FOR IMMEDIATE RELEASE

UK needs to pick its battles to become a technology superpower, says techUK report

- Geopolitical events threaten the stability of the UK tech sector
- Digital ethics and data flows are among the strengths the UK should focus on for its tech superpower agenda

LONDON, 15 May 2023: The UK needs to strategically choose its strengths to become a true tech and science superpower, according to a new techUK report published today.

The report, ‘Open and Secure: Charting a path for UK tech in a world of resurgent competition’, highlights how the challenges of a radically different geopolitical world, has exposed the vulnerabilities of the technology sector, including disruptions to supply chains and the manufacturing of semiconductors.

The current geopolitical landscape poses significant threats to the UK economy and the UK tech sector in particular. On its own, the UK lacks the economic influence of the major powers in the US, China, or the EU. Despite supporting digital trade negotiations at the WTO and the new deals the UK has negotiated with Australia, New Zealand, and the UK-Singapore Digital Economy Agreement, the scope of impactful new trade agreements is narrow. Even the UK’s welcome recent accession into the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP) is expected to add only 0.08% to the UK’s GDP.

Technology is essential to the UK’s prosperity; 3 million people work in UK tech and the total value of the sector reached $1 trillion last year; however recent world events mean it now faces challenges from rising global geopolitical competition.

The UK tech sector strengths

The UK has many strengths, including being Europe’s largest tech sector, however, the size of the UK’s economy and population mean that it is unrealistic to think that it can be a leader in every emerging technology.
The UK must pick its battles and carefully select the areas it can lead on. Outside the formal structures of the EU, and without automatic invites to forums such as the US-EU Trade and Technology Council, the UK must build on its capital and leverage to ensure it is an essential partner to different international allies. The UK also needs to build its capacity in how it supports the sector, by providing coherent and coordinated policy and providing businesses with the support they need to navigate a challenging environment.

To fail to take these steps will dilute the UK’s impact and undermine the advantages of the UK’s tech sector, which is essential to ensuring the long-term growth and prosperity of the UK economy.

**According to techUK’s report, the UK can lead on:**

- Continuing to support multilateralism, taking a strategic approach to influence the development of international standards
- Promoting the UK’s regulatory strengths and pro-innovation agenda internationally, identifying the issues where the UK can make a difference internationally, such as data flows and digital ethics
- Doubling down on UK strengths, propelling its strongest sectors forward and ensuring that it is supporting crucial strategic sectors by following three key pillars: enabling innovation, accelerating innovation, and applying innovation.

**How the UK can lead**

The UK can deliver on its strengths only if it follows a strategic plan. We must ensure there is policy coherence on a domestic and international level, reviewing outdated pieces of regulation that will only slow down progress.

Ensuring that its ethical and pro-innovation regulation at home is backed up by robust action internationally will also need to be a priority. This will support other countries adopting the UK approach and avoid other digital sectors with lesser ethical standards achieving market dominance elsewhere.

**Sabina Ciofu, Associate Director for International Trade, said:**

“Technology companies are increasingly finding themselves in the middle of geopolitical tensions and international competition among countries seeking the competitive edge in tech and digital. While it is a complex picture for companies of all sizes to navigate, tech SMEs are particularly under-equipped to deal with the impact geopolitical shifts and big power competition are having on supply chains and growth prospects.

“In this report, we are calling on the government to continue to fight the good fight for international cooperation, to double down on UK tech strengths in areas where it can lead in the global arena, but also to provide greater guidance and direction to a companies faced
with a more fractious and divided world. We are looking forward to working with the government to secure the future of the UK technology sector.”

-ENDS-

Notes to Editors

The full report can be downloaded here.

techUK International Policy and Trade webpage

About techUK

techUK is the technology trade association that brings together people, companies and organisations to realise the positive outcomes of what digital technology can achieve.

With around 970 members (the majority of which are SMEs) across the UK, techUK creates a network for innovation and collaboration across business, government and stakeholders to provide a better future for people, society, the economy and the planet.

By providing expertise and insight, we support members, partners and stakeholders as they prepare the UK for what comes next in a constantly changing world.