

# Now they want to misrepresent Margaret Thatcher's offer to Japanese companies

Amidst all the negative lectures on the fall in sterling as a result of Brexit the gloom mongers ignore the movements of sterling against the yen, despite the yen being one of the world's big four currencies with the dollar, Euro and pound. The renminbi has recently joined that top grouping at the IMF but there are still controls on financial markets in China.

I guess they ignore it because you could get 140 yen for each pound on 2nd January 2013, 140 yen for each pound on June 24th 2016 when we knew the vote result, and you can still get 140 yen for each pound today. It's true in between the pound went up and went down a bit against the yen. Japan without a Brexit vote has also had a currency falling against the Euro over the last year. Her exporters are probably pleased about that, and her companies located in the UK probably relieved they have no currency issues with the UK for their UK based activities because there has been currency stability between the yen and the pound over the last twelve months.

I mention this because the issue of which currency Japanese companies use when basing an investment in the EU has been a live one. In the 1980s I was Margaret Thatcher's adviser on policy including economic and business policy. We did decide to offer a welcome to Japanese inward investors, especially in the car industry. We always made clear to them that the UK did not seek to develop and join a common currency with the rest of the EU, and would stay out of the more federalist parts of the EU project. They said they could accept that.

I became a Minister in the Trade and Industry department. I helped develop the relationships with the main Japanese inward investors. My pitch to them was that we would represent their wishes along with other business in the UK in an attempt to limit the damage the EU's wish to tax and legislate might cause, as we sought to shape a more business and customer friendly single market. They welcomed this approach and saw the UK did need to disagree quite often with the EU plans. Global companies were often privately critical of EU proposals and wanted the UK to amend or head them off.

In the 1990s Japanese companies expressed concern when I and others made the case to stay out of the Euro. There was talk of some inward investors from around the world deciding to move to the continent if the UK failed to join. We took this argument on, stayed out of the Euro, and the overseas investors stayed here. The Japanese came to see that you cannot eliminate all currency fluctuations and having a pound which might trade closer to the yen than the Euro does could have its advantages.

The UK government did not make a simple offer of invest in the UK and you will be part of the whole EU club as many are now claiming, because that was not true. The UK was at the same time as attracting inward investors making it crystal clear it wanted its own currency, border arrangements and the

rest. We always ruled out joining the Schengen movement area. Many overseas investors liked the UK package and understood it was very different to the continental one. They will be swayed in future, as in the past, by the blend of UK policies and the attractions of the UK market and skilled workforce.