

# US tech firms flag 20 policy barriers in trade with India

Say *aatmanirbhar* push shouldn't lead to discriminatory norms

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The Washington-based Computer & Communications Industry Association (CCIA), which has Google, Uber, Meta, Amazon, amongst others, as its members, has identified 20 policy barriers to US-India digital trade.

These include the amendment to the IT Act, which imposes additional requirements under the Intermediary Rules (2021), the Content Moderation Act, the equalisation levy,



and the proposed Telecom bill.

In its note on 'Key Threats to Digital Trade 2023', which was prepared for its members a few months ago, the CCIA says the definition of 'telecommunication services' under the draft telecom Bill is a "first of its kind global licensing for digital firms that will undermine digital security and freedom of expression".

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The CCI, whose members together employ 1 million workers and generate \$540 billion in revenues annually, says the Bill redefines “telecommunication services” to include a wide range of internet-enabled services that bear little resemblance to the telephony and broadband services previously governed by the regulatory regime.

It believes that “India’s protectionist posture towards US digital services providers” has intensified as the country pursues its *aatmanirbhar* economic strategy, and has urged that the country’s move to achieve self-reliance “should not lead to discriminatory regulation or practices against US companies”.

Based on the CCI’s estimates, despite the growth potential of the online services market in India, the US ran a deficit of \$27 billion in trade in digital services with India till 2020.

The concerns raised by the association comes against the backdrop of the Indian and the US national security advisors attempting to drive the initiative on Critical and Emerging Technologies (iCET) Dialogues for greater cooperation in such technologies as artificial intel-

## AREAS OF CONCERN

- ▶ Curbs on cross-border data flows and data and infrastructure localisation mandates
- ▶ Draft e-commerce policy and other roadblocks to telecom draft Bill and proposed e-commerce rules
- ▶ Govt-related restrictions on internet content, related access
- ▶ Backdoor access to secure entry on technologies and cyber security regulations
- ▶ Restrictions on Cloud services
- ▶ Taxation of digital services

ligence, telecom, defence, and so on.

Importantly, Prime Minister Narendra Modi, who is visiting the US from June 20, is slated to meet not only US President Joe Biden, but also the chief executives of top tech companies. Technology cooperation is expected to be a key area of discussion.

The CCI has also raised concerns over the recommendation of an Indian parliamentary panel to adopt a Digital Competition Act in line with the European Digital Markets Act (DMA) for “systematically important digital intermediaries”. The association says the proposed Act appears to be largely targeted at US companies in the same manner as the DMA is in the European Union.

Moreover, it has expressed its reservations on the geospatial guidelines that India announced in 2021, pointing out that they prevent foreign companies, including those from the US, from entering into meaningful partnerships with Indian firms and building innovative technologies. These guidelines seem to give preferential treatment to Indian companies, and recommend different requirements and usage controls for foreign and Indian companies.

The association has also taken a strong stand over the Competition Commission of India ruling, especially in the case of Google’s android system and Google Play Store functions in India, stating that the anti-trust laws are being used to follow a protectionist industrial policy.