

2 June 2025

Hon. Piyush Goyal  
Minister of Commerce and Industry  
Member of Parliament [Lok Sabha]  
India

**RE: The Imperative for Supporting Indian MSME Innovators in ongoing India-U.S. Bilateral Trade Agreement Negotiations**

Dear Minister Goyal:

ACT | The App Association appreciates India's efforts to empower its micro-, small-, and medium-sized entities (MSMEs) by facilitating their access to international markets and supporting their ability to compete. A strong and fair digital trade framework is vital to the success of small Indian businesses innovating across consumer and enterprise markets, and they need your support for their continued investment, growth, and job creation across and outside of India. We recognise the importance of your ongoing negotiations with the United States (U.S.) to achieve a bilateral trade agreement. To support your efforts, we highlight key non-tariff barriers that should be addressed during these negotiations.

ACT | The App Association represents small business application developers and connected device companies located both in India and around the globe. These companies drive a global app economy [worth more than INR 151.4 billion, providing nearly 1.674 million jobs](#) in India. App Association members leverage the connectivity of smart devices to create innovative solutions that introduce new efficiencies across consumer and enterprise use cases and rely on a predictable and fair approach to digital economy regulation to succeed and create new jobs.

We are encouraged by India's commitment to opening markets and are optimistic that the ongoing negotiations with the United States will lead to a deeper alignment on digital economy priorities. As you negotiate with the United States and seek ways to support Indian MSME innovators through digital trade policies and eliminate non-tariff barriers to trade, and otherwise support Indian economic and national security through a bilateral trade agreement with the United States, we call on India to (1) reconsider proposed Indian regulatory interventions into digital platform markets that are misaligned with its goals of enhancing investment and innovation in India and the Trump Administration's established policy; and (2) support access and innovation in new and emerging technology markets, such as digital platforms, by securing commitments to non-discrimination, transparency, and adequate notice and consultation in negotiations with the United States.

Today's leading curated online marketplaces (COMs) enable MSMEs to fairly and securely access broader markets at lower costs and with greater efficiency, and it is vital that India ensure fair treatment of COMs under existing competition mechanisms as a measure of supporting trade. At the same time, it is important that the Indian government refrain from advancing new policies that

could further impact the ability of MSMEs to leverage COMs to compete on a level playing field. Recently, India advanced a legislative proposal to reshape Indian competition law and its application to COMs that are foundational to our community of software developers, and the countless consumers that depend on them. Specifically, the Ministry of Corporate Affairs' (MCA's) Draft Digital Competition Bill 2024—heavily influenced by the European Union's Digital Markets Act (DMA)—would adopt an ex-ante regulatory approach that would stifle the very dynamism that has propelled India's digital economy forward. While these initiatives allude to fostering innovation and curbing anti-competitive behaviours such as 'self-preferencing' by so-called market-dominant players, these interventionist frameworks would, in practice, produce the opposite effect. By mirroring the DMA's regulatory model, MCA's proposal fails to account for the pro-competitive benefits of platform-driven innovation and ultimately risks undermining Indian consumer welfare in a fast-evolving digital marketplace and raising costs and reduce operational flexibility for platforms. Ultimately, those costs will be passed on to the App Association's small business innovator members, who will also find the key utilities they rely on in COMs—vetting for data stewardship and privacy, cybersecurity risk mitigation, intellectual property dispute resolution, and disability access functionality support, among others—either greatly reduced in their effectiveness or eliminated entirely.

Continuing to pursue such platform regulatory proposals place India at a significant disadvantage in its ongoing negotiations. The Trump Administration has made its opposition clear with respect to digital platform regulatory proposals that appear to specifically target U.S. companies by restricting their operations and effectively prohibit U.S. companies from engaging in normal and beneficial business practices on their platforms.<sup>1</sup> Further, legislation has been introduced in the U.S. Congress to confront the potential of new discriminatory digital economy policies other key U.S. trading partners have proposed.<sup>2</sup>

India's apparent commitment to new interventions into the digital economy that App Association members power would contribute to a growing delta between it and the U.S.' approach to regulation and competition, potentially straining the overall India-U.S. alliance. Given the historically strong trade ties between these two nations, the potential of reciprocal actions offers an additional incentive for India to reconsider its approach to digital platform regulations. The new India-U.S. reciprocal trade agreement can and should eliminate this delta by protecting Indian digital economy MSMEs that rely on COMs to grow and create more Indian jobs.

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<sup>1</sup> <https://www.whitehouse.gov/fact-sheets/2025/02/fact-sheet-president-donald-j-trump-issues-directive-to-prevent-the-unfair-exploitation-of-american-innovation/>.

<sup>2</sup> <https://drive.google.com/file/d/18rfZ74iKJbTa5EgtJZfKJlIpXeGTyqB-/view?pli=1>.

We therefore urge you to (1) work with counterparts across Indian government to resist calls to enact harmful proposed ex-ante regulation of COMs; and (2) support access and innovation in new and emerging technology markets, such as digital platforms, by securing commitments to non-discrimination, transparency, and adequate notice and consultation in negotiations with the United States. Taking such steps would represent significant steps forward in supporting Indian startups and MSMEs, and in supporting Indian economic security and competitiveness, while also demonstrating global leadership in setting pro-innovation policy.

Thank you for your consideration of this matter and your continued support of strong trade policies that bolster the success of Indian MSMEs. We welcome the opportunity to meet with you to elaborate on our views and to identify further ways we can support your mission.

Sincerely,

A handwritten signature in black ink that reads "Morgan Reed". The signature is fluid and cursive, with the first name "Morgan" and the last name "Reed" clearly distinguishable.

Morgan Reed  
President

ACT | The App Association  
1401 K St NW (Ste 501)  
Washington, DC 20005

CC: Rajesh Agrawal, Special Secretary in the Department of Commerce