

# Speech: IMF Article IV Press Conference 2018: Chancellor's statement

I am delighted to welcome Christine Lagarde and her team back to the Treasury this morning, to present their conclusions of the IMF's annual Article IV assessment of the UK economy.

I had the pleasure of meeting the IMF team during the visit – and I'd like to thank them for their work, their challenging inquiries, and for the robust external scrutiny that they continue to provide.

This annual inspection is an event that we very much welcome.

It has been a valuable source of challenge for myself and my predecessors – and while we do not always follow every recommendation of Christine and her team to the letter – we certainly always listen to them, and take them into account in delivering our economic plan.

And thanks too to the hard work of the British people, we have delivered an economic plan that put jobs and prosperity first, has brought our economy back from the brink – and put it on solid footing for the future.

And the fact is – today our economy stands fundamentally strong:

Unemployment has fallen to 4% – a 40-year low;

Employment is at near record highs;

Real wages are growing again – and are set to grow substantially faster over the next three years according to the OBR;

We've brought the deficit down by 4/5 from a 50 year high...

...and while the IMF rightly point out that our debt is too high at 85% of GDP...

...this year it is finally set to begin falling...

...and it is very important we continue to reduce it in the years ahead.

Our economic plan has delivered growth in the economy, growth in employment, and growth in wages...

...and it has also allowed us to invest in the key priorities for the British people too:

We're investing an extra £24 billion a year in the NHS...

...we've established a £31bn National Productivity Investment Fund – because as the IMF remind us – improving productivity is the key to higher real wages

and raising living standards...

...we're raising public investment to its highest sustained level in 40 years...

...and we've cut taxes for over 30 million people.

But we cannot take this economic progress for granted...

...we are at a critical juncture for the UK economy...

...and as we head into the final stages of the Brexit negotiations...

...we must not put these achievements – and the prosperity of the British people – at risk;

We must lock in the economic progress we have made...

...as we leave the EU we must secure a close and enduring future partnership with our European neighbours...

...and we must heed the clear warnings of the IMF and others of the significant cost that not reaching a deal with the EU will have for British jobs and British prosperity.

We have made good progress in the negotiations, – progress which the IMF welcome in their report...

...and as talks intensify, I am confident we will reach agreement on the Withdrawal Agreement and Future Framework this Autumn.

But we must, of course, continue to prepare for all scenarios...

A no-deal scenario remains unlikely – but it is not impossible.

We have released [a number of technical notices](#) setting out what citizens and businesses would need to do in the case of no deal, with more to come in the coming weeks.

The IMF are clear today that no-deal would be extremely costly for the UK – as it would also for the EU...

...and that despite the contingency actions we are taking – leaving without a deal would put at risk the substantial progress the British people have made over the past ten years in repairing our economy.

That is why it is so important for people up and down this country, that we reach a negotiated agreement on our future relationship over the coming weeks.

I'll finish by thanking Christine and the IMF once again for their hard work – and for the ongoing scrutiny of our economic plan: We value your advice, and look forward to studying the full report when it is published later this year.

Now I'm delighted to welcome Mme Lagarde to the podium to set out the IMF's main findings, and I look forward to hearing what she has to say.

---

## [News story: UK tests life-saving chemical detection robots and drones](#)

Tests of the cutting-edge multi-million-pound project, co-funded by the Ministry of Defence and the Home Office, included robots that can 'read' and climb stairs and miniature drones weighing less than a bar of soap which could soon come into service to rapidly assess hazardous scenes.

The aim of the ground-breaking research, named Project Minerva, is to reduce the risk to emergency services and front-line troops attending incidents or operations involving hazardous chemical or biological materials. The recent trials, which took place at Gloucestershire Fire Service College, saw concept drones and robots thrown into simulated contaminated scenarios in both UK homeland and battlefield environments. The technology was tested against the speed and accuracy of human response teams supported by specialist DSTL scientists, the military, police and fire services.

Defence Secretary Gavin Williamson said:

Following the reckless nerve agent attack in Salisbury this year, we have seen the bravery and professionalism of our Armed Forces, emergency services and MOD scientists. They have worked tirelessly to investigate and clean up deadly contaminated areas. This project will ensure we stay at the forefront of dealing with such heinous attacks, whether on our streets or on foreign battlefields. We are investing millions in this pioneering technology to do more to protect those who so fearlessly protect us.

The Minister of State for Security and Economic Crime, Ben Wallace, said:

I am excited to see the UK being on the front-foot and leading in the development of these autonomous technologies which are secure, reliable and useful for dangerous sites. The potential to protect our responders and protect the public from potentially hazardous scenes is considerable. The UK's experience and pedigree in security means we are in a prime position to identify what is best placed to tackle the threats of the future.

Project Minerva tests cutting-edge robots and drones at DSTL, Porton Down.  
Crown copyright.

Project Minerva was launched in September 2016 and has been supported by over £3 million in joint funding over 24 months. The project intends to bring the designs from concept to reality in an accelerated timeframe. The recent trials involved the winning concepts for phase 2 of the project.

The project is led by the Defence Science and Technology Laboratory (DSTL). It is funded jointly by the Ministry of Defence science and technology portfolio and the Home Office and contracted through the Defence and Security Accelerator (DASA) with funding from Defence Science and Technology (DST).

Peter Stockel, DSTL's autonomy lead, said:

These two weeks of trials see the culmination of over 18 months of work to realise an exciting vision, which could see robots and humans working together in demanding situations and potentially save lives when dealing with incidents involving hazardous substances. In this 'technology exploration', we've been working with industry and academia to rapidly advance robotic and autonomous solutions to enhance our response options and tools for the near future.

With continued involvement across Government, and demonstration with the user community, we aim to mature this emergent capability to test the 'art of the possible' and accelerate this into the hands of the prospective users for further operational evaluation, both for MOD and the Home Office.

Major John Green, Military Advisor CBR Division for DSTL, said:

The military is putting a lot of time and effort into CBRN [chemical, biological, radiological and nuclear] and Minerva could have a significant effect on our capability and potentially decrease the training burden. It is a project for everything else to build on.

Project Minerva tests cutting-edge robots and drones at DSTL, Porton Down. Crown copyright.

The Defence Secretary Gavin Williamson also announced measures to maintain the UK's world-leading chemical analysis and capability in March, when he outlined £48 million-worth of investment in a new Chemical Weapons Defence Centre at DSTL.

Phase 1 of Project Minerva, which ran for 6 months until July 2017, funded 18 development projects and was worth £1.37 million.

Four teams were then selected to develop their concepts further in this second phase. Just over £1.6 million total funding was awarded to the following phase 2 winners, all of which are small-or-medium-sized enterprises

and academic institutions:

- BMT Defence Services (with Rescue Global, Herriot Watt and Edinburgh Universities), with Red Alert, unmanned aerial vehicles which have gas-sensing technology and 2D-and-3D mapping and modelling, all mounted on commercially-available drones to allow upgrades as drone technology evolves.
- Horiba MIRA, with a small purpose-designed ground robot, which can deploy on decontamination missions, climb stairs and 'read' or recognise hazardous chemical signs and symbols, exploiting cutting-edge neural network technology.
- Loughborough University (with Swarm Systems and Createc) with SceneSEARCH – a pocket-sized nano-drone – weighing in at less than 250g which has gas sensors and video and thermal imaging capability.
- Snake Eyes, by Autonomous Devices Limited and Pendar, a unique hybrid air and ground vehicle optimised for confined spaces which can relay 3D images of a space and detect chemical agents using a compact laser system.

For more information on Minerva [click here.](#)

---

## [Press release: Foreign Secretary Jeremy Hunt to visit Japan](#)

As part of the annual Strategic Dialogue between the UK and Japan, the Foreign Secretary will hold talks with his counterpart, Foreign Minister Taro Kono on Tuesday, to discuss key areas of close cooperation, including our future economic partnership, security and defence, and foreign policy issues such as the Korean Peninsula.

Foreign Secretary Hunt will also meet Japanese Prime Minister Shinzō Abe to discuss the UK's commitment to working with Japan during a very busy two years, which will see Japan host the G20, Rugby World Cup in 2019 and the 2020 Olympics and Paralympics in Tokyo. He will also offer condolences on the deaths and destruction caused by the recent Typhoon 21 in the Kansai area and earthquake in Hokkaido.

A spokesman for the Foreign Secretary said:

The UK and Japan are both globally engaged, democratic nations, supporters of the rules-based international system.

As the UK leaves the European Union next March, the Foreign Secretary's talks this week will be an opportunity to deepen our close cooperation on security and defence, and further enhancing

our excellent trade relationship.

During his visit to Tokyo, Foreign Secretary Hunt will also meet the Governor of Tokyo, Yuriko Koike and donate an old mobile phone to the 'phones for Tokyo 2020' initiative, a project launched by Tokyo 2020 to recycle old electronic devices and turn them into medals ahead of the Olympic and Paralympic Games in 2020.

The Foreign Secretary will also host a breakfast meeting with the Chief Executive Officer of Eisai, one of Japan's largest pharmaceutical companies and tour Hie Shrine, the highly respected place of worship for the people of Tokyo.

### **Further information**

---

## **[Press release: Government investment to overcome barriers to building](#)**

Investment to tackle issues on potential housing sites and get homes built in areas where they are needed most has been launched today (17 September 2018) by Communities Secretary Rt Hon James Brokenshire MP.

Issues like land contamination, infrastructure requirements, and complex land ownership can present real barriers to building homes where they are needed most.

From today, the government is intervening by providing 2 streams of investment – the Land Assembly Fund and the Small Sites Fund – for Homes England to deploy alongside their expertise. This will help release land to deliver 300,000 new homes a year by the mid-2020s.

The £1.3 billion Land Assembly Fund, will be used to acquire land needing work and get it ready for the market, making it less risky for developers to invest in and start building. Outside of London this work will be carried out by Homes England.

For public land owners or local authorities that are struggling to get building on land in their area, the £630 million Small Sites Fund will provide grant funding to speed up getting the right infrastructure in place to support home building on stalled small sites to provide the homes their communities need.

Communities Secretary, Rt Hon James Brokenshire MP said:

We need to act on a number of fronts to build the homes this

country needs.

The availability of this investment will help us intervene in the sort of sites that aren't yet ready to build on, or where developers have been put off.

Developers can now get straight on with building homes, rather than overcoming the barriers to build. And in the same way we are also supporting councils that have land for housing, but need additional help to enable development.

An example of Homes England acquiring land is Burgess Hill in Sussex, a site that desperately needed affordable housing, but which sat undeveloped for years. The national housing agency has stepped in, bought the land and is also delivering the infrastructure, so that the roads, schools and doctor's surgeries are all in place for over 3,000 new homes that will now be built there.

Homes England Chairman, Sir Edward Lister said:

Homes England is stepping in where the market isn't working, unlocking land and releasing sites to those developers that are committed to providing homes at pace.

The £1.9 billion announced by the government today will mean we can invest in crucial infrastructure and help local authorities to get more homes built on public land.

The government will work closely with the Greater London Authority to help ensure targeted funding through the Land Assembly Fund and Small Sites Fund can deliver additional homes in the capital.

---

## [News story: "Bound together by a shared belief in liberty": Liz Truss reaffirms UK and US economic relationship](#)

- Chief Secretary to the Treasury, Elizabeth Truss, is visiting Washington to reaffirm the close economic ties between the UK and US and pledges that the nations can build an even stronger economic relationship after Brexit.

- Elizabeth Truss will also use a visit to Washington to meet with White House administration officials and Congressmen and women, to discuss expanding trade and economic opportunities.
- She will deliver a speech to the Cato Institute, a free market think tank, that calls on both nations to work together to deliver more economic opportunities for younger people.

Elizabeth Truss is this week (17 September) visiting Washington DC for bilateral meetings with White House officials to discuss how the UK and US can build a stronger economic relationship after Brexit.

The US is the UK's single largest trading partner, accounting for £100 billion of UK annual exports and supporting millions of UK jobs.

Trade between the two countries is already worth about £165 billion a year, the United States is the single biggest source of inward investment into the UK, and together there is around £500 billion invested in each other's economies.

Chief Secretary to the Treasury, Elizabeth Truss said:

Our great nations are bound together by a shared belief in liberty and, as Britain leaves the European Union, the government is determined that our economic links should grow even closer.

Our Brexit plan gives us a huge opportunity to re-invigorate liberalism, unshackle entrepreneurs, build a more dynamic economy, and shape a new relationship with America.

And as we leave the European Union and establish an independent trade policy we will be able to negotiate new trade agreements with major trading partners, like the USA.

While in Washington DC, the Chief Secretary will:

- hold meetings with members of the United States administration
- meet Senatorial counterparts
- host a round table with the US Chamber of Commerce

Elizabeth Truss will also visit Cleveland, Ohio, and Detroit, Michigan to offer government support for bringing an NFL team to the UK permanently.

Elizabeth Truss said:



An NFL team touching down in London would further boost the close cultural and economic ties between our two nations.

Each season we see the huge economic and cultural benefits of matches being played in London, and the benefit the US receives from British tourists coming over here to watch matches.

It is not just fans who benefit either, but players too with a record 10 British players playing in the NFL, showing that it is not just our historic economic and security ties that align our nations, but our cultural ones as well.

Elizabeth Truss will attend a Cleveland Browns home match as they take on the New York Jets on Thursday evening. She will meet with team owners and league executives to reiterate the government's support for the relocation.

Since the NFL games began to be played in London in 2007, more than one million fans have attended more than two dozen matches.

And recent Sport England figures showed that 40,000 people aged 14 and up are participating regularly in the sport in England alone, with more than 100 University teams embracing the sport.

While in Cleveland and Detroit, the Chief Secretary will also:

- visit the Cleveland health tech corridor
- hold talks with the Federal Reserve
- meet Michigan Governor Rick Snyder to discuss the growing economic ties between the UK and Michigan. She will also use a two day visit to the Mid-West to explore how both cities have regenerated and share best practice with her American counterparts