

Speech: PM speech at the Bloomberg Global Business Forum: 26 September 2018

This week political leaders have come to New York to discuss how we can work together to ensure the future prosperity and security of our people.

And it's right that many of these discussions are taking place at the United Nations.

But it is also right that I have come here to this Bloomberg forum, because we will only succeed if we also work in partnership with you, some of the most pioneering business leaders in the world today.

It is businesses like yours which have been great engines of job creation and growth – in my country, here in America and right around the world.

And it is the embrace of open economies and free trade as drivers of innovation and growth that has underpinned your success and acted as the greatest agent of collective human progress.

Where free markets have been properly regulated, and trade and investment unleashed, we have seen unprecedented levels of wealth and opportunity, rising life expectancy, greater access to education, falling infant mortality and reductions in absolute poverty on a scale which would once have been hard to imagine.

And as governments we have played our part in helping to make this possible by agreeing and abiding by a global framework of rules, and by opening up our economies to competition.

But today new challenges – including the rapid pace and breadth of technological change – are causing some to question their faith in the institutions of global co-operation and the framework of rules which has brought us to this point.

They look at who gains from free trade and ask whether this global economic system is fair and whether it can really be made to work for everyone.

They look at the growth of artificial intelligence and ask whether their children and grandchildren will have the skills to succeed in the new economy.

And they look at some of the tensions in global trade today and ask whether the rules based system can be really adapted to reflect the realities of the modern world.

My answer to all of these questions is a bold and optimistic yes.

And my message today is that a post-Brexit Britain will be an unequivocally pro-business Britain – and a global partner that will help to lead the international response to those challenges.

Through our Modern Industrial Strategy at home we will create one of the most dynamic and business-friendly economies in the world – driving investment opportunities for your businesses and spreading the benefits of new sectors and technologies to every part of my country.

And internationally – as a Global Britain – we will champion our vision for the future of the global economy: a vision that is based on openness, innovation, competition, high quality and intelligent regulation.

And we will be at the forefront of sustained international efforts to address the challenges facing global trade and to build a dynamic and competitive global economy that can truly work for everyone.

I have always been clear what the United Kingdom stands for and what we want to achieve as we leave the European Union.

Our relationship with the EU will change with Brexit. But we will still be neighbours, we will still be part of the European family of nations, and we will continue to champion the same beliefs – standing for freedom, democracy and the rule of law, underpinned by a rules-based global order.

And that is why I am confident we can reach a deal about our future relationship that is built in this spirit.

We have put forward a plan for a new, but still close relationship, with frictionless trade at its heart.

There is no other plan that protects jobs and livelihoods and also meets our commitments in Northern Ireland, while respecting how people voted in the largest democratic exercise in our history. And I believe that behind the noise of the headlines and the chattering of the commentators, there is much common ground in these objectives.

We know that the other models on offer would not deliver for business, who would face either increased bureaucracy, additional border checks, or both. And so I have urged the EU to engage with our proposals so that we can move forward.

To be clear, we are not seeking partial membership of the Single Market, or in any way trying to undermine it. But we are looking to achieve the frictionless trade that I believe is in all of our interests.

There is clearly a lot further to go in the negotiations and the coming weeks will be critical.

For the prize is great: with the conclusion of the negotiations over the coming weeks, the certainty of an Implementation Period in which to adapt to the new arrangements, and the guarantee of frictionless trade with the EU in the future, businesses can look forward to the post-Brexit world with

confidence.

At the same time, looking beyond the EU, we are absolutely committed to delivering continuity in terms of relationships with existing bi-lateral partners – and we want to forge the most dynamic and ambitious Free Trade Agreements with old friends and new allies alike.

Crucially we also have a plan to deliver an economy that is knowledge-rich, highly innovative, highly skilled and high quality but with low tax and smart regulation.

So let me say this very clearly.

Whatever your business, investing in a post-Brexit Britain will give you the lowest rate of Corporation Tax in the G20. You will access service industries and a financial centre in London that are the envy of the world, some of the best Universities in the world, strong institutions, a sound approach to public finance and a consistent and dependable approach to high standards but intelligent regulation.

And yes, locating in the UK, you will also be able to access the talent you need. Freedom of movement will end when we leave the European Union. But we will put in place a new immigration system that will allow businesses and universities to attract the brightest and best to the UK.

Furthermore, through our Modern Industrial Strategy we are bending the power of the state and the ingenuity of the private sector to solve four Grand Challenges of the future which are enormous areas of potential for growth, jobs and investment across our whole country.

These are the challenges of Clean Growth; Our Aging Society; the Future of Mobility; and the challenge of Artificial Intelligence and Data – where we have already seen more investment in the UK over the last 3 years than in the rest of Europe combined.

We are contributing the UK's biggest ever increase in public investment in research and development, which will help develop new technologies in these four areas.

And we have set a goal of total public and private investment in research and development reaching 2.4 per cent of GDP by 2027.

We will educate and train our young people for the opportunities that meeting these four Grand Challenges will bring.

And we will ensure that we have smart, agile regulation and dynamic institutions which promote innovation, but also protect people's rights. Just as we are doing, for example, with AI – where our Centre for Data Ethics and Innovation will make us a global leader in helping to ensure the safe, ethical and innovative deployment of this new life-changing technology.

At its heart, our Modern Industrial Strategy is about creating a different kind of economy for the future.

It's not about seeing business and society as separate entities, where business generates a surplus and government then invests it to handle the social consequences of economic change.

But instead it is about harnessing the enormous power of business as a partner in tackling some of the greatest social challenges of our time.

It is not about telling business what to do, but instead genuinely listening to business and working in partnership with you.

It's about understanding what you need and working together to shape our economy in a way that will help us make the UK one of the most attractive countries in the world in which to establish and grow a successful business.

Just as we work with you to create the best possible environment in which to invest in the UK, so I am also determined that a post-Brexit Britain will be a trusted partner at the forefront of efforts to address the real challenges facing the future of the global economy.

This means playing a leading role in tackling the root causes of the current tensions in global trade – where the rules have not kept pace with the modern world.

If a global system is going to function properly, the participants in that system need to believe that the rules and the commitments they make to one another are fundamentally fair.

They need to believe that others are playing by both the spirit and the letter of those rules, whether that be in terms of declaring what subsidies are provided or respecting intellectual property rights.

They need to believe that any disputes will be dealt with fairly and efficiently.

And the rules themselves need to remain relevant by keeping pace with the changing nature of trade and technology.

So we need to give the WTO a broad, ambitious and urgent mandate to reform, to address the areas where it is not functioning effectively, to deal with issues that are not currently covered and maintain trust in the system.

For example, we need to see new rules in areas such as digital trade and services, including e-commerce that can boost growth across these dynamic sectors.

We need WTO reforms to increase fairness for all participating countries; and to enhance global legitimacy and public support for the multilateral trading system, including through greater transparency.

We support the EU's efforts in this area and, as we leave the EU, we will want to work with them and all our partners around the world, to push this forward and deliver a mandate for change.

As a global and independent trading nation, we will use all the means available to us – including our positions in the G7, G20, OECD, IMF and FSB to pursue this agenda in partnership with others committed to the same end.

And crucially we also want to make business central to the conversation because at the end of the day governments set the framework, but it is businesses that create wealth and drive innovation.

These challenges facing the global economy are serious – but a Global Britain will be a fully engaged and ambitious partner at the forefront of international efforts to drive reform.

And I look forward to hearing from you this morning and to discussing with you what more we can do – so that together we can shape the future of the global rules based system to work for the modern world.

And together we can harness the global power of open economies and free markets to deliver prosperity and opportunity for all – now and for generations to come.