

Speech: Global economic outlook: trade, growth and the Commonwealth

Hello and let me add my welcome to London, and to the Commonwealth Business Forum.

It is great to see so many of you here, at what I am sure will be a very worthwhile and successful event.

One of the core stated aims of this Commonwealth Heads of Government Meeting is to build a more prosperous future for the Commonwealth, its member states and all our citizens.

Prosperity is, of course, a key marker for human progress.

It is obvious to all that an increase in prosperity – or alleviation from poverty – at an individual level engenders personal liberty.

But prosperity on a national basis can create freedom on a far greater scale, providing the means for states to realise the wider aims of this meeting.

I have said many times before that trade is not an end in itself. Trade is a means by which we spread prosperity. Prosperity is the means by which we create and underpin social cohesion. Social cohesion contributes to political stability, and political stability is the essential building block of our collective security. It is a continuum that cannot be affected at one point, without affecting the whole. You cannot choose to have protectionism rather than free trade without there being consequences.

If you choose not to have global free trade do not be surprised if you get increased mass migration. Or increased radicalisation.

But prosperity is also the means by which nations can build a fairer and more sustainable future.

So, although it may be a view that you expect from the Secretary of State for International Trade, I believe that building our prosperity is the most important issue of this CHOGM, underpinning our other aims.

I would even go further and say that prosperity and its economic foundations offer a blueprint for the future direction of this organisation.

Its members would be the first to acknowledge that the Commonwealth of Nations is unlike any other intergovernmental organisation.

It is not a military alliance like NATO, nor is it simply a political entity.

It is not an alliance based on geographical proximity, or an international rule-setting body like the WTO.

Rather, it is a group of nations brought together by the ties of history, culture, friendship, family, and sometimes language.

These ties were not created by design. But the Commonwealth is an acknowledgement that, as much as our countries have been part of one another's past, we will also be an essential part of one another's future.

In many ways, this is an approach that stands us in good stead as we meet the challenges of an increasingly globalised world.

Increasingly, challenges, opportunities and solutions are multinational affairs, requiring co-operation that extends beyond the borders of nations or continents.

I firmly believe that the strength of the Commonwealth lies in its diversity. Our members range from some of the largest and most populous countries on earth, to the smallest.

Such variety presents disparate challenges, but also a wide range of experience.

Likewise, the different levels of development of our members should not be seen as detrimental.

Instead, it is an opportunity – a chance to use our collective strengths to support our fellow members and help to unlock our collective economic potential.

The UK believes that free and open trade is the greatest catalyst for poverty elimination and lasting economic development.

Development in the modern era must be about developing economic and commercial capacity – nurturing new industries in less developed countries and creating lasting opportunity.

The Commonwealth, with all of our rich experience and expertise, can lead the world in unlocking this approach.

Development should no longer be focussed simply on giving and receiving aid, but on commercial partnership, and working together to realise our economic potential.

Make no mistake – that potential is vast.

Intra-Commonwealth trade is currently estimated at around \$560 billion. An impressive figure but, as the Prime Minister said earlier, it is projected to grow rapidly, to over \$700 billion by 2020.

And, as the United Kingdom leaves the European Union, we have the opportunity to re-invigorate our Commonwealth partnerships and usher in a new era, harnessing the movement of expertise, talent, goods, and capital between our nations in a way that we have not for a generation or more.

Yet beyond this obvious economic advantage, I believe that the Commonwealth has the potential, and the responsibility, to take a principal role in the defence of global commercial freedoms.

In an era when free trade is increasingly threatened by the siren call of protectionism, we have the opportunity to reject insularity in favour of economic openness and co-operation.

It is the United Kingdom's ambition to become the foremost global champion of free trade, using our economic and diplomatic influence to support free trade.

This will mean leading by example, and where better to begin than with our friends and partners in the Commonwealth?

Earlier today, the Prime Minister outlined a range of commitments that the United Kingdom is making to liberalise intra-Commonwealth trade and investment.

Foremost among these is the Commonwealth Trade Facilitation Agreement Programme – a decisive show of support for the rules-based international system that will reduce trade costs and boost economic activity across the Commonwealth.

The Prime Minister also outlined the creation of a Commonwealth Standards Network, an exciting initiative which will create a new platform for dialogue and co-operation between national experts, and work directly with developing countries to build standards capacity to ensure those benefits are felt by all.

And, of course, the Prime Minister highlighted the launch of the SheTrades Commonwealth Programme, an ambitious venture to boost the role of women from across the Commonwealth in international trade, unlocking the economic potential of hundreds of millions of people.

But SheTrades is only one part of the UK's ambitions for gender-responsive trade.

As we establish an independent trade policy, we will ensure that we create a framework that delivers for female exporters and upholds gender equality.

What the Prime Minister also touched on is the need for more and better data to help drive inclusive policy making across the Commonwealth. We need to understand the barriers that women may face in trade.

That is why we are working with the International Trade Centre to launch the 'Global Outlook' on trade and gender.

The first of its kind, this index will provide member governments with the data needed to understand how they can improve opportunities for women, identifying good practice and tracking progress over time.

These formal mechanisms are only part of our approach.

I have spoken already about how the Commonwealth can take a leading role in shaping the future of global trade.

What better way to signal our intention than by taking positive action to increase women's role in global commerce and ensure that trade delivers prosperity for all our citizens?

And what better way to counter rising anti-globalisation sentiment than by ensuring that everyone has an equal stake in the global economy?

Linked to this is our work on trade and human rights.

I am pleased to announce that the UK is supporting the Commonwealth Small States Office in Geneva to build its human rights and trade capacity.

Our twofold approach will see technical human rights expertise made available to Commonwealth Small States, facilitating their effective participation in the work of the Geneva-based international Human Rights mechanisms.

We will also provide dedicated trade advisers to increase the meaningful participation of CSS in international trade and facilitate their fuller integration into the multilateral trading system.

The flagship programmes that the Prime Minister and I have touched on rightly have pride of place in our steps towards realising this CHOGM's ambition to build a more prosperous future for the Commonwealth.

But as Secretary of State for International Trade, I know that we are doing far more to promote trade, investment and wealth creation between our member states.

I lead a department that was created not only to design a favourable legislative and policy framework to govern UK trade, but also to support British businesses operating overseas, encouraging exports, and attracting investment into this country from abroad and promote outward investment from the UK.

In the first instance, we are taking decisive action to strengthen our post-Brexit trade relationships with our Commonwealth partners.

India and the UK, for example, have collaborated closely to produce a Joint Trade Review of bilateral trade.

This ground-breaking work has enabled both countries to clearly identify and understand the trade barriers for key sectors, as well as building relationships between us, laying a foundation for a possible future trade agreement.

Both the UK and India have benefited greatly from the Joint Trade Review process and agreed at the Joint Economic and Trade Committee in January 2018 that we should seek to share the experience with other Commonwealth countries.

To that end, the Review guide will be posted on the Commonwealth Secretariat website and Commonwealth members can – if they wish – use the same methodology to improve trade with other member states.

We want the trade elements of this CHOGM to become a process and not an event.

We are proud of the early success of our inter-governmental work. But as we all know, trade is not conducted between governments, but between businesses.

That is why the Department for International Trade is making a concerted effort to improve and expand the commercial links that already exist between the UK and our Commonwealth Partners.

Our extensive programme of overseas investment support is designed to make it easier than ever before for UK firms to invest in Commonwealth countries.

In developing economies particularly, Britain has the expertise to guide key industries, from infrastructure to education and healthcare, that will in future drive future economic growth.

Creating these commercial partnerships is clearly mutually beneficial. My department's work involves exploring overseas opportunities on behalf of UK firms, and connecting them with potential customers.

But we also offer important practical support. UK Export Finance offers support to UK exporters, and to those Commonwealth companies who buy goods or services from the UK.

With a total capacity of some £20 billion to support new businesses, buying from the UK offers a certainty no other nation can offer.

In the last year, UK Export Finance has almost doubled its ability to finance projects across Commonwealth markets, facilitating trade and supporting growth and development across all our members.

Their support is also available in a wide range of Commonwealth currencies, from the Australian Dollar to the Zambian Kwacha, helping buyers to 'buy British, pay local'.

We have a formidable offering for Commonwealth businesses. But our proactive support here is mirrored by wide-ranging investment promotion by the UK within our Commonwealth partner nations.

The Investment Promotion Programme is a proposed four-year initiative to build the capacity of 4 national governments, including Nigeria, India and South Africa, to attract and manage more foreign direct investment.

Its primary purpose is to bring the broader benefits of trade that I've spoken about – economic growth, jobs, infrastructure and education.

It will also, of course, serve to strengthen the commercial ties between the UK and some of our key Commonwealth trade partners, creating opportunities

for UK exporters in these high-growth economies.

Such programmes hold the key to future prosperity. As we meet to decide the direction of the Commonwealth, those countries with the power to shape must not forget the key role that prosperity plays.

The Commonwealth may be moulded by its history, but our vision is fixed firmly on the future, and all the opportunities it will bring.

For the opportunities are great, and the prizes historic.

There will be challenges ahead, but we have the talent, the resources, and the will to overcome them.

Truly, there is no limit to what we can achieve. It is our level of ambition that determine our future together.

Thank you.