

# Speech: Britain and Germany's special and enduring partnership

It is a pleasure to join you today, especially in such an inspiring setting.

I am particularly delighted to give this speech in German – it is a language very close to my heart.

Indeed my home is filled with the German language. When I finish my day job as Minister for Trade Policy, I go home to my family: my German wife and our 2 children, both of whom can speak German better than me!

I must say my children know how to take advantage of being both British and German.

I should also tell you that as MP for Chelsea and Fulham, football is a big thing in my constituency.

Before the last World Cup, I asked my son, "Which country are you going to support in the tournament?"

"Papa," he said, "I will split my loyalty in the tournament 50:50 between England and Germany. I will support England for the first half, and then switch to Germany". He is a clever boy.

We have a home in Germany too, and almost every year I visit the party conferences of both the CDU and the CSU. I may even have more friends in each of them than they have with each other.

My ties to Germany go back beyond my career in politics. I lived for much of the years 1985 – 1988 in what was then called West Berlin.

I discovered the particular Berlin dialect –Berlinerisch – while working as a Bädewarter in the exotic location of the Sommerbad Kreuzberg, and working at whatever holiday jobs I could find, such as at the Kaufhaus des Westens (or KaDeWe), and even McDonalds.

During this time my love of German culture, people and language really took root.

That is why today I am pleased to have been asked to speak to you about the special and enduring partnership that exists between Britain and Germany.

If I achieve anything today it will be to impart to you the enthusiasm with which I and my ministerial colleagues believe in this partnership, and in the opportunities for us to work together in the years ahead.

In June 2016 the people of Britain made a democratic decision to leave the European Union.

More votes cast for Brexit than Prime Ministers Thatcher, Blair or Cameron ever managed to achieve. 1.3 million more people voted to leave than to remain.

The instruction from the British people to their politicians, including those who had campaigned on the side of remain such as myself, was crystal clear.

We are now more than a year on from that historic vote and things have changed. We are no longer a country defined by how we voted, but instead by our willingness to make a success of the result.

I believe in the success that Brexit can be, if negotiators on both sides get it right.

I am optimistic about Britain's future as an independent trading nation and optimistic of the new partnership we will form with Europe and with Germany.

As Prime Minister Theresa May has clearly stated, we want to be the EU's strongest friend and partner. For us to thrive side by side.

The British people chose to leave the European Union. We did not choose to leave Europe.

Indeed we want to maintain and where possible strengthen our ties around trade, security, law enforcement and criminal justice cooperation.

In 2016 the UK imported goods worth £242 billion from the EU.

Conversely, the UK exported £145 billion worth of British goods to the EU in 2016.

That amounts to a £97 billion goods deficit for the UK with the EU.

That is why it is to both sides' advantage that we secure the greatest possible tariff and barrier free access to European Markets, whilst offering the same access to the UK market.

While the statistics I quote are rightly impressive, they fail to demonstrate the cultural and ideological ties that unite us and that underpin our trading relationship.

Like Ludwig Erhard, we believe in the power of free trade to strengthen our economies, improve the lives of citizens and vitally to help build a more secure world.

As Erhard said himself –

As one's economy grows, the value of human labour increases.

Leaving the European Union is not a move away from this desire for improvement.

Instead, we are becoming a more vocal champion.

Before the decision to leave the European Union was taken, the department within which I am a minister, the Department for International Trade did not exist. Trade did not have a seat at the cabinet table and had not done for many years.

Trade is now at the top of our agenda. Both as we move to a new, deep and special partnership with Europe but also as we look out to the world.

We must both be passionate advocates for free trade at a time when the cause needs champions. The need to resist the tide of protectionism is an endeavour that unites Britain and Germany.

As the Prime Minister has clearly set out- we are not looking for an 'off-the-shelf' solution. Instead the UK and European Union have the opportunity to build a new, bold and ambitious future economic partnership.

This is of course an ambitious vision, but to quote Ludwig Erhard once more,

In my experience small things fail too easily, but big plans are filled with a fascination that touches people and that in itself constitutes success.

I was at the CDU party conference last year and was struck by Angela Merkel's speech about how the largest demonstration in Germany in recent years was not against Putin, Assad or even Trump, but was against TTIP.

Championing free trade will of course extend to our support of the EU's trade agenda. While we remain a member, we will continue to support on-going trade negotiations with third countries. After we leave, we will continue to argue for trade liberalisation at the EU level.

We want prosperous free trading neighbours on our doorstep; it is in our national interest and, we believe, the route to a safer world.

Of course, we cannot talk about economic security without reference to the mutual defense interests that exist between the UK and Germany.

To keep our people safe and to secure our values and interests, we believe it is essential that, although the UK is leaving the EU, the quality of our cooperation on security is maintained.

Such cooperation is vital not only because we face the same threats, but because we share the same values, of peace, democracy, and the rule of law.

I believe that we can use that same spirit of cooperation and mutual trust to inform our commercial and political relationship.

There are few countries in the world that already share such a close economic relationship as Germany and UK.

We are natural and long standing trading partners.

Germany accounts for 13% of total UK imports – no other country in the world sells us more. That means around 1 in every 8 pounds spent in the UK on imports goes to Germany.

A similar story is true on investment. In 2016 the UK invested £21 billion in Germany. And now around 240,000 people in Germany work for British companies based here, making us your third biggest investor.

For those people, the individuals working for Allianz insurance in Guildford Surrey or their counterparts working for Rolls Royce in Brandenburg, not far from where my family and I own a home, the partnership between the UK and Germany is part of their daily life. It is a natural and easy union.

We want to protect this in the years to come.

Touching briefly on the financial services sector as I know this is the topic of the next session.

We need to think creatively about the options, but we believe we can find a positive solution, using our unique starting point of regulatory alignment to ensure that your businesses continue to have easy access to what will remain by far the largest concentration of financial services expertise and liquidity in Europe, even when the UK is outside the EU.

So it is not the case, as some have suggested, that Brexit is an attempt to undermine the institution of the EU or the prosperity of its members.

That would be an inconceivable act of self-harm for the UK. As the Prime Minister has stated to hope for anything but success for our neighbours would be truly perverse.

Therefore, I look forward to seeing a creative solution to a new economic relationship that can support prosperity for all our peoples. And I am glad that we have now made sufficient progress to move onto the second phase of negotiations.

The guidelines published by President Tusk for the next phase of negotiations point to the shared desire of the EU and UK to make rapid progress on an implementation period, with formal talks beginning very soon. This will help give certainty to the business community that we are going to deliver a smooth Brexit.

The council has also confirmed that discussions will now begin on trade and our future security partnership.

An implementation period means that both businesses and public services will only have to plan for one set of changes in the relationship between the UK and the EU.

Most of all, the significance of the UK as a trading partner for the European Union should not be underestimated.

Of course, we need to preserve our productive and open trading relationship. What is more, what kind of message does it send to the rest of the world if we didn't?

This is at a time when free trade is being questioned in many parts of the globe. If friendly and trade-liberal powers like the EU and the UK can't reach a free trade agreement, then what message does that send to Washington, Beijing and Delhi?

I told you earlier that my rather smart son has opted to support both England and Germany. Well I agree with his approach – maybe not when it comes to football – but when it comes to our shared prosperity and mutually dependent future.

It is only by working together that we can hope to meet some of the challenges facing our societies and economies in the coming years and that we can truly thrive.

Thank you.