

# Speech: PM speech to the Lord Mayor's Banquet 2017

My Lord Mayor, My Late Lord Mayor, Your Grace, My Lord Chancellor, Your Excellencies, My Lords, Aldermen, Sheriffs, Chief Commoner, ladies and gentlemen.

As we meet here tonight, we are approaching a defining moment in the history of our nation and our place in the world.

It is a period of great change and it will, of course, have its challenges.

There will be ups and downs along the way. But I believe we should embrace this period with confidence and optimism.

Not grounded in some article of faith, but with a clear understanding of our strengths as a nation.

We are the fifth biggest economy in the world, the fifth largest exporter in the world and the top destination for inward investment in Europe. We have the second largest defence budget in NATO.

We are one of the only countries to deliver our promise to spend 0.7% of Gross National Income on international development. We have the extraordinary reach of our global brands from the Premier League to the BBC World Service; the thought leadership of our outstanding universities, the global finance of this great City of London – and the best of British business in demand the world over.

And perhaps above all we have that defining British spirit – and the fundamental values of fairness, justice and human rights – to use our influence in the world for good.

And these same capabilities and values that we bring to the task of leaving the European Union, we will also bring to the wider challenges facing the world today.

For we meet here at a moment when the international order as we know it – the rules based system that the United Kingdom helped to pioneer in the aftermath of the Second World War – is in danger of being eroded.

A moment when some states are actively destabilising the world order to their own ends, claiming that the rules and standards we have built, and the values on which they rest, no longer apply.

When regional instability is driving cross-border threats such as Islamist extremism and fuelling conflicts to which many ask whether the rules based order has an answer.

A moment when the failure to translate the success of global trade into

growth that benefits everyone is weakening support for the free markets and open economies that have driven global prosperity for generations.

And when the rules of the game for this century are increasingly being shaped by emerging economies and powerhouses in the East.

So as we reach out into the world and write this new chapter in our national history, the task of a global Britain is clear.

To defend the rules based international order against irresponsible states that seek to erode it.

To support our partners in regions of instability in repelling the threats they face and to back their vision for societies and economies that will prosper in the future and play a positive role in the world.

To harness for a new generation the dynamism of open economies to deliver fair and equitable growth. And in doing so to build a new consensus in support of free markets and fair societies that may be the greatest long-term defence against division, tension and conflict.

These are the issues I want to address tonight: how government and business working together can secure the future prosperity and security of our nation – and play our part in doing so for the world at large.

## **Defending the global system**

Our starting point must be to strengthen the commitment, purpose and unity of those allies and partners with whom we have built this order.

Central to this must be the enduring strength of our transatlantic partnership and our relationships with our European allies.

The role of the United States in shaping the global order is as vital now as it has ever been.

Of course we will not always agree on each and every course of action. But underpinning this relationship is an alliance of values and interests between our peoples which has been a force for good in the world for generations – and must continue to be so.

The same is true of our relations with our European partners as we leave the EU. For we remain a European nation – our history marked by shared experience, our societies shaped by common values, our economies interdependent, and our security indivisible.

As I said in my speech in Florence, the UK will remain unconditionally committed to maintaining Europe's security.

And the comprehensive new economic partnership we seek will underpin our shared commitment to open economies and free societies in the face of those who seek to undermine them.

Chief among those today, of course, is Russia.

In a recent speech President Putin said that while the interests of states do not always coincide, strategic gains cannot be made at the expense of others. When a state fails to observe universal rules of conduct and pursues its interests at any cost, it will provoke resistance and disputes will become unpredictable and dangerous.

I say to President Putin, I agree. But it is Russia's actions which threaten the international order on which we all depend.

I want to be clear about the scale and nature of these actions.

Russia's illegal annexation of Crimea was the first time since the Second World War that one sovereign nation has forcibly taken territory from another in Europe. Since then, Russia has fomented conflict in the Donbas, repeatedly violated the national airspace of several European countries, and mounted a sustained campaign of cyber espionage and disruption. This has included meddling in elections, and hacking the Danish Ministry of Defence and the Bundestag, among many others.

It is seeking to weaponise information. Deploying its state-run media organisations to plant fake stories and photo-shopped images in an attempt to sow discord in the West and undermine our institutions.

So I have a very simple message for Russia.

We know what you are doing. And you will not succeed. Because you underestimate the resilience of our democracies, the enduring attraction of free and open societies, and the commitment of Western nations to the alliances that bind us.

The UK will do what is necessary to protect ourselves, and work with our allies to do likewise.

That is why we are driving reform of NATO so this vital alliance is better able to deter and counter hostile Russian activity. It is why we have stepped up our military and economic support to Ukraine.

It is why we are strengthening our cyber security and looking at how we tighten our financial regimes to ensure the profits of corruption cannot flow from Russia into the UK.

So we will take the necessary actions to counter Russian activity. But this is not where we want to be – and not the relationship with Russia we want.

We do not want to return to the Cold War, or to be in a state of perpetual confrontation.

So whilst we must beware, we also want to engage – which is why in the coming months the Foreign Secretary will be visiting Moscow.

For there is another way.

Many of us here looked at a post-Soviet Russia with hope.

Because we know that a strong and prosperous Russia which plays by the rules would be in the interests of the United Kingdom, Europe and the world.

As a Permanent Member of the UN Security Council, Russia has the reach and the responsibility to play a vital role in promoting international stability.

Russia can, and I hope one day will, choose this different path.

But for as long as Russia does not, we will act together to protect our interests and the international order on which they depend.

## **Addressing regional instability**

But the international order on which we depend faces other threats, including the challenge of regions where it is the absence of strong states that allows instability and conflict to threaten the global order.

And nowhere is this clearer than in the Middle East.

We see the spillover effects of this instability in the challenge of mass migration and humanitarian crises in countries like Yemen.

And we see it most starkly of all with the threat from Daesh and Islamist terrorism.

Britain is at the forefront of international efforts in the fight against this terrorism – from the battlefields in Syria and Iraq to tackling the ideologues who fuel the hatred of Islamist extremism. And we will defeat it.

But the conflicts we see in the Middle East are rooted in a complex mix of economics, demographics, history and sectarian tension.

In the past we have sought to remake countries or even entire regions at great cost to their people and ultimately to our own willingness to intervene when necessary.

Of course we must never be paralysed by the myth that armed intervention is doomed to fail. And the UK is not and will not be afraid to deploy its hard power where necessary.

Indeed this is happening around the world as I speak. From our world leading covert agencies to over a thousand troops deployed in Iraq and Afghanistan, to our Royal Air Force operating in the skies over Syria and Iraq, and our Royal Navy patrolling the waters of the Gulf.

But as we look to the future it is the strength and stability of our partners that will define the trajectory of the region.

So if we are to achieve enduring stability in the Middle East, we must make an offer which supports both the long-term security and prosperity of our key partners, and encourages them to be champions of the global order.

As we are doing in countries from Saudi Arabia to Jordan, we will provide support to help them defend and protect their borders and their cities from external aggression – from terrorists to Iranian-backed proxies.

We will step up our efforts – together with our European and American allies – to help them not just contain, but solve conflicts in the region. From seeking political solutions in Yemen and Libya, to bolstering a united Iraq and working towards a two-state solution in the Middle East Peace Process.

As part of this, while we will stand firm in our support for the Iran nuclear deal, we are also determined to counter destabilising Iranian actions in the region and their ballistic missile proliferation, working with the US, France and Germany in particular.

And drawing on the full capability of government and private sector, we make a long-term commitment to work with our partners as they seek to reform their own economies: from Jordan as it deals with the challenge of refugees from Syria, and which I will be visiting again later this month, to countries across the Gulf undertaking social and economic transformation. For these reforms can present far-reaching opportunities for the people of the region and the wider world.

As part of these efforts, we will champion steps towards greater rights and openness – insistent on the direction of travel, working with our partners in the region and recognising that each country must find its own path.

And this credible and coherent offer of support and partnership is a matter of urgency. As we see with the events of the last few weeks, from Lebanon to the GCC dispute, our partners see the threats they face as immediate and are straining for the means to tackle them.

So it is in all of our interests to get this right: to bring long-term, long-sought stability to the Middle East, ensure these growing economies can play their full role in the global system, and reinforce a rules-based international order.

## **Ensuring free markets work for everyone**

And at the same time as dealing with threats to the global order from state and regional instability, we must also step up to the challenge of ensuring that free markets and open economies deliver fair and equitable growth for all.

As I argued at this Banquet last year, free market economies have delivered unprecedented levels of wealth and opportunity. But they are losing popular support because they are leaving far too many people behind.

The answer cannot be to turn our backs on the free market economy which – with the right rules and behaviours – is the greatest agent of collective human progress ever created.

For it is when countries make the transition from closed, restricted,

centrally-planned economies to open, free market policies that we see life expectancy rise and infant mortality fall, incomes rise and poverty fall, access to education rise and illiteracy fall.

Indeed it is open, free market economies which are the only sustainable means of increasing the living standards of everyone in a country.

So our challenge is to ensure that is exactly what they do.

That is why, here in Britain, we are building a modern industrial strategy that will help to bring the benefits of our trade to every part of our country.

It is why we will act as a voice for free trade at the WTO. And also continue our efforts – including as I set out this year at the G20 – to reform the international trading system to ensure that trade is not just free but fair: fair between countries and fair for the poorest countries.

But as we all know global economic growth is increasingly being driven by emerging economies and powerhouses in the East.

And Africa's population growth means its significance will also only increase in the decades ahead.

So the West cannot write the rules of this century on its own. It is our partnership with the countries of Asia and Africa in particular that will define the course the world takes.

That is why I have asked the new International Development Secretary to build on the work of her predecessor by making one of her first priorities a review of how the whole of government, together with the private sector, can best support African aspirations for trade and growth.

It is why we will use our relationships with the Commonwealth, and the Summit here next year, to work with partners in Africa, Asia and beyond in building consensus and taking practical steps towards a global economy that works for everyone.

And it is why I am also clear that we will continue to increase our investment in Asia.

I am committed to maintaining the Golden Era of our relationship with China – not just as a vital trading partner but also as a fellow permanent member of the Security Council whose decisions together with ours will shape the world around us.

And I am committed to deepening our partnerships with countries across Asia, where I believe that Britain's global offer can have a hugely beneficial impact in ensuring that the region's potential is fully realised.

That includes tackling the problems in the region today – such as North Korea, where we have played a leading role in securing sanctions in response to the regime's outrageous proliferation of nuclear weapons.

And it includes continuing to step up our efforts to respond to the desperate plight of Rohingyas – brought home to us again on our TV screens so graphically today, with heart-breaking images of young children emaciated and pleading for help.

This is a major humanitarian crisis which looks like ethnic cleansing. And it is something for which the Burmese authorities – and especially the military – must take full responsibility.

The UK is already the largest donor in response to this crisis. And we will continue to play a leading role in bringing the international community together – working through the UN and with regional partners to do everything possible to stop this appalling and inhuman destruction of the Rohingya people.

And beyond the immediate challenges of today, we must also invest now in longer-term security partnerships in Asia, such as those which I have launched with Japan and India over the last year; and which we will look to develop further with countries across the region.

## **Role of business**

Lord Mayor, as we look to the future, one of the biggest assets of a global Britain will be our soft power – and crucially that includes British business.

Where open markets thrive and the rule of law holds sway, British companies prosper. And they take in their DNA a way of doing business that brings not only commercial but wider benefits – of good governance, respect for the law, corporate and social responsibility.

So as a Global Britain makes its offer to the world, we are also offering the certainty and the confidence of the high standards you set, the framework of rules you follow, the values you live by and the ethos and culture you create.

You are the bearers of a certain idea of economic order upon which the last century of growth has been based – as I believe the next will be based.

So you have a vital role to play: to honour the great tradition of your livery companies by meeting that profound responsibility not just to do business – but to advance the values, rules and standards on which good business and global security and prosperity depend.

To champion the deepest trade links and open markets in Europe – and support a new economic partnership with the EU that will be in all of our interests to ensure Western strength.

To seek out and secure new markets from the Gulf to East Asia, driving growth and productivity at home, embodying British dynamism and expertise abroad, and giving proof to our firmly held faith in open markets and fair competition as the best route to lasting stability, security and prosperity.

And I am confident that you can do this.

For while our partners around the world want our support as a global power, they want something else too.

They want what you bring. They want expertise. They want reliable partners for the long-term. They want the legal services, the accountancy services and the finance in which this great City of London leads the world.

Because your engagement and your investments are the ultimate kitemark of confidence – a signal to the world that a country is a credible partner and open for business.

## **Conclusion**

So Lord Mayor, these are challenging times. But I am confident that a global Britain has the ability and, indeed, the responsibility to rise to the moment.

To work together to secure the best possible Brexit deal; a deal that is not just good for Britain and good for the EU – but also strengthens the liberal values we hold dear.

And to work together to adapt and defend the rules based order on which our security and prosperity depends.

For this is fundamental to our success, to that of our partners and that of the world.

So let us step up to the task. And let us do so together – with the confidence and conviction of a truly global Britain.