee on Treaties support its ratification. Once in place, it will provide a good foundation for an ambitious and forward-leaning CECA.

AWS looks forward to further collaboration and dialogue with the Australian Government as it continues to exercise leadership in the Indo-Pacific region, and globally, to advance international rule making for digital trade. If you require any clarification or further information in respect of this submission, please let me know.

Yours sincerely,

Roger Somerville

Head of Public Policy, Australia and New Zealand Amazon Web Services