

MSU/4/8/1/1/is

20th March 2024

Dear Jeffrey,

During the AUKUS debate on Thursday 29th February, you raised a concern about the distribution of future tech-focused investment opportunities among AUKUS partners.

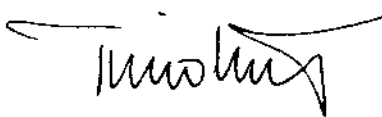
As recognised in your statement, the United Kingdom, the United States and Australia are all home to world-leading technological expertise and talent. AUKUS provides a generational opportunity to enhance our collaborative relationship and collective national security, as well as better supporting how our industrial bases work together for the future. I am pleased, therefore, that steps are being taken to ensure that businesses across all partner nations will be able to participate in investment opportunities attached to AUKUS and more broadly. In particular, and as you and other noble Lords mentioned during the debate, the US National Defense Authorisation Act for 2024 included significant reforms to International Trade in Arms (ITAR) and US export controls, to enable increased license-free trade and information-sharing between AUKUS nations. Modernising export controls will empower our government and industries to work together at the pace of relevance, accessing the best technologies and enhancing our mutual capabilities to ensure our long-term collective security. This applies not just to projects being developed under Pillar Two of AUKUS; it frees our industries to work much more closely, whether bilaterally or trilaterally, and on their own initiative too.

In addition, to stimulate all three countries' industries to contribute to and benefit from the advanced capabilities we will develop under Pillar Two of AUKUS, the AUKUS Innovation Challenge series was announced by Defence Ministers in December. This aims to bring together governments, industry and academia to co-design solutions to operational problems, harnessing the pool of technological expertise and talent across the partnership. Depending on the outcome and the strength of the case presented, industry's proposals may be developed further. I will encourage UK companies and experts to apply when the first trilateral Innovation Challenge launches this year, focusing on electronic warfare.

The Lord Mountevans
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I would also note that AUKUS Defence Ministers agreed to take forward two trilateral initiatives: the AUKUS Defence Investors Network, to expand private sector engagement by leveraging current networks in all three countries, and the AUKUS Advanced Capabilities Industry Forum, to help government and industry representatives inform policy, technical, and commercial frameworks. Taken together, these initiatives will help break down existing and future barriers to collaboration, allowing us to fully realise the benefits of the AUKUS and utilise the opportunities created across the partnership.

I will place a copy of this letter in the Library of the House.

Yours sincerely


THE EARL OF MINTO