

OSCE Economic and Environmental Forum

Session 1: UK statement

Thank you Madam Chair,

the UK believes that innovation is a key driver of the economic growth needed to recover from the pandemic. It also improves living standards through the development of new ideas, products and processes, bringing benefits for both citizens and society.

I would like to share a few important elements of our approach, in harnessing the power of innovation as a part of a sustainable economic recovery.

First, the pace of technological change and global competition means that we need to consider how to support the sectors and technologies that will help shape our economies' future. For example, in the UK the digital and creative industry sectors are a critical driver of innovation and growth. We are nurturing a safe, fair and open digital economy and building on our advantages in foundational technologies like AI, quantum computing, and digital twins, so that the sector can flourish.

Second, the British Business Bank – a state-owned economic development bank established by the UK Government – is tackling regional discrepancies in access to finance and is addressing gender and ethnic diversity challenges, including through ensuring diversity in the recipients of its Start Up Loans and its associated mentoring programme.

Third, a regulatory system for an innovative economy needs to accommodate new processes, products and business models, and provide a supportive environment. The UK government is using regulation to unlock cutting-edge technologies such as drones and autonomous vehicles, easing the regulatory compliance red tape burden on business, and hard-wiring competition principles into regulatory decision-making.

And finally, we need to encourage the adoption and diffusion of innovative ideas and technologies across the economy. Even the most innovative economies are characterised by only a minority of firms engaging in innovation at the cutting edge. The full benefits of innovation are realised when new ideas and technologies are adopted and diffused by firms throughout the economy. Studies show that ICT, when adopted with good management practices, achieves a 20% productivity improvement. When adopted with poor practices, just 2%.

COVID-19 has forced businesses to rethink their operations. BeTheBusiness estimate that 3 years' worth of digital transformation took place in 3 months following March 2020. In the UK we are working with industry to develop a new management programme to upskill 30,000 SMEs and announcing Help to Grow: Digital, a new scheme to help 100,000 SMEs save time and money by offering them vouchers so they can adopt productivity-enhancing software as well as free impartial advice.

These are just some of the measures the UK is taking to use the power of innovation to drive a sustainable economic recovery. I thank you for your attention.