

Liz Truss launches future trade strategy for UK tech industry

- The Government has announced a range of measures to help boost digital trade and establish the UK tech industry as a global player
- The new measures will help create and support jobs by increasing exports and attracting international investment
- They will also ensure the industry can take advantage of new Free Trade Agreements

New measures to boost digital trade and help turn the UK into a global tech powerhouse have been announced today Wednesday 10 June by the International Trade Secretary, answering industry calls for support for UK tech firms.

Liz Truss will unveil a package of strategic interventions during London Tech Week to support UK tech companies to seize trade and investment opportunities overseas. Developed in partnership with stakeholders across the industry, the interventions will boost the sector over the long-term and aid its immediate recovery from Coronavirus.

The new measures jointly announced by the Department for International Trade and Department for Digital, Culture, Media and Sport, will seek to increase tech exports to fast-growing international markets, including Asia-Pacific, strengthen scaleups' market readiness to export, and attract investment to drive innovation and create jobs.

The comprehensive range of measures include the creation of a new Digital Trade Network for Asia-Pacific, which will support UK SMEs to break into the Asian market. The plans also include the launch of a new Tech Exporting Academy, which will provide expert advice to UK scaleups on subject areas essential to expansion, including regulation, intellectual property, and compliance. The Academy will be led and delivered in partnership with leading professional services firms.

The measures are being announced as part of a wider programme of support for UK tech to ensure the industry benefits from trade opportunities, including future free trade agreements (FTAs). The UK is currently a world-leader in tech and digital, attracting more than £10bn worth of investment in 2019, ranking third only behind the US and China. Future FTAs with partners like the US and Japan will enable the UK to go further, setting new standards in areas of digital technology and e-commerce, and encouraging further investment into the UK's world-leading tech companies.

This week the Department for International Trade launched the first round of negotiations with Japan. Government analysis shows a UK-Japan FTA will benefit every region and nation of the UK, with the greatest benefits in Scotland, London and the East Midlands. Trade talks will cover all areas set out in the UK's published negotiating objectives, including cutting edge provisions on digital trade, professional and financial services and support

for SMEs.

A number of digital tech subsectors are seeing increased demand as a result of Coronavirus – including EdTech, MedTech, fintech, and cyber security – leading to more export opportunities. Recent research by Sage UK shows 37% of UK SMEs are looking to grow their trade in international markets over the next 3 months.

International Trade Secretary Liz Truss said:

The measures we have announced today will help businesses take advantage of opportunities in fast-growing markets overseas, and provide the support that firms need to grow and eventually ‘go global’.

Trade agreements we are negotiating with key partners will go further than others in addressing barriers to digital trade, opening up huge opportunities for our exporters and also for inward investment into the UK.

I want the UK to be the leading global voice in digital trade and the intellectual driving force in the space, breaking new ground in trade policy and pushing forward innovative new ideas like a global single market for digital trade.

Now is the time to harness our talent and potential and unleash it on the world stage. The measures announced today are an important step forwards in achieving that.

Digital Secretary Oliver Dowden said:

The UK is home to a globally renowned tech-sector and we are determined to help it grow further by taking an unashamedly pro-tech approach.

Through this strategy we will give tech businesses of all sizes and all over the country the tools they need to expand their operations overseas and succeed on the world stage.

Gerard Grech, Chief Executive, Tech Nation said:

The UK needs a tech-fuelled recovery and that means opportunities

to grow businesses from domestic ideas to international brands. 80% of companies on our Upscale 5.0 programme listed International Expansion as one of their top scaling challenges in 2020.

We are therefore delighted to support a new Digital Trade Network. Connecting businesses into local networks using on-the-ground expertise will help innovative UK businesses make the leap to new markets.

We look forward to working with the Digital Trade Network to support great British technology.

The full range of measures announced today include:

- Launch of an £8m Digital Trade Network (DTN) for Asia Pacific, a joint DIT-DCMS network, to support UK tech businesses to internationalise in this fast-growing region, attract capital and talent to the UK and enhance UK digital economy collaborations internationally. By increasing UK digital tech expertise on the ground across a number of key markets – including Japan, South Korea, Thailand, Singapore, Indonesia, and Australia, government will help innovative UK companies access new trade and investment opportunities, and forge new international partnerships for the digital economy. Tech Nation – the UK tech scale up experts – will be joining the Digital Trade Network, which will see UK businesses participate in an international mission to Asia Pacific, as part of Tech Nation’s programmes in fintech, AI and cyber, to support their expansion into the region.
- Creation of a new Tech Exporting Academy, to provide expert advice for high-potential SMEs to support growth into priority markets. Led by leading professional services firms (including Linklaters, Deloitte, KPMG, BDO, Taylor Wessing, EY and Clifford Chance) UK SMEs will receive expert advice across a wide range of areas including legal, tax, intellectual property, regulatory and compliance to help reduce the time to market for exporting and increase UK exports. The support will ensure that women tech founders are represented on the cohorts of companies selected for the export academy.
- A new DIT platform to supercharge UK tech engagement on the global stage and mitigate the impact on firms unable to attend international industry events and investor meetings. This will include a greater presence at international industry events and access to virtual trade shows and virtual event platforms to support international buyer-seller meetings and companies-to-investors introductions. This will be launched in September. Virtual trade shows will allow UK businesses to showcase

their capabilities and network with overseas businesses and investors. Technology will be at the heart of the government's new Ready To Trade campaign with specific campaigns on edtech, medtech, cyber, VR, gaming and animation.

- As part of the government's efforts to help level-up the tech industry's success, we will be creating a new tech network to enhance the English regions' ability to grow international tech partnerships. This will include the creation of 25 tech export champions across the Northern Powerhouse, Midlands Engine, London and the South. The new network will work with the most promising regional scaleups on their international expansion plans, in partnership with TechNation. DIT and DCMS will continue to work closely with colleagues in Scotland, Wales and Northern Ireland to ensure high performing tech companies across the whole United Kingdom receive the support they need to expand internationally.
- An expansion in support for DIT's High Potential Opportunities (HPOs) tech programme, to drive foreign direct investment (FDI) into emerging subsectors including 5G, Industry 4.0, Photonics and Immersive Technology, ensuring the UK remains the most attractive destination for tech investment in Europe post-Coronavirus. Working closely with the Devolved Administrations, LEPs and industry partners, government will seek to promote the full spectrum of UK tech capability to overseas investors and identify emerging growth markets for UK firms.
- The launch of a new fintech campaign in the UK, including promoting UK fintech companies who enable digitisation and resilience in priority export markets, to enhance UK tech competitiveness on the global stage after Coronavirus and ensure we remain the best place to start, scale and internationalise a fintech business.
- An uplift in outreach and engagement by UK Export Finance's (UKEF) marketing and communications to raise awareness of UKEF's offer among UK tech firms and how UKEF and Trade Finance can help them win and fulfil export contracts.

Tech is a key growth area for the UK, contributing £149bn to the economy in 2018, (7.7 % UK GVA) and employing more than 2.9 million people. Last year, the UK attracted a record £10.1bn worth of investment (up 44% from the previous year), more than Germany and France combined.