



# U.S. tech giants plan to fight India's data localisation plans

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## **Highlights**

- The firms fear the norms may raise costs, increase scrutiny; Industry ramping up lobbying efforts, India-U.S. row possible
- U.S. technology giants plan to intensify lobbying efforts against stringent Indian data localisation requirements, which they say will undermine their growth ambitions in India.
- U.S. trade groups, representing companies such as Amazon, American Express and Microsoft, have opposed India's push to store data locally.
- The issue could further undermine already strained economic relations between India and the United States.
- Separately, the industry is considering pitching the issue as a trade concern, including at the India-U.S. talks in September in New Delhi, according to two sources familiar with the matter.

## **Tariff dispute**

Though a final decision hasn't been made, the deliberations come while the United States and India are locked in a dispute over U.S. tariff increases and on the Indian policy of capping prices of medical devices, which hurts American pharmaceutical companies.

- This issue is important enough to be discussed at the India-U.S. trade level.
- Data localisation is not just a business concern, it potentially makes government surveillance easier, which is a worry.
- Stricter localisation norms would help India get easier access to data when conducting investigations, but critics say it could lead to increased government demands for data access.
- Technology firms worry the mandate would hurt their planned investments by raising costs related to setting up new local data centres.

## **Rising data breaches**

- Greater use of digital platforms in India for shopping or social networking have made it a lucrative market for technology companies, but a rising number of data breaches have pushed New Delhi to develop strong data protection rules.
- The main government committee on data privacy last month proposed a draft law, recommending restrictions on data flows and proposing that all "critical personal data" should be processed only within the country.
- It would be left to the government to define what qualifies as such data.



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