

Speech: Latin America offers huge opportunities for Northern Powerhouse

Thank you. I am delighted to be here. And I would like to thank the [Northern Powerhouse](#) and KPMG for the invitation to help launch this report.

We all know that trade is vital to the health of the UK economy. It drives our prosperity. It creates jobs, increases choice, lowers prices – and delivers better goods and services for consumers.

Our future prosperity, stability and security depends on finding and opening up the markets of the future, driving investment, championing free trade, and helping companies to develop and export.

Support from DIT

The Department for International Trade – or DIT – was created to do just this – providing effective, relevant and targeted support for UK companies.

To do it well, we need to look at where the emerging markets are and put UK businesses in prime position to benefit.

And the evidence could not be clearer.

The IMF is predicting that 90% of global growth in the next 10 to 15 years will come from outside the EU.

Making the most of this growth means finding new ways of doing things.

That is why we have now appointed 9 HM Trade Commissioners, covering regions right across the world.

These trade experts will be on the ground with the autonomy to improve our trading links with the key markets, raising the profile of the region in the UK and building stronger and deeper trading relationships in the future.

DIT is making Latin America a high priority.

We have 4 trade envoys appointed by the Prime Minister to the region to build on existing relations and maximise bilateral trade.

UK Export Finance has doubled government support for firms looking to export into countries across the region, including up to £5 billion for Mexico, £4.5 billion for Chile and £3 billion for Brazil.

And we can now offer financing in a range of Latin American currencies.

This report was instigated by DIT's excellent Jo Crellin. And I am delighted that she has now been appointed as HM Trade Commissioner to Latin America and the Caribbean.

She brings a wealth of in-country knowledge and expertise to the role – and an extensive network of contacts in the region.

And I am pleased to say – as this report highlights – there is a firm foundation to start from.

Strength of UK-Latin American trade

The demand for UK goods in the Caribbean and Latin America region is strong. £12.5 billion of UK goods and services were exported there in 2016. Total trade in goods and services between the UK and the region totals £22.1 billion.

And this report finds it is only getting better.

Of UK SMEs that export, only 11% did so to Latin America in 2011; in just 5 years it has risen to 19% – almost double.

There is a large and growing appetite for British trade. And there are already a number of success stories.

Last year, with support from [UK Export Finance](#), the bus manufacturer Alexander Dennis secured a £44 million deal to export our iconic red ‘double decker’ buses, helping to ease congestion in Mexico City.

Another UK company – Aggreko – obtained a £3 million renewable energy deal – and an £11 million oil and gas deal – in Brazil.

And Astra Zeneca has recently secured a £4 million biopharmaceuticals exports deal to Peru.

Growing Latin American economies

Latin America is a growing market with a young population, diverse economies and vast resources.

It has a large middle class – the report estimated it has expanded by 50% since 2013.

The IMF predicts that Mexico and Brazil will be the tenth and seventh largest countries by GDP respectively by 2020.

These countries are hungry for new technologies, recognised British brands and the chance to visit the UK.

Strength of the Northern Powerhouse

The Northern Powerhouse is ideally placed to take advantage of this.

It is a powerful hub of global commerce.

A centre of new technology, industry, science and start-ups.

This report estimates it has a GDP of £332 billion – around the same size as Belgium – with 26,000 companies exporting over £58 billion last year.

It has high speed rail links, a highly skilled workforce and world class research, with 6 northern universities ranked in the UK's top 20.

And this report highlights just where the big opportunities lie.

Both for companies in our Northern Powerhouse in Latin America and for Latin American companies here.

Developing Northern Powerhouse-Latin America links

These links are already strong.

The report estimates that goods exported from the Northern Powerhouse to Brazil, Chile and Mexico totalled £745 million last year – 10.4% more than the year before.

And it clearly highlights why this trade should only grow.

For British and engineering companies, engaged in exploration, operation and construction – with world-leading, pioneering new technologies in copper, iron ore and silver mining.

For healthcare providers, helping local governments and hospitals improve the quality and accessibility of care.

And for the food and drink sector, growing demand for higher quality, different flavours, and new service channels, will stand British firms in good stead to expand.

This report provides an exciting slice of the range of opportunities that this vibrant, diverse region offers UK business.

And I hope it helps some of the firms here today to realise some of those possibilities.

Brexit

Since the British people's decision to leave the European Union, there has been much discussion on the UK's future as a global trader.

It is clear that the pattern of global trade is changing.

And Britain must adapt to be part of that change.

Rapidly developing regions like Latin America will be key.

We must, as a country, set our sights high.

The markets are already out there for the best that Britain and the Northern Powerhouse has to offer.

DIT – both here in the UK and our teams across the globe – stands ready to help the firms in this room realise that opportunity.

To help you win export orders, support high value jobs, and forge Britain's future as a global trading nation.

To build a truly Global Britain.

Thank you.