

ASIA PACIFIC DIGITAL TRADE NETWORK

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Joint initiative by:



Department for
Digital, Culture
Media & Sport



Department for
International Trade



WHAT IS THE DIGITAL TRADE NETWORK?

EMBEDDED DIGITAL TRADE & TECH POLICY EXPERTS ACROSS THE ASIA PACIFIC REGION

KEY ELEMENT OF THE UK GOVERNMENT'S COMMITMENT TO:

EXPANDING AND DEEPENING THE NATION'S OVERSEAS NETWORK

REINVESTING IN THE UK'S RELATIONSHIPS IN THE INDO-PACIFIC

ADVANCING COMMON INTERESTS

WORKING WITH OTHERS TO FACE CHALLENGES

The **Digital Trade Network** increases the **UK's digital tech capability in Asia Pacific**, enabling us to:

- create **new collaborations and partnerships**;
- **support UK businesses to increase trade and investment**; and
- **maximise the benefits of digital tech innovation** to improve people's lives and make businesses more productive.

For Whitehall:

- the DTN brings together the ingredients for the UK's future tech international competitiveness into a single network
- It joins up shared departmental interests, brings insights from digital tech businesses closer to policy makers, and creates greater visibility in key markets

DIGITAL TRADE NETWORK OBJECTIVES

GLOBAL BRITAIN & PROSPERITY

Delivering on the Indo-Pacific tilt by enhancing the UK's digital economy collaborations internationally

TRADE POLICY & MARKET ACCESS

Opening and expanding markets for digital tech innovation and trade

Promoting the UK digital tech sector overseas, and attracting businesses, R&D, capital and talent

INWARD INVESTMENT

Supporting UK businesses to internationalise in the APAC region

TRADE PROMOTION

Creating new opportunities for the growth of UK tech, and putting the UK in a strong position to benefit from flourishing tech sectors abroad

THE UK IN ASIA PACIFIC

ECONOMIC GROWTH ENGINE

- Global economy is undergoing a profound transformation with rising economies in Asia Pacific emerging as a major new source of global growth. The world's centre of economic gravity, growth and power is rapidly shifting eastwards.
- The region matters to the UK: it is **critical to the UK's economy, security** and global ambition to support **open societies** (Integrated Review).

Between 2000-2019, Indo-Pacific accounted for **50% of global economic growth** | expected to be 56% by 2050

Significant **local innovation & entrepreneurialism**

Indo-Pacific is home to **half of the world's people & 40% of global GDP**

Hotbed for **research & private sector R&D investments**

Home to some of the **fastest-growing economies in the world**

At the forefront of **new, leading global trade arrangements**

APAC population of over **860m with one third under 30**

Leading & adopting **digital and technological innovation and standards**

In 2020, 40m new internet users in SEA alone, bringing total number to **400m internet users - the same size as the US market**

Potent source of **new investments, new customers & new partners**
21% of total VC investment into UK tech from Asia (2019)

With Indo-Pacific Tilt, it is **ideal time for UK companies** to build links with and grow into Asia Pacific

Strong recognition among industry (and momentum in the UK Govt) regarding the potential that the region can unlock

Unicorns such as Darktrace, Revolut, Wise, Deliveroo **are all already in the region** having seen the opportunity

Asia is the **fastest evolving region globally** with almost unlimited potential for business growth, development and expansion

DTN adds **additional level of support** to accelerate this growth for UK's tech

BRINGING VALUE TO GOVT & BUSINESS

FOR APAC GOVERNMENTS

Through our network of dedicated personnel, the UK now has increased capacity for collaborations and partnerships to tackle shared challenges in the digital economy and maximise new opportunities

FOR APAC TECH BUSINESSES AND INVESTORS

- POC on the ground providing greater insights & connections into the UK tech sector and opportunities for expansion
- Connected to Tech Nation's well-established UK-wide entrepreneur network to find new partners or new investment opportunities
- Cohesive experience through a joined-up network of DIT/DCMS staff on digital tech

FOR UK TECH BUSINESSES

More support to expand into APAC, including:

- Greater market intelligence & on-the-ground expertise to accelerate growth overseas
- Increased support for addressing barriers to digital trade
- Funded opportunities and projects dedicated to increasing knowledge of opportunities in Asia

WHAT IMPACT IS THE DTN DELIVERING?

Lead Engine

- Tech Nation's International Growth Programme: 1st cohort of **30 UK scale-ups** with **further 45 receiving tailored support** on the go-to-market strategies
- Supported **over 120 UK tech scaleups**, over half from outside of London and the South East
- **UK-ASEAN Digital Business Challenge** phase 1 promoted to 5,000 UK tech companies

Expert Trade & Investment Support

- **UK digital tech experts on the ground** to help UK companies join our tilt to the Indo Pacific and support company expansions into the UK
- DTN @ London Tech Week, with **13 events, 20+ sessions, 90+ speakers & over 1,320 attendees**. From Aus and NZ alone, over 140 companies joined to understand the benefits of expanding to the UK

Unlocking benefits of new trade deals

- Supporting the UK's negotiation of a **Digital Economy Agreement with Singapore**, the first European country to do so
- Raising awareness of the **benefits of new FTAs such as Japan**, including through partnering with techUK

Research, Insights and Data

- Research to **boost R&D investment in the UK** by better targeting the highest-potential businesses
- A **data driven user-friendly platform from Tech Nation** to provide UK tech companies with rich resources including sector mapping and directories.
- **Smart City Handbooks** in Vietnam and Indonesia
- Projects on Cyber in SEA, Net Zero & Digital Market Access Barriers in ROK, Fintech & Biz Opps in IDN, etc.

Networking And Engagement

- Establishing a '**British Tech Expat Network**' modelled on the US's GBx
- Successful launch of a new **ASEAN-UK Digital Innovation Partnership | ASEAN-UK Digital Business Showcase**
- Launch of the **UK-APAC Tech Forum** to discuss challenges and promote opportunities for growth and collaboration between UK and APAC businesses.

Pushing Technology Frontiers

- Engaging in **regulatory diplomacy**, promoting UK values in the developing rules which govern the global digital economy
- Supporting the **development of standards and adoption of digital technology**; and creating new regulatory space for future innovations.

AT A GLANCE: THE UK'S DIGITAL SECTOR

The UK's strong digital and technology sector is booming. Since 2016 the UK's digital and tech sector has raised over \$50bn in investment, almost 20 percent more than what Germany (\$23bn) and France (\$19bn) have achieved combined, and in 2020 the UK raised \$26bn in investment, more than one-third of the European-wide total.

Initially driven by start-ups, we are now seeing our home-grown companies mature. Consistent growth in investment in late-stage companies has enabled the UK to produce 116 unicorns, the most of any European country.

With the release of the UK Government's National Data Strategy, National Cyber Security Strategy 2022, and G7 Digital Trade Principles, we are aiming to stimulate wider adoption of data-based services and also to highlight the importance of digital trade. It is an ambitious strategy that will adopt a series of priority missions to drive the digital economy and ensure the UK remains a world-leading digital nation.

Cybersecurity: In 2020, the UK's world-class cybermarket was worth £8.3 billion, with total revenues in the sector up 46 per cent from £5.7 billion in 2017. The number of active cybersecurity firms increased 21% between 2020 and 2019.

Artificial Intelligence: the UK is third in the world for levels of investment in AI. The UK has recently laid out a 10-year plan to remain an AI superpower.

Digitalisation of Finance: The UK's proposition for fintech is unique: world-class talent, UK-wide expertise, a forward-thinking approach to regulation, access to capital, and proximity to an innovative financial services sector. The whole financial services industry in the UK has embraced digitization, making it a leader in this sector.

THE UK AND SOUTHEAST ASIA: DIGITAL AT THE CENTRE OF OUR ECONOMIC RELATIONSHIP

FOSTERING ECONOMIC GROWTH AND INNOVATION THROUGH DIGITAL

- **Digital sits at the heart of the UK thriving economic and trading relationships with partner countries across ASEAN.** With over £36.4bn of two-way trade in goods and services between the UK and ASEAN Member States in the four quarters to the end of Q3 2020 (and £5.2bn with Viet Nam by Q2 2021), digital technologies have already played a vital role in driving our economic recovery from the global pandemic.
- As the region's newest **ASEAN Dialogue Partner**, the UK is committed to deepening our digital and technological ties with partner markets across Southeast Asia's dynamic digital ecosystem. The unique characteristics of our digital ecosystems highlights the significant potential for truly innovative digital partnerships.



ASEAN's digital economy – comprising of over 400m internet users – is expected to reach **\$363bn** by 2025.

Businesses across ASEAN are pioneering truly cutting-edge digital technology applications, including **regional digital trade platforms** to boost seamless cross-border trade.

Regulatory cooperation across is placing the region at the forefront of digital transformation, including through the region's ambitions for an **ASEAN Digital Economy Framework Agreement**.



The UK's digital economy – consisting of over 46m daily internet users – contributes over £400m a day to the UK economy.

The UK has **world-leading expertise** across a range of digital technologies, ranging from data analytics to cyber security.

The UK is pioneering regulatory innovation in digital trade, including through our **G7 Digital Trade Principles**.

DIGITAL AT THE CENTRE OF OUR ECONOMIC RELATIONSHIP

CURRENT COOPERATION BETWEEN THE UK AND ASEAN MEMBER STATES

The UK is already cooperating with ASEAN and ASEAN Member States on a range of exciting, innovative digital initiatives designed to foster new commercial opportunities and support digital transformation across the region.

Regulatory Cooperation



The UK and Viet Nam are working together on **Shaping Standards for Future Cities**, a comprehensive training workshop on technical standards for Smart Cities – delivering on the ambition set out in the **Letter of Intent on Digital Cooperation**.



The UK and Singapore reached an agreement in principle on a **Digital Economy Agreement**, ensuring that business can operate freely across both markets.

Technology Cooperation



The UK and Thailand collaborating on how to **digitise public procurement systems**, enabling more how MSMEs to enter in public procurement supply chains.



The UK and Singapore are undertaking a series of **supply chain digitalisation** pilots, designed to improve supply chain resilience.



The UK worked closely with ASEAN to conduct a research report on the implementation of a **regional digital trade platform**.

Business Cooperation



The UK has worked with Indonesia, Vietnam, Thailand, Malaysia, the Philippines to create a series of **Smart City Handbooks** designed to promote future cooperation in Smart Cities.



The UK is leading a new **ASEAN-UK Digital Business Showcase** designed to foster new commercial partnerships between UK digital technology solution providers and organisations across the region seeking to transform their operations through digital.

FUTURE COOPERATION

- As the region's newest ASEAN Dialogue Partner, the UK is committed to deepening our digital and technological ties with ASEAN and ASEAN Member States in years ahead.
- Our new **ASEAN-UK Digital Innovation Partnership** which launched in September 2021 is a framework designed to support in **bolstering, coordinating, and strengthening our engagements on digital.**



"I warmly welcome the initiative to establish the ASEAN and UK Digital Innovation Partnership. It is a strategic means to unlock the potential benefits of digital technologies for the interest of our people, businesses, consumers and economies. It would tighten our collaboration efforts to achieve our shared economic and technological ambitions."

H.E. Dato Lim Jock Hoi, ASEAN Secretary General

PROPOSED AREAS OF COOPERATION

DIGITAL TRADE & E-COMMERCE

ADVANCED DIGITAL TECHNOLOGIES*

DIGITAL TRANSFORMATION**

BRIDGING THE DIGITAL DIVIDE



Digital continues to be a top priority for the bloc, with its ambition to harness digital as a driver of economic growth set out in key regional strategies:

ASEAN Digital Masterplan 2025

Masterplan on ASEAN Connectivity 2025

Bandar Seri Begawan Roadmap on Digital Transformation



As we continue to design and curate more opportunities for cooperation on digital, we warmly welcome ideas and suggestions from Vietnam on how we can continue to broaden our cooperation on digital in the years ahead.

CONNECT WITH US

If you would like to connect with the Digital Trade Network, please contact us:

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