

Speech: Secretary of State for International Trade Speech at the GREAT Event in Sydney

Good Evening.

It is a pleasure to be here this evening at the GREAT event, alongside our friends in the Australian British Chamber of Commerce.

Every time I arrive in Australia, I am struck again by how much it feels like home.

This may sound strange to those of you who have experienced both countries. After all, how could the land of golden beaches, 40 degree heat in November, and seven foot tall marsupials ever feel like home to a Scotsman with a constituency in Somerset that looks across the Bristol Channel to Wales?

So I am, obviously not, talking not about the physical similarity of our two nations, but the far deeper connections of culture, language, values and, of course, commerce.

These connections have grown from deep historical roots. Many Australians boast British surnames, and many more have British ancestry somewhere within their family tree, perhaps within living memory.

The windows of my Departmental office in Whitehall overlook the Cenotaph, the foremost war memorial in the United Kingdom.

Every 25th of April, ANZAC Day, I can watch as soldiers from Australia and New Zealand gather to pay their respects to their forebears who fell fighting alongside their British comrades and cousins.

They gave their lives defending the freedom of a land that may have been many thousands of miles from home, but a freedom nonetheless precious and cherished – a global commodity worth defending wherever it is threatened. Such is how unbreakable bonds are forged.

In the years since those conflicts Australia has forged its own proud national identity, distinct from the United Kingdom. But the deep personal connections that bind our two nations have remained, indelible through the passage of time, and oblivious to distance.

Today, an estimated 125,000 Australians call Britain home. In turn, over 1.2 million British citizens are currently resident here – more than 5% of the whole Australian population.

It is safe to say that few countries share such a deep, profound, and lasting connection as Australia and the United Kingdom.

It is a partnership that I believe will become more vibrant, more effective, and more important in the future.

Following last year's referendum result, there were many in the media, both in the UK and internationally, who condemned our democratic decision as the ultimate act of insularity.

Some of them still do, unable to come to terms with the expressed will of the British people.

They confidently predicted that the UK would be left a diminished figure on the world stage; alone, friendless and isolated, with a broken economy and shattered prospects.

How wrong they have been.

They not only misunderstood the fundamental motivations behind the 'Leave' vote, but also the intrinsic strengths of the UK economy.

We are about to enter our 6th year of growth – far behind Australia's record 26 years, but impressive none the less, steadily recovering from the effects of the financial crash.

Our financial deficit has been cut by two-thirds. We have record employment levels and have just seen our exports increase by over 13% in the last year. This year will see our national debt fall as a proportion of GDP.

The year since the Referendum has seen the highest levels of inward investment of any year in British history.

We not only have a business-friendly regulatory environment, but a trusted legal system, the world's leading financial sector, a highly skilled workforce turned out by world-class universities and cutting-edge research institutions.

Like you, we speak English, and we are in the right time zone to trade with Asia in the morning and America in the afternoon.

We are members of the G7 and the G20.

Alongside Australia, we are part of Five Eyes, the world's most advanced and integrated intelligence alliance.

We have the world's third-largest defence budget and a permanent seat on the UN Security Council.

Need I go on?

Does any of this sound to you like an isolated country?

This is not Brexit, but the emergence of Global Britain.

Our decision to leave the European Union will change none of our underlying strengths. But we will have the opportunity to use them to build new, more

open horizons.

We also share something else in common. We are both members of the Commonwealth of Nations – an organisation of cooperation and friendship whose members stretch across the globe, covering 2.3 billion people and 30% of the world's population, all of them ready to use the ties of the past to meet the challenges of the future.

The Commonwealth, though, is different to other multinational organisations. The bonds of history, friendship and family have produced an organisation that revels in its social and cultural ties, as much as its political and economic ones.

For example, I cannot mention the Commonwealth without reflecting on one of those cultural ties – our sporting tradition.

The GREAT Campaign is working to shine a light on the UK-Australia sporting relationship – a robust, passionate but friendly rivalry – mostly!

The GREAT Campaign not only celebrates our long shared history, but also promotes all the trade opportunities that it has generated, from tourism to sports science to stadium infrastructure.

With the Ashes will under way, and the Women's series finishing in a diplomatically convenient draw, there is no better time to celebrate our sporting connections.

And I'm very much looking forward to Australia and England fighting it out for the Rugby League World cup this coming week in Melbourne.

You have been greeted this evening by another sport, as one of the Clipper practice yachts sails in front of this wonderful venue. We're delighted that Clipper Ventures is also supporting the training of veterans in preparation for sailing to be incorporated in the Invictus Games Sydney 2018.

GREAT Britain has a team entry in the Clipper Round the World Yacht Race, and will be in Sydney next month as part of its global race circuit.

And next year's Commonwealth Games, held on the Gold Coast, are an opportunity to further reinforce these strong and enduring bonds between our nations.

After Britain leaves the European Union, we will be able to strengthen these friendships even further, looking forward to our shared opportunities.

Foremost among our Commonwealth friends is Australia. For many, not least in the business and agricultural sectors, Britain's accession to the EEC in 1973 marked something of a hard break, as barriers to trade were established where none had previously existed.

How did Australia react to this change? Not by retreating, but by forging a new trading role for itself, connecting to new markets in Asia and North America, and casting itself as the economic link between East and West.

And all with a courage and optimism that some people in the UK would do well to understand and emulate.

We have much to learn from your approach. I am here in Sydney because Britain wants to forge a new relationship with Australia, and use our historical legacy to build a partnership for the 21st Century.

We announce today that, as part of that commitment, HMS Sutherland will be visiting Australia in the New Year as part of her Asia Pacific deployment. It is a physical symbol of our strategic partnership in security.

Commercially, we are also starting from a position of great strength.

The Australian British Chamber of Commerce have played a notable role in this success. For over a century, they have identified and supported opportunities for bilateral trade between Australia and the United Kingdom.

In that time, they have seen a vast number of economic shifts, not only in our bilateral relationship, but globally. Globalisation and new technology have diminished the barriers of distance and time. A journey from London to Perth, which took 48 days in 1887, will from next year take just 17 hours, as non-stop flights begin operating between the two cities.

Today, Australia is a larger export market for UK companies than India or Canada.

This global interconnectedness has hailed a wave of investment in each other's economies, disproportionately important to one another given the respective size of our markets.

The UK is the second-largest investor in Australia, and in turn the second-largest destination for Australian investment, after the United States in both cases.

There is a strong mobilisation of institutional investment funds into major projects in each other's countries. In one notable example, the Australian Super pension fund has invested £1 billion into the Kings Cross development project in London, one of the most significant regenerations in Europe.

The area has been transformed, and not only comprises housing and businesses, but also Google's new UK Headquarters, and the Crick Institute for Biomedical Research.

This means that the savings of ordinary Australians are creating jobs, housing and growth in the United Kingdom, an indicator of our shared economic destiny.

Similarly, the UK-owned Liberty House Group recently acquired the Arrium Steelworks in Whyalla, bringing it back from the brink of collapse and saving over 5,500 Australian jobs in the process.

Our common story is one of open, successful mutual investment, with companies like BP, Macquarie Bank, and Westfield becoming household names in each

other's countries.

And yet, despite such obvious success stories, there remains a vast amount of untapped potential between Australia and the United Kingdom.

If we are to strengthen our relationship, and build a prosperous future, then we must expand those industries that will be the foundations of future growth.

The UK's world-leading digital, infrastructure, and financial services industries will be the partners for growth, driving future economic integration and helping to realise many of Australia's most ambitious projects, from Smart Cities to the Melbourne Metro.

The digital sector, though it may present a logistical challenge for trade legislators, is one of the most exciting areas of growth between our two countries.

The United Kingdom is globally recognised for the strength of its technology sector.

As the technology Capital of Europe, we are a hub of research and innovation. Since 2011, the UK tech sector has attracted more investment than Germany, France and the Netherlands put together.

Currently, the UK provides around 10% of Australia's technology imports, yet more and more UK tech companies are looking to expand into the Australian market, or tap into your own pool of expertise.

My Department is already supporting BT with the launch of their first Cybersecurity R&D facility outside the UK, here in Sydney.

And early next year, Innovate UK will lead a Smart Cities trade delegation to Australia, followed up by a DIT mega-tech mission in 2018.

This, of course, is only one industry. But when you combine its potential with that of other industries, such as the £60 billion Australian Infrastructure Pipeline, or the MOU signed last year to facilitate a comprehensive Financial Technology bridge, then you can begin to see the range and scale of the opportunities we share.

Success, of course, will only come when we are willing to boldly meet the challenges of the future.

Services, for example, represent over 50% of the value of UK exports to Australia, and must be a priority for liberalisation.

We must work together to see the revitalisation of ambitious projects such as the Trade in Services Agreement, currently becalmed in Geneva.

If Britain and Australia are to work together to champion free and open world trade, then we must lead by example, removing barriers and facilitating bilateral and multilateral trade.

Britain's ambitions, once we leave the EU, for a comprehensive Free Trade Agreement with Australia are well known.

We will have the opportunity to design an agreement that can be a global blueprint for the future, encompassing cutting-edge industries, and showcasing the benefits of unimpeded bilateral trade to the wider world.

Following last year's referendum, the Prime Minister created my Department for International Trade to make Britain a global defender of commercial freedoms, and to work with old friends and new allies across the world to realise our post-Brexit economic potential.

I am proud that Australia was the first country in the world with which we established a trade working group, laying the ground work for that future FTA.

Such an agreement can, of course, only come into effect once we have left the EU.

We want an open, liberal, and comprehensive trade agreement with the EU, in the mutual interest and for the prosperity of our people. We need an economic Brexit designed for the people of Europe, not a political Brexit designed for the Bureaucrats.

I am confident that such an agreement can be reached.

Throughout the process, my Department and the whole of the British Government will work to ensure maximum continuity and stability for companies operating in the UK, ensuring that trade and investment continues unhindered.

Yet I am here in Sydney because the UK's economic future lies beyond the borders of Europe, with countries like Australia who should be, and will be, our natural trading partners.

Last year's referendum result was not a vote for insularity, but for ambition – an acknowledgement by the British people that our destiny lay not within Europe, but with the wider world.

The Government was elected in June this year on an unashamedly free-trade mandate, and my Department for International Trade is delivering on that promise.

This not only means Trade Working Groups and FTA planning with countries like Australia, but implementing clear manifesto promises, such as the creation of a global network of HM Trade Commissioners.

The nine HM Trade Commissioners will each oversee an area of the world, providing regional expertise and greater responsibility, and accountability, for boosting Britain's overseas trading relationships.

Since DIT's creation in July 2016, I and my ministerial team have conducted almost 130 overseas visits, to markets across the globe.

What has struck me most firmly is the sheer anticipation that is felt in many quarters for Britain's re-emergence as an unambiguously free-trading nation – fully committed to a global, rules-based system.

Commercial freedoms cannot be taken for granted.

Today, the global trading system that has brought wealth and prosperity to our advanced economies is under threat, as a slowdown in international trade is compounded by a rising tide of protectionist practices.

As the WTO has highlighted, the nations of the G20 are some of the worst culprits, silting up the global system with an abundance of non-tariff barriers.

If the benefits of free trade are to spread to a new generation, and bring prosperity to the poorest regions of the world, then the UK and Australia must be unafraid to defend, and extend, trading freedoms.

I spoke earlier about how the UK has much to learn from Australia, and from our Commonwealth cousins. For the first time in more than four decades, the UK will soon have a fully independent trade policy.

DIT is recruiting the right individuals, and already boasts a vast pool of talent, yet in Australia we have a friend and ally that has successfully negotiated FTAs from the US to Singapore.

As we look to the future, I hope to see our two nations forming a strong and united front in defence of free trade. Whether it is in Buenos Aires, at the WTO's Ministerial Conference, in Davos at the World Economic Forum, or at the G20 summit, the UK and Australia must work together to uphold and defend our hard-won commercial freedoms.

For all the long history that our two countries share, it is how we meet the challenges of the future that will define our friendship.

We have the means, we have the values, and we have the expertise – all we need is the will, and we can secure a brighter, more prosperous future for Britain, Australia, and the world.

Thank you.