

Speech: Foreign Secretary speech at the British Chamber of Commerce

Good afternoon everybody, it is absolutely fantastic to be here in front of an audience of people who are dynamic, energetic, can do, and actually get out there make and sell things. Because sometimes I get a bit impatient when I hear people droning and moaning about the state of the world, and I hear them warn that the sky is about to fall on our heads, and I feel like saying come off it sunshine.

Every generation hears its prognostications of gloom, and yet look at us today. We are living longer than ever before. We are healthier than ever before. The air quality in London is getting better steadily, thanks to decisive action by the previous mayor, and for all I know by the current mayor.

Thanks to the miracles of commerce, the energies and enterprise of everybody in this room, we have access to technological comforts, some of which you're using to take pictures of me or indeed consult in the hope of something more interesting. We have access to comforts that previous generations would have found absolutely mind boggling, and it is entirely thanks to free market capitalism that our food is better than ever before, and you are unbelievably full of beans and healthy.

And I am sure you all ate fruit for breakfast. Can you cast your mind back to breakfast? You're all so young and thrusting that you probably don't remember the time that I do, when pineapples came only in a tin with a gloopy syrup. And pineapples were thought so generally exotic 100 years ago that architects would place them as finials on the top of the top of railings or pillars or other architectural features. There are plenty of examples of those fruits outside this room on the streets of Westminster.

But today there is a force that brings the pineapple, the papaya, the guava and the melon to London every night on the 10.30 flight from Accra in Ghana. And actually I caught that flight myself in the last couple of weeks, I literally physically sat on top of 13 tonnes of chilled fruit, packed and ready to be distributed to the stalls of London, and I can tell you authoritatively that the same sliced fresh pineapple, retailing at rather different prices depending on whether it is going to Aldi or to Waitrose, is turning up in our shops the following morning. There's nothing wrong with the differential in prices, by the way, it's called branding isn't it?

And what is the benign force of the wind beneath the wings of that plane? What's allowing that to happen? Globalisation.

And today globalisation is a word that is acquiring negative overtones and it's become a sort of taboo word in the political lexicon. And so this afternoon I want to reclaim globalisation. I want to show you all that this is a positive force and that a global Britain is a prosperous Britain. And

the agenda of the Prime Minister Theresa May and the government is a cause that is more important than ever. Because trade for the first time in decades is declining as a proportion of the growth of global GDP. And for the first time we are seeing protectionist measures on the rise across the world. And as everybody knows and has been endlessly discussed, we are seeing a series of related but by no means identical political events, in which populations are said to be rebelling, against what had been seen as a settled consensus.

And people feel that they aren't getting a fair suck of the sauce bottle, as they say in Australia, the wealth gap is growing. And so there's been a temptation amongst some politicians to respond in what I think is the wrong way, by hauling up the drawbridge and to call time on globalisation. And I think that instinct is profoundly wrong and it makes no economic sense as I'm sure everybody in this room today understands.

Those pineapples are good business for Africa, and indeed the British company that exports them to London is the single biggest private sector employer in Ghana. It's putting food on the tables of some of the poorest families in the continent of Africa. And those pineapples are good for this country too, good for the supermarkets that sell at whatever price they determine. Good for the hauliers that distribute them, the airlines that carry them that might not otherwise have much in their holds. Good indeed I might say for every parent who has been unable to persuade their kids to eat pizza unless it has been profaned with pineapple chunks as they now so often are.

History teaches us, and all the economic evidence shows, if we close our markets, if we put up barriers, then we raise the costs for those who can least afford it. We make our industries uncompetitive. We entrench complacency. We discourage investment in capital and technology. We stifle innovation. And of course we breed suspicion and mistrust between nations. And we should never forget the old truism that when goods and services no longer cross borders, then troops and tanks do so instead.

And by rebelling against globalisation we endanger a system that has been associated with 70 years of post-war peace and prosperity, and that has allowed billions to lift themselves out of penury by toil and enterprise. Back in 1990, 37% of humanity lived in absolute poverty. Today, thanks to globalisation, that figure is less than 10%, and that figure is all the more stunning when you remember that over the same period the world's population grew by 1.8 billion people. And it's no coincidence that this astonishing success of the global economy coincided with a period in history of unparalleled tearing down of trade barriers. You'll remember with the completion of the Uruguay round and all that followed.

We are determined to bring back that moment, that inspiration. And under this government led by Theresa May, Britain is preparing once again to be the leading campaigner for that liberating and enriching force. And let me be absolutely clear, as I know you'll want to ask questions about it afterwards. We can be that great free trading nation again. And we can be ever more internationalist, and indeed we can be ever more European.

But we can change our relationship with the EU from one of membership, to one

of friendship and partnership. And to use that opportunity to create a regulatory environment that members of the British Chambers of Commerce have been crying out for, for decades, that precisely suits the needs of British business and commerce, of people in this room. And to be able, for the first time in 44 years, as I say, to fulfil the Prime Minister's vision, and be the world's leading campaigner for free trade. Because I don't want a rerun some of the old arguments. Let me remind you that for all of this period of 44 years of membership, we consecrated our trade policy entirely to the EU Commission. An excellent body of men and women. But it is a melancholy fact that today Britain represents 20% of EU GDP, 12% of the population and yet we have only 3% of the bureaucrats in Brussels. And I'm afraid I can't pretend to you that we've been turning it around in the last few years. In the last year, in 2016, the last year leading up to the referendum, only one UK national actually succeeded in passing the concours, the exam for EU services in Brussels. And with all due respect, how can those bodies expect to have the necessary understanding of the needs of UK business and commerce to do the deals that we need? So now we need to work with our friends and our partners to ensure that we have a strong EU and a strong UK, connected by a fantastic free trade deal, and one that is manifestly in the interests of both sides, and you will be familiar with the arguments there.

There's a massive net balance of trade in favour of our friends and partners on the other side of the channel. We are not only the biggest single consumers of German cars but also of course of French champagne. And as I never tire of telling you, Italian prosecco as well. We are pro-secco and by no means anti-pasti. We're absolutely relentless in our consumption of EU products and that will continue. But we will we remain supportive of the EU in all the other important respects in which the UK is currently supportive: on defence cooperation, on foreign policy coordination, on counter-terrorism, on intelligence sharing, rather as a flying buttress supports a cathedral. And it is simultaneously our task, and the historic task of global Britain, to create the conditions for free trade and prosperity, not just in Europe but across the world. And above all that means global security the bedrock of economic success.

You'll have seen the Prime Minister's recent successful trip to Washington where she and President Trump reaffirmed their 100% commitment to NATO. It means we have a vital interest in freedom of navigation and open shipping lanes. And that is why we will shortly have two giant aircraft carriers, 70,000 tons apiece, capable of projecting British power worldwide – including through the Malacca Straits, which channel over 25% of global trade. It means helping to fight corruption and bad governance across the world. Because that is the way we encourage companies to invest in countries like Ghana and to help drive those populations up the value chain. And my point to you this morning about global Britain is that it's right for Britain too. As other nations rise out of poverty and become more prosperous, so they buy more goods.

And of course it's right that we spend 0.7% of GDP on overseas aid, but it's also a way of spurring on the growth of our export markets. And I can tell you of all the things that I've seen in my time as Foreign Secretary, one of

the most moving things has been the way we are helping kids to go to school in some of the toughest environments in the world. And we are helping literally millions of girls to be educated in the Punjab. Six million are being supported through a DFID program. Everybody in this room should be incredibly proud of what we are doing. But it's also a massive benefit not just to the people in that part of Pakistan. It means that you promote economic growth, you reduce infant mortality, child marriage, help to contain a rising population and drive up prosperity. But that support is also good for our country as well.

I was in the classroom, I asked the girls, I said who's your favourite author? And what do you think they said? That's right. Congratulations to the front row for paying attention. They all as one virtually shouted out J.K. Rowling. I then asked them various other questions to which I'm sure you all know the answers about who is the headmaster and so on and so forth, and they all knew that stuff. I hope I'm not being vulgar if I say that more sales of Harry Potter worldwide mean more business for UK publishing. Don't they? And I hope it's not too crude to say that means more jobs for people in this city, indeed more probably for all I know, more publishers lunches in Soho. I'm not saying that you can draw a straight line from an overflowing classroom in the Punjab to an overflowing restaurant in Dean Street, but the connection is there.

Nor by the way am I saying that the UK can solve all the world's problems. Certainly not on our own, but we can and we do make a huge difference. And we set a moral and intellectual lead for others to follow, because there is another feature of the UK which I think people sometimes forget. And that is that Britain is the most global of all the developed economies. You know there are six million Brits, one in ten of the British population who currently live and work, who are permanently resident, abroad. I don't know – perhaps it's the legacy of Empire, or some strange wanderlust – but whatever the cause, Britain has a bigger diaspora as a proportion of our population, than any other large rich nation. They're bankers and diplomats and peacekeepers and aid workers scientists and ski instructors and oilmen and teachers, snooker players, movie stars, rock musicians, artists, poets, water slide testers chicken-sexers, and for all I know perhaps the odd pirate and scoundrel as well. But their presence means that Britain is more plugged in to events in distant countries than any other nation of our size and wealth.

And my point to you this afternoon is that historic global quality of Britain linked umbilically not just to our friends and partners in Europe, but also to the 93% of the world that do not live in the European Union – shortly to be 94 % of course. That global quality of the UK is a fantastic benefit and potential future economic benefit to our country, and our task obviously is to ensure that the British people are ready to take advantage of the opportunities that are opening up. We have a government determined to make sure that Britain works for everyone, to ensure that everyone feels the benefit of our economic success and we're concentrating on skills on education, extending the ladder of opportunity to kids who have been failed by previous reforms. We're seeing the biggest program of infrastructure investment for more than a century: nuclear power stations, cross rail, high

speed rail and HS2. We're finally getting to grips our aviation crisis so that we come up with the right idea, in the wrong place in my in my view, but nonetheless we're making progress. And I know that Philip Hammond, the Chancellor, is determined to keep taxes low and the business environment as friendly as possible.

I think we have every reason as a nation to be confident. Many of you were wise enough not to believe those pre-referendum forecasts of economic calamity and since June 23rd the sky has obstinately failed to fall in.

The IMF predicts we will have the fastest growing economy for 2016. We have the fastest G7 economy although that didn't last, with slightly changed figures. Like the Oscar ceremony, Germany seem to have scooped it for the time being, but we we're right up there and the investment continues to flood in. Huge multi billion pound investments into our country. And of course we are getting the export ball back over the net. Who'd have thought this 20 years ago? Thanks to the efforts of people in this room we have a £1.1 billion trade surplus with, guess where? South Korea. It's British cars being sold in ever growing quantities to that market. We export tea to China, bikes to Holland, boomerangs to Australia and sand to Saudi Arabia. We do still export wine to Italy and, I'm delighted to say, Nigel Farage to America.

It is the miracle of globalisation combined with British branding genius that means we not only, every night, import pineapples from Ghana but guess what? We take those pineapples and we chemically transform them, and we actually export pineapple jam to America. Can you believe that? Americans. And that's even before we've done a free trade deal. It is an incredible fact that we have a trade surplus running with the United States of more than £30 billion. But they still don't buy our beef, and indeed they refuse to eat haggis from Scotland so far. I think you'll agree with me that if they can eat pineapple jam, they can certainly manage haggis.

I want to conclude with this thought: Britain is at its best, and all our history teaches us this, Britain is at its best when were at our most global in our outlook. And in my time as your Foreign Secretary it's been almost overwhelming to discover that we have links and friends around the world that we have built up for centuries and in some ways and in some places that we have almost forgotten. Not least in those rapidly growing commonwealth economies but also elsewhere.

And of course we remain committed to our European markets, perhaps more so than ever, but we need to think globally again. Because a global Britain is a safer Britain and a more successful Britain. And above all a more prosperous Britain. And the same, in my view, goes for the rest of the world.