

Speech: Britain's commitment to Canada's future

Good morning.

It is a pleasure to be here in Vancouver, and an honour to be a guest of the Greater Vancouver Board of Trade.

This remarkable organisation has been dedicated to the commercial success of the city for more than 130 years – in short, for almost as long as Vancouver has existed.

That success, of course, was not long in coming. Almost from the moment that Jack Deighton built a makeshift tavern here in 1867, the city has been a hub of international trade – and good cheer.

People ask me: why did you choose to come to Vancouver? The answer is: perched at the very edge of the Western World, Vancouver is a vital link between East and West, and the gateway to the vast opportunities of the Asia-Pacific region.

Those who know Vancouver are not surprised at the city's comparative youth. I can see that just looking round this morning. There is an energy and drive here, apparent to anyone who visits, that few other places can match.

I was surprised to learn, however, that I am the first UK Cabinet Minister to perform an official bilateral visit just to this city in living memory. You can choose, looking around the room, how long you think that happens to be!

But of course, any Brit should feel right at home in a city founded by a Yorkshireman and built around a pub – so it's natural that we feel a cultural affinity and a comfort here.

But I am here to show our commitment to UK-Canada ties, and to demonstrate that British commitment doesn't stop in Ottawa or Montreal or Toronto.

In an increasingly globalised world, Vancouver will become ever more important in facilitating global commercial opportunity – a natural pivot in the economic rebalance of East and West.

It is only natural that HSBC would choose this city for their Canadian headquarters.

They join a host of other high-profile British firms, from infrastructure giant Balfour Beatty to Oscar-winning special effects company 'Double Negative', tapping into a film industry that, in 2017, posted its best year ever – and gave me my best photo opportunity, my only one so far to pose with an Oscar.

These are only some of the hundreds of firms whose commercial relationships

augment the ties of history, culture and family that already unite Canada and the UK.

All in all, there are around 700 UK firms currently operating in Canada, and around 750 Canadian firms operating in the UK.

The multitude of workers, professionals and entrepreneurs that operate on both sides of the Atlantic have vastly enriched both our economies, as well as building those personal relationships that are vital to international cooperation.

Our bilateral trading relationship is worth over C\$ 27 billion, with British engineering giants such as Rolls Royce and BAE systems joining our financial institutions in their expansion into Canadian markets.

It is a partnership, of course, that goes both ways.

Canadian investments in the UK may not match the size of those from countries such as the USA, but they are remarkably visible.

Canary Wharf dominates the east London skyline, while Fortnum & Mason – a treasured institution of a department store in the heart of the Capital, and one of my wife's favourite spending places – is also Canadian-owned.

And millions of people across southern England feel the benefits every time they turn on their taps, through Canadian investment in Thames Water.

These are only 3 examples. But they highlight how Canadian investment, and our broader economic partnership, has become part of the fabric of national life in the United Kingdom.

This favour will soon be repaid – during Prime Minister Teresa May's visit to Canada in September last year, a contract was signed for UK firm Turner & Townsend to refurbish the central block of the Canadian Houses of Parliament in Ottawa. We might even get them to do the same in the UK, before ours falls down!

It's clear, then, that our 2 countries share a close commercial bond. But I'm sure that there's not a single person in the room today who couldn't have told me that already.

In fact, for the financial year just ended, our preliminary FDI results from Canada are at or near record numbers.

Preliminary figures show that Canadian institutional investors invested around £3 billion UK in real estate, infrastructure and private equity – bringing total Canadian institutional investment in the UK to over £30 billion. Moreover, Canadian FDI in the UK over the past year created around 2,000 new jobs, and that is before we consider those safeguarded.

So that is all terrific. What then, of the future? What will our future trading relationship look like.

As I'm sure every single person here is aware, Britain is currently negotiating the terms of our withdrawal from the European Union following our referendum.

Some sections of the international press seem bent on presenting the vote as a symptom of insularity, despite all the growing evidence to the contrary. There are those who peddle the narrative still that Britain will be withdrawing from the world and abdicating from our international responsibilities.

Let me tell you, nothing – absolutely nothing – could be further from the truth.

Our decision to leave the EU stemmed from an awareness of the opportunities of the wider world, and a concern that, in an age when globalisation and new technologies have revolutionised the world economy, the EU lacked the flexibility to realise opportunities or negotiate timely access to new markets.

Put simply, it was about broadening our horizons, not narrowing them.

Canada of all nations understands and values our dedication to international cooperation.

For as much as Canada is a part of Britain's past, and vice-versa, we are also part of one another's future.

We share a unique degree of cooperation in almost every area of international relations.

We are members of the G7, the G20, the Commonwealth – the [Heads of the Commonwealth Governments will gather next week in London](#) – and we're part of the Five Eyes intelligence network and NATO.

And we are both champions of free trade who understand that commerce is the best means to reduce global poverty and increase global prosperity.

This last point is an extremely important one at the present time. It is the UK's ambition to become the world's foremost champion of free trade, using all of our economic and diplomatic influence to remove barriers, open up new markets, and spread prosperity to every corner of the globe.

Achieving this ambition will mean working not only bilaterally, but also through international forums such as the WTO, working with our allies to support and extend the crucial rules-based international system. The alternative to a rules-based system is a deals-based system, and that will be in nobody's interests.

For our success, the potential payoffs are vast. Free trade is not simply a dogma or blind article of faith.

It is about positioning ourselves as the natural partners to the emerging economies of Asia and Africa that will drive global growth throughout the

21st Century. Trade is mutually beneficial. And protectionism, on the other hand, has never done well. Protectionism will never do well. It is a false ally.

As the gateway to those economies, Vancouver knows all of this better than any city in the region – perhaps better than any city on earth.

But we must also think about the vast bilateral commercial opportunities that exist between the UK and Canada.

Part of our ongoing dedication to free trade is our support for the ratification of CETA.

Of course, this is part of our commitment to a common EU trade policy for as long as we are a member.

But it is also recognition of the vast benefits that the removal of 98% of duties will have for UK-Canadian trade, for our businesses, and ultimately for our consumers – the group that seems to be least-mentioned in any trade discussions.

My Department for International Trade is working with companies across the UK and Canada to ensure that they take full advantage of the widening transatlantic opportunities.

This takes the form of export and investment promotion, trade missions, and ministerial visits such as this one.

But crucially we also offer practical support. UK Export Finance, for example, offers fully underwritten financial support for any Canadian company looking to 'Buy British', and source goods or services from the UK.

This means that trading with the UK is safer and more economically viable than ever before.

And, with both our countries committed to transitioning CETA seamlessly into a bilateral free trade agreement, the opportunities are just beginning.

Traditionally, Canadian exports to the UK have focussed on raw materials and precious metals.

These continue to be vitally important, perhaps more than ever.

Yet the Canadian economy, and the economy of Vancouver in particular, is beginning to align with the UK in other ways, creating new bilateral possibilities.

The burgeoning tech industry is a good example.

London is the undisputed technological capital of Europe. The UK boasts some 58,000 tech companies, and last year in the capital new ones were founded at the rate of approximately 1 every hour.

In the same period, London alone attracted more tech venture capital funding than the whole of Germany, France, Spain and Ireland combined.

Vancouver, too, boasts an enviable concentration of tech talent and expertise, and the exchange of people, companies and ideas between the 2 cities is gathering pace.

For example, the Vancouver-based social media management platform, Hootsuite, has plans to grow their UK operation to over 250 staff.

The confidence of companies such as this is indicative of the broadening of UK-Canada economic opportunities, and of the increasingly important role that services will play in international trade.

The rules-based international trading system has many strengths, but its provisions remain under equipped to effectively govern the global trade in services.

As a post-industrial economy, the UK recognises the vast potential of liberalising the global trade in services.

Because of this, facilitating this trade is the 'low-hanging fruit' of the global economy, where barriers can be removed swiftly and easily without many of the tariff and quota complications of more traditional FTAs.

Such action offers a clear path for mature economies to tap into the resource-rich and expertise-hungry markets of the developing world.

As global poverty continues to fall and demand for services expands across the world, it would be remiss for developed nations such as ours not to recognise this potential and lead the way on trade in services liberalisation.

Even for the UK and Canada, who will enjoy the benefits of a full-blown trade agreement, ensuring free and open access for services must remain a priority.

Services already make up 42% of the UK's exports to Canada – a total value of almost £4 billion in 2017. In the same year, we imported £2 billion of services from Canada. Canada's total service exports are now worth more than its fuel exports.

Above all, liberalising trade in services the surest way to future-proof our economic relationship, weathering the imbalances of a changing world economy to ensure that the UK and Canada remain natural partners through the 21st Century and beyond.

Today, I just want to leave you with 1 message.

My department – the Department for International Trade – exists solely to promote UK exports, attract investment, and create the best legal and regulatory environment for businesses across the UK, and our overseas partners.

I would encourage every member of the Greater Vancouver Board of Trade to get in touch with our team here and begin exploring the vast opportunities available.

We stand at a pivotal moment of world economic history, and together I believe that the UK and Canada have a great synergy and will build a brighter and more prosperous future – for our countries, for our people and beyond.

The only limit is the scale of our ambitions.

Thank you.