

Crafting a Strategy: UK International Digital Policy Cooperation

May 2022

Overview

Since leaving the European Union, the UK has begun to establish itself as a leader in digital trade. The recent [report by the Board of Trade](#) on digital trade and its recommendations help cement a vision for UK leadership in this field that has already been established through substantive actions.

With ambitious deals such as the UK-Australia Free Trade Agreement, UK-Japan Comprehensive Economic Partnership Agreement, the recent agreement in principle for a trade deal with New Zealand, and the [Digital Economy Agreement with Singapore](#), the UK is taking substantive steps. Combined with other progress such as the creation of [Digital Trade Objectives](#) to guide UK trade policy and the UK's leadership in getting G7 trade ministers to also agree on a set of [Digital Trade Principles](#), the UK can lay genuine claim to being in the vanguard of countries pushing boundaries.

However, the boundary of the digital economy does not start with the commencement of trade talks, nor does it stop once a deal is signed. Digital technologies are ever more important across all areas of society and the economy – and are primarily service-based relying on changing regulation rather than more static goods. They are also rapidly evolving as innovation opens new frontiers, with new business models, new opportunities, new potential harms, and unintended consequences following quickly behind.

Box 1: The Importance of Digital Trade

42.5%

The UK's share of services export that could be potentially delivered digitally is one of the highest amongst OECD countries & is significantly higher than the OECD average (33%).

[OECD](#)

£207bn

The value of UK exports that are digitally delivered annually.

[UK Board of Trade](#)

84%

Share of UK financial services trade that is digitally delivered.

[UK Board of Trade](#)



Policymakers globally are having to deal with these impacts. When looking at digital policy and digital trade, a formal trade deal is an important tool that establishes the terms of trade for the signatories, but it is only one such tool in the toolbox. Deals need to be enacted and operationalised. A trade agreement with some countries will be impossible due to other issues, such as sticking points on agricultural tariffs and quotas. Furthermore, as static documents, they are not going to be able to keep up with the emerging technologies or use cases that businesses and regulators need to deal with, despite being an important baseline.

Recent years have seen other countries come to this realisation and adapt their strategies accordingly to make use of a wider range of forums and agreements to enable cooperation on digital, technological and regulatory issues. Most notably, the Trade and Technology Council between the United States and the European Union has established a new forum for two of the biggest economies and most important regulators to discuss a complex range of topics that impact both. Other countries have signed digital-specific deals such as the [Digital Economy Partnership Agreement](#) between New Zealand, Chile, and Singapore.

It is now essential that the UK develops its own strategy on how to approach digital and technological issues in the international arena, that goes beyond just trade deals and looks more holistically at how to enable international digital policy cooperation that delivers commercial, governance, and societal value to the UK (see Box 2). There needs to be consideration given to how to influence other countries to build alignment with UK positions and interests. In particular, the UK faces a challenge influencing both the United States and the EU. Lacking a seat at the table at the TTC and lacking the economic weight to make that a trilateral forum, the UK needs to develop other means to influence its most important trading partners and allies.

To do this, the UK government needs to do three things:

1. It must critically assess all of the relationships and international forums it is a part of and how these can be used in a strategic way to make progress towards UK goals in the digital arena.
2. It must pair this with a greater focus on the international opportunities for domestic actors, especially UK regulators. Recent progress in facilitating regulatory coordination domestically should not ignore the international picture.
3. It must articulate this strategy to industry and civil society by providing opportunities and forums for critical feedback while also creating advocates and allies who can support UK objectives in non-governmental forums. This should include the UK government working closely and strategically with UK non-governmental actors, for example in international standards setting bodies to ensure the greatest possible UK influence over the emerging global consensus around standards for the digital economy.

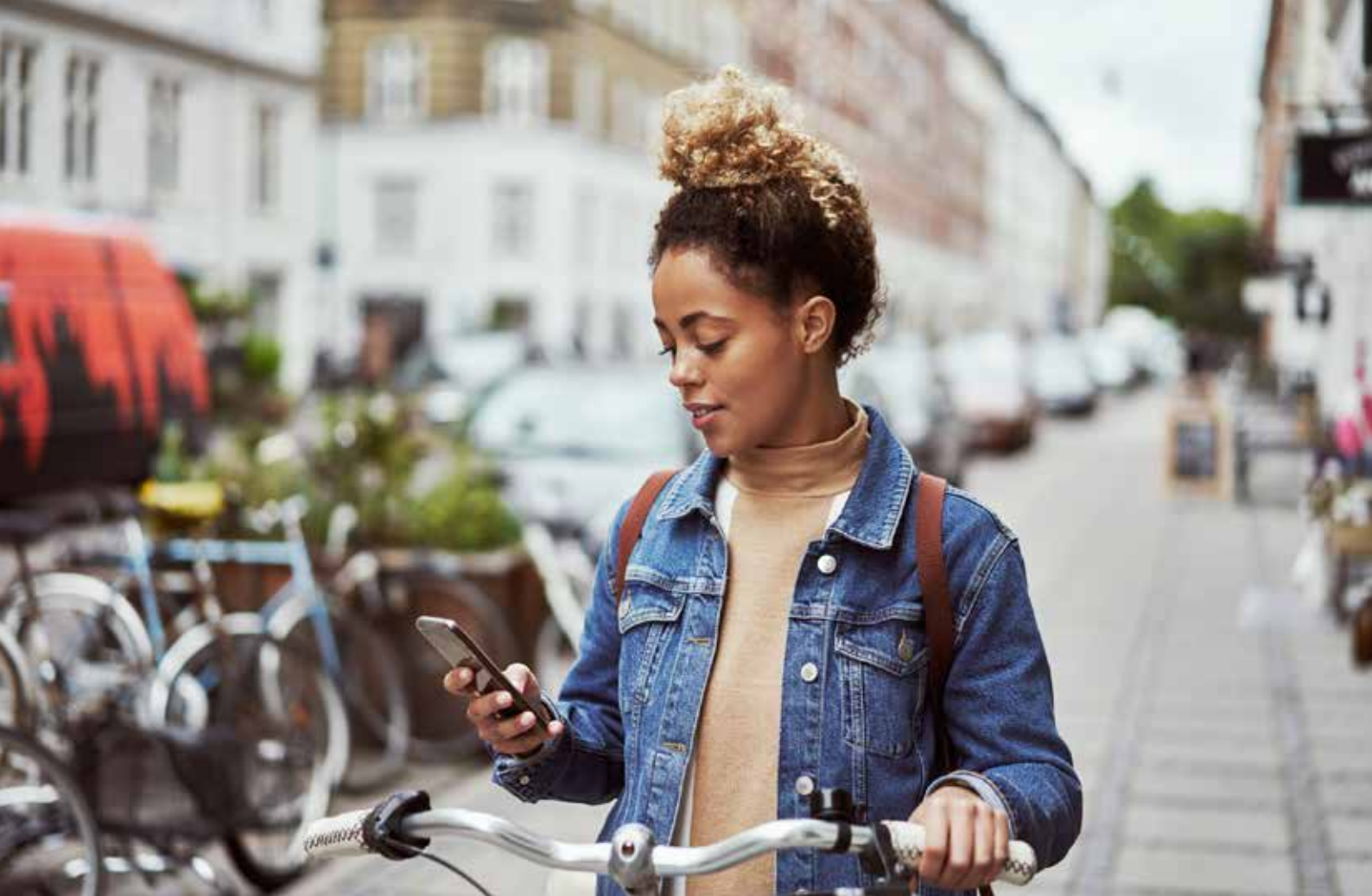
This paper will explore these elements in more detail. It will explain the context of recent developments in digital regulation and international digital and technological cooperation. It will then provide a high-level overview of some of the forums and opportunities for cooperation and how these can be utilised by the UK, before concluding with more detailed comments on the strategy needed for the UK to advance the digital and technological agenda.

Box 2: Enabling Value in the International Arena

- **Commercial Value:** Measures that help facilitate doing business and reduce barriers to entry (examples include digitizing customs processes and business registrations, protecting intellectual property and source code, and preventing data localisation measures)
- **Governance Value:** Measures that support the ability of governments and regulators to fulfil their functions (examples include the sharing of best practices, international secondments, and data sharing agreements)
- **Societal Value:** Measures that protect the public and ensure its wellbeing (examples include the protection of personal data, protections for labour, and environmental protections)

The Digital Frontier: Domestic and International Cooperation

Updating UK regulatory
approaches to the digital age:
Recent Developments



It almost goes without saying these days that we live in a digital world. Digital technologies are embedded in how we work, how we travel, how we receive healthcare, how we relax, how we make things and in just about every other facet of our lives, economy, and society.

Their ubiquity and importance clearly speak to the need to get the policy and governance of these technologies right. Yet this is very much easier said than done. The sheer pace of technological change has meant that institutions and regulators that were built in and for an analogue age are rapidly having to adapt and learn on the fly.

This has resulted in a “flurry of regulatory initiatives and strategies” in the UK. As techUK has submitted in response to last year’s House of Lords Communications and Digital Committee [inquiry on digital regulation](#):

“The growth in different forms of regulation is a natural result of the digitisation of the economy and the growth in the use of digital technologies by virtually all business sectors. Regulation is welcome when it follows an evidence base and provides companies with certainty on the rules of engagement in the UK market as well as mitigating harm to consumers. However, in some areas the expansion of regulation for digital technologies has lacked coordination or threatens to be disproportionate to the harms it is trying to address creating confusion, uncertainty, and high costs for companies, both ‘tech’ and non tech.”

Domestically, there have been recent efforts to increase the level of coordination between UK regulators. The welcome creation of the cross-regulator Digital Regulation Cooperation Forum (DRCF), comprising of the Competition and Markets Authority (CMA), the Information Commissioner's Office (ICO), the Financial Conduct Authority (FCA) and Ofcom, has been a notable recognition of the interconnected nature of digital regulation. While it is still establishing best practice, it has the potential to bring greater strategic coordination to the regulation of digital technologies, helping to provide both commercial value to organisations who can avoid having to deal with multiple regulators on the same issue and governance value to the regulators themselves who can avoid duplication of efforts and be empowered to be nimbler and more proactive.

However, the challenges and opportunities presented by the digital world, and the potential harms, go far beyond the remit of just UK regulators. They are all inherently international in scope and scale. The supply chains of the essential components of our technologies are complex, interlinked, and global. This has been clearly demonstrated by the recent disruptions to supply chains of critical components. The shortage of semiconductors alone is [estimated to result in 100,000 fewer cars being produced in the UK in 2021](#).

And that is only the physical technology supply chain. Our digital services supply chain can be even more distributed. Coding can be written by collaborators around the world; tasks and processes can be outsourced globally to companies able to fill niche needs; and digital products from one country can quickly become global sensations via online platforms.

The potential harms are also global. The largest and most influential companies in the digital economy are multinationals that have both operations and employees in many countries across the globe, enabling them to reach a scale in the digital economy that competition regulators are only now beginning to understand and adapt to. More maliciously, the global digital economy can also be a source of cyber threats, such as [recent "devastating" ransomware attacks](#).

Despite this, the need for international coordination and collaboration does not feature prominently in the plans of regulators such as through the DRCF. While some regulators, most notably the ICO, do participate in international forums on digital issues with regularity and with notable dividends, such as [at the G7 with other data protection and privacy authorities](#), this is not common practice in the digital policy space.

The [Better Regulation consultation](#) does promisingly establish as a principle to "[set] high standards at home and globally: we will set high standards at home and engage in robust regulatory diplomacy across the world, leading in multilateral settings, influencing the decisions of others and helping to solve problems that require a global approach".

This is very welcome as a core principle for the UK's approach to regulation. Yet none of the areas examined in the consultation include this as a central question. The UK government must properly consider and set out a clear strategy on how to action this principle in the international arena.

This is particularly crucial to do because of the vast range of relationships and forums that exist or that are emerging for international digital policy cooperation. No single forum is home to digital policy issues, and efforts are fragmented between different bilateral, plurilateral, and multilateral forums and initiatives.

Notable Bilateral Initiatives

There have been a number of important digital and technological bilateral initiatives recently. The Australia-Singapore [Digital Economy Agreement](#) (DEA) is an ambitious digital-only agreement between two ambitious digital economies. Notably, the agreement is [accompanied by seven Memorandums of Understanding](#) (MoUs) between the countries and specific regulators and ministries on topics such as “using cross-border data sets to produce new insights”, establishing a “cooperative relationship to develop compatible paperless trading systems for goods”, and cooperation “to develop policy frameworks to support mutual recognition of digital identity systems, which can support more efficient government interactions by businesses operating across borders”. While these MoUs are not legally enforceable, and have low stakes and limited visibility, they can open the door to meaningful bilateral cooperation between regulators that help them establish common approaches to emerging issues together.

The UK has also been pushing the digital trade agenda bilaterally, primarily through free trade agreements (FTAs). These can be powerful tools at setting the terms of trade, as techUK’s [Blueprint for UK Digital Trade](#) explores in more detail. The UK-Japan Comprehensive Economic Partnership Agreement (CEPA) went beyond its predecessor EU-Japan agreement to break new ground for a European country in the scale of its digital ambitions.

The recently concluded [UK-New Zealand FTA](#) goes even further and the [UK-Australia FTA](#) broke new ground with not only a digital trade chapter but also a dedicated chapter on innovation. This chapter establishes a Strategic Innovation Dialogue to explicitly promote cooperation and facilitate innovation in areas such as artificial intelligence, low-emissions technologies, and value chains. This has the potential to be a powerful tool for Australia and the UK to work together, if it is operationalised and implemented effectively.

Beyond FTAs, the UK has signed a [Digital Economy Agreement](#) with Singapore - the first such agreement the UK, or any European country, has participated in. Given Singapore’s longstanding status as one of the most ambitious and innovative countries in digital trade policy, this agreement provides the perfect opportunity for the UK to jointly set a new bar for digital agreements. Heralded as “the world’s most innovative trade agreement” it can provide a roadmap for future UK bilateral digital deals.

Perhaps the most important bilateral development though has been the establishment of the US-EU Trade and Technology Council (TTC), with the inaugural meeting happening in September 2021. While UK-Japan CEPA represents an agreement between two economies worth [\\$7.6 trillion in GDP, the TTC brings together two economies worth \\$36.9 trillion](#). Not a free trade agreement but instead a bilateral forum for cooperation, the TTC is happening under the brightest lights with very high stakes between two of the world’s largest economies and most important regulators. The TTC consists of ten working groups covering topics across the gamut of trade, competition, technology, and foreign policy, and brings together a vast range of departments and agencies [see figure 1].

US-EU Trade and Technology Council			
TTC Working Group	Topics	US Departments	EU Directorates General
Technology Standards Cooperation	Artificial Intelligence, Internet of Things	Commerce	CONNECT
	Biotechnology, Pharmaceutical products, medical devices		GROW
	Additive manufacturing robotics, blockchain, other emerging technologies		
Climate and Clean Technologies	Climate, energy and environmental initiatives that involve trade and technology	State	CONNECT
		USTR	CLIMA
		Energy	GROW
Secure Supply Chains	Semiconductors	Commerce	TRADE
	Batteries, critical minerals, active pharmaceutical ingredients	State	GROW
			CONNECT
ICTS Security and Competitiveness	Data security standards	State	CONNECT
	Secure, resilient, and diverse telecommunications and ICT infrastructure supply chains, 5G/6G	Commerce	
Data Governance and Technology Platforms	Establish responsibility of technology platforms, content regulation, targeted advertising and use of big data	White House	CONNECT
			JUST
Misuse of Technology Threatening Security & Human Rights	Counter cyber threats and technology used to violate human rights Address those conducting information/disinformation operations	State	CONNECT
			EEAS
			JUST
Export Controls Cooperation	Align export controls, improve information sharing and assess risks for sensitive and emerging technologies, including surveillance technologies impacting human rights	Commerce	TRADE
		State	
Investment Screening Cooperation	Improve information-sharing for screening of inbound foreign investment	Treasury	TRADE
		State	
Promoting SME Access to and Use of Digital Technologies	Empower SMEs to reach more clients, ensure digital technologies benefit underserved communities	Commerce	GROW
			CONNECT
Global Trade Challenges	Trade policy toward non-market economies	USTR	TRADE
	Avoid new technical barriers to trade with each other		
	Trade and labor, including forced labor		
	Other		

ICTS = Information Communication Technology Services; SME = small and medium-sized enterprise; USTR = US Trade Representative; CONNECT = Directorate-General for Communications Networks, Content & Technology; CLIMA = Directorate-General for Climate Action; GROW = Directorate General for Internal Market, Industry, Entrepreneurship and SMEs; TRADE = Directorate-General for Trade; EEAS = European External Action Service; JUST = Directorate-General for Justice and Consumers.

Figure 1: Source: <https://www.piie.com/blogs/trade-and-investment-policy-watch/what-us-eu-trade-and-technology-council-five-things-you-need>

The scope and ambition of the TTC is clear from [the joint statement](#) from its first meeting which notes their shared desire to:

“Drive the digital transformation that spurs trade and investment, benefits workers, protects the environment and climate, strengthens our technological and industrial leadership, sets high standards globally, boosts innovation, and protects and promotes critical and emerging technologies and infrastructure. We intend to cooperate on the development and deployment of new technologies in ways that reinforce our shared democratic values, including respect for universal human rights, advance our respective efforts to address the climate change crisis, and encourage compatible standards and regulations. We intend to cooperate to effectively address the misuse of technology, to protect our societies from information manipulation and interference, promote secure and sustainable international digital connectivity, and support human rights defenders.”

With years of trade disputes, a legacy of failed trade negotiations, complex political systems with many stakeholders, yet also with shared democratic traditions and many shared strategic interests against the rise of authoritarianism, and digital authoritarianism, the US-EU relationship is an important one globally. But for the same reasons, the TTC is unlikely to be the forum that pushes new frontiers with nimbleness and ambition.

During the last administration, the UK had begun its own negotiations with the United States for a FTA. The US represents the UK’s single most important trade partner, especially for the ever more digitally-dependent services sector, with the [OECD estimating](#) 25.4% of UK services exports and 20% of UK services imports going to or coming from the US in 2019. However, since President Biden took office, these have been on pause along with all other new FTAs. With significant hurdles to concluding a deal around areas such as food safety and pharmaceuticals, [getting over the finish line for a full trade deal remains difficult](#). However, digital trade is one of the areas where there is a high degree of alignment between the two countries. With similar interests in protecting technological supply chains and the existing military and intelligence relationship through NATO and the Five Eyes, in the absence of a full trade deal a digital economy-focused deal, based on reciprocity, would be a strong outcome for both the UK and the United States and lay the groundwork for more focused regulatory cooperation. This can build on [the recently expanded US-UK science and technology agreement](#) which already includes cooperation on areas such as critical supply chains, emerging technologies and data flows. Specific, and importantly, actionable MoUs could be a way to build out this relationship further and provide a foundation for regulator-to-regulator dialogues and cooperation, without needing an FTA.



Plurilateral & Multilateral

Bilateral forums and agreements are not the only means to advance the digital trade agenda and enable ongoing cooperation with key allies and partners. There are a range of digitally-focused plurilateral initiatives that exist between groups of close allies with similar objectives and that provide forums to break new ground. Other non-digital specific forums at both the plurilateral and multilateral level also exist that cover some elements of digital policy can be useful vehicles for the UK to advance the digital agenda or resolve tensions that exist.

Two digital specific plurilateral forums of note are the [Digital Economy Partnership Agreement](#) (DEPA) between New Zealand, Chile and Singapore, and [Digital Nations](#), a forum for 10 leading digital governments, including the UK.

DEPA represents a formal agreement that covers [a wide range of “modules”](#) of importance to the digital economy.

These include:

- Business and Trade Facilitation
- Treatment of Digital Products and Related Issues
- Data Issues
- Wider Trust Environment
- Business and Consumer Trust
- Emerging Trends and Technologies
- Innovation and the Digital Economy
- Small and Medium Enterprises Cooperation
- Digital Inclusion
- Exceptions
- Transparency
- Dispute Settlement

Many of these modules are high level, setting the bar for what deep digital commitments should look like without being prescriptive in scope. They instead [establish a framework for the agreement to evolve through further work and cooperation among the parties](#).

An important feature of DEPA is that it is open for other countries to join, either wholesale or just to specific modules. [Canada](#) and [South Korea](#) have announced their intention to join and [techUK has previously called](#) on the UK to accede as well. Interestingly, China has just announced its intention to join DEPA too. Usually ranked among the more restrictive digital economies rather than the most pioneering, should China enter DEPA with good faith intentions that would be a notable development in the global digital economy.

A very different kind of digitally-focused plurilateral initiative is [Digital Nations](#). First established in 2014 by Estonia, Israel, South Korea, New Zealand and the UK, the group has now expanded to include 10 nations. It focuses on digital government transformation through the development of cutting-edge practice, building relationships between ministers and public servants in different member countries, enabling the quick and frictionless sharing of best practices and innovative approaches. With most business conducted behind closed doors, Digital Nations has been a useful forum for the frank sharing of progress enabling the delivery of significant governance value through members' steps to improve both their internal and public-facing digitalisation efforts.

Beyond purely digital initiatives are a vast range of forums and organisations and deals that nonetheless have significant actual and potential impacts on matters of digital policy. Below is an overview of some of the key ones and where some of their strengths and weaknesses lie in dealing with complex digital policy topics.

G20

Representing [80% of world GDP and 60% of the planet's population](#), the G20 is an important forum for a diverse group of nations to tackle pressing global issues. However, while it achieved notable success shepherding the global economy through the [2008 financial crisis and in setting up the Financial Stability Board](#) as the central plank of major reforms of the global financial system, it has limited successes in other areas. With its membership ranging from advanced democracies to highly autocratic states and including nations at various stages of economic development, creating meaningful consensus on how to approach issues has proven difficult. In the digital space, the 2019 Japanese presidency did make significant efforts at advancing the concept of "data free flow with trust", however these are [yet to be operationalised](#). While the G20 might not be the forum to agree ambitious objectives, it potentially can be a useful forum to establish a floor that countries should meet, as well as a place to hold digitally authoritarian states accountable for their actions.

G7

Covering a much smaller group of like-minded democratic countries, the G7 is no longer the decision-making forum for the global economy it once was but it has the potential to be a more fruitful arena for developing digital policies than the G20. With a smaller group that in turn have smaller gaps between their positions, there are greater possibilities to utilise the G7's meetings to make bold policy. This has been clearly illustrated by the recent agreement of the [G7 Trade Ministers' Digital Trade Principles](#) under the UK presidency. These principles set a high bar for the participating economies and are a very welcome starting point. It is now crucial to operationalise them, and to hold all seven countries and the EU accountable for making progress to deliver them.

OECD

The G20 and the G7 have revolving presidencies and no permanent secretariat, weakening their ability to sustain an agenda over multiple presidencies. That weakness, however, is partly mitigated through the Organisation for Economic Co-operation and Development (OECD). With 38 members drawn from democratic, market-oriented countries, the OECD has a permanent staff and engages with a wide range of policy makers and experts to create foundational research and establish a basis for understanding between different countries. This has translated into a long track record of spearheading the development of new norms and standards such as through the recent work on [digital taxation that has recently been adopted by the G20](#), or the establishment of [Principles on AI](#). Looking further back, the [OECD's original 1980 privacy principles](#) were the first internationally agreed set of principles and have informed much of what has come since.

CPTPP

A trade deal between 11 Asia-Pacific countries signed in 2018, it included one of the most advanced chapters on electronic commerce up to that point. That chapter has since informed the USMCA deal between the United States, Canada, and Mexico and the UK-Japan CEPA. Recently, CPTPP signatories have [established a Committee on Electronic Commerce](#) to facilitate the implementation of digital commitments and to “promote digitalisation within the region and enable the CPTPP to play a central role in global rule-making in this field”. With the UK in formal negotiations to join CPTPP, participation in this work could yield opportunities to influence global digital policies.

WTO

Encompassing over 160 members, the WTO has over recent year been attempting to update trade rules to account for the rise of digitalisation through its Joint Statement Initiative on e-commerce. The WTO is never going to be the place where new ground is broken, or advanced commitments are made, given the immense diversity of participating nations and the significant differences that exist between them. However, it remains a very useful forum in setting a floor for digital trade rules, and in building relationships and sharing knowledge with countries who might be coming to digital trade topics for the first time.

UNCTAD

Similar to the WTO, and also based in Geneva, UNCTAD plays an important role in supporting developing nations as they build capacity around digital policy and e-commerce. While it is also a forum where bold steps are unlikely, it too plays an important role in supporting other countries on their digital journeys. With billions of people in developing countries now coming online for the first time and participating in the digital economy, active support of these countries as they develop their own regulatory systems can be mutually beneficial and UNCTAD offers a forum to help facilitate this.

The Commonwealth

By no means a traditional forum for digital policy, there has nevertheless been an ongoing Commonwealth workstream around increasing trade since the 2019 Commonwealth Heads of Government Meeting (CHOGM) that contains a strong digital element. Like UNCTAD, as many developing countries rapidly digitise the Commonwealth can be a vehicle to support capacity building for emerging regulators and help build common approaches across a diverse cross-section of countries, countries that often have legal, political, and regulatory systems based on the UK's.



Crafting a UK International Digital Strategy

While by no means a comprehensive overview, the above section covers much of the broad international landscape the UK faces as it seeks to build on its notable early steps in establishing itself as an ambitious leader in digital trade globally. Moving forward, it is **crucial to centre domestic priorities on digital issues within an overarching international strategy that understands the value of the different relationships to advancing commercial, governance and societal value both at home and abroad, and that includes a clear articulation of UK offensive/proactive and defensive/reactive interests.**

For example, the [Better Regulation consultation](#) has set out the government's desire for the UK to move towards a more agile, less codified approach to regulation – an offensive interest to ensure that other countries follow similar approaches. When it comes to digital policy regulation, many areas are emergent in nature, and every country is grappling with how to regulate.

There are opportunities through proactive international engagement to lead in the setting of common approaches that align with core UK regulatory values. Forums such as the OECD, where detailed discussions take place to establish common norms and principles, and engagement with key partners who share similar ideals and ambitions, such as Singapore and Australia, can set new approaches where others can follow.

In contrast, a defensive interest for the UK is protecting the status quo around not imposing customs duties on data transfers. Over recent years this has been under attack at the WTO from countries such as South Africa and India and the UK has and should continue to play a key role in defending the current practice in partnership with its allies. See Figure 2 for further examples of both.



Figure 2: Example Offensive Interests

Interest	Description	Illustrative Forums and Partners
AI Cooperation & Regulation	The Government's recent National AI Strategy sets as a key aim to "ensure the UK gets the national and international governance of AI technologies right to encourage innovation, investment, and protect the public and our fundamental values".	<ul style="list-style-type: none"> • OECD – Established principles on AI and a leading forum for the researching global best practices. The UK should prominently engage to ensure UK interests and approaches are considered. • USA – The UK has a shared vision with the USA through the Declaration on Cooperation in Artificial Intelligence Research and Development that can be utilised as a vehicle to deepen cooperation.
Fintech Bridges	The UK has negotiated five fintech bridges, and a range of other fintech related agreements , that are collectively designed to enable collaboration and common standard setting with the UK playing a leading role.	<ul style="list-style-type: none"> • Singapore – A key leader in the fintech and digital trade space, with a fintech agreement already in place. A Singapore-UK Digital Economy Agreement can take this relationship even further. • CPTPP – With all of the existing agreements in the Indo-Pacific, the UK's ascension to CPTPP could be a way to further expand the UK's fintech approach in the region.

Example Defensive Interests

Interest	Description	Illustrative Forums and Partners
Preventing Data Localisation	The UK is a hub for the flow of data globally and UK businesses benefit from the free flow of data, yet there is a rising trend in data localisation which the UK has identified as " harmful to fair and open competition ".	<ul style="list-style-type: none"> • WTO – The UK should actively defend the principle of the free flow of data and fight data localisation requirements at the WTO, and look to bring actions there against countries that impose unjustified restrictions. • Commonwealth – The UK can work closely with developing country partners through the Commonwealth to illustrate the benefits of the free flow of data to their economies and counter misconceptions that localisation requirements would be beneficial.
Cybersecurity	It is estimated that cyber attacks have cost UK businesses over £87 billion over the last five years and even institutions like the NHS have been vulnerable to attack. With many of these incidents being perpetrated by foreign groups, international cooperation is essential to address them.	<ul style="list-style-type: none"> • G7 – The UK put cybersecurity on the agenda of the G7 this year and should work to make sure it stays there and to expand from beyond just calling out harbourers of cyber criminals to actively cooperating on proactively preventing attacks. • EU & USA – Countering cyber attacks was on the agenda as part of the TTC. Given the UK's cyber strengths, this is an area where the UK can play a leading role trilaterally.

Crucial to the success of this strategy is the effective operationalisation of existing agreements the UK has already concluded. Ground-breaking new deals, such as the UK-Australian FTA and the UK-Singapore Digital Economy Agreement have the potential to be powerful tools but only if their promise is realised by an ongoing commitment to nurturing cooperation and using the frameworks they establish to their maximum extent.

A clear assessment of how the different relationships and forums fit together to advance UK interests can also support furthering other objectives. The relationship with the US is a key one for the UK, and for the UK's tech sector. **While the successful conclusion of an FTA with the United States would be a very welcome development,** and one the UK should continue to work towards, it is by no means the only way to strengthen the UK-US bilateral relationship on digital and technology issues.

The US has a strong focus on areas such as supply chains, cybersecurity, developing standard-based approaches to the regulation of digital services, and countering digital authoritarianism, among others. These priorities fit within the larger picture of a US pivot towards the Indo-Pacific, and away from Europe and the Middle East, in the light of heightened geopolitical and economic competition from China. The greater engagement of the US in the Indo-Pacific is one [supported by a broad coalition of US industry associations](#).

As the UK looks to create digital opportunities and value in the relationship with the US, it can do this most effectively by approaching it as an Indo-Pacific relationship, not a Transatlantic one. UK accession to CPTPP and active involvement in their committee on e-commerce, successfully ratifying the Digital Economy Agreement with Singapore, joining DEPA - all are steps that

embeds UK digital leadership in a region that is a central priority for the US. With [White House officials contemplating a digital trade deal](#) with Indo-Pacific countries, UK participation in that region could potentially result in a digital deal with the US sooner than a bilateral one - and along the way would also independently deliver significant value from the relationships with countries in that region. Proactive and focused engagement in other US priorities, such as the ["Summit for Democracy"](#) where democratic cooperation on technology was on the agenda, can also be effective avenues to advance the UK-US bilateral relationship.

Yet, while an Indo-Pacific approach is needed for the UK in dealing with the US, a Transatlantic perspective is still important for the UK in the interaction with the EU. While the UK does not have a seat at the TTC, an assessment of the other forums available along with the issues under discussion, can point to other ways to influence discussions. For a topic such as secure supply chains, one of the working groups at TTC, the UK is a major technology consumer and provider and one tightly integrated in European and global supply chains. To ensure the UK's voice is heard and priorities are considered, the UK can work proactively bilaterally and through other forums such as the [Chancellor did through meetings with the G7 Finance Ministers](#). **If it can act faster and more strategically in its engagement across multiple fronts, then the UK can go a long way to ensuring that its approach is the one at the top of the international agenda.**

This kind of engagement cannot be ad hoc if it is to be successful – but creating and sustaining this kind of strategy for international digital policy cooperation is easier said than done. It requires coordinating a lot of departments and regulators to build common understanding of objectives and the value that can be gained.



Given the scope goes beyond digital trade alone, and beyond just domestic regulatory issues, **the logical home for this strategy is within the Foreign, Commonwealth & Development Office (FCDO)**, with significant roles and input from the Department for International Trade (DIT), the Department for Digital, Culture, Media & Sport (DCMS), and the Department for Business, Energy & Industrial Strategy (BEIS). **The strategy would have to have dedicated resources too**, given its scope and the work required in setting up and managing ongoing interactions.

There would also need to be clear **opportunities and forums for industry, civil society and other non-governmental stakeholders to feed into the strategy and its ongoing operation**. This is essential for it to deliver long term commercial and societal value. An active collaboration between these groups and the government also opens other avenues to advance UK interests and advocate for UK values and approaches, such as through industry forums like the B20.

Furthermore, **UK government efforts around digital regulatory cooperation need to go hand-in-hand with an ambitious strategy focused on shaping standards for emerging technologies**,

developed in conjunction with the UK's national standards body, the British Standards Institution (BSI), and other industry stakeholders. The objective of such a strategy should be to identify the strategic interest for the UK in important areas of technology development with a focus on maximising the UK interest and influence in the development of important standards in key international standardising bodies including ISO, IEC and ITU.

Ultimately, at heart, there has to be a recognition that **digital and technology issues are no longer things that can be siloed off**. They are fundamentally integral to the UK's economy and society and to our long-term wellbeing. They are international in their scope and their impact and are not topics that any one country can deal with, or even understand, alone. Their sheer complexity lends them to efforts that are collaborative in nature, both at home and abroad. By understanding this, and crafting a clear strategy in response, the UK can ensure that it is a global leader in digital and technology issues.

Summary of recommendations

1. It is crucial to centre domestic priorities on digital issues within an overarching international strategy that understands the value of the different relationships to advancing commercial, governance and societal value both at home and abroad, and that includes a clear articulation of UK offensive/proactive and defensive/reactive interests.
2. Crucial to the success of this strategy is the effective operationalisation of existing agreements the UK has already concluded.
3. The successful conclusion of an FTA with the United States would be a very welcome development.
4. As the UK looks to create digital opportunities and value in the relationship with the US, it can do this most effectively by approaching it as an Indo-Pacific relationship, not a Transatlantic one.
5. If it can act faster and more strategically in its engagement across multiple fronts, then the UK can go a long way to ensuring that its approach is the one at the top of the international agenda.
6. The logical home for this strategy is within the Foreign, Commonwealth & Development Office (FCDO), with significant roles and input from the Department for International Trade (DIT), the Department for Digital, Culture, Media & Sport (DCMS), and the Department for Business, Energy & Industrial Strategy (BEIS).
7. The strategy would have to have dedicated resources.
8. There should be clear opportunities and forums for industry, civil society and other non-governmental stakeholders to feed into the strategy and its ongoing operation.
9. UK government efforts around digital regulatory cooperation need to go hand-in-hand with an ambitious strategy focused on shaping standards for emerging technologies.
10. There has to be a recognition that digital and technology issues are no longer things that can be siloed off.

About techUK

techUK is a membership organisation that brings together people, companies and organisations to realise the positive outcomes of what digital technology can achieve. We collaborate across business, Government and stakeholders to fulfil the potential of technology to deliver a stronger society and more sustainable future. By providing expertise and insight, we support our members, partners and stakeholders as they prepare the UK for what comes next in a constantly changing world.



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