

Speech: Greg Hands speech to British Chamber of Commerce in Germany

Thank you to the British Chamber of Commerce in Germany for inviting me to speak at your annual gala. I accepted the invitation from Peter Brock immediately.

Not only because I have some important messages to get across, but also because there is almost no UK politician with closer natural bonds to Germany than me.

In fact, I was a little surprised when you told me you wanted me to deliver this speech in English, as I would have been as happy to give it in German – as I did a 25 minute speech in German in Munich to the Vereinigung der Bayerischen Wirtschaft in November.

The speech wasn't a problem, although the 45 minute long question and answer section was more challenging! Returning to my story, I took advantage of free movement of labour to move to what was then called West Berlin, in 1985, to take a job as a Bädewarter, in the exotic location of the Sommerbad Kreuzberg, in an area, then as is now, with a strong Turkish influence.

I lived for much of the years 1985 to 1988 in West Berlin, doing whatever holiday jobs I could find, ranging from the Kaufhaus des Westens (or KaDeWe) to McDonalds.

I was lucky to have studied the German language at school. Only 20% of British schoolchildren did so in the 1980s – now the figure is unfortunately below 5%. I want to see that number go back up!

The first part of Germany I entered, as a schoolboy in 1981, was North Rhine Westphalia.

I was travelling to spend 2 weeks in Gummersbach. An enjoyable experience – albeit not quite as exciting as West Berlin 4 years later!

So I had 6 years of German at school – and some school visits – behind me, but nothing that would have prepared me for the unique challenge of 'Berlinerisch' when I arrived in Berlin in March 1985.

I took every advantage of the opportunities there.

My wife is from Berlin, and I am the proud father of 2 children who are just as happy speaking German or English.

My wife is the German teacher at an inner London school, so she is doing her bit to help!

My children have all the advantages of bilingualism and occasionally take advantage of having 2 nationalities.

Before the last World Cup, I asked my son, 'Which country are you going to support in the tournament?'

'Papa,' he said, 'I will start with England and then switch to Germany'. He is a clever boy.

So I have a lot of human capital in the British-German relationship.

I also have a lot of political capital in it.

For 12 years, ever since I became an MP, I have been an active member of the Königswinter group, I attend the Petersberger Dialog not far from here, and I have been to 7 different CDU and CSU Parteitag, of the sister parties of our UK Conservative Party. Some of my best German friends are politicians from North Rhine Westphalia.

Part of the reason for my political interest is that in the 1980s I wasn't only interested in doing holiday jobs in West Berlin. I took full advantage of the city's unique geography to visit East Berlin and the German Democratic Republic (GDR) – in fact, some 48 times. And also to Czechoslovakia, Poland and so on.

It was very easy in those days to see an alternative system to ours, just 20 minutes to cross over at Checkpoint Charlie or Bahnhof Friedrichstrasse. These days, by the way, it's a long way to Pyongyang or Caracas.

Emerging one afternoon in 1985, in East Berlin, as an 19 year old opened up a whole new world for me, in every sense.

Once one got used to the cheap beer – not an insignificant attraction at that age – one quickly realised that this Germany was rather different to the one on this side of the Wall.

I met political prisoners, like my friend Heiko, who was imprisoned, merely for seeking to make what was a legal application to leave the country. I met people who were scornful of their political masters, in a way that one doesn't experience even in today's world of anti-politics.

Trade – or lack of it – was a key part of the experience. Most of the goods were shoddy or expensive, or sometimes both. Mouldy oranges from Cuba. Expensive and unreliable electronics from domestic firms like Robotron. Cars which were consciously outmoded and outdated, made of cardboard, like the Trabant and the Wartburg.

And this was in the Eastern Block's most successful economy – the GDR. Further afield, the situation could be much worse.

So I was given an early lesson in the importance of the free market and the great value of free trade. An early lesson which I carry with me today.

We as politicians, and also as business leaders, need to make the strong case for free trade.

This has never been more true than today, when for the first time since 1989, free trade is coming under political attack.

In the words of our Prime Minister, Theresa May, we want the UK to be the most passionate, compelling and convincing advocate for global free trade.

Let me turn to the UK-Germany relationship.

It is a relationship that I hope very much will remain strong and dynamic.

The UK's vote to leave the EU was not us turning our back on our friends in the EU, but to build a more global Britain alongside a strong Europe.

This comes at a time when the voices of economic nationalism and anti-globalisation are becoming louder.

We cannot let them drown out the voices of free and open trade.

3 myths about Brexit

There are some who claim the UK's vote to leave the EU is symptomatic of this trend.

Specifically, that the UK, a once great outward looking nation, is now turning its back on the world.

That by leaving the EU, we are threatening both its core principles and future stability.

And finally, that the UK is undermining its own chances for future economic success.

These are the classic myths of Brexit. Tonight, I want to address each myth in turn and reiterate beyond any doubt, that the UK will be the global champion of free trade.

Britain in the world

Let me start with Britain's place in the world.

Today's global climate is seeing a slowdown in the growth of global trade.

Protectionist measures are starting to increase.

The World Trade Organization (WTO) has warned that, for the first time, trade-restrictive practices are now being instigated at a faster rate than they are being removed.

Yet amidst this climate, it is this UK government that continues to state its intention to be at the vanguard of a freer global trading system.

Free trade has helped hundreds of millions of people escape the scourge of poverty; allowed businesses the world over to gain access to global supply

chains and the flow of technology and ideas; and put power in the hands of consumers – giving them access to greater choice than ever before.

We are strongly committed to free trade!

Whilst we remain an EU member, the UK will fulfil its commitments to push forward trade deals with Japan and Canada; and outside the union, we will continue to champion moves towards a more open global economy, as we take our seat as an independent member of the World Trade Organisation.

But in Brexit, we also see an opportunity.

This is our moment to build a truly Global Britain. A Britain, that whilst maintaining and, where possible, strengthening ties with its European neighbours, also looks to the opportunities beyond the borders of Europe, as well.

Britain has always been a country with big ambition. We now have an opportunity to realise that potential.

We will revive trading relationships with global partners, including those in the Commonwealth and emerging economies from east to west.

Doing business with the wider world is vital.

Since joining the EU, exports as a percentage of GDP has broadly stagnated in the UK. In 2015, it stood at 27%, well behind Germany's impressive 47%. In fact, we are the lowest in the EU28 – second lowest is Greece.

So I am delighted that some of the world's fastest growing economies, from North America to the Gulf to China, have already shown interest in striking future trading deals with the UK.

We will also not forget our global responsibilities.

As a permanent member of the UN Security Council, NATO, the G7 and the G20 – the UK will continue to play a leading role in tackling the world's most pressing problems – from climate change to terrorism.

We are the only G7 country to meet its obligations to spend both 2% of Gross Domestic Product (GDP) on defence, and also 0.7% of GNI on international development.

The UK doesn't do isolationism; internationalism is in our DNA.

EU / UK

Let me turn to the second myth, concerning our relationship with the EU.

The UK has no intention of undermining the stability of the EU, nor do we want to become more distant to our European neighbours.

We want the EU to be a success and we want its member states to prosper. That

remains overwhelmingly and compellingly in Britain's national interest.

On 24 June 2016, I didn't wake up and feel any less European. I remember consoling my son, who was in tears, and trying to explain what the result meant.

Being European is an intrinsic part of my British identity.

Our shared values of democracy, tolerance and diversity will endure. No referendum can change that.

But I am, above all, a democratic politician. More people voted to leave the EU in Britain than have voted for anything else in our British history.

They gave this government a democratic instruction, which we must now deliver on.

We want to be the best friend and neighbour to our European partners.

We want to continue to have the closest possible relationship on trade, whilst also maintaining our defence, security and cultural ties.

These ties have sowed peace throughout the continent for 70 years. No-one is turning the clock back.

Looking forward, our first priority will be to build a strong and vibrant future trading relationship with the EU.

I hope, as Chancellor Merkel too has said, that these negotiations can be done in parallel, alongside the negotiations about our exit.

We want to maintain the greatest possible access to the single market, the destination for 44% of our exports, just as I'm sure EU businesses would like continued access to the UK market, with which they trade a €70 billion surplus.

In 2015, to North Rhine Westphalia, the UK exported €9.5 billion of goods and services. €14 billion went in the other direction – almost 50% more. This includes automotive, machines, metals, pharmaceuticals, chemicals and much more.

The UK actually imports more from Germany, as a whole, than from all of the Americas combined.

That is why we will aim to pursue a bold and ambitious free trade agreement with the EU.

One which allows for the freest possible trade in goods and services between companies and consumers in the UK and those across Europe.

In all trade negotiations, countries set out the institutions, industries and values they must maintain; whilst also outlining the flexibility they have to reach an agreement.

This is the first and arguably most important step.

Both the UK and EU member states will keep their national interests at the heart of the negotiations throughout the exit process – and this is as it should be. Anything else would be a dereliction of duty.

But the long-standing tradition of cooperation between the UK and the EU will give us a strong starting point for such negotiations.

Both sides will be seeking to keep as close a relationship as possible in many areas.

Ultimately, we want the best deal for Britain, but this doesn't have to come at the expense of other member states. Trade is not a zero sum game; nor are security or defence.

Businesses around the world have told me that a severe dislocation in our trading arrangement would be unhelpful and unwelcome.

Look at our interlinked supply chains. Five countries, including the UK and Germany, are involved in manufacturing each Airbus plane. One in 5 BMW engines is made in the UK.

That is why Prime Minister Theresa May emphasised the need of a phased process of implementation regarding a future trading arrangement.

This will avoid a disruptive cliff edge, allowing enough time for businesses to prepare for new arrangements.

This is the common sense approach and ensures businesses from Dusseldorf to Dundee, and consumers from Cottbus to Cardiff don't suffer.

Businesses in the UK and here in North Rhine Westphalia must help ensure that pragmatism triumphs over political point scoring and over abstract political ideas – for the sake of all our interests.

Jobs and consumers must come first.

Most people in this room should not be surprised when I say that of all Germany's Bundesländer, North Rhine Westphalia is the one of greatest economic importance to the UK.

A relationship born initially out of necessity and the ashes of conflict, is now one of vibrant economic exchange.

You are our biggest trading partner, receiving 30% of our exports to Germany.

61,000 Germans work for the 1,400 British companies based here.

We are your third biggest investor.

National Express now run 2 regional rail services here in North Rhine Westphalia, winning contracts thanks to rail liberalisation in both countries.

A.O. World Plc – a UK online electrical retailer, which does next-day delivery of washing machines and other appliances – is revolutionising service delivery in Germany and has recently opened its European headquarters, 50km away from here, in Bergheim-Paffendorf – creating 300 jobs.

But it is a 2 way street.

Every day, over 100,000 people wake up in the UK to go and work for 578 companies from this state.

Behind these figures lies an undeniable truth. The fortunes of Germany and the UK are inextricably linked.

So let's approach the coming years as partners with a shared purpose: harnessing the principles of free trade to secure our mutual economic well-being.

Economic future

The final myth I want to address is that the UK will somehow be less competitive and less successful outside the EU.

Having served as the number 2 UK Treasury Minister, I know very well the strength of the UK economy.

It would be wrong to underestimate its resilience and potential.

The UK's fundamental economic strengths will not change.

We have a business environment that is second to none. A low regulation economy combined with a widely admired system of contractual law.

Our world beating universities feed a highly skilled and flexible workforce, and London is widely considered the financial capital of the world.

Our recently launched Industrial Strategy means we will continue to pioneer a whole host of new technologies, working with industry and universities, to ensure Britain remains the location of choice for many sectors – from automotive to fin tech to aerospace.

And global business realises this.

Since the referendum, around £16 billion has been invested in the UK from overseas – a clear vote of confidence.

Siemens have confirmed future investment in UK R&D; and chemical distribution firm Brenntag will invest over £50 million, over the next 5 years, in the UK.

The political infrastructure is now also in place.

My newly established Department for International Trade places trade firmly at the heart of government policy making.

This department will serve as a perennial symbol of the UK's global spirit.

We have an ambitious remit: to promote UK companies abroad; to continue to attract the highest levels of inward investment in Europe as well as promote outward investment; and to develop our trade policy capability – which has already seen the number of UK trade policy experts quadruple since the referendum.

We are assembling the tools to ensure the UK becomes a beacon for open trade around the world.

Conclusion

To conclude, standing here in North Rhine Westphalia, I am always reminded about what can be achieved when our two nations pull together to defend our shared values across trade, culture, defence and security.

The formation of this federal state 71 years ago ushered in that unprecedented level of cooperation.

It was the start of a bilateral relationship which preceded the very existence of the European Union.

It showed that our ties were strong enough to endure whatever uncertainties the second half of the 20th Century would bring.

They remain strong now, and will continue to be so in the future.

Like I said before, no referendum can change that.

Thank you.