

UK and Singapore kickstart negotiations on cutting-edge digital trade agreement

The UK and Singapore will today (28 June) launch negotiations on a new ambitious digital trade agreement that could remove barriers to digital trade and enable UK exporters to expand into high-tech markets.

International Trade Secretary Liz Truss and the Singaporean Minister in charge of Trade Relations Mr S. Iswaran will meet by video call to kick start negotiations.

The UK is the first European country to start negotiations on a Digital Economy Agreement (DEA). Singapore and the UK are both global leaders in the digital economy and 70% of UK services exports, from financial and legal services to music streaming and e-books, were digitally delivered to Singapore in 2019, worth £3.2 billion.

The DEA would open further opportunities for British businesses to deliver their services through digital trade. It would help cut red tape and ensure companies can trade more efficiently through digital technology such as electronic transactions, e-signatures and e-contracts.

Today's announcement is part of the government's strategy to place the UK at the centre of a network of modern free trade agreements with dynamic countries, and to enhance our status as a global hub for services and digital trade.

Negotiations will focus on:

- Securing open digital markets for exporters, allowing them to expand into new markets and sell traditional products in new ways.
- Ensuring free and trusted cross-border data flows, while upholding high standards of personal data protection.
- Cutting red tape for UK businesses by promoting digital trading systems such as digital customs and border procedures that will save time and money when exporting.
- Upholding consumer rights and protecting businesses' valuable intellectual property like source code and cryptography.
- Deepening our cooperation on future growth sectors like fintech and lawtech, while working with Singapore to strengthen our collective cybersecurity capabilities and keep our countries safe.

International Trade Secretary, Liz Truss said:

A cutting-edge deal with Singapore will keep us at the forefront of the technological revolution, ensuring we lead the way in digitally delivered trade and industries like fintech and cybersecurity. We

are already the second largest services exporter in the world, with a huge comparative advantage in this area that we intend to capitalise on.

The UK will be the first European country to ever negotiate a Digital Economy Agreement, which shows what we can do as a sovereign trading nation. We are becoming more flexible, more nimble and less defensive in our approach to trade. Our ambition is to make the UK a global hub for services and digital trade, by striking a series of advanced, high-standards agreements with leading nations across the world that drive productivity, jobs, and growth across the UK.

Sally Jones, Trade Strategy Leader at EY UK and Ireland, said:

Digital transformation can unlock human potential and accelerate new, better ways of working. For the UK's service sector, it's now impossible to distinguish between digital and non-digital trade. Digital is at the core of everything we do. For too long, trade deals haven't taken into account the realities of how businesses trade today.

The UK-Singapore [Digital Economy Agreement] is an important opportunity for the UK to step to the forefront in developing new trade rules that enable the growth of digital trade and promote trust. It will also serve as a strategic platform to help UK companies looking to expand their presence into the dynamic Asia-Pacific region.

Miles Celic, Chief Executive Officer at TheCityUK, said:

As leading international financial centres and data hubs, there are tremendous opportunities to be gained from the UK and Singapore working together on digital trade issues that support and supercharge innovation. Working with like-minded countries like Singapore presents a real opportunity to develop a best-in-class digital agreement.

Digital restrictions are among the fastest-growing trade barriers. Over 50% of trade in services is facilitated by digital exchange, but restrictions on digital trade doubled in the decade leading up to 2019. To ensure the future of open global services trade, it's essential that new agreements support the flow of data across borders. The UK should strive to set clear ground rules for digital trade and build an open and robust framework for future digital trade and technological cooperation. Such a framework can then become a template for other key markets, aiding the free flow of data and preventing unnecessary market fragmentation.

Julian David, techUK CEO said:

We are delighted to see the start of the first UK digital-specific trade negotiation with Singapore, a like-minded country with whom we share longstanding business ties. Digital trade is the fastest growing arm of international trade and getting the rules right will be crucial for our economic recovery. A UK-Singapore Digital Economy Agreement will put the UK firmly in the frontrunners club for digital trade policy and facilitation and techUK stands ready to support an ambitious deal.

The UK is already one of the world's biggest exporters of services, with remotely delivered services exports worth £207 billion in 2019 alone.