

# Speech: The opportunities of cross border growth

## **Introduction**

Good morning I'm delighted to welcome you here to Newport and this superb venue today for the first ever UK Government Cross-border Growth Summit.

It's wonderful to see such a packed audience – I have been truly overwhelmed with the response to this Summit and the fact that this event is sold out shows the appetite for a new way working between the great cities of Newport Cardiff and Bristol.

I'd like to start by thanking all those that helped make this event happen, particularly Business West and the South Wales Chambers of Commerce.

This Summit was born out of an appreciation for what this great region has to offer.

The Welsh economy is going from strength to strength – last year, Wales was the fastest growing country in the UK and Cardiff was the fastest growing capital city.

And Bristol is the only city in England outside of London with productivity above the UK average.

Together, it's clear this region is a true powerhouse of the UK economy.

But the real driver behind this event today has been our commitment to abolish the tolls on the Severn Crossings.

This was my first objective when I became Secretary of State for Wales because I recognise the symbolic and economic barrier the tolls represent to the prosperity of Wales and the South West.

As many of you in this room will know these iconic landmarks have served commuters, businesses and local communities in Wales and England for over 50 years.

60,000 journeys are made between England and Wales on the M4 each day – that's almost a fifth of all road journeys between England and Wales.

By ending the tolls for the 25 million annual journeys across the Severn, we will create a natural economic growth corridor spanning Cardiff through Newport to Bristol.

This commitment will save commuters £1,440 a year, equivalent to £115 per month.

And hauliers will no longer pay £20 for every truck transporting goods – this

will be profound change to the economic landscape.

This sends a direct message to businesses, commuters and tourists alike that we are committed to strengthening the links between England and Wales.

And we must ensure we capitalise on this opportunity – that's why I wanted to bring you all together today.

And to emphasise how important this is, can you imagine if there was a £6.70 charge between Cardiff and Newport and the impact this would have on the local economy? Or if there was a £6.70 charge between Bristol and Bath?

The barriers this would create to business and communities would be devastating. And so we must not forget that this barrier has been in place for 50 years between Wales and the South West, and this is now our opportunity to transform this great region.

It's clear that underpinning everything we do should be an understanding that economic opportunities do not stop at political or administrative boundaries.

So my ambition for today is simple, I want us to seize the new opportunities abolishing the tolls creates and work together to grasp the potential of this great region.

## **Synergies**

So, what are our strengths?

We know there is already some excellent cross-border work despite the tolls – from businesses and universities who collaborate across the Severn, to the work Cardiff, Newport and Bristol Councils have begun through the Great Western Cities initiative.

I look forward to building on this work and develop the synergies that exist between the economies in Bristol, Newport and Cardiff.

There are many strengths in this great economic region and part of the work my department is doing is to establish what sectors have the greatest growth potential.

From the world famous Aardman animations in Bristol, to Cloth Cat in Cardiff, the creative industries sector is thriving and represents one of the largest sectors in the region outside London – we must take advantage of this talent.

There are over 4,000 creative businesses in Bristol, with a further 1,700 creative businesses in Cardiff.

Together, there are almost 50,000 creative jobs in Cardiff and Bristol, and with employment in the sector growing at four times the rate of the UK workforce as whole, this region is set to prosper.

And I'm pleased that there are already companies in the creative industries sector who operate in both Cardiff and Bristol.

Plimsol Productions is one such company and will be discussing their experiences of cross border working later this morning.

Between Bristol, Newport and Cardiff we also have one of the strongest digital corridors in the UK.

And it's great to see Doopoll, one of Wales' leading digital companies, here today supporting this event.

High tech industries and advanced manufacturing are central to this digital growth and companies like Airbus are already leading the way in Aerospace and Defence with operations in Filton and Newport.

There are also 450 law firms registered in Wales, including top international law firm Eversheds Sutherland, operating around the world from its Cardiff office.

And we shouldn't forget the importance of the financial and professional business services sectors to Cardiff, Newport and Bristol.

Companies such as PricewaterhouseCoopers have a presence in Cardiff and Bristol, and both cities have been identified as Financial Centres of Excellence by UK Government.

Financial services in Cardiff contribute almost £1.2billion to the UKs economy and in Bristol contribute over £1.3billion, higher than the contribution made by the sector in cities such as Sheffield, Liverpool, and Aberdeen.

This reinforces the status of Cardiff and Bristol as an emerging powerhouse in the financial and professional services industry.

## **Universities**

But is it not just about business.

Our universities and higher education institutions also have extensive research links on either side of the Severn.

With specialisms in areas including life sciences, digital, engineering and energy, Welsh and South West universities are contributing to the innovation potential of this growth corridor.

And there is further opportunity for collaboration here too. Take for example the world leading work that is happening on Compound Semi-Conductors at Cardiff University and the potential for joint working with the Quantum Technology Innovation Centre.

Colin Riordan from Cardiff University will talk more about this collaboration potential in our panel session later this morning.

## **Industrial Strategy**

The tolls were clearly a priority but they are one part of a broader approach to driving economic growth throughout the whole of the UK.

Underpinning policies like the tolls is our UK-wide Industrial Strategy which focuses on developing the natural growth corridors to spread prosperity and enable us to compete on a global stage.

City and Growth Deals are the building blocks of the Industrial Strategy and I want us to capitalise on the success of the Cardiff Capital Region City Deal and the West of England devolution deal – both of which have huge potential.

I look forward to hearing more about both regions during the course of the morning.

## **Cross border regions**

And we must learn from others.

The Mersey-Dee alliance in North Wales shows what can be achieved when MPs from both sides of the political spectrum, as well as organisations from both sides of the border collaborate for the benefit of the region.

And on the international stage the parallels to the Oresund region in Scandinavia are clear.

This region, which spans parts of Denmark and Sweden, is linked by a bridge between Copenhagen and Malmo, not dissimilar to our own Severn Crossings.

Whilst differences to our own cross-border region exist, it is clear that we can learn lessons and benefit from others' experience.

## **Connectivity**

I wanted to highlight one area of particular interest which is clearly central to increasing cross-border collaboration – connectivity.

One of the key drivers behind the Northern Powerhouse initiative was the significant number of people commuting between Liverpool and Manchester, however there are actually more people commuting between Bristol and either Cardiff or Newport.

This shows that this region has huge potential, potential that rivals that of the Northern Powerhouse or Midlands Engine.

And where there are challenges there will also be opportunities, so for example, removing the tolls from the Severn Crossings has already raised concerns about congestion on the M4, whilst I understand these concerns I also believe we have an opportunity to look how we improve our rail offer between Cardiff, Newport and Bristol.

And to support this ambition I want to highlight one particular issue: last Month, the Transport Secretary launched a consultation into the future of the Great Western franchise.

This franchise delivers services which are invaluable to Wales' economy, its passengers and commuters, and plays a crucial role in connecting communities in the Severn Growth corridor.

The consultation offers the ideal opportunity to have your say on how we can maximise the potential of the franchise to benefit passengers in Wales – I encourage everyone here to contribute and if you look inside your brochure, you will find details on how to respond.

## **Conclusion**

I am sure that everyone here today will agree that the value of connectivity between Cardiff, Newport and Bristol is clear beyond doubt.

I want this event to be the catalyst to the forging and strengthening of partnerships with innovators, inventors, job creators, local leaders, the devolved administrations, workers and consumers as we work together to make our country fit for the future.

As we move closer to our departure from the EU, more decisions about our economic future will be in our own hands – and it's vital that we take them.

Our individual strengths are many.

But by pooling our resources, expertise and experiences, we can deliver ideas and projects that will not only benefit the cities of Bristol, Cardiff and Newport but the wider South Wales and South West England regions as well.

I started by talking about the Severn Crossings, and so it seems fit to end my speech with reference to a Welsh proverb which I hope our English colleagues in the audience will appreciate:

A fo ben, bid bont, which translates to 'if you want to be a leader, be a bridge' – so let's use our bridge, our new-found connectivity to lead together and champion this great region.

I hope this event will give us all a stronger voice to promote our joint ambitions, and allow us all to take forward future economic and cultural opportunities that will deliver prosperity for the whole of the UK.

Thank you.

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# News story: Director General Gareth Davies' Visit to Singapore

Director General Gareth Davies presented on the Industrial Strategy to businesses in Singapore, speaking about the long-term planning and investment opportunities in the UK.

On 14 and 15 December 2017, Director General Gareth Davies, Department for Business, Energy and Industrial Strategy, visited Singapore. He leads on the implementation of the Industrial Strategy, including exploring linkages with Singapore's government and businesses.

Apart from meeting Academics from National University of Singapore and Singapore Institute of Technology, he spoke with representatives from Agency for Science, Technology and Research; as well as the National Research Foundation and Singtel Innov8. The Director General shared an update on UK's Industrial Strategy and discussed the innovation landscape in UK and Singapore.

During his two days in Singapore, Director General Gareth Davies also visited Singapore's Ministry of Trade and Industry to discuss the UK-Singapore Economic and Business Partnership, building on their shared interests and strong relationship.

Other partners that he met included the Centre of Excellence for Testing and Research of Autonomous Vehicles (CETRAN), British Chamber of Commerce, AI Singapore, Nanyang Technological University and Newcastle University.

Director General Gareth Davies met representatives from Singapore's Ministry of Trade and Industry to discuss the UK-Singapore Economic and Business Partnership.

What do the UK's Industrial Strategy and Singapore's Committee on the Future Economy Have In Common?

Creating Innovative Economies

Good Jobs and Greater Earning Power For All

Upgrading Physical and Digital Infrastructure

Creating Good Conditions to Start and Grow Businesses

Ensuring Prosperous Communities

To read Director General Gareth Davies' opinion editorial 'Moving Together : UK and Singapore's Economic Strategies', visit [here](#). The article also appeared on The Business Times on 14 December 2017.

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## [News story: Welsh Secretary – “Now is the time to create our own Western Powerhouse”](#)

The pooling of skills and expertise on both sides of the Severn estuary can create an all new economic region to rival the Northern Powerhouse and Midlands Engine, Welsh Secretary Alun Cairns will say today at the first Severn Growth Summit in Newport (22 January).

At the end of 2018, one of the greatest economic barriers to Wales' prosperity will be consigned to history when the UK Government removes the tolls to cross the Severn Bridges.

It will also signal the beginning of a transformation of the economic and cultural prospects of the south Wales and south west England region, making it easier to do business, to increase inward investment and tourism and to create jobs.

Alun Cairns will address a sell-out audience of over 350 guests from business, education, cultural and digital sectors on either side of the Severn Crossings at the inaugural summit at the Celtic Manor Resort. In his keynote speech, he will sound a clarion call urging all sectors to “seize the new opportunities the end of the tolls creates and work together to grasp the potential of this great region.”

Companies on both sides of the border are already benefitting from the removal of VAT earlier this month. With the tolls set to be abolished later this year, the Summit has been convened to galvanise the many strengths of the economic region, to generate ideas, innovation and entrepreneurship to stimulate every part of our economy.

### **Alun Cairns will say:**

Today's Severn Growth Summit is set to spark the biggest commercial conversation for the west of the UK in a generation, but it will be nothing without the collaborative backing of business, communities and governments on both sides of the estuary.

One of the key drivers behind the Northern Powerhouse was the volume of people commuting between Liverpool and Manchester. However, there are more people commuting between Bristol and either Cardiff or Newport. This shows that this region has the huge potential to rival the Northern Powerhouse or Midlands Engine.

**James Durie, Chief Executive Business West at Chambers of Commerce & Initiative said:**

In the past the Bristol City Region has largely tended to look east to London and the South East instead of also forging closer links with its close neighbours less than an hour's drive away.

Bristol and its wider city region and South Wales will have more in common than ever before and this is a great opportunity for the business community to make the most of those shared interests.

If we want to compete not just on the national stage, but also on the international stage, I believe we need to take full advantage of this once in a generation opportunity.

The sell-out event in Newport will feature talks and interactive sessions from senior representatives from sectors as diverse as transport, logistics, property, tech and finance. It will also provide an opportunity for business leaders to meet political decision makers face to face and hammer out a successful path for closer cross-border collaboration.

**Alun Cairns added:**

I want this event to be the catalyst that forges new partnerships with innovators, inventors, job creators, local leaders, workers and consumers.

A collective voice is an effective voice and I believe such cross-border co-operation will transform the economies of south Wales and the south west of England.

For information and to hear from key stakeholders on what the end of the tolls means to them, visit our new [Cross Border Growth](#) blog page.

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**[Press release: Industrial Strategy boost for UK medicines with £70 million of funding to help develop new treatments](#)**

- Funding through Industrial Strategy Challenge Fund (ISCF) will support projects including new manufacturing centres to speed up the production



- of medicine and new virtual reality projects to help patient recovery
- Landmark speech also confirms plans to map UK's research infrastructure to ensure UK remains at the cutting edge

New Science Minister Sam Gyimah will announce £70 million of funding to create new manufacturing centres to help speed up the development of new medicines during a visit to Imperial College London today (Monday 22 January).

The money forms part of the government's commitment to build a country fit for the future through a stronger economy and fairer society. It will create innovative new medical solutions, including using virtual reality to aid rehabilitation and investing in digital speech therapy solutions for stroke and brain injuries. The government's investment in high tech medical research will in turn boost jobs, enhance the NHS and ensure better care for people when they are unwell.

During his visit to Imperial College London, the minister is expected to see how new, innovative technology is being developed to help patients.

He will be shown a cartoon-like robot which can improve learning and emotional understanding in children with autism. Because of their programming, robots are precise in displaying the same facial expressions and gestures in every interaction. Researchers believe this consistency may be the key to helping young children with autism to learn the different facial expressions and gestures people use to display their emotions.

The minister is also likely to see some AI facial-recognition research which could be used to help elderly people by detecting the onset of depression, or in security systems to recognise visitors to dementia sufferers' homes as doctors, nurses or relatives.

As part of a day of Industrial Strategy activity, Sam Gyimah will also speak at the Royal Society where he will announce the start of the UK Research and Innovation (UKRI) Research and Innovation Infrastructure Roadmap Programme, which will comprehensively map UK research and innovation infrastructure, showcasing our abilities whilst identifying any gaps in infrastructure that we can address to boost the sector.

The Infrastructure Roadmap will be the first major piece of work that UKRI will undertake, and is expected to be finished in 2019 and will feature:

- Large scientific facilities and major equipment
- Collections, archives and scientific data
- E-infrastructures such as data and computing systems
- Communications networks

Universities and Science Minister Sam Gyimah said:

Through our ambitious, modern Industrial Strategy we want to unlock the innovations that will help people live better, longer lives by developing the medicines of the future. This investment will not

only support high-value, highly-skilled jobs but will develop lifesaving treatments that could change lives across the UK.

We want to improve the way we make medicines and we are determined to capitalise on our research and innovation infrastructure, which is why today I am launching the start of the UKRI Research and Innovation Infrastructure Roadmap Programme.

From RRS Discovery to the UK Biobank and the Diamond Light Source to the UK Data Archive, this country is world renowned for its research and innovation infrastructure. Now, for the first time, we will map this to enable us to showcase our capabilities around the world and identify future opportunities.

Chief Executive designate of UK Research and Innovation, Sir Mark Walport said:

One of UK Research and Innovation's key tasks is to make sure that the UK's businesses and researchers are ready and able to seize the opportunity presented by the Industrial Strategy. So I'm very pleased that alongside today's substantial investment in leading edge healthcare manufacturing technology, we are also starting the process to map out the UK's nationally and internationally important research and innovation infrastructure. This will enable us to make sure we are getting the absolute best out the infrastructure we already have, and identify what else we will need to stay competitive in the next 10-15 years.

Through the Industrial Strategy Challenge Fund (ISCF), the government is investing £181 million through the Leading Edge Healthcare and the Digital Health Technology Catalyst over 4 years in the areas of advanced therapies, medicines and vaccines development and manufacturing, alongside an estimated £250 million of private funding from industry.

The fund should return a value of £1 billion to the UK economy, support high-value, highly-skilled manufacturing, and increase productivity.

Nearly £50 million of this funding has been allocated to further the manufacture of medicines, ensuring that the right drugs and treatments reach patients.

The funding for the ISCF Leading Edge Healthcare Challenge allocation is made up of:

- £21 million for Advanced Therapies Treatment Centres
- £15 million for Medicines Manufacturing collaborative research and development round 1 competition
- £8 million for Digital Health Catalyst round 1
- £5.6 million for Viral vector production for Cell and Gene Therapy
- £8 million for Digital Health Technology Catalyst round 2 – funding

competition opens 15 February 2018

- £10 million for the Medicines Manufacturing challenge round 2 – funding opens 12 March 2018

Commenting on the funding, Health and Social Care Minister Lord O'Shaughnessy said:

NHS patients want to know that they can get the most innovative and effective treatments as quickly as possible, and that's what our investments will make happen.

Whether it is new cancer treatments, digital health technologies, or tools to help diagnose illness earlier, the Government is partnering with industry to deliver the life-changing and life-saving treatments as quickly as anywhere in the world.

The projects announced as part of the ISCF Leading Edge Healthcare Challenge will not only improve accessibility and production of medicines, it will further reaffirm the UK's position as being world-leading in research and development, which is a central to the Industrial Strategy.

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## **Press release: International Development Secretary: "We need new ideas to future-proof against Africa's biggest challenges"**

Penny Mordaunt visiting a UNICEF supported clinic in drought-affected Northern Kenya. Picture: Anna Dubuis/DFID

Penny Mordaunt has hailed the "incredible power of technology to deliver aid in new ways" on her first official visit to Kenya as International Development Secretary.

During her visit, Ms Mordaunt saw how UK aid is supporting vulnerable communities in the north of the country devastated by East Africa's drought. In Kenya's capital Nairobi, Ms Mordaunt also heard how UK support for innovative programmes is helping to create jobs for a rising population.

Ms Mordaunt was also in the country to hear from British businesses about how new technology has helped them tap into the Kenyan market. The UK is the fifth largest exporter of goods to Kenya and trade between the two countries is worth over £1 billion annually.

Innovative technology, supported by DFID, is helping Kenya build resilience to climate challenges, including drought, and to build a modern economy for the future.

During her visit the International Development Secretary:

- Saw how UK aid-supported research is helping to power low-cost insurance for livestock herders in drought-prone parts of Kenya. The research makes use of already existing satellite technology by NASA to provide images of vegetation cover. This ensures timely insurance pay-outs are made correctly and quickly if cover levels drop. DFID both backs the research and supports private sector insurers to provide it to local herders.
- Set out further UK aid support to the Hunger Safety Net Programme – an innovative cash-transfer scheme bringing together biometric technology and mobile money. This is helping more vulnerable households and supporting the Government of Kenya to own, manage and ultimately fund the programme. Ms Mordaunt also met some of the 100,000 households benefiting from the programme, and saw how cash transfers get aid to those who need it when they need it, achieving value for money by cutting excessive bureaucracy, avoiding duplication by aid agencies and reducing waste.
- Launched the second phase of Trade Mark East Africa. The landmark UK aid programme helps enterprise and creates jobs by breaking down barriers to trade. In Nairobi Ms Mordaunt saw how the first phase of the programme has cut customs clearance times – from an average of nine to two days – and reduced the cost of trading across the region with new cargo-tracking technologies and improved infrastructure. Ms Mordaunt heard from British business about how this technology has helped them enter the Kenyan market. She also announced the launch of a partnership programme, to support the Government of Kenya on urban economic planning and investment.

International Development Secretary Penny Mordaunt said:

I have seen how, in the face of East Africa's devastating drought, UK aid works and is saving lives.

But 2018 will bring more desperate weather conditions to the region. This is a stark reminder that we need to back new ideas to future-proof against the biggest challenges in Africa.

Here in Kenya technology is delivering UK aid in new ways, from innovative cash transfers using biometrics, through to trade technologies that support economic growth, jobs and investment.

It is in all our interests that we harness the best of British innovation with African entrepreneurialism – to create jobs, defeat poverty, and support our future trading partners, as we work towards a shared prosperous future.

While in Kenya Ms Mordaunt also visited a UNICEF supported clinic and pledged further DFID support from the crisis reserve to provide urgent cash transfer assistance to 71,000 families in Northern Kenya with severely malnourished children and pregnant and breastfeeding women.

Ms Mordaunt's visit to Kenya comes ahead of the Commonwealth Heads of Government Meeting, taking place in London in April this year. The summit will bring together heads of government to discuss reforming and revitalising the Commonwealth, and establishing it as a modern organisation that is responsive to the global challenges we face today and in the future.

## **Notes to editors:**

### **Trade Mark East Africa II**

The UK is making major improvements to trade infrastructure through the next phase of the Trade Mark East Africa (TMEA) programme.

In East Africa, trade is constrained by the high cost of importing and exporting. High costs are caused by poor transport infrastructure, limited expertise in public and private sectors, and the persistence of non-tariff barriers along the main trade routes.

During Phase 1 of TMEA:

- 6 border posts have been rebuilt and are now operational. Transit time at these border posts has been halved.
- Red tape has been cut through technology and simplifying paperwork. Tanzania food permits which used to take 65 hours now only take 2.
- Unnecessary bureaucracy has been reduced. 80 of the most traded locally-produced goods in the EAC now have harmonized standards. For example, maize traders can now sell across East Africa without costly re-testing. Consumers enjoy lower prices, and are assured of food safety.
- Infrastructure projects in Dar es Salaam and Mombasa ports are progressing, reducing time to clear and export goods by around half.
- Travel time along the major corridors, from Kigali to Mombasa port, and from Bujumbura to Dar es Salaam, has fallen by 16.5%, despite increased trade and traffic.

The UK is significantly scaling up its support to trade and regional integration across East Africa, now providing a total of £211 million to the second phase of TMEA. This will increase sustainable and shared prosperity in East Africa and specifically:

- invest in improving the efficiency and capacity of transport, logistics and trade infrastructure at key port and border points
- invest in systems to improve trading standards, reduce non-tariff

- barriers and enhance transparency in trade processes
- improve the regulatory and policy environment for trade
  - support private sector advocacy for trade competitiveness, the export capacity of East African businesses and the greater participation of women and small and growing businesses in trade.

### **Hunger Safety Net Programme**

Between 2007-2017 the UK committed £143 million to the Hunger Safety Net Programme (HSNP) to:

- deliver timely and predictable cash transfers to over 100,000 households (approximately 600,000 people) to help the most vulnerable households cope with shocks such as drought and floods, whilst reducing the need for expensive humanitarian responses.
- provide technical expertise and project management to strengthen the Government of Kenya's ability to fully own, manage and fund the HSNP.

Every two months approximately £40 is transferred to recipients' bank accounts. Per household, only one member can be registered as a HSNP recipient. Recipients, who have already been pre-assessed as vulnerable and qualifying for payments, go to their local payment agent to collect their payment. Payment agents scan the finger prints of recipients before payments can be withdrawn from their account, to ensure the right people are reached, and to protect against fraudulent collection of support, so that every penny of UK aid goes towards the vulnerable people that need help the most.

The announcement today is a one year £19.8 million extension (April 2018-March 2019) to the current phase.

The HSNP is co-financed by the Government of Kenya and implemented under by the National Drought Management Authority.

### **£10 million crisis reserve funding**

This assistance is delivered by the UN World Food Programme (WFP) over a three-month period (Dec 2017 – Feb 2018) to about 71,000 families (425,000 individuals).

The intervention is intended to improve the nutrition status of malnourished children and pregnant and breastfeeding women by:

- reducing sharing of nutrition commodities meant for treatment of acutely malnourished members within families
- improving utilisation and coverage of nutrition services and the effectiveness of nutrition treatment
- stabilising and improving food and nutrition security of the most at-risk families.

### **Sustainable Urban Economic Development partnership programme**

This £60 million programme will run until 2022, supporting up to ten rapidly urbanising towns in Kenya with urban economic planning, investment climate

reforms and attracting private sector investment.

The UK has also invested £8 million through the World Bank to assist the Government of Kenya in the development of more Special Economic Zones, private-public partnerships and select counties on doing business reforms.

This programme will also support urban planning in response to the new Government of Kenya's focus on improving access to affordable housing.