

Google Australia Pty Ltd  
Level 5, 48 Pirrama Road  
Pyrmont NSW 2009



Tel: 02 9374-4000  
Fax: 02 9374-4001  
www.google.com.au

## **Submission to the Joint Standing Committee on Treaties: Australia-Singapore Digital Economy Agreement**

We are grateful for the opportunity to provide this contribution to the inquiry into the Australia-Singapore Digital Economy Agreement (DEA).

The DEA sends a strong signal to companies investing in the Indo-Pacific region that Australia's Government is serious about encouraging digital investment and working with regional partners to increase digital trade.

The COVID-19 pandemic has underscored the importance of digital connectivity and accelerated existing trends driving the digitisation of the global economy. Amid physical distancing measures, digital tools have been a lifeline for many, including [small Australian businesses](#), to keep their businesses running and to reach out to customers. Cross-border digital services trade such as video conferencing and telehealth services have also seen a tremendous uptick, allowing Australians to remain connected with the world despite the curtailment of travel.

Digital trade agreements like the DEA will help Australian businesses seize the opportunities brought about by the increasing digitisation of commerce and trade. By providing a facilitative framework for Australian companies to go digital and go global, the DEA can help unleash new drivers of economic growth and jobs, and strengthen the resilience of the Australian economy to withstand future shocks. To maximise opportunities for Australian businesses to grow and thrive, Australia would benefit from maintaining its progress towards an open digital economy that is integrated with the world.

The DEA with Singapore is a sensible step forward. Australia has long been a net importer of capital, and flourished as a globalised, export oriented economy. Singapore is a like-minded partner, major Indo-Pacific business node and key gateway to Southeast Asia's [\\$100 billion digital economy](#). The DEA will help integrate the two digital economies, reduce trade friction and increase regulatory certainty.

Critically, the DEA recognizes that to facilitate and grow digital trade, data which underpin the modern economy must be allowed to flow freely across borders. We applaud the firm commitments in the DEA to allow cross-border data flows for business purposes, including for financial data, and to prohibit forced data localisation. This will provide investment certainty for companies with operations both in Australia and Singapore, and also accord Australian business leveraging cloud computing with greater choice and flexibility regarding the business data used in their regional operations. Australia's thriving financial services sector will also stand to benefit, as the facilitation of cross-border data flows will open up new opportunities for them to expand and serve customers across the Indo-Pacific region through Singapore.

Australian exporters and innovators are already strong participants in cross-border digital trade. Australian content creators, for example, use digital platforms like YouTube to reach global audiences. Australia also ranks 2nd among 10 leading Indo-Pacific countries in the number of paid apps developed by Australians downloaded from abroad.

But there is potential for further growth. The [Export Council of Australia](#) projects that Australian digital exports will grow by 210% and enable \$192 billion of economic value in the domestic economy by 2030. The DEA will help unlock this potential, including through commitments on source code protection to protect the intellectual property of Australian digital innovators, and cooperation on establishing common digital trade standards.

Finally, the DEA is a strong reflection and outcome of the Australian Government's active leadership in promoting digital trade rules and standards. It is an ambitious agreement which sets new digital trade benchmarks in the Indo-Pacific region. It also serves as a solid template which Australia can advance through its leading position in the World Trade Organization (WTO) negotiations on global digital trade rules and in other international and regional fora.

In the face of an uncertain global economic environment and protectionist trends, the DEA is a welcome demonstration of Australia's commitment to digital trade liberalisation and openness. This will set Australia apart and position it well to benefit from the opportunities that the ongoing digitisation of the global economy will bring.

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