

News story: UK exports at record high

Exports grew faster to Canada (up 12.7 per cent), India (31.8 per cent) and China (15.3 per cent) than to the EU (10 per cent).

Goods exports were up 10 per cent, driven by a demand for manufactured goods, while services exports rose 4.2 per cent due to strong global interest in the UK's prestigious financial and travel services.

Non-EU countries remain the main destination for UK services (£167.4 billion), making up 60.4 per cent of all services exports.

The figures also reveal the trade deficit continuing to narrow over the last year by £7.7 billion to £23.1 billion.

Over the same period, the UK's current account deficit also narrowed to £80.3 billion, down by £12.2 billion from twelve months earlier. This is the narrowest deficit as a percentage of GDP since 2012.

International Trade Secretary, Dr Liam Fox said:

Thanks to the hard work and dedication of UK businesses up and down the country, exports of goods and services rose to a record high of £620 billion. Demand for high quality British products remained strong from countries outside the EU including China, India and Canada and we are putting companies in position to benefit from growing global opportunities.

Far from the negative forecasts after the EU referendum, there is every reason to be optimistic. Our trade deficit narrowed and UK business is delivering for Britain and succeeding on the world stage. As an international economic department we are banging the drum for the growing demand for our goods and services.

The country also remains a strong destination for investment with nearly 76,000 new jobs created as a result of inward investment from foreign direct investment projects in 2017/18, more than the previous year.

Figures from the Department for International Trade published this week show 2,072 new projects recorded, creating 75,968 new jobs and safeguarding 15,063, amounting to nearly 1,500 new jobs per week across the country.

Through GREAT.gov.uk, the department gives UK businesses access to millions of pounds' worth of potential overseas business. It also puts firms in touch with global buyers and since its launch it has promoted 17,500 export opportunities, and helped around 3.6 million users either begin or grow their exporting journeys (from November 2016 – May 2018).

Research from Barclays Corporate Banking found that 64 per cent of consumers

in India, 57 per cent in China, and 48 per cent in the UAE were prepared to pay more for goods made in the UK, because they perceive the quality as higher. [Brand Britain – Export opportunities for UK businesses, February 2018]

Working to promote the UK as a great trading nation, DIT has set up 14 trade working groups covering 21 countries to scope our future trade deals and strengthen commercial ties with key trading partners.

Background:

- [Figures from the ONS Balance of Payments 29 June](#)

News story: Best of East Midlands business lauded by Robert Jenrick

Treasury Minister Robert Jenrick has embarked on a UK tour to lift the lid on the innovation of Great British businesses and learn how they are tackling the productivity gap.

His first stop is Leicester, in the heart of the Midlands Engine, to see for himself businesses that are playing a vital role in driving the new economy.

This will include meeting a local entrepreneur whose company – Micro-Fresh – has helped stop the spread of bacteria in everyday products like towels and bedding. Micro-Fresh has received government funding to support its expansion into the housing sector.

The Minister will also meet a construction company that is sharing its know-how with others to improve efficiency and productivity, as well as textile factory workers to hear how harnessing new technology is ensuring this traditional Leicester industry continues to thrive.

The Exchequer Secretary to the Treasury, Robert Jenrick, said:

There are some incredible businesses here in the East Midlands whose great innovations have helped boost this region's productivity beyond others, including London. But too often their contributions go under the radar.

That's why I have chosen the Midlands to kick-start my tour of the UK to lift the lid on those playing a vital role in delivering growth, skills and jobs for local people. It's vital that we learn from these trailblazing innovators so we can help others follow suit and boost productivity across the country.

The East Midlands contributes £100 billion a year to the UK economy. Since 2010, the region has seen the creation of 68,000 businesses and 344,000 apprenticeships, with record-high levels of employment (2.3 million) and unemployment down by nearly half (42 per cent).

Notes to Editors

The Exchequer Secretary will meet:

- Local Leicester entrepreneur Byron Dixon OBE, CEO and Founder of Micro-Fresh International – the company, which is growing 25% every year, provides anti-bacterial treatment for products like bedding, towels and footwear and are available in John Lewis, Sainsbury's and M&S. A recent £120,000 grant from the Government helped the company conduct research which will allow the product to be used in social housing to combat damp and mould.
- Caterpillar's Logistic Services – the construction company is sharing its expertise with other businesses to fuel innovation in the sector.
- East Midlands Chamber of Commerce – the Minister will host a meeting to hear first-hand what can be done to further support growth and innovation in the region.
- Factory workers and managers in the textile industry – the traditional business is seizing opportunities in the new economy and ensuring this long-established industry remains a key part of the Leicester identity.

East Midlands economy facts:

- The East Midlands contributes £100 billion of gross value added per year to the UK economy.
- Manufacturing accounts for 12.4% of all jobs in the East Midlands – higher than any other UK region.
- Since 2010, unemployment has fallen faster in the East Midlands than in London (-42.8%).
- Employment in the East Midlands is at a record high level (2.3 million).
- Since early 2010, 204,000 (+10%) more people are in employment in the East Midlands. Unemployment has fallen by 72,000 (-43%) over the same period.
- Productivity growth since 2010 has been faster than London (12.1%).

The Chancellor Philip Hammond highlighted the role of innovators in the new economy in his Autumn Budget and set out the Government's plans to support those who deliver growth, create higher paying jobs and make sure everyone has the skills they need.

[Autumn Budget 2017: building the new economy](#)

Press release: Biometrics

Commissioner's response to the Home Office Biometrics Strategy

The long awaited Home Office Biometrics Strategy published today is to be welcomed as the basis for a more informed public debate on the future use of biometrics by the Home Office and its partners.

The strategy lays out the current uses of biometric data and the development of new multi-user data platforms. Unfortunately the strategy says little about what future plans the Home Office has for the use of biometrics and the sharing of biometric data. A debate is needed given the rapid improvements in biometric matching technologies and the increasing ability to hold and analyse large biometric databases.

While the use of biometric data may well be in the public interest for law enforcement purposes and to support other government functions the public benefit must be balanced against loss of privacy. Biometric data is especially sensitive because it is most intrusive of our individual privacy and for that reason who decides the balance is as important as what is decided. Legislation carries the legitimacy that Parliament decides that crucial question.

It is disappointing that the Home Office document is not forward looking as one would expect from a strategy. In particular it does not propose legislation to provide rules for the use and oversight of new biometrics, including facial images.

This is in contrast to Scotland where such legislation has been proposed. Given that new biometrics are being rapidly deployed or trialled this failure to set out more definitively what the future landscape will look like in terms of the use and governance of biometrics appears short sighted at best.

What the strategy does propose is an oversight and advisory board to make recommendations about governance just short of legislation. If that results in the development of a set of principles to inform future legislation then it is also welcome. However, the advisory board is mainly described as concerned with the use of facial images by the police.

What is actually required is a governance framework that will cover all future biometrics rather than a series of ad hoc responses to problems as they emerge. I hope that the Home Office will re-consider and clearly extend the advisory board's remit to properly consider all future biometrics and will name the board accordingly.

News story: Over 10,000 troops from nine nations ready to meet global challenges

The agreement marks the end of the establishment of the JEF framework and is a key milestone in preparing the force for action. With the UK at the forefront as the framework nation, the JEF can now deploy over 10,000 personnel from across the nine nations.

Speaking at the event at Lancaster House today Defence Secretary Gavin Williamson said:

Our commitment today sends a clear message to our allies and adversaries alike – our nations will stand together to meet new and conventional challenges and keep our countries and our citizens safe and secure in an uncertain world.

We are judged by the company we keep, and while the Kremlin seeks to drive a wedge between allies old and new alike, we stand with the international community united in support of international rules.

Launched in 2015, the joint force has continued to develop so that it's able to respond rapidly, anywhere in the world, to meet global challenges and threats ranging from humanitarian assistance to conducting high intensity combat operations.

The JEF, made up of nine northern European allies Denmark, Estonia, Finland, Latvia, Lithuania, The Netherlands, Norway and Sweden, is more than a simple grouping of military capabilities. It represents the unbreakable partnership between UK and our like-minded northern European allies, born from shared operational experiences and an understanding of the threats and challenges we face today.

In May this year, the JEF demonstrated its readiness with a live capability demonstration on Salisbury Plain. It featured troops from the nine JEF nations, including troops from the UK Parachute Regiment, the Danish Jutland Dragoon Regiment, the Lithuanian "Iron Wolf" Brigade and the Latvian Mechanised Infantry Brigade, which conducted urban combat operations with air support provided by Apaches, Chinooks, Wildcats and Tornados.

Speech: First Sea Lord speech at the International Institute for Strategic Studies Conference

As some of you will have heard a few weeks ago at the RUSI maritime conference, the Secretary of State for Defence spoke of his vision for the Royal Navy, delivered through the vehicle of the Sir Henry Leach memorial lecture, the first of those in a series; I was grateful to him for coming to do that. He reflected on how today's Royal Navy would be viewed by that great post-war advocate for the value of sea power, Sir Henry Leach.

Of course, he held the office of First Sea Lord during the Falkland's conflict, that formative experience of my own Naval career. Sir Henry's understanding of navies and what they mean to an island nation like the UK was forged during his time as a Junior Officer in the Second World War.

But as many of you will know, at that stage it wasn't Sir Henry who was making the headlines. It was his father, Captain John Leach, Captain of the battleship Prince of Wales, a King George V Class battleship. It had a short but very busy life, lost eventually in December 1941 off the coast of Malaya but with great significance earlier that year she had sailed across with Prime Minister Churchill to Placentia Bay, Newfoundland, in August 1941 to provide the venue for an historic meeting between Prime Minister Churchill and President Roosevelt, at which they set the scene for that pivotal policy statement that emerged from that meeting, the Atlantic Charter.

In those darkest of times at the height of the Second World War, our shared ideology of Anglo-American internationalism shone through, a clear expression of intent that Britain and America had to cooperate for the cause of international peace and security.

In the 77 years since that statement was issued, I would contend that the world has changed significantly, perhaps in some ways beyond all recognition.

Because today, as you heard from CNO, we live in an interconnected world where information is increasingly seen as the vital resource. Where we face an increasingly diverse range of potential adversaries, all of them emboldened by weapons proliferation. Where the resultant threats abound from space to sea bed.

It might seem rather alien to Captain John Leach on the bridge of Prince of Wales in 1941, or even to his son, Sir Henry on the bridge of the Royal Navy in 1982.

Yet there are also constants that I think would have been entirely familiar to both of them.

Crucially the importance of the maritime domain, the challenges of strategic

great power competition, and the commitment of Great Britain and the United States to uphold international law and freedom of access to the global commons of the sea. All of those are common threads, as applicable in 2018 as they were in 1941.

So I'm indebted to Admiral Richardson for his very clear articulation of why the maritime matters in the 21st century, the brilliant slides he used to illustrate that, and why there is a collective security challenge that we face in that maritime domain. You won't be surprised to hear I absolutely share that view. Indeed you could take that map of the world that he showed, and his Navy is of course deployed very extensively around it at scale to very significant effect. But so is the Royal Navy, of course to less scale but I hope also to significant effect. We've been operating in every ocean in the world and share the US Navy's operational focus about the importance of presence. The importance of influence.

I was going to highlight just one area where we are linked, perhaps more than anywhere else, and it's seen renewed efforts by both our Navies alongside our partners to counter the proliferation of threats; that's in the North Atlantic. You only need look at the hugely significant symbolism of the United States Navy re-establishing the 2nd Fleet and the very fact that the Royal Navy's high readiness response units in the North Atlantic are called upon ever more frequently.

It will be a major area of shared capability development as we look to how we will operate in that theatre going forward; equally importantly, the very high levels of operational activity now are shaping the thinking of both our Navies.

But our responsibilities, our shared responsibilities, are not of course confined to the North Atlantic. This year the Royal Navy has been out and about, perhaps at greater extent than for over 10 years. Operating, as I said, in every ocean of the world, trying to address the strategic challenges of today as seen from the United Kingdom, and part of a collective effort with all of our allies to maintain freedom and security on the high seas. And to enable that growth of global economic prosperity upon which our nation depends. And to uphold the international norms which we are the two principal nations and navies charged with defending.

There is of course nothing new in that. Historians and those who study the Royal Navy over a long period will know we've been at this for half a millennium, in some ways in an unchanged way. It's all about national interest, it's about exerting national influence, it's about supporting partners and it's about promoting our country's prosperity; nothing changes in that space.

But to meet the breadth and depth of the security challenges we face today, and to have a sense of being able to deal with them going forward, we're going to need a Navy that can bring a full spectrum of world-beating maritime capabilities to bear, alongside our partners, to deter and if necessary to defeat would-be aggressors who would challenge our nation. And we need to be able to do that on the waves, above and below them. We need to be able to do

it from the sea to the land and we need to be able to do it in space and cyberspace. It's quite a challenge to be able to do all of that at the same time.

And that's exactly how the Royal Navy is adapting, transforming and modernising. And the current Modernising Defence Programme that's running at the heart of Whitehall is enabling us to do that; the Navy is leaning powerfully into it as a great opportunity for us to realise that vision.

The arrival of our new aircraft carriers, Queen Elizabeth and Prince of Wales, along with their F35B lightning aircraft that will fly from them, means that we too will soon be able to take our place alongside the US Navy and French Navy delivering continuous carrier strike capability as part of a globally deployed maritime task group. That's a very significant statement for the UK as a nation, not the Royal Navy as a navy, to make.

If you combine this with the fact that we have been delivering continuous at sea deterrence, unbroken for 49 years, and then you add into that our expertise in the littoral based upon the specialist capabilities vested in our Royal Marines and the very strong link they have with the US Marine Corps, and then you underpin all of that with a sustained piece of recapitalisation which we are undergoing across the whole fleet, across all our fighting arms, and the innovation we are reaching into along with our partners in the US Navy to embrace some of the new and emerging technologies that are racing into the maritime space, I think we can be confident that we've got a Royal Navy that is still very much at the vanguard of world Navies, fielding a potent suite of capabilities that few outside the United States can match.

But as much as the Royal Navy has to be able to do all of that, to retain the sovereign capability to act on its own when it needs to, even the most cursory analysis of our history as a nation will show that we are always better off when we work in partnerships.

NATO is of course the most obvious example of that, and I'm delighted to see that [Vice Admiral] Clive Johnstone [RN] is here today, to embody the maritime leadership within NATO that he provides on our behalf. That alliance has for so long been the cornerstone of both our national defence and that of all our allies who are a part of NATO.

And you only need look at the work of other key alliances too, like the Combined Maritime Force coalition in the Middle East, led by the United States with the Royal Navy as deputy, to see how that has contributed to regional security in a way that has enhanced collaboration with regional and international partners in a part of the world that is absolutely vital to the country's economic and energy interests, but perhaps more unstable than it's been for a long time.

Like the US, Britain has partners both old and new right around the globe.

Closer to home in Europe, our bi-lateral agreement with France, articulated initially at the Lancaster House agreement in 2010 and re-affirmed at the

Sandhurst conference in January this year has seen us form a Combined Joint Expeditionary Force with the French. And we showcased that with exercises off the Brittany coast only last month, which I attended. It's a very credible and capable force, fully integrated with Royal Navy and Marine Nationale Units. So too do some of the older but well established, credible links that we have with the likes of the Royal Netherlands Navy promote excellence in our combined amphibious warfare capabilities.

In the same vein, we are looking to establish those partnerships further afield. You've heard CNO talk about the significance of our new tri-lateral arrangements between our two navies and the Japanese Maritime Self Defence Force. That's not a meaningless piece of showmanship, where geography makes it impossible to do something real. It's credible, it has significant workstreams that are driving forward, and we'll be meeting again in Japan towards the end of the year to cement our plans.

But with all of these alliances, be they bi-lateral, tri-lateral or larger, multilateral ones, I think they point to what must be in place and that's interoperability. Not just interoperability based on equipment, the ability for our comms systems to talk to each other, but also interoperability based on a clear understanding of how each other works, how each other thinks, and how each other fights.

Understanding each other's capabilities, their limitations as well as what they can do. Understanding each other's tactics and procedures and how to best fold them into each other. Understanding the nuances around how we each interpret rules of engagement, how we employ doctrine. All of this is essential if we're going to have a chance of delivering together from Day 1.

UK/US Relationship

And yet as much as all of these alliances and partnerships are highly valued by the UK, I will eventually boil down to complete agreement with Admiral Richardson that the key one is our link as a Navy to the United States Navy. There is something unique about that, something unique about the strategic nature of our partnership that goes back a long way.

Many of our Admirals and senior Civil Servants are over in Washington this week commemorating the 60th anniversary of the MDA, a hugely significant moment in the way we work together in the nuclear and submarine field.

The UK is the only Tier 1 partner in the F35 programme and from the earliest days of this programme, Royal Air Force and Fleet Air Arm pilots, ground crew and engineers have been working side by side with their US Navy and US Marine Corps colleagues to ensure that, as much as our new aircraft carriers will sit at the heart of the UK's Joint expeditionary force, so too will they be ready to work with our American counterparts from the off. And you'll see us doing that in 2021 when we first deploy that carrier operationally.

And as we look at the increasingly challenging underwater battlespace that I alluded to earlier, Britain and the US will be working very closely together to develop some of the world's most advanced under-sea technology, including of course collaboration with the deterrent submarine programme.

It couldn't be a closer link.

I will wrap this up now and I know we collectively look forward to hearing your questions. But I just leave you with this thought. Our Defence Secretary called upon the Royal Navy to lead from the front, to exploit our unique ability to exert not just soft power across the globe as we're doing at the moment but also to be able to back it up with tangible hard power.

That's a call that is a challenging one to achieve; for the service to do both, credibly, at the same time. It takes a lot of application and effort. But it's a challenge I readily accept, because that enables the Royal Navy to power on, to get the fleet it needs to fulfil its commitments and meet the broad range of challenges we face both at home and around the world.

And as we look to fulfil our centuries-old role on behalf of our nation, we do so safe in the knowledge that wherever we are in the world, we can find partners and allies to work with. And we will find no partner more valuable, more credible, more trusted, than the United States Navy. And I'm honoured to think that they regard us also as the partner of choice.

Thank you.