

# Speech: Backing the ad industry as we make a success of Brexit

“Simplicity is the ultimate sophistication.” Leonardo Da Vinci knew some stuff didn’t he? And he knew that slogans, or as we politicians put it, soundbites, matter.

Without the help of people who know how to express the core qualities of a service, product, or plan in straightforward yet captivating language, we are sunk.

No wonder Henry Ford opined “Stopping advertising to save money is like stopping your watch to save time.”

Thank you, Stephen [Woodford, Chief Executive of the Advertising Association]. It’s very heartening to see that advertising has such an enthusiastic champion and one who’s done his research – so thank you very much.

It is a great pleasure to be here, and a very welcome chance to speak to the advertising industry.

Today I’d like to share my thoughts on why you are so special, outline some of the ways I believe you will be key to the UK’s post-Brexit success, and reassert the Government’s support for advertising.

## **Advertising: a unique industry**

UK advertising is the best in the world.

It does exactly what it says on the tin.

It has attracted some of the finest artistic talent around, such as the film director Ridley Scott and the comedy producer John Lloyd. The best adverts are not only a means to an end, but works of art in their own right.

I loved as a teenager the classy black-and-white Guinness adverts, and I’m also a huge fan of the hilarious SpecSavers ads.

Advertising is right there at the intersection of creativity and commerce, and as such, one of the most fascinating industries around.

And advertising’s special status does not end there. Culture, media, sport, tourism, digital technology, heritage, the National Citizens Service, and everything else my department does is reliant upon and interacts very closely with advertising.

You are one of our major success stories. The UK has the biggest ad spend in Europe, and our advertising exports are worth billions annually. Deloitte has found that the £20 billion spent on UK advertising in 2015 generated around

£120 billion in GDP, 6.4 per cent of the overall economy.

It's the real thing.

And it's Reassuringly expensive.

### **Advertising: key to the UK's success**

There can be no question, then – advertising is central to a successful UK.

You are a key player in your own right. But of course you are also a champion for other industries – every other industry – and act as a catalyst for the creation of new ones.

New models for the consumption of television, film and music would – like the Internet itself – be unsustainable without advertising and would never have come into being without it.

You will also be a major player in post-Brexit Britain.

UK advertising has a well-deserved reputation for being outward-facing, innovative, and high quality. The UK balance of payments for advertising-related services is second only to the USA – and five times that of France. Germany and Italy import much more advertising than they export.

Go Compare!

The Government is seeking a new and equal partnership with Europe, and repositioning this country as a truly Global Britain.

You can help sell this country to the rest of the world. Of course you do so already – through the GREAT campaign, by drawing attention to our amazing film and music sectors, and indeed by promoting all our goods and services.

I want to be clear that the Government has never seen you as peripheral to our plans for success. You are right there at the centre. And I want to hear from you.

Why should you make the time?

Because you're worth it.

Our Plan for Britain will be driven by some basic principles: we will provide as much certainty and clarity as we can at every stage.

And we will take this opportunity to make Britain stronger and to make Britain fairer – getting the right deal abroad while ensuring a better deal for ordinary working people here at home.

Our aim is to forge new relationships around the globe, while being open to international talent.

I'm conscious that UK advertising feels that certain aspects of EU-wide co-operation have been helpful and certain legislation harmful, so I want to

hear your views on the opportunities Brexit presents as we approach negotiations.

As we engage in negotiations with the union, the advertising industry can help us make the case by providing us with data and knowledge.

I want to make use of your myriad skills as well.

You know how to sell anything – and so I am certain that you can sell as a product as fantastic as the United Kingdom!

After all, When you've got it, flaunt it.

### **Government support for advertising**

If you are to take one thing away from what I say today, please let it be that the Government is foursquare behind the advertising industry.

Credos, the advertising industry think tank, has found that there is a £5 billion gap between what people are willing to pay and the true cost of advertising-funded media they receive. I will be very conscious of that as we look at things like Internet advertising filters.

Inevitably, an industry that is so woven into the fabric of the whole economy is particularly vulnerable during times of economic difficulty, and uncertainty will make businesses reluctant to invest. A fall in ad spend was one of the first indicators of the last recession.

So it is quite right that the creative industries are highlighted in the Government's green paper Building our Industrial Strategy, which was published earlier this week.

The Industrial Strategy's overarching aim is to enable us to identify all of the opportunities throughout our economy – so that businesses can grow, create more jobs, and spread economic success right across the country.

The purpose of the green paper is not to lay down the law, but rather to start a conversation. Before the consultation closes on 17 April, I am very eager for you to help us make the case for the creative industries in general and advertising in particular.

The Government has been clear that business is best placed to identify what companies need, and has issued an "open door" challenge to industry to come forward with proposals to transform their sectors.

Because it's good to talk.

This industry already has a tremendous advocate in the Advertising Association.

This is not an old-fashioned "picking winners" industrial strategy. Instead, sector deals will be open for both established and emerging industries, and the Government will work with any sector that can organise behind strong

leadership.

This leaves your industry – which has a long history of doing just that – in a very strong position.

Impossible is nothing.

Sector deals with government can be struck when an industry can demonstrate a strategy to transform their prospects. This could include such matters as helping to align policies on training and skills; addressing regulatory issues; helping to identify market barriers; and promoting the creation and spread of new technologies.

Moreover, there is a specific focus on creative industries in the green paper. Sir Peter Bazalgette is conducting an independent sector review, which will focus on three key themes: utilising new technologies, capitalising on intellectual property rights, and growing talent pipelines.

I look forward to working with you and Sir Peter – or Baz as he prefers!

The review will complement, rather than replace, the sector's efforts, such as the Creative Industries Council's work programme. Aably led by Nicola Mendelsohn, the Council has already produced extremely useful material on intellectual property and talent pipelines.

You are likewise well placed to prosper thanks to your determination to explore cutting-edge technologies such as Virtual Reality and Augmented Reality. And, once again, where the advertising industry leads, others will follow.

I wanted to say a word about the Gambling Review. I know that the fact we are looking at the advertising of gambling concerns some of you, but this is something about which people feel very strongly. I receive a lot of correspondence on this matter and it is something that is regularly raised with me as a constituency MP.

It would be irresponsible not to explore those concerns and that is why we are carefully considering the responses to our genuinely open call for evidence. We aim to publish our findings in the Spring.

In conclusion, then, UK advertising is something about which we can all be very proud. More than that, it is one of the industries that most makes me optimistic about this country's prospects.

And this Government will be backing the advertising industry as we make a success of Brexit.

Tell Sid. In fact, tell everybody. Just do it. Thank you.