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Dear Angus,

UK-Singapore Digital Economy Agreement Update

I am writing to update you and your committee that tomorrow (Tuesday 14th) we expect to announce that the UK-Singapore Digital Economy Agreement (DEA) has entered into force, following the completion of the necessary domestic procedures on both sides. This will allow UK businesses to start benefitting from the provisions contained within the agreement, helping them to trade and grow.

As the global economy is increasingly digital, this agreement confers benefits across the whole of the UK. This will help unleash the full potential of employment wherever businesses are based; from offices in Dundee to living rooms in Derbyshire and factory floors in Devon. The United Kingdom is home to growing digital and tech clusters, from Northern Ireland's growing recognition as a hub for cybersecurity to Scotland's status as home to over 140 financial technology companies, and Wales' strong and growing tech sector employs more than 2000 people.

By securing open digital markets, prompting the free flow of trusted data, or slashing red tape through overhauling outdated paper-based processes, businesses across the UK can expand into new markets and thrive.

With this ground-breaking agreement, UK businesses and consumers will both benefit. Businesses will be provided greater access to the Singapore market. This is significant, as digitally delivered services makes up around a third of UK services trade globally - worth over £361 billion in 2020 - and this deal will help strengthen that further. Our country and citizens will be safer through deepening our partnership with Singapore in areas such as cybersecurity, as well as legally binding commitments to online consumer protection and personal data protection.

With this agreement coming into force, our economy and brilliant businesses can build back better from the pandemic and start to benefit from easier, quicker, and more trusted access to the valuable Singapore market. Some of the highlights in this agreement include:

- Supporting UK businesses to better access Singapore's digital markets. Digitally delivered services made up around 79% of UK-Singapore services trade in 2020, and this deal will help grow our trade in this area.

- Cutting red tape by supporting the overhaul of outdated, paper-based trading systems. For example, the agreement contains specific commitments to enable the digitisation of trade documents such as Bills of Lading. The digital trade facilitation provisions are expected to increase UK-Singapore goods trade by making trade easier, cheaper, and faster. This is likely to particularly benefit smaller businesses.

- Keeping our country and citizens safer through deepening our partnership with Singapore in areas such as cybersecurity, as well as securing commitments covering online consumer protection and personal data protection.

- Creating greater certainty on cross-border data flows. These are vital to modern trade, not only in digitally intensive sectors such as telecommunications, computer, and IT, but also beyond the service sector in manufacturing and goods trade, too. Even in 2014, data flows contributed an estimated $2.8 trillion to global GDP growth.

- Supporting our bid to join the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP), joining Singapore and 10 other vibrant trading nations. Membership would mean access to a £9 trillion free trade area with some of the biggest and fastest-growing markets in the world.

Finally, I know the Committee and many others take a close interest in the question of data protection. Cross-border data flows are the lifeblood of the modern global economy and is it absolutely in the UK's interests to include robust provisions on the free flow of data which guard against protectionist practices such as data localisation requirements.

Equally, it is vital that we appropriately protect personal data and maintain the confidence of businesses and consumers in international trade. The agreement we have struck commits both the UK and Singapore to maintaining robust regimes for protecting personal information, making a positive contribution to the protection of UK citizens' personal data.

As with all our FTAs, the commitments made in this agreement do not of course alter or undermine the UK's domestic legislation on personal data protection. Onward transfers to third parties will remain governed by the UK's Data Protection Act 2018.

I hope you will join me in celebrating an exciting milestone for British exporters.

Best wishes,

Anne Marie

THE RT HON ANNE-MARIE TREVELYAN MP
Secretary of State for International Trade
& President of the Board of Trade