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“Panel 2 – Indo-Pacific Economic Recovery: Digital”

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FEATURING
Ambassador Sarah Bianchi
Deputy United States Trade Representative

Ambassador Ashok Mirpuri
Ambassador to the United States, Republic of Singapore

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Matthew
Goodman:

OK. If that's working. Can you – can folks hear me online? I know you can hear me in the room, but I just want to make sure that the mic is working online. OK. All right.

OK. Well, welcome back. I'm Matthew Goodman. I am senior vice president here at CSIS and I run the Economics Program and delighted to be hosting this panel on economics and business in the Indo-Pacific. As is the wont of the economics world, we're always the last panel of the day. But in this case – (laughter) – you're going to be – get your money's worth. This is going to be a terrific panel for three reasons.

One, because, as Kurt Campbell said, everyone in this room knows and everyone online watching knows that economics and trade are critical to U.S. engagement in the Indo-Pacific and so – it's top of mind for all of our partners in the region. And so it's an increasingly important subject for all of us.

Secondly, the digital economy, which is what we're going to focus on in particular here, is, obviously, hugely important. We're using the digital economy now through this platform. It's a critically important role in economic growth and recovery from the pandemic, and there have been a lot of changes over the last couple of years that I think we're going to talk about and explore here.

What there isn't is a universally or an internationally agreed set of rules and norms for the digital economy. There are bits and pieces of rules, but there's no agreed international rules. I sometimes call this the sort of – the missing fifth pillar of the global governance system after the three Bretton Woods pillars and the sort of energy and climate arrangements that started in the '70s. We're now faced with a big gap in the digital economy in rules and norms.

And then – and then, finally, the reason this is going to be a terrific panel is we've got just a first-class group of panelists, really. This is about the best I've ever had the privilege of moderating, and also the first time in two years plus that I've been able to be up on stage. So I'm delighted to be here. And so, without further ado, I'm going to just quickly go down the line and introduce literally kind of by title, because I think most of these – all of these folks are well-known to this audience.

So immediately to my left, your right, is Ambassador Sarah Bianchi, who is deputy U.S. trade representative responsible for Asia and a number of sectoral functional issues as well. Delighted to have you with us, Ambassador Bianchi.

Ambassador Ashok Mirpuri – again, very well-known to a CSIS audience – is ambassador to the United States from the Republic of Singapore. He's been here for a decade now, which is sort of in the want of Singaporean ambassadors. And we're delighted – you're not quite the dean yet, are you?

Ambassador
Ashok Mirpuri:

Not yet.

Mr. Goodman:

Not yet, OK. (Laughter.) A little bit – a little bit longer. That won't be long.

And then, finally, last but not least is Ambassador Karan Bhatia, who is vice president for government affairs and public policy at a small company called Google. And Karan, as many people know, was in Sarah's position in the George W. Bush administration, among other distinguished government service that he has done.

So we've got just a powerhouse panel here. And I'm going to really just do kind of two things here in the end. We're going to sort of try and compress, because there's not a lot of time. So the first round – I just want to – before we get into the digital issues, I just want to talk, since we're the economics group, a little bit about the economic effects of the pandemic and how we're coming out of that. So I want to actually start with Ambassador Mirpuri because you're representing a country on the ground in the region. How has COVID-19 affected Singapore's economy and maybe more broadly the Southeast Asian region? How has your government responded? And what lessons have you sort of learned from this experience in terms of economic policy?

Amb. Mirpuri:

Well, thank you, Matt, and thank you for inviting me back for an in-person thing. I don't have to unmute myself. I'm just here all the time – (laughter) – which is very good to have people – fresh faces looking at you.

I think that, you know, like every country in the world that was impacted by the pandemic, Southeast Asian countries including Singapore went through a very difficult phase. We are slowly coming back out of it. I think 1st April in many ways marked sort of mini-bang in Southeast Asia – I wouldn't call it a big bang – as countries started to open up. Travel has resumed in the region.

And I think the key differentiating factor of the two years of the pandemic is what did you do during those two years. Obviously, you had to deal with health. You had to get people vaccinated. You did all the social distancing. But what other adjustments did you use that time for to prepare for the future? And the earlier panel was really about the new normal. Yes, we are normal, but we are new. And what did you do in that time to get your country ready?

And that's something that – you know, Singapore in many ways, we go through these ups and downs of economic cycles. We tend to use the down periods of economic cycles to prepare for the next job. So in that case, particularly since we are talking about and we will be talking about digital, we really re-looked at what we had to do to transform the Singapore economy. Make sure, first of all, we remained open. There were no controls on movement of goods. There were no sorts of export controls as goods and services moved around the region. But we also then started to transform the domestic workforce, started looking at the

technology infrastructure, opened up new opportunities for research and technology in Singapore. I think that can sometimes be the key differentiating factor, even as you are dealing with the pandemic.

And again, I heard an earlier panelist say about – speak about Singapore’s very high vaccination rates. I think that has been helpful in our population, that we were able to get the vaccine out early. There was a deep trust in the government, that people went out there and took the vaccines. There was a little bit of you can’t go out if you don’t take your vaccine as well, so that helps make sure people get their vaccines quite quickly.

But now we are starting to see the resumption of travel. Changi Airport is starting to open up. Many of you are familiar with Changi Airport. You may not – you may not have been there for a while. We are starting to see travel. In fact, Ambassador Tai is just in Singapore today and had meetings with the prime minister and various other ministers today. She was able to get in with no real difficulty.

The other thing that we used the time – this two years – on was keep a certain focus on regional integration. Again, as each country sort of hunkered down and said I’ve got to deal with COVID, I’ve got to deal with the medical and health issues, we kept that focus on regional integration. So RCEP got launched, the Regional Comprehensive Economic Partnership. CPTPP carried on. So many of these things really have to carry on in parallel as you work the health issues. How do you then come out? And I think the region is well-placed now to sort of have a fairly good 2022. Of course, the situation in Ukraine has complicated issues around supply chains and some of the energy issues, and that may slow down some of the recovery, but I think the region is ready to go.

And I think that’s where we’re starting to see some of the excitement. Later this year, again, in the region we will be hosting the G-20. Indonesia will host the G-20. Thailand will host APEC. Cambodia will host the EAS. That external engagement with the region will continue.

So I think overall it was a very difficult two years. Now countries are starting to come out as they have started to focus on what needs to be the next sort of three-to five-year program. That’s what we are focusing on. Thank you.

Mr. Goodman: Excellent. OK, well, you covered a lot of important ground, and I’ve got about 15 things I’d like to follow up with you on. (Laughter.) But we don’t have time, so I’m going to ask Ambassador Bianchi.

So from your perspective at USTR, obviously, the biggest effect of the pandemic maybe is the disruption it’s caused to trade and to supply chains. Can you talk a little bit about that and particularly how that affects your work in the Indo-Pacific over this past period? And what is the U.S. doing about this?

Sarah Bianchi: Absolutely. I think, as the ambassador said and is very clear, supply chain disruptions were a really big problem, continue to be a challenge. Obviously, the Ukraine situation is complicating that even more.

We've been very focused in this administration on supply chain challenges really from the get go, when the president issued an early executive order on supply chain resiliency. That came back with a number of focuses on – whether it was semiconductor manufacturing, large-capacity batteries, critical minerals, pharmaceuticals, all of these are critical issues and really led us to a number of recommendations, some of which – increasing public investment in R&D, modern standards. Kurt talked a lot about the Development Finance Corporation. We're really trying to do a lot of work there.

At USTR we have launched our own supply chain taskforce at the – at the request of the president, and that really looks at a number of things that we could do to strengthen supply chains going forward so we don't have this kind of disruption in the future. So, for example, things around trade facilitation, e-commerce, e-contracting, all of those kinds of things that can really help smooth the way. We have begun to talk to our partners that we have FTAs with to see if there are things we can do for facilitation – trade facilitation there, things like the Trade and Technology Council that we've launched. That's a big more a focus on the Europe side, but all of these things are really designed to strengthen capacity for the future.

I would also just highlight – and Kurt – Dr. Campbell highlighted a few of these points around some of the legislation that the administration has fought for, whether it's the Bipartisan Infrastructure Act, again, resources for semiconductor, all of these things. The CHIPS Act, I think, would help. And so I think we're really trying to take lessons learned from the pandemic and strengthen our approach for the future.

Mr. Goodman: OK. Great. Well, again, lots to talk about there. And we've certainly at CSIS – Bill Reinsch and I and others have done a lot of work on supply chains, and very interested in following up on some of that if we have time.

But let me bring Karan into the conversation. Actually, before I do that, let me just say to people online if you have questions feel free to use the – I guess the question function that's on the screen in front of you and we'll be able to hopefully get to some of those questions afterwards.

So, Karan, just as a business matter it's, obviously, been a big impact on your business. You have a big footprint in the Indo-Pacific region. Can you just talk about how that's – how the COVID experience – and maybe a little bit of Ukraine as well – how this has disrupted and changed your business itself before we get into sort of the digital governance questions that I know are interesting?

Karan Bhatia: Thanks, Matt. Again, thanks to you and CSIS for putting this on and inviting me.

Look, I mean, the last couple of years have been clearly a period of substantial turbulence in the – in the global economy, first, you know, wrought by COVID and then more recently, obviously, Ukraine. You know, there is uncertainty in the global economy and all of that. So there is – there are plenty of challenges to talk about out there – the supply chain issues that Sarah referenced as well.

But what I – what I will say is if you step back and sort of look at where the economy was, and particularly sort of the internet economy a few years ago and where we see it today and where we see it going forward – including and maybe particularly in the Southeast Asia region – there's a reason for tremendous optimism. I mean, we have seen happen in the last few years sort of a degree of development of integration of people coming online and utilizing online tools in a short period of time that, you know, would have taken many, many more years in the absence of the pandemic. So while it has been an incredible human tragedy, it has also, I think, sort of provided a bit of jet fuel to the digitalization of the – of the economy.

You know, the numbers that we – we do a study each year with Temasek and Bain, and for those of you who are interested out there you can check it out at economysea.withgoogle.com, or just google – just google it. (Laughter.) But you know, in a nutshell, I mean, some of the – some of the data is just stunning. You know, we've got 40 million new internet users in Southeast Asia last year alone. Internet penetration has now gone up to 75 percent. So a lot of positive development.

I will say that with that comes a set of opportunities and responsibilities for companies out there. So just very quickly, you know, how have we approached it as a company I think, really, is three things.

First of all, tools. We need – we need more and better tools to help support these economies and particularly the small businesses as they grow, which is one of the reasons we've doubled down in the availability of our tools for small businesses both in Southeast Asia and in the United States. And every bit of evidence we have is that those businesses that are connected do far better than those that are not. They are able to withstand shocks like the pandemic and they are able to grow. You know, they are four times as likely to export, for instance, if you are a digitally connected small business. So point one is getting them tools.

Point two is training. It's a huge focus for us because if people are not trained, they are not going to be able to take advantage of it. Our own programs have trained 50 million people since – in Southeast Asia since – or in APEC as a whole, excuse me, since 2015. More to be done there in partnership with governments, but I think that's great.

And then the last is just infrastructure. You know, there has been a lot of investment there. There's more that remains to be done – a lot of investment by private-sector companies like ours, but also by the governments as well.

Mr. Goodman: OK. Great. And I think, you know, your points about – well, I want to follow up specifically on SMEs in a second, but just to say something about the training, which is so important and something that I think American companies bring to this region and to the world that is often underestimated or not known about. And I think it's a critical part of our offering as well, so –

Mr. Bhatia: Thank you.

Mr. Goodman: – I'm glad to hear you're doing that.

OK. Let me – let me sort of now dive a little bit more into the digital story. And Ambassador Mirpuri, let me start from you because, you know, obviously, COVID-19 accelerated development, as Karan said, of the digital economy. Digitization has expanded. You know, and how has Singapore sort of navigated that transition and leveraged your digital economy to respond to COVID?

And then I've got a sort of – well, let me just throw it in now because then you can – you can answer these two things together. I mean, Singapore has been a leader in digital rulemaking and setting rules and norms through your work in trade agreements bilaterally and sort of regionally. You have – you have this Digital Economy Partnership Agreement, or DEPA, which brings you together with, for now, Singapore and Chile – there are others who are interested in joining – and which has a whole bunch of modules of work in the digital economy. So you've really done a lot there, and I'm just interested in – sort of beyond sort of how you've dealt with the digitization and deployed it, about your strategy for digital governance work as well.

Amb. Mirpuri: Well, you know, let me just cover three quick things.

First is domestically in Singapore, again. I think we were very concerned that as people went through that COVID period and had to use much more digital that there was a group of people that didn't have access to the internet, that were uncertain how to use digital tools – an older population, one less familiar with it. So we did set up a Singapore Digital Office with digital ambassadors going out, helping people in order to make sure you close the gaps. And I think that's very important to remember because we get so involved in sort of the big picture and big digital agreements. You need to, in the end, make sure that all of these help the people on the ground. So we wanted to make sure that we were able to do some of that digital transformation for our own people. So that Singapore Digital Office was one key part of how we – one of the tools that we used.

The next stage was working within ASEAN as well. And you spoke about what companies have done in the region and Google came out with this excellent report, but what Singapore has been doing particularly with the U.S., we have a U.S.-Singapore Third Country Training Program partnership that helps Singapore and U.S. trainers work in the region about what can be done in terms of digital. The key platform for that is the ASEAN Smart Cities Network, again using digital to connect people in the region to make sure – and although this was launched before COVID, we made sure that during COVID this Smart City Network can continue so that you are going into second- and third-tier cities around the region, giving training to officials – not just businesses – to make sure they understand how to deal with the new digital world.

The third one – and this is the most important, probably the most exciting part of what we've been doing with a number of partners – is digital agreements. Singapore has a free-trade agreement with the United States that was signed in 2004. In 2004 we all did not have a phone in our pockets, so it was a very different world in 2004. It's not even 20 years ago. So we – you know, we needed to complement these FTAs that we have – and Singapore has a whole range of FTAs – with digital agreements, and we have found partners across the region that are working with us.

You mentioned DEPA, the Digital Economic Partnership Agreement with New Zealand and Chile. Several other countries are now keen to join that, including China and Canada and others. So we're seeing how can we expand the Digital Economic Partnership Agreement.

We have done bilateral digital agreements. One of our most comprehensive is with Australia, which has got very detailed working groups to follow through on the digital agreement. We have done a digital agreement with the U.K. We have done one with the ROK. And even with the EU we've started discussing this digital partnership agreement.

So we think that's really – while we have these FTAs, we needed to complement it with the digital agreements that are there, but the big prize is really the U.S. How do we get the U.S. into these digital agreements? Do we do it bilaterally? Can we do it multilaterally? Because while you compliment Singapore for setting the standards, in many way(s) the standards are set here in the U.S. How do you deal with AI? How do you deal with quantum computing? What are you doing about Internet of Things?

I think we need to start building these common standards before the digital revolution gets ahead of us. And I think in this role governments have to play a very important part, and this is what Singapore is very keen to do. You know, we can talk a little bit about IPEF, and I'll leave Sarah to take up some of the elements of the IPEF, but we think that in IPEF you can have a very strong digital

component of it because that will help to build up some of the things that we are looking at across the region.

Mr. Goodman: OK. I am going to come back to Ambassador Bianchi in a second on the Indo-Pacific Economic Framework, just to spell out IPEF, and the digital part of that in a second.

But let me first let you think about that by asking, Karan, your perspective, because I know you have views about digital governance, digital rules and norms in the region. And the approach that Singapore has taken and that Ambassador Mirpuri just laid out, is that a good direction? Is it something that the U.S. ought to be part of, from your perspective?

Mr. Bhatia: Well, Singapore certainly has been a leader in this space for a while and deserves a lot of credit for that.

I mean, what I – I think what I'd say, Matt, is the last – well, we've seen this encouraging growth in terms of usage of digital technology – and by the way, not just in sort of the core internet company space, but really across sectors. I mean, it is – it is impossible to almost think of any sector today that is not in some sense a digital sector, so let's – just to define terms appropriately. At the same stage that we've seen that growth, we've also seen, I think, a really concerning explosion in the – what I would say is the number of discrete, bespoke, bifurcated rules governing digital presence, governing the internet around the world, and certainly in this region as well.

So today, if you look at it – and there are – there are groups globally that are – that are looking at this. I know USTR, obviously, just came out with its NTE report. There has been a substantial growth in the number of what are effectively trade barriers in this space. And even where they're not trade barriers, they are just – it becomes incredibly difficult to scale and capture effectively the benefits of that internet connectivity when you've got so many different regimes coming forward. And so, look, I think there has to be greater alignment around this within the region and cross-regionally between the United States and APEC.

And just to be clear, I would say this – you know, a company like Google may be one of the few companies that could actually comply with 30 or however many different regimes. We have the resources to be able to build the compliance capabilities and restructure products. It is really for the smaller/mid-size, you know, businesses for whom this becomes a – effectively, you know, sort of a barrier to entry into the marketplace altogether.

So, you know, we think of this digital space as being, OK, that's the next generation, but we still have the WTO rules, the existing rules to rely on. No, I mean, the reality is the way business happens today is if we don't reach a new set of agreements around these, because of the way that these sectors function

effectively we have lost that set of norms and rules and disciplines that sort of enable us to operate.

So we are, as you can imagine, big fans of IPEF, of anything – we would love even more ambition, but anything that is going to allow us to agree rules of the road that are going to enable business to continue to be adopted in a 21st-century manner we're supportive of.

Mr. Goodman: OK. Terrific. And you've again anticipated a question about the SME angle on this, which I just will say now – (laughs) – I agree that that's sort of a critical part of this rulemaking story, is enabling smaller companies, because big ones like you can figure it out but it's smaller ones that are going to have the most need for these sort of aligned and clear rules.

But Ambassador Bianchi, on that basis, based on what you heard from Ambassador Mirpuri and Karan and your work in this area, can you just lay out briefly the Biden administration's approach to the digital economy, to digital rulemaking and governance, particularly in the Indo-Pacific? You know, should – is the U.S. going to be mainly focused on the IPEF – the Indo-Pacific Economic Framework – component? Are you doing other things? Are you going to join DEPA? So give us a sense of your strategy.

Amb. Bianchi: Great. Well, thank you, and I agree with a lot of what has been said here about the needs and how difficult it is to have sort of a patchwork throughout the region and the world on these issues, and how companies like Google are able to work through that but that many others aren't.

And so I think our real focus in the Biden administration is to really focus on this through the Indo-Pacific Economic Framework. That's not exclusive, but particularly for this region is really our main approach. And the way we are thinking – this is an initiative that is, as many of you know, co-chaired by Secretary Raimondo and Ambassador Tai. And we at USTR lead what is called the trade pillar of this initiative, and there's other initiatives led by Commerce such as infrastructure and tax and anticorruption and other issues. But the digital really mostly resides within the trade pillar, and that is really where we are looking for some of the rules, many of which are known to – you know, in different parts of these agreements. You know, they won't be a surprise to, you know, Singapore and others that have already implemented many of them, but what we'd like to do is to have an agreement to have them throughout the region.

And they are really important issues embedded in these – in our trade pillar, whether it's consumer trust in the digital economy; access to information; facilitation of the use of digital technologies such as, again, strengthening provisions; electronic signatures; contracts and commerce; promoting a resilient and secure digital infrastructure. And so where we are right now is, you know, in conversation with our partners in the region, really engaging interest, really

explaining kind of how we'd like to think about these issues. And we are really heartened by the response because I think there is a lot of interest. And there's broader pieces to the trade pillar, but digital's certainly a core component of it. And heartened by not only counterparts like Singapore, who as was noted is a big leader on this issue, but many ASEAN countries and others. And so we're really optimistic that we can make a lot of progress.

Obviously, timing and other things; there's a lot going on in the world right now. But this is something that we are really focused on and it's a major presidential initiative. And really looking forward to getting it off the ground.

Mr. Goodman: Great.

Well, let me just follow up, if I could, with you, about the –

Amb. Bianchi: Sure.

Mr. Goodman: – about the point about interest from the region, and maybe Ambassador Mirpuri can also weigh in with a regional perspective. But you know, I think the U.S. is likely, or has traditionally in these digital undertakings, has sort of understandably sought, you know, high standards and disciplines on things like data flows and data localization –

Amb. Bianchi: Yeah.

Mr. Goodman: – or against localization requirements. That's a, you know, reasonable ask or a fairly high ask of some countries in the region. Are you hearing back that countries are willing to sort of sign on to those commitments, or are they asking for something? It's been pretty clear that the administration has not – I know that Ambassador Tai sort of answered this question a little bit differently than I think most had understood it, but I think we understood that there is not going to be an offer of greater access to the U.S. market as part of IPEF, which is the traditional thing that's sort of the offer that the U.S. makes to other countries to incentivize them to participate in these things.

Amb. Bianchi: Right.

Mr. Goodman: Are we offering other incentives? How do you sort of answer that question?

Amb. Bianchi: Sure. No, a lot of – a lot of great questions embedded in that.

I think, first of all, we've gotten a lot of enthusiasm. I think just a lot of interest in having the United States just engaging in the region in this way. And so the response has been very, you know, receptive just for that alone.

I think on the digital issues there are a lot of countries that – like Singapore, there are some that already do all of these things. There's others where it's more of a challenge. I think the way we're thinking about it now is we want to get this thing launched and see where we can get. There are a number of different pillars that countries can join and still be part of the Indo-Pacific Economic Framework even if they feel they can't do the trade pillar, so that may end up being the case in some.

We do want to offer additional incentives, again working – whether it's technical assistance, working with Development Finance Corporation, others to try to provide. But those are conversations that we will get in as we get underway, and right now what we are looking for is to have a big, inclusive launch and figure out where all these negotiation lead.

Mr. Goodman: And you're not ready to say when that launch is likely to be? I know there are a lot of – there's a question online about that as well. Everyone's interested in when it's going to happen.

Amb. Bianchi: Yeah. So we are trying to land it as soon as we can. You know, the developments in the world have made all of these issues challenging, and so I would just say weeks, not months. (Laughs.)

Mr. Goodman: OK. And just one more question about that, the negotiating format as well. Once you launch, is there going to be sort of separate streams of work in the four pillars? And within your pillar, which has a lot of sub-issues in it, is there going to be one kind of negotiation or several different conversations with different partners?

Amb. Bianchi: We're sorting a lot of that out. So, first of all, certainly a country can join one of the four pillars and not have to join the other. So that for sure is clear.

Within the trade pillar, what we're looking for is someone – if a country decides to participate in that pillar, that they do it in its entirety. And so we will have negotiations sort of based on that premise.

Mr. Goodman: OK.

Ambassador Mirpuri, you know, how do you think the region and Singapore itself thinks about the offer and ask – offer and request element of the digital agreement? Is there – is this stuff that countries in the region want in the digital economy in the IPEF – as laid out so far in IPEF? Is it that they expect something in return? How do you think people are looking at this?

Amb. Mirpuri: When the prime minister was here last week, in his public comments he made, I mean, even though the administration was very busy with the issues in Ukraine, I think he appreciated the fact that there was an opportunity to discuss about what's

happening in the region. And then, as you look back and as the PM and we looked back at, you know, what the administration has run through the Indo-Pacific Strategy through 2021 into early 2022, I think they've put in place many of the elements.

Sometimes, of course, you get delayed because of other global factors, but I think you appreciate everything this administration have done. You spoke earlier about my decadelong service over here, which means this is the third administration I'm dealing with, and administrations come in and they start onto a learning curve. This one has learnt very quickly. They have got things in place very quickly.

So there is a – there is interest and excitement. The PM spoke about two things that I think the region is looking for over the next few months. One is to get the ASEAN Summit with the president here in Washington, D.C., which Dr. Campbell spoke about earlier, as soon as that can go. And the other thing is IPEF, how important it is, because it relates to everything that we have consistently been saying, that the region wants the U.S. to engage economically with Southeast Asia. That is really what the key is. And each administration that I have worked, that, you know, successive – Singapore has worked with three successive administrations – has really been what's the economic engagement with the region and what institutions can you develop.

And I think – I credit the USTR and Commerce for being quite creative about the structure of IPEF because there's sufficient flexibility across the pillars and countries can see where they can come in. And once it gets launched and you do start the negotiations, I think it will start to build up, you know, the habits of negotiation and confidence-building across the way. It's not – it's not ready set as you start. But I think as you – as you start, people want to engage with it, and we are seeing quite a significant amount of interest across the region not just in Southeast Asia but also outside Southeast Asia, in the digital pillars but the other things. I mean, everyone's talking about supply chains over the past two years. The sort of – again, the decarbonization agenda, which is worked into IPEF as well, again, the PM did speak about that because the region has to deal with the issue of climate change and decarbonization. I know there's a panel tomorrow about that so I don't want to get ahead of that conversation, but I think it's something that we really also have to understand. And using that digital, the whole decarbonization, there are – there is so much to be done with the region.

So I think there is interest. Countries will find that they may be more interested in the energy decarbonization conversation at this stage than they are in the digital stage. But by putting it all there, that flexibility that the administration has brought into the conversation, I think that's very creative. And then we'll see where it goes from there.

Yes, you can always say the standards – the offerings are not high enough, the incentives are not good enough, but we're really at that very early stage of the process. I'd see it at the end. Where do – how quickly can we get to the end? What more do we need to do? Let's have it going as soon as we can and then start into the real work in the process.

Mr. Goodman: OK. Just by the way, to clarify for folks, we're going to go to noon, 10 minutes after the original end time, just because we were running a little behind. So we've got about seven or eight more minutes.

And I'm about to turn to ask for questions from the audience or online, but first let me ask Karan essentially about the same set of issues – about IPEF and whether you think that's going to advance the ball on digital governance in a significant way. Is it enough? Do you – and as a former negotiator, you know, do you think we're going to incentivize countries to participate in this, given that we're going to be asking for a fair amount here? Is there something else we ought to be putting on the table? Is there a better approach, actually? That's another question.

Mr. Bhatia: Yeah. I mean, I don't know that there's a better approach. You know, to your question of is it actually going to kind of do what it needs to do, I guess we'll see. Which is, you know, from my vantage point, having a strong emphasis on, you know, real, meaningful commitments, particularly in the digital space, I think is going to be absolutely critical. And so coming in with a high level of ambition on that, I think, is key.

I will say from the perspective of, you know, a multinational technology company that is in – we manufacture, we are in the software side of things, so we're really in many different – you know, some – sort of broadly reflective. The issue of tariffs, I will – (laughs) – tell you, is not one that I or my CFO wakes up or goes to sleep every night thinking about we're going to do X in this country or Y in that country because of tariffs. Now, we can talk about why that is. There is, frankly, an enormous amount of good work that has been done for decades that have gotten us to the place of where we are, so maybe it's that. But what does influence investment decisions, what does influence product decisions is, are we going to have a domestic market in X country and a regional market that is going to allow us – our investments to scale?

And when you look at where the Asia-Pacific region is today, in a sense it is even in a less-privileged position in this regard than Europe is. And Europe, certainly there are significant differences between what we see in the U.S. – or, what we see in Europe and, say, the United States in terms of approaches to digital regulation, but in Europe at least you have the European Union. You have one entity that, you know, basically is setting those rules. In APEC you've got, you know, at this point dozens of countries setting rules of the road, and it will

become extremely difficult to make the business case for investing in each individual market if those rules are going to change.

So I would say I would hope that the countries that are potentially thinking about this are seeing it in terms of if we don't get into this, if we don't participate in the setting of the rules of the road, then they are not going – they will be – they will be at best sort of adjacent to the investment decisions that are going to be made by countries – by companies on both sides, both in the United States looking at the region and in the region looking at the United States.

So I'll pause there.

Mr. Goodman: OK. Excellent.

I'm going to invite the audience, if you'd like, to ask a question. I know it's a little daunting, but there is a microphone there. Don't be shy. Feel free to step up to the microphone if you want to ask a question. Online, we're also welcoming question(s). I saw earlier Doug Palmer from Politico, who's usually here, but – (laughs) – but online asked about 15 questions, about 13 – (laughter) – 13 of which we, I think, got to. He did ask a specific question, since you – several of you have touched on APEC: Is the plan here to get the IPEF and the digital part of it done by the time the U.S. hosts APEC in the fall of 2023? Is that – is that what we're aiming to do?

Amb. Bianchi: (Laughs.) I think all of these timing questions are really, really difficult. We're looking to launch IPEF as soon as we can, to have early harvests if we can, so we're not designing the timing around each other per se. But I think we hope to have made significant progress by the time that occurs in the next year.

Mr. Goodman: OK.

Anybody from the audience want to be brave enough to ask a question? There we go. Yes, sir. Please step up to the microphone, and if you'd identify yourself and then ask your question.

Q: Dave Moss (sp). I'm with Hover Energy.

And, obviously, energy underpins a lot of digital aspects, but it's an increasing challenge, particularly in Singapore. I know they've raised their tariffs five times in the past 15 months, and obviously of concern to Google given your massive operations of data centers. And USTR, I know you promote energy exports. So I'm just curious what we can do to help address these challenges, that are not just unique to Singapore but all over the Indo-Pacific.

Mr. Goodman: OK. I don't know whether, Ambassador Mirpuri, you want to talk about the energy –

Amb. Mirpuri: You are referring to the carbon tax that we have raised. It's not –

Q: U.S. LNG powers the majority of your grid, I believe, and those prices keep going up, as they do around the world. And in turn, tariffs keep on being raised. Just the average cost of electricity is about 27 cents a kilowatt-hour.

Amb. Mirpuri: Singapore does not subsidize energy and we want whatever energy – and I'm not particularly clear what aspect you're speaking about, but we do not subsidize energy. You pay the cost it is. We are helping companies start the energy transition. We want to meet the climate change goals that we have laid out. We have put in place a carbon tax and we're prepared to work with companies around that.

I think that is the adjustment we all have to make. The world that we lived in, that we, you know, sort of cheap energy coming around – Singapore has to import every molecule of energy. We are looking at alternatives. We just came out with a new report called "Energy 2050," you know, looking at hydrogen, looking potentially at nuclear. We just have to prepare for that. We're a low-lying island and we just – and we will work with U.S. companies. So many of them are very deeply invested in Singapore, using Singapore for the region. And what they can do in Singapore in terms of that energy transition and decarbonization they can then scale up in other places. So many of these ideas and innovations we're prepared to work with them.

Data centers are very energy intensive. Then I think it is incumbent on the companies to see how they can do it in a way that uses less energy.

Q: Thank you. And I guess the short, short way to say my question is how can we help promote investment to bring down overall energy costs that, in turn, realizes investment all over the Indo-Pacific. But, I mean, you hit it well.

Amb. Mirpuri: Yeah. Thank you.

Q: Thank you

Mr. Goodman: OK. Thanks.

Unless anyone else wants to take on the energy-digital nexus, any other questions? If not, I think we have reached the noon hour, but I don't want to deprive anybody who's got a burning question. OK, I guess not.

All right. Well –

Amb. Mirpuri: They're still used to typing the questions on their screen. (Laughter.)

Mr. Goodman: I know. That's true, and maybe – it may actually be –

Amb. Mirpuri: That's the change we're all getting used to.

Mr. Goodman: We're going to have to get used to all of this again. But – (laughter) – look, we're just delighted to have had such a terrific discussion with such great panelists. Thank you. Please join me in thanking the three guests for being here. (Applause.) And these are – these are definitely conversations we're going to continue at CSIS and I'm sure with our friends at U.S.-ASEAN Business Council, so stay tuned for more.

This is the end for today. We are going to reconvene, Greg tells me, at 8:30 a.m. Eastern time tomorrow morning. So if you're in the region, set your clocks or figure out what time that is where you are. And 8:30 is, I think, when Greg will be reconvening tomorrow morning. So thank you all for your participation today and we'll see you again tomorrow. Thanks. Bye-bye. (Applause.)