From:

Sent: Wednesday, 19 March 2025 11:49 PM

To: BITreformproject

Subject: [EXTERNAL] Renegotiation of Australia's Bilateral Investment Treaties with Argentina,

Pakistan, and Türkiye

Attachments: NZ-Green-Economy-and-Digital-Trade-2025-03-03.pdf

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Dear Bilateral Investment Treaty Reform Coordinator,

I hope this email finds you well.

On behalf of **our consortium** DigitalTrade4.EU, we would like to share our input to **Renegotiation of Australia's Bilateral Investment Treaties with Argentina, Pakistan, and Türkiye** [link]. We appreciate the opportunity to contribute to this important discussion.

By harmonizing trade agreements and investments within a region, we can foster a common understanding, drive legislative changes (legal harmonization between countries), and create a business-friendly environment that supports regional economic growth.

As part of our ongoing efforts to promote the integration of **digital trade** and **green economy initiatives** our consortium has recently submitted input to the **Joint Working Group on the Green Economy** with **New Zealand, Chile, and Singapore**. A copy of our submission is attached for your reference.

The **Digital Economy Partnership Agreement (DEPA)**, provides a modern framework for digital trade, particularly in **digital logistics**, **trade finance**, **and green trade initiatives**. Several parallels and common interests exist between the **DFAT investment treaty renegotiations** and **DEPA**, particularly in:

1. Digital Trade & Trade Facilitation

- a. DFAT's approach emphasizes investment stability, which aligns with DEPA's goal of simplifying digital trade processes through electronic customs procedures and trade documentation (e.g., e-certificates of origin).
- b. **Investment in digital infrastructure** (e.g., blockchain, digital ID systems) can streamline dispute resolution and enhance regulatory transparency.

2. Sustainable Trade & ESG Compliance

- a. DFAT's modernized investment treaties may include provisions that encourage green investments and carbon-tracking mechanisms, similar to DEPA's push for sustainable trade digitalization.
- b. **Digital solutions for ESG compliance** (e.g., real-time carbon tracking, automated environmental audits) are increasingly vital in ensuring fair and transparent investment frameworks.

- 3. Micro, Small and Medium Enterprises (MSME) Empowerment & Green Trade Finance
 - a. Both **DEPA** and the **DFAT** investment treaties could incorporate digital financing mechanisms that facilitate market access for MSMEs and startups.
 - b. Trade finance linked to carbon footprint reductions (as highlighted in the NZ Green Economy & Digital Trade document) **could be integrated into DFAT's investment treaty negotiations.**

Proposed DFAT Position for Agreement

- 1. Modernized Investment Protection & Digital Trade Inclusion
 - a. Encourage digitalization of logistics and trade documentation to reduce administrative costs, thereby increasing transparency.
 - b. Support **blockchain-based trade and financial mechanisms** to **ensure secure and traceable transactions**, while following the principles of the UNCITRAL Model Law on Electronic Transferable Records (MLETR) and **ensuring interoperability**.

2. ESG & Sustainable Investment Commitments

- a. Link investment protections to **ESG compliance frameworks**, ensuring that **investors** align with carbon reduction and sustainability initiatives.
- b. Promote green investment incentives, such as reduced trade barriers for sustainable technology firms.

3. Strengthening Trade Finance & MSME Inclusion

- a. Facilitate digital trade finance for Australian MSMEs investing in their own and partner economies.
- b. Ensure **preferential access to sustainable financing instruments** for investments in renewable energy and **eco-friendly supply chains**.

4. Investor-State Dispute Settlement (ISDS) Reform

- a. Enhance transparency in dispute resolution through digital case management systems.
- b. Promote **state-to-state dispute mechanisms**, reducing investor-state arbitration costs.

Conclusion

We strongly believe that there is **significant potential** in the **Asian region** to accelerate the **digitalization of logistics, trade, and trade finance**. Many countries in the region, including **Singapore**, **Fiji**, **New Zealand**, **Hong Kong**, **and Australia**, have already started **integrate digital economy objectives** into their national policies, creating an enabling environment for innovation and cross-border cooperation.

By integrating elements from **DEPA** and **NZ Green Economy & Digital Trade document**, DFAT's renegotiated investment treaties could modernize **investment protections** while promoting **sustainable**, **digital**, **and transparent trade** with **Argentina**, **Pakistan**, **and Türkiye**. This approach would align Australia's investment strategy with **global digital trade trends** while ensuring long-term economic resilience.

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We would welcome the opportunity to discuss this further and explore ways in which our initiative can support the working group's efforts. Please confirm if you have received this email and, if possible, provide feedback on the views we have shared.

Brgrds,

DigitalTrade4.EU Team www.digitaltrade4.eu