

Global Britain and the CPTPP

This is a vital time for the UK and for our trading relationships with the rest of the world.

And I can tell you, as we emerge as an independent trading nation once again, it's great to have the support of close friends and allies.

Not least Australia and Canada, and both Tony and Stephen.

Both of you have signed a number of comprehensive trading agreements on behalf of your countries ... and we hope to follow in your footsteps.

It's great to be here too with Minister Chan, who I wrote a joint op-ed with back in March on the importance of keeping free trade flowing during Coronavirus and resisting protectionism.

We have heard a lot over the last week or so of FDR's New Deal over the last week or so and our plans to level up the United Kingdom. So I'd thought I'd talk to day about a bit of history myself and explain how it relates to modern day international trade and British aspirations.

FDR's New Deal was born after an era of unprecedented protectionism where we saw barriers rise across the world and lead into a prolonged global recession. Not only did FDR sweep all before him with the New Deal, what he also did was roll back tariffs. He ushered in an era of international cooperation.

If we're looking to FDR for some do's, I also think we should look to President Herbert Hoover for some don'ts.

During the Great Depression tariffs were raised on over 20,000 goods. Impossibly high barriers to trade were erected and it's estimated that American imports and exports during that time fell by 70%.

Almost 100 years on as we again try and recover from a very serious crisis, I believe it's vitally important that voices of free trade are heard and that we resist these calls for protectionism.

The UK has a very important role to play as a newly emerging independent trading nation.

My ambition, and the Government's ambition, is for Britain to be a fierce campaigner for free trade. An optimistic forward-facing country that looks beyond its own shores.

We have a new opportunity to do that having left the European Union. And if you look at the patterns of our trade, since 2001, value of the UK's trade with the rest of the world has grown 60 percentage points more than our value of trade with the EU. What we want to do is go further, faster.

Right now we are currently negotiating free trade agreements with the United States, with Japan, with Australia and New Zealand.

We've got a team of negotiators working around the clock to make this happen.

I see this as a broader strategy of the UK becoming a central hub, a network of free trade agreements. A Networked Britain, not Fortress Britain.

I think we're in a very strong position to fight against protectionism with our allies, to lead by example through this network of free trade agreements. It's a very important principle for us that we are working with like-minded nations, countries who have high standards and, who importantly, play by the rules.

What we will do is we will be able to challenge those who don't play by the rules and we'll be able to force those nations to up their game.

There are, of course, some protectionist voices but what I would say to them is that we have been through an era where British business has been cut out of opportunities. We haven't had the trading opportunities we could have had, particularly with those fast-growing parts of the world.

These free trade agreements are a vital part of reducing those barriers but also protecting us against protectionism by making sure we keep tariffs and barriers low.

But of all the opportunities I've seen, I think CPTPP is one of the greatest. It covers 13% of the global economy – if you had the UK that would be 16%.

Together with USMCA, that means that almost 40% of the global economy would be covered by high standards, rules-based, modern trade agreements.

Membership of CPTPP would hitch the UK to the fast-growing Pacific region. It also helps us strengthen our ties with some of our key international allies like Canada, Singapore and Australia.

This to me is about strengthening the group of countries that believe in free trade but also believe in the rules-based global system.

It's important that we make sure we gain and keep the support of the British public for those trade deals we're looking to strike. They must benefit British jobs, families and businesses.

We won't compromise on our high food standards and they must share wealth across our country as part of our levelling up agenda.

I also think it's important to recognise these benefits we could gain by joining CPTPP that wouldn't have been able to access as a member of the European Union. We would be able to accede to this agreement in ways that doesn't damage our national sovereignty.

There is no ECJ and there is no harmonisation of domestic regulation and there is no seizing of our sovereign power. What is allows us to do is to be

part of a modern, rules-based free trade area.

It enables us to sign up to advanced digital provisions. In effect, become part of a digital free trade area and I think that is incredibly important for the UK.

We are third in the world in terms of the number of our billion dollar tech companies, after the US and China. It is a real comparative advantage for us.

The fact is that services and digital trade, we haven't seen the progress that we should have done at the World Trade Organisation.

The rule book was invented in 1995 before this trade was fully developed and it hasn't yet moved forward sufficiently.

I believe that by becoming part of CPTPP and by signing up to these advanced agreements in areas like services and digital, we will help push the World Trade Organisation to adopt new rules and modernise its rulebook, particularly in these types of areas.

Of course, we want to see a reformed WTO. We want to see leadership which promotes those ideas but at the same time we need to pursue the plurilateral approach to put pressure on that organisation to reform.

CPTPP is very much part of that plan.

Over the coming months we are working with CPTPP countries to secure our accession. As I've mentioned we're already pursuing bilateral agreements with Singapore, Australia, New Zealand, Japan and we're in discussions with a number of CPTPP members.

To my mind, the potential gains are enormous and that is both economically and strategically. I believe that membership will deliver for our businesses, it will deliver for our people and will help turn Britain into bulwark against protectionism, and a country that fights for rules-based free trade and advances it globally.