

# Speech: Fullerton Lecture

## **Check against delivery**

Good afternoon.

It is a privilege to be speaking to you all here today.

And as the Secretary of State for Scotland, it brings me particular pleasure.

Because over 200 years ago, it was in fact a Scot who led the way to founding modern Singapore.

William Farquhar, who hailed from the beautiful area of Aberdeenshire on the east coast of Scotland, was tasked by Stamford Raffles to help found a trading post on the island of Singapore.

He was appointed the first Resident of Singapore on 6 February 1819, and was integral to the negotiation and signing of the Singapore Treaty itself.

We can only imagine how amazed he would be to know that his modest venture has developed into the second largest port in the world – the vibrant and dynamic country that Singapore is today.

And his legacy stretches still further – to the other side of the world. Because in a twist of fate, his fifth great grandson is none other than the current Canadian Prime Minister, Justin Trudeau.

Working with another Scot, albeit one born in Wales, Alfred Russel Wallace, Farquhar commissioned men to go into the forests, rivers and seas to collect specimens and, unusually, he commissioned Chinese artists to paint them.

Thanks to him, the western world was able to discover exotics such as the Durian and Malayan Tapir. I am very much looking forward to seeing that collection myself, displayed as they are in the National Museum.

Farquhar marked the start of an enduring relationship, visible today in the very fabric of the city.

Take Lau Pa Sat, for example. A beautiful gem in the heart of the business district, intricately constructed using cast iron made by MacFarlane in Glasgow.

Scotland, and the rest of the UK, has always looked to the rest of the world and the opportunities it holds.

And a positive, outward-facing approach is what guides the UK as we work with our friends and partners around the world today.

As we strengthen those relationships, reinvigorate our partnerships and forge stronger friendships.

And few friendships have deeper cultural and historic roots than those shared by Scotland and Singapore.

Much has changed over the past almost 200 years, but the friendship between our two countries has not only endured, but flourished.

As President Tan said during his 2014 State Visit, 'Old Ties, New Links, More Opportunities'.

We are now bound by much more than a shared history, and a common language and legal system.

In 2015, Singapore was ranked fifth globally in terms of food & drink exports from Scotland, worth £202 million.

We have seen growth in exports of Scotch whisky, Scottish salmon, seafood, beef and other premium high-end products.

Scottish exports to Singapore increased by 15% from 2015 to 2016, and Scotland exports more to Singapore than it does to its closer geographical neighbour, Sweden.

In the UK we currently export over £500bn of goods and services to the rest of the world. But our export to GDP ratio is just 27.3% compared to an EU average of 47.3%. And only 11% of British companies are exporters.

We can, and should, be doing so much more.

That is why we have set ourselves the goal of encouraging 100,000 additional companies to export by 2020.

Singapore also features as one of the top 10 international markets for Scottish oil & gas companies in terms of supply chain sales, and it is an important launch pad into other markets across South-East Asia.

Over 7000 Singaporeans study every year in the UK. And 50,000 pupils study for UK qualifications here in Singapore. This goes to create deep ties, real understanding and future prosperity for both of our countries.

And this is why I am especially delighted to announce today that on 12th of May 2017, my alma mater, the University of Edinburgh, will launch a Representative Office in Singapore.

The office will support the University in building a deeper presence in Singapore and an ever-stronger understanding of the South-East Asia region.

This is significant news for the University of Edinburgh. In expanding in Singapore, the University is joining others from Scotland.

The University of Glasgow Singapore launched its first subsidiary outside of Scotland in 2011, and it now delivers courses in engineering, computer science and nursing.

The Glasgow School of Art Singapore has been active in this country since

2012 and I look forward to visiting their campus in Singapore later today. And of course the Universities of Stirling and Strathclyde have both been offering courses in Singapore for some time, Strathclyde's MBA programme since 1988.

These roots have grown into the strong, open, and valued relationship between our two countries today.

Another area we share is our longstanding and firm commitment to the Commonwealth and to the values it upholds, of democracy, human rights and the rule of law. The UK is hosting the Commonwealth Summit next year. Both our Governments are committed to working with all members not only to reaffirm these shared values, but also to re-energise and revitalise the Commonwealth to cement its relevance to this and future generations.

The deep partnerships that we share through a 21st century Commonwealth can help us strengthen the prosperity and security of UK and Singaporean citizens, as well as those of our many friends and allies across the world.

And the strength of this relationship has never been more important.

As you will know, the people of the UK have voted to leave the European Union.

It is a significant turning point in our national story. The choices we make now will define who we are as a country for generations to come.

Just last week, the Prime Minister triggered Article 50, which is the formal notification to the European Union of the UK's wish to leave.

Her letter marked the start of a two year period of negotiation between the UK and the EU on the terms of our exit.

We are entering into the negotiations with the EU with a clear determination to build a stronger, fairer, more united and more outward-looking country than ever before.

As the Prime Minister said last week, we will we approach the talks constructively, respectfully, and in a spirit of sincere cooperation. We will continue to play our part in promoting and supporting the values we share with our EU neighbours – during the negotiations and once they are done.

We are a global nation, a committed member of NATO and with a permanent seat on the UN Security Council.

We will continue to play our part to ensure that Europe is able to defend itself from security threats. And we will do all that we can to help the European Union prosper and succeed.

In Europe, we are pursuing a bold and ambitious free trade agreement with the EU.

An agreement that allows for the freest possible trade in goods and services

between Britain and the member states of the EU – so that we see British companies able to trade and operate with the maximum freedom within European markets, and vice versa.

And with the rest of the world, we want to trade freely and openly.

At a time when there are signs that protectionist instincts are on the rise, we will be a beacon for free trade.

Our priority is to minimise disruption for companies that do business between our countries – both here and at home.

So we will seek to continue and strengthen the relationship we currently have as we forge ahead outside the EU.

And I am optimistic.

Most Free Trade Agreements try to bring two parties closer together. In the case of our departure from the EU, we start from a position of full conformity.

So the task of establishing new trade agreements to replace those we currently enjoy through our membership with the EU is one that we look forward to with confidence.

There are new opportunities too that we will be able to seize as digitalisation now gives us access to a far wider group of potential trading partners.

Singapore is Scotland's largest trading partner in South East Asia. And it's not hard to see why. Those people to people links mean we understand and can build trust. I'm sure that you know of the stereotype of the canny Scot – prudent and careful. Singapore with a robust legal system, excellent infrastructure and education systems, just the partner for a canny Scot!

Singapore is home to around 60 Scottish companies which have established a presence here – from global companies to digital and technology players who see Singapore as a gate-way to the rest of Asia.

Just this morning I attended a business breakfast where I heard from Singaporean investors putting their money into Scotland, and how Scottish companies specialising in fintech, robotics and data analytics are thriving here in Singapore.

Around the city there are double decker buses built by Falkirk's Alexander Dennis for the MRT.

Scottish industries are ideally placed to take advantage of the opportunities here.

Industries like videogames, now with over 85 companies based in Scotland.

Or Financial Services, which contribute around £8 billion to the Scottish

economy, will be able to take advantage of the digital revolution to reach new markets with their products instantaneously.

Or Scotland's cultural sector. Led by the Edinburgh festivals, Scotland now has a reputation for excellence in the arts which has created a worldwide audience. The recent Edinburgh International Culture Summit included delegates from around the world, all of whom had been drawn by that incredible reputation.

For these sectors, the only barriers to entry into overseas markets should be the limits on their own innovation.

But we must recognise that there is always more that we can do to support companies to export directly. It's something that businesses have told us time and again.

Underpinning all this is a shared belief in openness and free trade, and a world founded on justice, fairness and international law.

If we are bold, the prize is a more prosperous future for Britain and stronger trade around the world.

An entirely new government department to do this has been established – the Department for International Trade – headed up by fellow Scot Liam Fox.

He will be banging the drum for British trade loud and clear.

Yes, the British people voted to leave the EU – and we are delivering on that verdict.

But they did not vote to turn inwards, to turn away from the world.

Quite the opposite.

Out of the European Union, we look outwards to a future as a trading powerhouse – a truly Global Britain.

To agree these deals and seize the opportunities on offer, we need to make sure that our own house is in order.

The United Kingdom is, of course, a union of four nations: England, Scotland, Wales and Northern Ireland.

Scotland has its own legal system, which is distinct from English law.

It has two governments with different responsibilities: the UK Government, of which I am a part – and the Scottish Government.

It also has two Parliaments: the UK Parliament in London and the Scottish Parliament in Edinburgh.

MPs like myself represent Scotland at Westminster, and Members of the Scottish Parliament, MSPs, represent Scotland at Holyrood.

When the Scottish Parliament was formed in the late 1990s, the newly formed Scottish Government took control over a range of domestic policy areas in Scotland including health and education.

Powers over other areas, such as foreign affairs, defence and pensions, remain dealt with at Westminster by the UK government.

Both parliaments have both been a huge part of my own life in public service.

I was originally elected as a Member for the Scottish Parliament in the first ever Scottish Parliament elections in 1999, and I remained a member until my election as an MP to the UK Parliament in 2005.

Since those early days of the Scottish Parliament, its powers have grown substantially. It is a real source of pride to me that today, after successive pieces of legislation, the Scottish Parliament is one of the most powerful devolved parliaments anywhere in the world.

Key decisions are taken in Scotland to address Scottish priorities and needs, while Scotland benefits from the pooling of risk and resources that comes from being part of the United Kingdom.

The devolution settlement is a real success story for Scotland – and Brexit will only strengthen this.

Because as we leave the EU, all the powers and frameworks currently held and run by the EU will be transferred back to the UK.

I talked about the choices we make now shaping the country we will become.

For me, one of the most important set of choices will be to ensure that these returning powers are held at the right level of government and that the right common frameworks are in place.

Now I am very clear that no decisions currently made by the Scottish Government will be removed.

In fact we expect the outcome will mean a significant increase in decision making powers for the devolved administrations.

But getting it right is vital for our future prosperity.

These powers and frameworks will determine the functioning of the UK's own domestic market.

And this market is hugely valuable to the nations of the UK.

For Scotland, it is worth four times more than its trade with the EU.

So on behalf of businesses operating within the UK, we must ensure that no new barriers to living or doing business are created across our own market.

It also matters for the bold ambitions I spoke about earlier that we have on the international stage.

Because we need the right common frameworks in place at home to be able to sign and deliver on international trade agreements abroad.

But this cuts across a renewed debate about Scotland becoming an independent country.

A renewed debate that I find deeply depressing.

The minority government at Holyrood, the Scottish Nationalist Party, wishes for Scotland to become an independent nation.

This was an issue put to a vote as recently as 2014. The people of Scotland voted decisively then to remain part of the United Kingdom.

I was one of them – because I believe wholeheartedly in the precious Union that binds us together.

The UK's vote to leave the EU does not change that decision.

The outcome of both votes should be respected.

Despite no public appetite for yet another referendum, and despite the Brexit process meaning there could be no fair choice between two clear alternatives – the Scottish Government are calling for a second independence referendum.

We have said clearly in response: no, now is not the time.

We should be working together, not pulling apart.

When this constitutional debate dominates, the frustration for me is that it mask the many areas where the UK and Scottish Governments can work together and agree.

There is much that we can agree on.

The freest possible trade with the EU.

Protecting workers' rights in our new arrangements.

Securing the status of EU citizens living in the UK and UK citizens who live in the EU.

Continuing the vital work and collaboration with our partners in the EU to protect us from crime and terrorism.

And, of course, seizing new trade opportunities around the world.

So I am hopeful that we will see a constructive approach in the months ahead, as negotiations with the EU proceed.

I am hopeful, because the prize on offer will benefit both the whole of the UK and our partners around the world.

It's a huge opportunity.

Being here this week has only confirmed that the ties that bind us now are those of friendship, partnership and respect.

52 years on from the creation of the Republic of Singapore, the relationship between us is stronger than ever.

The energy and talent I have seen here on my visit fills me with confidence.

Confidence that Singapore will go from strength to strength.

And confidence that together, we will forge a stronger, more prosperous partnership for many years to come.