

Speech: Dr Liam Fox gives opening remarks at International Trade Summer School

Good afternoon everyone,

A very warm welcome to the National Trade Academy Programme's first ever International Trade Summer School.

It's a pleasure to be hosting this special learning programme and I'm delighted to be here with you this afternoon.

You are here today because you are the next generation of global business leaders and policy makers. With that comes the responsibility of equipping yourselves with the knowledge and skills to succeed.

This summer school will allow you to do just that. It will broaden your horizons; deepen your knowledge; and help you prepare for the exciting opportunities available in the global economy.

It is fantastic to see the range of world class academic institutions; undergraduate and masters courses; as well as nationalities that we have represented in the room today.

What you will learn across the next few days will strengthen your understanding of international trade and investment and help you to make positive contributions to the global economy throughout your careers.

I know many of you have travelled from across the UK, and even further afield to take part in the summer school, but you all share a common goal – to learn more about the benefits of international trade and investment.

This is an important discipline that underpins global prosperity.

Yet trade is also more important, and politically relevant, than it has been for decades. One only has to open a newspaper to see trade flows, free trade agreements and global commercial opportunities fervently discussed and debated over.

For more than a generation now, global trade had been on a trajectory of ever-increasing openness. It has never been easier to buy and sell into overseas markets or tap into a world of knowledge and expertise.

This has brought vastly exciting new opportunities. Globalisation and new technology have not only opened up international markets, but have led directly to entire industries that, only a decade or two ago, could never have been imagined, let alone shaped macroeconomic thinking.

There is now unprecedented opportunity to engage openly in international

trade and investment.

Both the concept and the practice of free trade are critically important. There is, for example, a wealth of evidence to back up a strong positive correlation between economic openness and growth.

In the 1990s, per capita income grew three times faster in the developing countries that lowered trade barriers than in those that did not.

Similarly, the OECD Growth Project found that a 10% increase in trade exposure was linked to a 4% rise in income per capita. This shows that free trade works.

Free trade agreements lead to transformational changes for businesses, industries and economies, as well as individuals. The results can be extraordinary.

One example is the EU / Korea free trade agreement, which came into effect in July 2011. In that year, the UK exported £2.5 billion of goods and services to the country. Just 12 months later, this had almost doubled to £4.5 billion, as South Koreans discovered a taste for British food and drink, cars, and luxury goods.

On a day to day basis, you and households across the UK experience the benefits of liberal trade policy.

It is the reason that you can go to a supermarket and buy strawberries in December. It is the reason that you can buy a flat screen television today for a fraction of the price of decade ago.

Consumers now have more freedom of choice than ever before.

This summer school is being held at a moment of remarkable success for this country's exporters.

The UK's exports are now at a record high, with exports of goods and services rising to a record value of £620 billion in the year to May 2018.

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

From automobiles to education, financial services to aerospace the UK is world renowned for its high quality products.

Research from Barclays Corporate Banking found that 64% of consumers in India, 57% in China, and 48% in the UAE were prepared to pay more for goods made in the UK, because they perceive the quality as higher.

That is the advantage, and the reputation, that you are taking out into the world.

As Secretary of State for International Trade I am proud to lead a department

that is focused on maximising opportunities for British businesses to grow and thrive internationally. The department secures both UK and global prosperity by promoting and financing international trade and investment and championing free trade.

The department was created in July 2016 and since then has grown rapidly. We have already achieved an enormous amount.

We have established a world class international economic department, building the capability the UK needs to deliver our own independent trade policy for first time in 40 years. This will enable us to strike new trade agreements and explore new partnerships with the world's fastest-growing economies.

The department has 3,700 staff across 108 countries. We think globally and seek to maximise our trade opportunities around the world by establishing enduring partnerships and boosting our trade relationships.

I have appointed nine new HM Trade Commissioners – senior leaders with regional remits in key markets around the world. They will champion British trade and support our work overseas.

In May we established a new International Trade Profession, headed up by our Chief Trade Negotiation Adviser Crawford Falconer, to develop a world-class trade policy capability across government, opening career opportunities and cultivating new talent. You will hear more about this later in the programme.

I convened the Board of Trade in October 2017 to meet the modern needs of businesses, exporters and inward investors across the country. Its purpose is to ensure the benefits of trade and investment are spread across the whole of the UK.

One of the initiatives of the Board of Trade is the National Trade Academy Programme, which I launched in March this year and this brings us all here today.

The programme is already delivering this Government's manifesto commitment to forge a new culture of exporting. It is successfully building skills and knowledge through a broad range of initiatives which we have been running across the UK. As well as the summer school these include:

- an exporting 'Ideas Hack' held at the University of Central Lancaster;
- a Global Trade and Investment Seminar in Stirling;
- the Future of Global Trade Expert Forum for academics and practitioners;
- and
- an Apprentice Exchange Industry & Trade day at Aston Martin's Headquarters in Gaydon.

We've had fantastic feedback from these initiatives and, as I look around me at the quality of today's attendees, I am confident that this summer school will be just as successful.

All this excellent work, and more, will continue to provide the support needed to ensure that the United Kingdom remains one of the world's leading

trading nations.

The total value of our trade with the rest of the world is equivalent to over half of our gross domestic product.

In 2017 a record level of Foreign Direct Investment projects landed in the UK, which is a testament to the UK's attractiveness. This is a ringing endorsement for the strength and potential of the future of the UK economy.

We remain the leading destination for inward investment in Europe.

Just last month our annual Foreign Direct Investment report showed that foreign investment created 76,000 jobs last year and safeguarded a further 15,000, amounting to nearly 1,500 jobs per week across the country.

Through our Outward Direct Investment strategy we are developing new ways to help British companies that invest and operate overseas to grow their global footprint.

Later today you will hear from the Chief Executive of UK Export Finance, Louis Taylor, who will explain how UKEF support this. They have already launched an enhanced overseas investment insurance scheme to protect UK firms investing abroad.

This is just a taste of some of the fascinating and transformative work that goes on across this department and how we are having a positive impact.

Over the course of the summer school you will have the opportunity to meet with a variety of senior officials from the department and explore these areas further.

You will hear from senior leaders from across business including Barclays, Santander and Morgan Stanley; from supporting organisations including the City of London Corporation and the Institute of Exports & Investments; as well as from companies who have achieved exporting success.

This really is an unparalleled opportunity to develop your knowledge and understanding.

From your studies to date you will already know that the world's economies are more interconnected than ever. I'm sure that many of you aspire to, and will, pursue fascinating careers in international trade and investment.

So I encourage you to embrace this opportunity. Listen to the expert speakers, ask questions, build your networks, and use the 'export strategy challenge' to apply what you learn across this week. There is an expert panel lined up for the final day to evaluate your export strategy pitches and provide valuable feedback to take away.

Finally, wherever your careers lead you in the future, whether you are based in your home towns across the UK, Italy, Cambodia or the Ivory Coast – one thing you all must remember is how important international trade is, not only to the UK economy, but to global prosperity.

Thank you. I have some time for questions.