

# Speech: Prime Minister's speech in China: 31 January 2018

Thank you, Premier Li.

I'm pleased to be here in Beijing today, on my first official Prime Ministerial visit to China.

And although I may be visiting in winter I've had the warmest of welcomes for which I am grateful and I welcome the opportunity we've had today to discuss a wide range of topics in an open way, important issues which face us both and I look forward to continuing discussion over dinner tonight and with President Xi tomorrow.

I am pleased that we have agreed to intensify the "Golden Era" of UK-China relations.

The UK and China are both global powers with a global outlook. You made reference Premier Li to the UK leaving the EU as we do so we become ever-more outward-looking and as China continues to reform and open up, we are committed to deepening our strong and vital partnership and that relationship.

Our relationship is broad and deep, and it delivers real benefits for both countries. We are working together to tackle global and regional security challenges such as North Korea, modern slavery, threats to aviation security; to build sustainable economies of the future and enhance our bilateral trade and investment relationship; and to develop our strong education and societal links.

Allow me to say a few words of detail on each of these.

## **Global issues**

As fellow permanent members of the UN Security Council and the G20, we are committed to jointly addressing global challenges, indeed steel is one of those challenges that the G20 has discussed, and protecting and promoting the Rules-Based International System.

We have discussed North Korea, agreeing that its pursuit of nuclear and ballistic missile programmes is illegal, reckless, and poses an unacceptable threat to international peace and security.

We have agreed the full and effective implementation of UN Security Council sanctions is vital to persuade the North Korean regime to change course and abandon its illegal activity.

And we have agreed today new measures on aviation security, designed to improve aviation security standards in both the UK and China by sharing more information and undertaking visits to share best practice and observe

standards of implementation.

We will also do more together to tackle the scourge of modern slavery. To disrupt and prosecute the organised crime groups responsible and to protect victims. And we will begin new joint work to tackle other forms of serious organised crime, including the illegal supply of synthetic drugs.

## **Trade and investment**

We've discussed how our economies have complementary strengths. Trade between our two countries is already at record levels, worth over £59 billion, UK exports to China have grown by over 60% since 2010. The UK is already one of the largest European recipients of Chinese Foreign Direct Investment. The UK is the world's largest exporter of financial services and UK firms are leaders in China's market.

We are determined to deepen our trading relationship even further, and are ambitious for what our future trade relationship will be.

We will work together to explore all options to deliver a high level of ambition for the future trading relationship and have today launched a joint trade and investment review to identify priorities for promoting growth in goods, services and investment. And as Premier Li has referred to, later today we have the inaugural meeting of the new UK-China CEO Council, which will bring together business leaders and Ministers to strengthen trade and economic cooperation.

To pave the way for this ambitious future trading relationship, we have agreed new measures to improve market access in China and remove barriers to trade, includes an agreement to lift the BSE ban on British beef exports within the next 6 months and to an agreement to allow exports of a broader range of dairy products.

We have also agreed to open up the Chinese market to our great UK financial services expertise to reach more Chinese consumers.

And we'll be pleased to welcome a significant number of major new commercial deals due to be agreed during this visit expected to total over £9 million pounds, creating and securing jobs and prosperity both here and in the UK.

We welcome the opportunities provided by the Belt and Road initiative to further prosperity and sustainable development across Asia and the wider world. And as with the Asian Infrastructure and Investment bank, the UK is a natural partner for the Belt and Road initiative with our unrivalled expertise. And as I've discussed with Premier Li, we've discussed how the UK and China can continue to work together to identify how best we can cooperate on the Belt and Road initiative across the region

We will work together to encourage free and fair trade, ensure a transparent, rules-based multilateral trading system, and build an open global economy that works for all. And as partners committed to global free trade, but as our companies innovate and create new products they are confident that their intellectual rights and property will be fully protected including against

cyber threats.

And as Premier Li mentioned and reminded us we've also discussed overcapacity in global market sectors such as steel and the need to see CG20 principles adhered to and further action taken to ensure unfair trading practices are tackled.

### **People-to-people**

Our societies share broad and deep cultural ties. There are already strong links between the people of the UK and China, not just between our governments.

Chinese students already constitute the largest single source of overseas students in the UK, with the UK welcoming 155,000 students currently in the UK worth as well as adding an estimated £5 billion annually. There are also now some 9,000 young British people studying and interning in China, with numbers up by 60% since 2013.

And today we have agreed to go even further on our education partnership, including by extending the pioneering Shanghai Maths Teacher Exchange primary school programme for a further two years to 2020, and expanding the programme to secondary schools.

We have also agreed to launch a new "Global Partners 2020" programme, to build better direct links and networks between our future leaders across government, business and academia.

### **Conclusion**

The UK and China are global partners for the long-term.

We are committed to building on our deep and mature ties to promote global peace and prosperity in the 21st century.

So Premier Li, I look forward to continuing our discussions.

### **Q+A:**

Question: What do you plan to do differently on brexit and outside of brexit? And on international threats, Trump called China a threat? Do you agree?

PM: On the first point that you raised, in relation to what the government is doing on Brexit and on the domestic agenda. On Brexit we're obviously working to that future trading relationship with the EU, we achieved sufficient progress in December and we're now taking that next step to ensure we get the best brexit deal for the UK and that means will be a deal that takes back control of money, laws and borders and also able to maintain a good trading relationship with the EU for the future, because that is good for both the UK and EU.

On the domestic agenda if you look at what we've been doing over the recent weeks and months I think that there are very many people who want that they

and their families can achieve the British dream, of ensuring that each generation has a better future than the last. For a lot of young people that's about owning their own home, being able to get their foot on the housing ladder, we've cut stamp duty for 95% of first time buyers and I'm pleased to say that figures out only last week show that the highest number of first time buyers in the last year for a decade. We've also been ensuring that young people get start the best start in life with a good education, nearly 2 million more children in good and outstanding schools now. And we also want to ensure in the work we do that we continue to cut the deficit and develop a balanced approach to economy, we are seeing good jobs being created, unemployment is at its lowest level since the 1970s and yes we do need to do more, and we need to ensure that we are talking about what we've already achieved to those young people who worry they'll get their own home, to parents concerned about the education their children will be getting and about the jobs for the future for their children. And that's what we'll be doing, and what we're committed to delivering on that.

And if you talk about the role of china, what we've been discussing here is the excellent relations we have with our golden era of UK – China relations. But how we can be working together not just to improve those links between us which will be of benefit in the UK and in China and in delivering and working together on those global issues such as N Korea and other issues like modern slavery which have an impact around the world.

Question: I understand a series of corporate agreements have been signed, same time witnessing rising isolationism – what measures will china and the UK take to boost globalisation and free trade? And to the UK Prime Minister, Brexit is not just an issue for British but also for Chinese people – china the best partners for the UK after Brexit – how do you see prospects of relationship with china?

PM: Thank you and the second question to me was about Brexit and the impact that this will have. As we leave the EU we will become a country that is able to operate an indecent trade policy to sign free trade agreements around the rest of the world. And that is exactly what we will be looking to do. And it is in the best interests of the people in the UK but also those free trade agreements bring benefits to the countries with whom we sign them. Also, we will be a more outward looking country, to build a global Britain that is able to sign those free trade agreements that is able to continue to play its role on the world stage in the various multilateral organisations we're part of, working alongside china and other members for example in the United Nations.

But I think in terms of the future for the relationship between the UK and China after we leave the EU, today we've agreed a joint trade and investment review which I think is a good step towards looking towards what our future trade relationship can be when we have that freedom outside membership of the EU of being able to arrange those agreements by ourselves on a bilateral basis.

And as Premier Li has said, there are many concrete examples already of how that trade relationship is developing between our countries. And I think the

message of free trade and the importance of free trade is best seen by the examples of the actual trade we see which brings jobs and investment to China and the UK.

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## [News story: Government publishes police reserves to increase transparency](#)

This will provide a central and transparent database, where members of the public can go to see how their local Police and Crime Commissioner (PCC) is managing their funding.

In March 2017, the police collectively held over £1.6 billion in usable resource reserves, which compares to £1.4 billion in 2011. There are wide variations between areas, from Gwent holding 42% of their annual funding in reserves to Northumbria holding under 7%.

The Minister for Policing and the Fire Service Nick Hurd is also writing to PCCs, setting out new guidance which asks them to publish reserves strategies on their websites.

Reserves strategies should make clear how much of the funding held falls into the following 3 categories:

- funding earmarked for planned expenditure during the current medium-term financial plan
- funding earmarked for specific projects beyond the current planning period
- funding held as a general contingency or resource to meet other expenditure needs (for example, insurance)

PCCs should set out, in a way that is clear and accessible to members of the public, how the level of general contingency reserve has been set and the detail of activities or items to be funded from each earmarked reserve.

Minister for Policing and the Fire Service Nick Hurd said:

Police reserves are an important tool for police leaders to fund projects and manage financial risk, but we also need to ensure there is real transparency about how they, as taxpayers' money, are being used to improve the service delivered to the public.

I've asked PCCs to set out their reasons for holding funds in reserve, so that the public can have a clearer picture of how their

money is being spent on policing.

The measures follow a period of engagement in 2017, in which the minister spoke to every force in the country about the demands they face, and how these can best be managed, including making best use of financial reserves.

The publication of reserves comes as the government confirms its plans to increase police funding by up to £450 million in 2018/19. The minister has been clear that police need to improve productivity and efficiency and make effective use of financial reserves to tackle the changing nature of crime.

You can read [details of reserves held by each PCC since 2011](#).

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## [News story: Robots compete in nuclear decommissioning challenge](#)

An array of robots controlled by super-smart auto-navigation systems are doing battle in an £8.5 million competition to develop new ways of tackling some of Sellafield's most radioactive hotspots.

Last year, the Nuclear Decommissioning Authority (NDA) and fellow government agency Innovate UK launched a search for innovative technologies that could be combined into a single seamless process for use in facilities that will soon embark on a major decommissioning journey.

Working closely with Sellafield Ltd, who would use the technology, submissions to a competitive process were invited from all industrial sectors.

Five promising ideas have now made it through to the final stages after being whittled down from a shortlist of 15. The newly formed consortia are each set to receive up to £1.5 million to build prototype demonstrators for testing in a simulated radioactive environment.

Conventional approaches to working in high-hazard environments involve teams of workers, clad in protective air-fed suits, who would be restricted to working no more than a few hours at a time. The process is extremely time-consuming, costly and poses risks to the workers.

The Thermal Oxide Reprocessing Plant must be cleaned out and decommissioned

The goal of Sellafield and the NDA is to reduce risks to workers, increase productivity, deal efficiently with waste, reduce timescales and cut overall costs to the taxpayer: safer, faster, cheaper. This is complemented by the role of Innovate UK who are looking to drive productivity and growth in the UK through the support and implementation of innovation.

Announcing the projects, the NDA's Head of Technology Melanie Brownridge said the response from suppliers and academic institutions had been so promising, that more funds were added to top up the original £3 million pot increasing it to £8.5 million:

We were all incredibly excited by the quality and diversity of the submissions, which came from established nuclear organisations as well as industries, such as space and defence sectors, working with us for the first time. Such a fantastic response meant that we were able to secure additional funding from Innovate UK and the Government's department of Business Energy and Industrial Strategy (BEIS) which will allow more of the ideas to be fully explored and also investigated for potential use in other hazardous environments. The projects demonstrate the full range of innovation – using existing ideas in an innovative way through to cutting-edge new technologies.

All the projects are being developed by collaborative consortia formed specifically for this competition. The participating organisations, almost 30 in total, include small businesses, large corporations and academic institutions.

The winning project – or projects – could be put to work at Sellafield's Thermal Oxide Reprocessing Plant (THORP) and Magnox Reprocessing Plant, which are both due to close by 2020. After closure, scores of rooms, or 'cells', at the facilities must be cleaned out, with the waste safely treated for packing and storage.

Melanie added:

It's a huge challenge. . The new integrated system must establish what's inside the cells, measure the radioactivity, access spaces that have been sealed for years, cut up the contents (including large vessels and many miles of pipework), segregate the waste, then remove it for treatment and safe storage. Radioactivity levels are extremely high, restricting workforce access, so the work must be carried out remotely.

A number of the technologies are tried and tested nuclear favourites; some are well established in other industries; others are brand new. One of the challenges will be to develop a smooth interaction between all the different component parts.

Industries that have been keen to step up to the challenge include computer gaming, fume extraction, sea-fishing, medical imaging, oil and gas as well as space and defence.

Many ideas include robots which range from large industrial giants to small ant-like devices that can work collectively and easily be replaced in the

event of a break-down.

One of the auto-mapping systems was developed for use in missions to Mars and will be adapted to scan the interior of a radioactive cell.

The projects include technology developed for space missions to Mars

Some projects will immerse operatives in a virtual world, where they will intuitively be able to control robots and equipment as if they were actually inside the cells. Melanie added:

The NDA is continually seeking the best ways to encourage innovation and bring in new ideas from the supply chain and ensure everyone has an opportunity to contribute. Part of our mission is to support innovation and technology growth, with the aim of pushing forward the decommissioning of extremely complex nuclear challenges.

Derek Allen, Innovation Lead for Energy at Innovate UK, said:

We have been delighted by the response to this competition and the additional funding will enable us to support more innovative organisations with great ideas to make nuclear decommissioning cheaper, safer and faster.

This has the potential to open up significant business opportunities for UK organisations both nationally and globally.

This programme fully aligns with one of the Governments Industrial Strategy Challenge Fund priority areas: 'Robotics and artificial intelligence in extreme environments' which is looking to create a safer working world for people, improve productivity and support advances in industry and public services.

After the first series of trials, set to take place over the next 18 months, those with potential could progress to more rigorous trials in a radioactive environment. Approval from the nuclear regulators will be required before the integrated system can be deployed at Sellafield or other NDA sites.

Melanie added:

We're hopeful that a number may be successful, and could be used in various different situations at our sites as well as in other hazardous scenarios, both here and overseas.



More on the projects and how they are developing will be released over the next 12 months including articles from each consortium.

The five successful projects are (lead contractor in bold):

### **Barrnon Ltd**

Atkins, Cambrian Intelligence Ltd, Createc Ltd, Veolia (Oxford Technologies)

### **Createc Ltd**

OC Robotics, Red Engineering Design Ltd, Structure Vision Ltd, React Engineering Ltd, UKEA, Race Ltd

### **Wood**

Airbus Defence & Space Ltd, Damavan Imaging, Clicks & Links Ltd, TWI, Digital Concepts Engineering Ltd, IS Instruments Ltd, i3D Robotics Ltd, University of Lancaster, University of Salford, Kawasaki

### **Cavendish Nuclear**

Babcock Analytic Solutions, OC Robotics

### **Nuvia**

Clicks & Links Ltd, Hu-Tech Ltd, Imitec Ltd, PaR Systems Ltd, UKEA RACE Ltd, University of Bristol, University of Manchester

[Integrated Innovation Competition project details](#) (PDF, 391KB, 9 pages)

[Read more about the background in a blog by the NDA's Melanie Brownridge](#)

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## **News story: Clare Lombardelli appointed as Chief Economic Advisor**

Clare Lombardelli has been appointed as the new Director General, Economics and Chief Economic Advisor to the Treasury, replacing Sir David Ramsden who [joined the Bank of England in September 2017](#). She will take up the role on 3 April.

### **About Clare Lombardelli**

Clare is currently the Director of Strategy, Planning and Budget at HM Treasury where she is the lead advisor to the Chancellor on fiscal events, and is a member of the Treasury's Executive Management Board. She holds a master's degree from the London School of Economics, and is a Visiting Research Fellow at King's College London.

Clare has worked in government since 2005, after starting her career as an economist at the Bank of England. Her roles have included Principal Private Secretary to the Chancellor of the Exchequer, Private Secretary for Economic Affairs to the Prime Minister, and Deputy Director for Labour Market Policy. She has also worked as a technical advisor for the International Monetary Fund.

### **About the role**

The Chief Economic Advisor works to deliver the government's macroeconomic objectives, promoting sustainable economic growth and setting and implementing fiscal policy. The post-holder manages the Economics and Fiscal Groups in Treasury, sits on the Executive Management Board of HM Treasury and is co-head of the Government Economic Service.