



The Technology Sector Trade Associations of the G7 countries and the EU are calling for International Cooperation to reap the benefits of technological innovation in the post-COVID era

2020 was a year of unprecedented disruption and hardship for the world. Working together to build back better and find common solutions to the challenges our nations are facing is more important than ever. The G7 countries have the opportunity to drive forward an ambitious policy agenda in response to the numerous challenges following the COVID-19 pandemic.

The technology sector has been – and will continue to be – a significant part of the solution to these challenges. Our industry has provided the infrastructure and the means for people to connect with each other and be productive while working from home. It is providing assistance to governments around the world in supporting strained healthcare and education systems, as well as vulnerable communities. Digital technologies can enhance our economic power and our quality of life if adopted widely and used responsibly. The continued participation of our people and businesses in the digital economy will be crucial to the future and prosperity of our countries.

For technological innovation to continue to deliver not only for the G7 economies, but for as many countries and regions of the world as possible, like-minded countries must work together towards facilitating global trade flows and setting a common rulebook for the digital economy that prioritizes transparent, compatible, and non-discriminatory approaches to digital policy at the global level.

We strongly encourage the G7 governments to promote the four objectives below as part of the drive towards economic recovery and resilience.

1. Putting digital at the heart of trade relations

Digital technologies have fundamentally changed how companies of all sizes participate in international commerce, driving growth and job creation in virtually every sector of the economy. However, the clear benefits of broad-based digital growth risk being derailed by existing and emerging barriers to trade that restrict innovation and create obstacles to the cross-border provision of digitally-enabled services.

This reality necessitates strong digital trade rules that prioritize the cross-border flow of data, the transparent and non-discriminatory regulation of new technologies, and the protection of intellectual property, as well as complementary efforts to foster compatible approaches to the protection of personal data and trusted government access to data.

Increased international cooperation will be required to ensure that like-minded governments can equitably expand the benefits of digital trade to all countries, create certainty for businesses and individuals, and promote trade- and innovation- facilitative approaches to digital and technology policy. We believe G7 countries must play a coordinated and leading role in shaping global discussions around digital trade in various multilateral forums, with a view to promote alignment on regulatory approaches and standards wherever possible.

G20 work initiated in 2019, and subsequent work undertaken by the G7, provide a solid base for the advancement of such discussions. Under the presidency of Japan, the G20 held the first joint Trade and Digital Economy Ministerial to reflect the important interlinkage between the two areas. Notably, Japan's presidency introduced the concept of "Data Free Flows with Trust," which continues to inform essential conversations on compatible approaches to data governance that ensure the necessary movement of data across borders. In 2020, the Saudi Arabian G20 presidency continued this work by convening a G20 Digital Economy Task Force, and 2021 presents further opportunities for facilitating convergence among like-minded countries.

Further, we encourage G7 leadership in driving forward the World Trade Organization (WTO) Joint Statement Initiative (JSI) on E-Commerce to achieve a timely, commercially meaningful agreement with substantial progress by the next WTO Ministerial meeting. The JSI negotiations have the potential to establish a new global standard on digital trade that would significantly reduce uncertainty for companies in all sectors as they do business across borders. Special attention should be paid to:

- securing commitments guaranteeing the free flow of data across borders, by combatting undue restrictions to a global, digitalised economy, while balancing regulatory autonomy on privacy and data protection matters;
- refraining from imposing localization measures requiring the local storage or processing of data or the use of local computer facilities;
- making permanent the moratorium on the imposition of tariffs on digital goods and electronic transmissions, and;
- ensuring that governments do not mandate any access to proprietary information, source code, encryption keys or algorithms, or require forced transfers of technology as a condition of market access for civilian use of ICT.

Finally, the G7 should continue to support the OECD/G20 Inclusive Framework's negotiations to reach a multilateral, consensus-based solution to address the tax challenges arising from the digitalisation of the global economy.

2. Building cooperation on ethical and responsible adoption of emerging technologies

As the world looks to recover and rebuild from the global pandemic, governments and businesses alike are looking at how emerging, data-driven technologies, such as AI, can support and help drive economic recovery. This offers opportunities to supercharge the adoption, deployment, and uptake of digital technologies that can help countries and nations around the world drive economic productivity and growth, create jobs, achieve sustainability goals, help public service delivery, and support people in all aspects of their daily lives. However, the full economic and social power of emerging technologies will only be realised if there is trust and confidence in these technologies amongst companies, public sector bodies, and citizens in their use. The development and adoption of advanced digital technologies, such as AI, present shared challenges that must be identified and addressed.

The G7 therefore offers the opportunity to convene and drive a conversation about how global cooperation could be achieved at a time when the use of emerging technologies, such as AI and automation, is expected to increase dramatically. As part of this engagement, G7 countries should support the work at the OECD on “Going Digital,” which seeks to equip policy makers with the tools they need to deal with digital transformation, including the development of AI principles.

Trust in new technologies is best supported when policy objectives and regulatory requirements build on voluntary, international, interoperable, industry-driven practices and standardisation to support implementation. G7 Members should work towards creating a global environment where compliance with policies and regulatory requirements as well as interoperability between different implementations can be achieved without limiting the potential for innovation by mandating specific technologies.

Moreover, ensuring citizens’ and businesses are well educated on the benefits of AI and emerging technology – from schools, to the workplace, to public debate – is a key complement to standards in building trust. G7 Members should also look towards developing regulatory frameworks which incentivise AI developers to establish governance and accountability structures through risk-based, verifiable and operational practices (systems, controls, and processes), building on existing laws and governance mechanisms and aiming for international alignment.

In the context of the global pandemic, global cooperation will be particularly important as some governments around the world are looking to develop vaccine passports. Ensuring these are created and used in an ethical and transparent manner that is respectful of fundamental rights and privacy of users will be key.

In addition, with an increasing number of online activities and services, the digitisation of industry, and the ever-increasing numbers of connected devices (the Internet of Things, or IoT), the role of cybersecurity has become even more crucial to provide a stable digital economy and ensure the trust of consumers. Ensuring cybersecurity in firms, from critical infrastructures to consumer device manufacturers has become an imperative, not least because cybersecurity is a prerequisite to unlocking the potential of data for economic growth and societal benefits in areas such as healthcare. G7 Members should therefore exchange on appropriate measures to tackle cyber risks that can compromise the functioning of our economy and society.

3. Using Digital Solutions in the Fight Against Climate Change

The global transition to net zero carbon economies requires wholesale changes to systems, infrastructure, and businesses. Digital technology and connectivity have a vital supporting role in meeting these challenges. Industry's digital transformation offers new prospects to unlock innovation, provide new opportunities to workers, decarbonise, and generally do more with less. Indeed, despite the ever-increasing digitalisation of the economy, ICT's energy consumption remains close to 3%. Further, digital technologies have the potential to enable a 20% reduction of global CO2 emissions by 2030.

From a digital technology perspective, the G7 countries should continue to drive momentum for a high level of ambition (and alignment) in Nationally Determined Contributions (NDC) to ensure the delivery of the objectives of the Paris Agreement. Our industry is already leading the way in sustainability and we stand ready to support governments in their ambitions towards net zero. We would welcome a G7 approach to the development of data sharing agreements to support abatement of greenhouse gases, climate adaptation and eco-system monitoring. G7 countries should support the establishment of an International Centre for AI, Energy and Climate to pool international research efforts to support the rapid deployment of promising AI technologies that support climate abatement. A global, collaborative approach is necessary to enhance support for the current model for developing international standards and incentives for circular design and business models for electronics. G7 countries should also commit to removing barriers to business investment in renewable energy so that companies can deliver on their decarbonisation strategies and support the roll out of subsidy-free and additional renewable energy capacity.

4. Cooperating on improving digital literacy and participation

Digitization is not an issue for business or public administration alone, it is first and foremost a process that affects society as a whole. Mastery of digital skills is key for the future of every country and its citizens and avoiding a growing digital divide will be crucial for the post-COVID 19 recovery.

G7 members have already committed to supporting skills development, including lifelong learning and upskilling. Initiatives and policy measures are taking place at the national and regional levels to tackle digital skills gaps but the G7 offers an opportunity to globally cooperate on this issue by:

- **Empowering people with digital skills to transition to high-growth tech jobs.** It is vital that we have the skills needed to seize on this opportunity and meet the speed and scale of the new wave of automation.
- **Working together to expand short modular digital skills courses**—in particular those accredited by industry and employers—to open up more accessible and affordable pathways for people looking to retrain for digital roles.
- **Cooperating on the narrative and framing around digital skills.** Digital skills are a facilitator for people to do jobs rather than for jobs themselves. Digital runs throughout every part of an organisation and therefore every employee. By demystifying what digital skills are and focus on their analytical nature, we can further encourage its uptake with a strong narrative. As tech becomes an integral part of work in sectors such as health, climate & sustainability, and financial services, there is an imperative to foster cross-pollination between tech and other areas in our approach to digital skills to ensure people have the knowledge to drive forward progress and help realise the full potential of technology.