

SINGAPORE AND THE UNITED KINGDOM LAUNCH NEGOTIATIONS ON DIGITAL ECONOMY AGREEMENT

1. Singapore and the United Kingdom (UK) have launched negotiations on a UK-Singapore Digital Economy Agreement (UKSDEA). This was announced today before the videoconference between Minister-in-charge of Trade Relations S Iswaran and UK Secretary of State for International Trade Elizabeth Truss.

2. Mr Iswaran said, “The digital economy is a catalyst for economic growth and the transformation of enterprises. It is a bright spot that has remained resilient despite the challenges of the COVID-19 pandemic. I am pleased that Singapore is enhancing our network of Digital Economy Agreements (DEAs) with a like-minded and digitally progressive partner like the UK. The UKSDEA will build on the momentum of the UK-Singapore Free Trade Agreement and promote trusted, robust and connected digital markets for the benefit of our people and businesses. As the first DEA between an Asian and a European country, the UKSDEA will also enhance region-to-region digital connectivity, enabling businesses to use Singapore and the UK as digital gateways to access new opportunities in Asia and Europe.”

3. The UKSDEA seeks to facilitate digital trade and open up new opportunities in Singapore, the UK and our respective regions by making it easier to do business digitally between Singapore and the UK. This will include establishing forward-looking rules to enable trusted cross-border data flows, prohibit data localisation, and ensure high standards in data protection. It will also facilitate seamless digital trade and business through interoperable digital systems, connect the thriving innovation ecosystems in the UK and Singapore, and explore the use of emerging and innovative technologies such as Artificial Intelligence (AI). Recognising that cybersecurity is a key enabler of the digital economy and the smart nation, these initiatives will be undergirded by cybersecurity cooperation to promote trust and confidence in a secure and resilient digital economy.

4. Businesses of all sizes stand to benefit from the increased clarity and reduced transaction costs associated with seamless digital transactions. The UKSDEA also seeks to leverage Singapore’s and the UK’s strengths as innovation and financial hubs in our respective regions. Under the agreement, we aim to explore cooperation to connect our technology ecosystems, and open up opportunities for startups. We welcome feedback from businesses and consumers on areas of interest to be included in the UKSDEA.

5. The launch of the UKSDEA is part of a series of DEAs¹ that Singapore has embarked upon. These agreements are an inter-agency effort led by the Ministry of Trade and Industry, Ministry of Communications and Information,

¹ The Singapore-Australia Digital Economy Agreement and the Digital Economy Partnership Agreement with Chile and New Zealand entered into force in December 2020 and January 2021 respectively. Singapore launched negotiations with the Republic of Korea on the Korea-Singapore Digital Partnership Agreement in June 2020.

and the Infocomm Media Development Authority to advance collaboration in the digital economy and enhance digital connectivity.

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Annex A: Joint Ministerial Statement by the United Kingdom (UK) and the Republic of Singapore on the Launch of Negotiations on a UK-Singapore Digital Economy Agreement

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Annex A: Joint Ministerial Statement by the United Kingdom (UK) and the Republic of Singapore on the Launch of Negotiations on a UK-Singapore Digital Economy Agreement

1. The UK and Singapore are pleased to announce the launch of negotiations on a UK-Singapore Digital Economy Agreement (DEA). Our two countries already share deep and historical ties, with multifaceted cooperation spanning diverse areas such as security and resilience, economy and trade, research and technology, and climate and sustainability. This was reaffirmed in our March 2021 Joint Statement on the Singapore-UK Partnership for the Future.

2. The UK-Singapore DEA will further strengthen our close partnership and build on the momentum of the UK-Singapore Free Trade Agreement (FTA), which came into force in February this year, to address new and emerging issues in the fast-growing digital economy. Digitally-delivered services made up around 70% of UK-Singapore services trade in 2019.

3. COVID-19 has accelerated the pace of digitalisation across the global economy as businesses and workers seek to address new challenges arising from the pandemic and take advantage of potential opportunities going forward. As forward-looking and digitally advanced economies, the UK and Singapore recognise that digitalisation and digital connectivity will underpin the next phase of growth and transformation for the global economy. The launch of negotiations on the DEA reaffirms our commitment to uphold open and connected economies, not just in traditional areas of goods, services and investment, but also in the flows of data and e-commerce.

4. To that end, the DEA will be a model for global digital trade rules, allow our businesses and people to harness new opportunities in the digital economy and support a digital environment that safeguards consumers and businesses. For instance, the DEA will establish forward-looking rules to facilitate trusted cross-border data flows, prohibit unjustified data localisation, and maintain high standards of personal data protection. It will champion the role that digital technologies can play in facilitating trade, encourage interoperability in our digital systems, connect the thriving innovation ecosystems in the UK and Singapore, and explore the use of emerging and innovative technologies. In addition, the DEA will explore potential cooperation on innovative financial services, given the synergies between the UK and Singapore as financial hubs. To build trust and confidence for a secure and resilient digital economy, the DEA will also strengthen our cybersecurity cooperation.

5. As the first digital economy agreement between Asian and European countries, there is an opportunity for the DEA to serve as a pathfinder for common frameworks, digital rules and standards between our regions. The DEA will also strengthen the linkages between the UK and Singapore and allow both countries to function as twin digital hubs in our respective regions. This will enable UK and Singaporean enterprises of all sizes, especially small

and medium enterprises, to access a greater range of opportunities in our combined digital markets.

6. The UK and Singapore hope that the DEA will also contribute to establishing global digital trade norms for a more open, connected and secure digital environment. We envisage that the agreement will add to and complement our continued cooperation on the digital economy at the WTO and other multilateral fora. This includes the WTO Joint Statement Initiative on E-Commerce.

7. We look forward to expeditiously concluding the DEA as soon as possible, enabling our people and businesses to reap the full benefits of the digital economy.

Minister-in-charge of Trade Relations, Singapore, S Iswaran

Secretary of State for International Trade, United Kingdom, Elizabeth Truss