

Speech: FCO Minister Mark Field's speech at the International Business and Diplomatic Exchange Conference

Thank you Sir Roger. I should like to thank all at IBDE for this chance to speak to you today, about the challenges and opportunities for trade after we have left the European Union.

If I may invoke the great British art of the understatement, I would confess that this is an area of some fertile debate – including no doubt by some of you in this room. I am not here to try to change your mind about Brexit, but I should like to share with you some of my experience as Minister for Asia and the Pacific which has informed my perspective, which is that we have to be positive and optimistic to make a success of Brexit, as we forge new and deeper relationships around the world.

In any circumstances, when forming a view about the future, everyone puts their own experiences, interests, and perceptions into the mix.

For my part, as the son of a German mother who was a refugee twice by the age of 15 in the aftermath of World War Two; as a former businessman; and as MP for Westminster and the City of London; when it came to deciding how to vote in the EU referendum, I was firmly committed to remain, primarily for emotional and geopolitical reasons.

By contrast the economic case always seemed to me to be more evenly balanced. That remains my position today.

What has become increasingly clear to me as I have travelled more frequently since being appointed Minister for Asia, is the scope and diversity of the opportunities that Brexit presents around the world.

Now, as I say, I appreciate that the scale of that opportunity has been, and remains, hotly contested.

Another of your speakers today, Sir Martin Donnelly, vividly compared it to being satisfied by the prospect of a packet of crisps, rather than the three course meal our current trade with the EU amounts to, apparently.

Sir Martin has had a distinguished career of public service in a variety of Government departments. But whilst avoiding the temptation of snacks at the expense of dinner is sound nutritional advice, it does, I feel, rather unfairly misrepresent what this Government is working hard to achieve.

The reality is that we are working to maintain the full nourishment that trading with the wider world has to offer, whilst at the same time, continuing to enjoy the best gastronomic delights of enthusiastic engagement with the EU. I shall not even begin to contemplate how the eating, or otherwise, of cake fits with this menu!

I believe the detailed blueprint for trading with the European Union that the Prime Minister set out last week demonstrates that our aim is achievable.

Whilst the world will continue to debate the risks and opportunities around Brexit, one strand of our post-Brexit economic vision that seems irrefutable is that the economies that will grow fastest in the decades ahead are not the ones nearest to our shores.

As you weigh up the economic risks and opportunities, I encourage everyone to form their view of Brexit fully sighted of the context of the changing economic, demographic, and political world around us.

57% of Britain's exports are now sold beyond the EU, up from 46% in 2006. So non-EU exports have already grown to become the lion's share; and what is even more interesting for our economy, is that these non-EU exports are evenly made up of goods and services, while our exports to the European Union are still dominated by goods.

The IMF estimates that in the next decade or so, 90% of global economic growth will come from outside the European Union.

So it is hard to argue that we are not witnessing a shift of economic power; and that it is already shaping British exports and the British economy. Indeed, as Minister for Asia and the Pacific I would go further and say categorically that we are seeing a shift eastwards.

I believe our ability to prosper with and alongside these most dynamic economies is of fundamental importance to this country – not just to our economy, but, by extension, politically and socially too. Tilt to Asia As I say, many of the most dynamic economies are on my patch. They offer unparalleled potential for British business, traders and investors, and given my role I make no excuse for focusing on them today.

The raw statistics are beyond dispute. As the 1960s dawned, Asia's share of global GDP was less than 20%. Last year it reached almost twice that, and over the next 30 years Asia is predicted to generate more than half the world's economic output.

China and India are rapidly joining the ranks of advanced economies. By 2020 China's middle class is expected to number 600 million.

By 2030, China will have more than 220 cities with a population greater than 1 million people. The whole of Europe will have just 35.

Meanwhile, India is the fastest growing major economy, with growth estimated at over 7% in the last quarter of 2017. It is already the world's third largest economy measured by purchasing power parity and, on current trends, by 2030 it is on course to become the world's third largest economy – full stop.

And it's not just China and India that are growing. The collective growth of the ASEAN countries has averaged 5% in each and every year of the past decade. By 2030, ASEAN is predicted to be the world's 4th largest market – it is already collectively our third largest inward investor, after the EU and

the US. It is also predicted that there will be 1.1 billion middle class Africans by 2060.

What does it tell us about future customers for our goods and services? In human terms it means that tens of millions of people are being lifted out of poverty, with a similarly huge rise in the number of people with money to spend. This rising tide of consumer demand is a huge opportunity.

And what does that mean for the UK? It's good news. There is a natural fit between UK services expertise and demand by a fast-growing middle class in developing economies. And let me just say at this point that what I do not find on my working visits to Asia, is undue concern about Brexit.

My political counterparts do understand that the next couple of years will be uncertain. There may be bumps in the road.

But they tend to take a much longer view. The message I hear consistently is they have traded with the UK and built links with people in this country for decades – in some cases centuries.

They see this continuing, and indeed strengthening when we leave the European Union.

That loyalty reflects positively on British businesspeople as trusted partners; on this country as a safe haven to do business; and on the vast array of sought-after goods and services we have to offer.

I have seen this on my recent visits – to Thailand, Vietnam, South Korea and India – where there has been real interest in our traditional areas of economic strength; and equally strong interest in our most cutting edge sectors.

From our world leading universities to leading the world in financial services.

From our prestige brands to delivering prestige projects.

If your experience abroad has been anything like mine, you will know that British innovation, and expertise, whether in pharmaceuticals, biotech, human sciences or financial technology is deeply valued.

In our distilleries and on our factory floors; in our tech hubs and our research facilities: ideas, goods, and services are being produced that are coveted right across the globe.

I shall briefly touch on just two. One old and one new.

Naturally, not least as MP for the City, I am passionate about maintaining our global pre-eminence in financial and professional services.

As you know, our strength in financial services – and the income-generating fee pool that it supports – in law, in insurance, in management consultancy and much more besides – extends way beyond London, and out into the regions.

Every part of his country has something to gain from a Global Britain exporting more financial services to the most dynamic economies in the world.

That is why I spend a huge chunk of my time – whether here in London or abroad – championing the UK's global services industry.

Another area of British expertise I find my counterparts wanting to hear about is in financial technology cyber security.

Every government knows their increasing dependence on technology in their administrative systems and their economies means they are increasingly vulnerable to cyber-attack.

This is a huge opportunity for us. We are recognised world leaders in cyber security capacity building.

We have experience, know how, and technology to sell. Which is why our cyber security sector is forecast to be worth £2.5 billion by 2021.

So you know, as well as I, that we have world class goods and services to offer. So what, you might ask, is the UK Government doing to help British business thrive abroad?

The Prime Minister created new departments after the referendum. This was to ensure that we would have the resources and bandwidth to deliver the best possible departure from the EU;

- the best possible future trading relationship with the EU;
- the best possible ongoing relationships with European countries;
- and the best possible basis on which to trade right around the world after Brexit.

This intensification of resources has heralded an unprecedented period of economic diplomacy – opening more doors and breaking down more barriers for British businesses.

For example, we have opened 14 informal trade dialogues with 21 countries – from the United States to the United Arab Emirates.

These are laying the groundwork for future Free Trade Agreements, and looking for quick wins that can boost the trade relationship now earlier.

We have established the Prosperity Fund, which is using a significant chunk of our development budget to stimulate economic growth in middle income countries; and in doing so, opening up economic opportunities for UK business.

And we have appointed new Trade Commissioners to ensure the UK makes the most

of each and every market.

To conclude, whilst we should of course continue to take advantage of the scale and importance of our closest established markets within the EU, we should also be in no doubt that the fastest growing and most dynamic markets of the future lie outside it.

This country's future economic success will be built not only on continuing to trade with Europe, but also on strengthening our trading ties to the wider world. That is what this government is working tirelessly to achieve.

We have set out a positive vision of an optimistic open, outward looking, free trading, buccaneering Global Britain.

It is a vision of a country back in charge of its trading destiny. A country with the agility to make the most of the trade opportunities on its doorstep, and with the flexibility to make much more of all those growing opportunities further afield.

To realise that vision we know that Government and businesses need to work hand in hand. We in Government will continue to set the framework and develop the international relationships – opening doors and taking down barriers. But it is ultimately our enterprising businesspeople who will make the most of those new opportunities and thereby determine the trading future of this country.

I want you to know that I, and this government, will be backing British business all the way – doing all we can to help you realise our vision of a prosperous, truly Global Britain.