

Why we will be better off out of the EU

Prosperity, not austerity.

That must be our aim.

Prosperity will be easier won once we are out of the European Union.

Restoring the freedoms of a once sovereign people.

That is the overriding task we face.

On June 24 2016 17.4 million voters gave a great mandate to Parliament

To take back control.

During the referendum campaign I was asked one of the questions designed by Remain to damage the cause of freedom.

Would you, the media avidly asked, accept being poorer in order to regain lost freedoms?

I replied that fortune meant there was no such choice before us.

The very right to govern ourselves that we wished to reclaim

will allow us to follow policies that made us richer, not poorer

As an optimist I anticipate we will do better out than in.

No-one can be sure what loss there might be in store if we remain in the EU

Or how many gains we will seize out of the EU.

What we do know is our fortune will rest more on our own decisions once we are free

So let me begin my account of life after Brexit by explaining how we can be better off.

I appreciate this will be at variance with several modelled forecasts put out by an establishment afraid of freedom and scared of change.

It is an establishment that has a proven track record of error. They told us the ERM would bring us a golden scenario of more growth and low inflation. Instead it brought a deep recession.

They told us if the UK stayed out of the Euro it would be deeply damaging to our business. Instead our business flourished with the pound and the Euro area had several years of crises and low or no growth.

They said the big build up in debts prior to 2007 were fine because banks had found new ways of managing risks. That forecast didn't work out too well either.

My forecast will be criticised, for it is not backed up with a model nor expressed in precise figures. It does however come from someone who did forecast the ERM crisis, the problems in the Eurozone and the banking crisis.

I must warn that no-one can deliver a precise and accurate 15 year economic forecast. I have no intention of trying to deliver one.

Too many things will change.

I can, however, point to the opportunities and the favourable changes that we can expect in the few years that follow Brexit that will boost whatever our growth rate then is. I do not expect a sudden fall in growth or income thanks to Brexit. The Treasury's short term forecasts of such an outcome for the year after the vote have already proved wide of the mark.

In future as in the past the main forces shaping our growth rate will be the pace of innovation, the monetary and fiscal policies being pursued, and the state of the world economy.

The most obvious gain that the anti-Brexit forecasters rarely put in to their models is the chance to spend our tax money on our priorities.

The £12bn we send every year to the EU and do not get back is lost money to the UK.

Worse still it is a large drag on our balance of payments every year.

To pay that bill we either have to borrow more money from abroad to pay it or we have to sell more of our assets to overseas buyers, cutting the investment income we earn on those assets.

Stopping that drag will boost our economy.

Spending the £12bn at home each year will mean more jobs and more items bought from UK suppliers.

That will boost our economy with extra growth of 0.6% of our total income. That's a one third increase in the current growth rate in the year we start it, with the same extra output in every year that follows

In the referendum campaign I set out a draft budget to illustrate how we might spend the money

I recommend it to the government.

I also recommend that we advise the EU that if they do not offer a wide ranging and sensible free trade agreement anytime soon we should discontinue payments to them on March 30 2019 and start the benefits for us.

There is no need for a Transition or Implementation period if there is no good deal to transit to.

We know we can trade well under WTO rules and with WTO tariffs, as that is what we do today with most countries outside the EU.

Out of the EU we will be free to fix and levy our own taxes.

We were told by past governments that tax was a red line issue

That we would always be able to decide our own taxes

That proved to be untrue

Out of the EU we can take VAT off feminine hygiene products

We can remove VAT from green items ranging from boiler controls to draught excluders.

Promoting fuel efficiency without the drag of extra VAT will help us keep warm and be better off. We could do more to combat fuel poverty by cancelling the VAT on domestic heating.

We can also levy the amount of tax we wish from larger companies.

EU tax judgements on UK corporation tax have made us repay tax we thought had been fairly and legally levied.

Lowering taxes, spending our own money and boosting industries like fishing and agriculture which have been damaged by EU membership should add more than 1% to our output, which is more than belonging the single market has ever done.

Speech: Matt Hancock speaking at the CBI Annual Chinese New Year Dinner

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Or, as I hope translates to English: good evening Ambassador Liu and honoured guests.

It's a real privilege to be here tonight to celebrate Chinese New Year with you all and mark the arrival of the Year of the Dog.

I was born in the Year of the Horse; apparently Horses like me 'are either naturally good public speakers or have a habit of talking too much'.

I'm not sure which one applies to me – let me know in a couple of hours after I've finished...

It's an exciting time for relations between our two countries. As we open the next chapter in our golden era, look at the breadth of the cultural, political and economic partnership just over the past two months.

The V&A Museum has opened a brand new design gallery in Shenzhen, the first branch of a national British museum outside the UK.

The historic Terracotta Warriors are on display in Liverpool.

And the Prime Minister visited China to meet President Xi and Premier Li, signing over 9 billion pounds worth of commercial deals, building on the vast rise in trade over the past decade.

And as we look forward to the Year of the Dog, I want to take a moment to look at this vital relationship.

And especially, talk about how we can use the transformational power of new digital technology to make this golden era even more golden.

Making the most of change

The world around us is changing faster than ever before. And yet the blistering pace of change we're currently seeing is probably the slowest that we'll see in the rest of our lifetimes.

And it's down to the incredible potential of new technologies, especially AI, which are constantly learning and getting exponentially better every single day.

Both China and Britain understand the potential of this fourth industrial revolution – and the need to relentlessly pursue new technology.

This forward thinking approach has been at the heart of our strengthening relationship over the last decade, and we've seen some remarkable hi-tech success stories over the past few months.

Huawei has recently announced a new commitment to 3 billion pounds of procurement from the UK. Gordon – thank you for your personal commitment and Huawei's vote of confidence in our world-leading tech industry. You provide the sort of leadership which is crucial for forging this sort of relationship.

Cambridge-based Astra Zeneca and Chinese tech giants Alibaba have announced they're coming together to build smart health systems, to help chest patients in China get vital treatment more quickly.

And the futuristic driverless pods used at Heathrow's Terminal 5 will soon be appearing in China thanks to a recently signed Memorandum of Understanding.

And it's not just tech firms and start-ups that are making the most of these opportunities.

Tech is revolutionising all sectors, whether through autonomous vehicles helping us drive more safely or machine learning making it easier for doctors to find cancerous cells, saving and improving lives.

The question that matters is how we can seize these opportunities of change to expand the potential to make both our nations more prosperous and better places to live.

Looking forward

We share this ambition and determination. AI pioneer and founder of Google China Dr Kai-Fu Lee recently said the UK is home to the 'hottest AI companies in the world, producing breakthroughs of global significance'.

Here, we're investing heavily in AI and robotics and are working hard to attract the best and brightest research talent from all over the world.

We are determined to be one of the leading places in the world for the development and deployment of AI. And we will share that global leadership with China.

Our universities – the second biggest destination for Chinese students – lie at the heart of this revolution.

But we cannot do this solely from our shores. To make the most of these opportunities we will need to reach common understanding and co-operate on a wide range of issues. We must do this together.

And let's be frank. China and the UK come at some of the questions around, for example data protection, from very different philosophical backgrounds.

This makes it more important than ever that we understand each other – and respect each other's point of view – so we can come to the right solutions and work together.

We, for instance, have stronger protections for data and intellectual property. And while we ask China to respect these protections, we also respect China, and the progress we have seen in mutual understanding.

I was delighted that in December, we partnered with you in the first bilateral science and innovation strategy that China has developed jointly with another country.

This outlines, in the most advanced way yet, shared principles for intellectual property.

Agreements like this are crucial to unlocking the vast opportunities of co-operation and harnessing this technology for good.

We want to work ever closer with China, and other tech-minded countries around the world.

And I was delighted that during the Prime Minister's recent visit, agreements

were signed on emerging technologies across the board – twelve in total, including space, smart cities and autonomous vehicles.

For this is the future. Countries that work with, not against, technology, will be the ones that flourish.

Flourishing as two vibrant, prosperous nations using technology to drive growth and make life better for our citizens and people across the world.

For if we have learnt one thing this past generation, then we have learnt this.

Free markets, in a proper framework, have been the most powerful force for good the world has ever seen – underpinned by the protection of property, openness to trade and sound finance.

China's journey is testament to this fact. Britain may have pioneered the market economy but, by God, China is proving it works.

You have lifted people from poverty more quickly than ever before in human history. We salute you.

And what's more, the free market rests on an understanding that business, done right, is a force for good in the world.

You can't run a good business unless you're solving problems for someone else. Solve them so well that they're prepared to pay you.

This is how prosperity is built. Our nations both understand this.

Conclusion

The UK and China are no strangers to changing history through our innovation and enterprise.

And as we celebrate the Year of the Dog, let's channel this spirit and just imagine what more we can do when we work together in the years ahead.

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Culture and education, tools to strengthen European identity and social cohesion

The aim of the European Year of Cultural Heritage 2018 is to encourage more people to discover and engage with Europe's cultural heritage and to

reinforce a sense of belonging to a common European space. At the meeting of the CoR's SEDEC commission on 21 February, members discussed two opinions focusing on the role of education and culture for strengthening European identity and social cohesion.

Rapporteurs **Tanya Hristova** (BG/EPP) and **Babette Winter** (DE/PES) pointed out that education and culture have a broad impact on all areas of life and contribute to social inclusion and cohesion. Therefore the 2018 European Year of Cultural Heritage should provide a framework for supporting regional cultural development, opening up new opportunities for sustainable cultural tourism and improving opportunities for cultural mobility.

Ms Hristova's opinion on [**"Strengthening European Identity through Education and Culture"**](#) was adopted by SEDEC members in Wednesday's meeting. It welcomes the European Commission's aim to establish a European Education Area by 2025. While education remains a national competence, it recommends Member States to promote language learning from an early age and familiarise learners with a common European cultural heritage, European history and the processes of European integration. SEDEC members strongly support boosting the Erasmus+ programme with the aim of doubling the number of participants.

The opinion underlines the critical importance of looking into the regional disparities and economic and social consequences that arise from skills gaps and mismatches in the EU. Against the backdrop of digitalisation of European education, the rapporteur – Mayor of Gabrovo – pointed out that many rural and sparsely populated areas still lack high-speed connectivity and regions facing demographic and social challenges may struggle to provide teachers with adequate digital skills, competences and equipment.

Following a request from the Bulgarian presidency, Ms Winter is preparing an opinion which focuses on cultural heritage as a strategic resource for more cohesive and sustainable regions in the EU. The rapporteur, State Secretary for Europe and Culture in the Thuringia State Chancellery, highlighted that European cultural heritage can contribute to bringing communities together, promoting regional development and creating long-term local employment. Both opinions are scheduled for adoption at the CoR plenary on 16–17 May.

In the second semester of 2018, cultural heritage will also be the priority area of the [**Knowledge Exchange Platform**](#) (KEP) set up between the European Committee of the Regions and the European Commission to present new R&I solutions, innovations and best practises. Regeneration of city centres and rural landscapes and innovative re-uses of heritage buildings will be some of the themes to be discussed in various workshops. During the first half of 2018, the KEP will focus on innovating cities with nature and nature-based solutions. More information: [**KEP action plan 2018**](#)

Following two opinions were also adopted by the SEDEC members:

The next meeting of CoR's SEDEC commission – standing for Social Policy, Education, Employment, Research and Culture – will take place on 23 April.

Statement by President Juncker ahead of the Italian parliamentary elections

Elections are a moment of democracy, and this applies to Italy – a country that is very close to my heart.

On 4 March the Italians will go to the polls and cast their votes. Whatever the outcome, I am confident that we will have a government that makes sure that Italy remains a central player in Europe and in shaping its future.

European Week of Regions and Cities 2018: Still looking for counterparts?

□Some regions and cities have expressed their needs to find or join a regional partnership.

Have a look at the final [partner search overview](#) and get in touch. Application to become a partner of the European Week of Regions and Cities 2018 is open until 30th March.

Get also inspired by the sessions organised in the framework of the [#EURegionsWeek 2017](#).