

Speech: Liam Fox encourages businesses to have their say on trade deals

Good afternoon, and welcome to DIT's Free Trade Agreement stakeholder engagement event.

I'd like to thank Karl and the whole of KPMG for hosting us today, and British American Business, for helping my officials to organise this event.

I'm going to start by talking about beer.

I accept that it may seem a little bit early in the day to be talking about more alcohol. But the UK beer and cider industry is one of my favourite examples of the transformative power of Free Trade Agreements.

In the year before a formal FTA opened up South Korean markets to British exporters, the industry's sales to that country were less than £2 million a year.

By 2017 however, Koreans were consuming some ten times that value of British beer and cider a year. By coincidence, I will be heading to South Korea tomorrow.

The quality of the product, of course, speaks for itself. Yet it also demonstrates how formal inter-governmental agreements can transform the prospects and profits of ordinary businesses across the UK.

As you will be aware, from April next year the United Kingdom will begin to negotiate new, independent trade deals with key partner nations.

The negotiations will be conducted by my Department for International Trade. Our department is one of the youngest in government – just two years old – but in that time we have built up an unparalleled repository of trade expertise.

The negotiation and signing of these agreements will be conducted at a government level. Yet FTAs exist not for the benefit of government departments, but for businesses across the United Kingdom.

That is why we have launched public consultations for our first four FTAs – with the United States, Australia, with New Zealand, and on the UK's potential accession to the Trans-Pacific Trading Partnership.

You have all been invited here today because you have a stake in the outcome of these negotiations. Many of you will trade with one of these countries, or all of them.

All of you will have customers, or suppliers, that are some way connected to these nations. Globalisation has reached us all.

After all, Birmingham, and the wider Midlands Engine, is one of the most internationally-connected areas of the United Kingdom. Technology, advanced manufacturing and the aerospace industry all have a significant footprint here, and all require free and open access to the world's markets.

It is not only manufacturers and exporters of physical goods that stand to gain from our future free trade agreements.

The United Kingdom derives around 80% of its GDP from its service industry – more than almost any other nation in the G20. This is reflected in the make-up of today's audience.

Yet the rules-based international system has often failed to liberalise the trade in services in the way that it has for goods. As such, services exports are often subjected to tariffs and complexities that goods are not.

Despite these constraints, the global trade in services tripled between 2000 and 2016.

How and what we trade is also changing rapidly. International data flows will be 300 times higher by 2021 than they were in 2005. We are living in a world where knowledge and information is traded as readily as cars and steel, and yet we have no framework to govern or facilitate it.

These FTAs, and the others that will follow, are an opportunity to redress the imbalance. They are a chance not only for the UK to open up new and vital market for our own companies, but to lead the way globally on trade in services liberalisation.

You are here today because we want your input in this process. I have mentioned the wealth of expertise that exists in my department, but that can only get us so far.

DIT exists to facilitate trade, and to help businesses from every corner of the United Kingdom to realise their global potential. To do that, we must shape our policy to your requirements.

We have a once in a generation chance to choose what kind of country we want to be, and we want you – our businesses – to help us to realise it.

And now I am happy to take a few questions, before I hand over to my officials, led by director Oliver Griffiths, who will take you through the Free Trade Agreement Consultations, and discuss the process with you further.