

Speech: Shipping industry is keystone of global trade

Good morning. It is a great pleasure to be here today to address London International Shipping Week.

When talking about shipping, it is often all too easy to drop into clichés or to rest on our laurels as Jeremy mentioned.

Those unfamiliar with the modern industry might hark back only to the United Kingdom's past as a 'great maritime power', with a 'long history of seaborne trade'.

Such statements are of course true, and our history is important. Yet where images of masted clippers and steam freighters are a part of our great heritage, and I have a few of them at the world of DIT, they bear little relation to shipping today.

The maritime industry is one of the most innovative on the planet, with a pace of development and willingness to embrace and adopt new technology that few can match.

From crewless ships to alternative power sources, advances in shipping continue to make headlines around the world.

And in the age of mass air travel and the digital economy, it is shipping that remains the foundation of the United Kingdom's prosperity.

As Secretary of State for International Trade, I lead a department that is tasked with boosting Britain's exports, combining a policy framework with practical and financial help to UK companies aiming to tap into new markets overseas.

All of our efforts, however, would be in vain without the continued strength of Britain's shipping and ports, which handle 95% of this country's imports and exports, by volume.

It is fortunate, then, that this country boasts the second-largest maritime cargo industry in Europe, handling 500 million tons of freight each year through 120 commercial ports.

The wider maritime sector in the UK, and its associated industries and business services, contribute £22 billion a year to our economy, and employ at least 360,000 people.

Many of these are in the UK's world-leading marine technology sector, allowing the industry to tap into, and support, Britain's vast research capabilities and pool of scientific talent.

In the year to July, UK exports rose by 11.5%, boosted by a strong

performance in the sales of physical goods into overseas markets.

Similarly, the UK manufacturing industry has also seen robust growth, with order books of British factories climbing to their highest level in over two decades.

Needless to say, these successes would not have been possible without the support of the international shipping industry.

Yet the real impact of shipping is far wider than these headline figures – it has facilitated the rise of globalisation.

New communication technology has done much to eliminate the barriers of time and geography, but it is shipping that has made it economically viable to transport materials and components across the world, and expedited the development of the global economy.

These value chains have had a very real impact on the lives of ordinary people across the world. In this country, living standards have climbed to their highest level in history, as more goods become available at better prices, and wages go further.

And in the world's developing economies, the impact has been greater still.

According to the World Bank, the 3 decades between 1981 and 2011 witnessed the single greatest decrease in material deprivation in human history.

The economic liberalisations of China and India could not have produced an economic boom without the ability to access global markets by sea. Without shipping, this great emancipation of the world's poor could not have taken place.

So the impact of the industry on the lives of ordinary people is important to remember and communicate through in expounding the vast economic benefits of shipping, at London International Shipping Week no less, I am well aware that I am preaching to the converted.

Everyone here today will have witnessed first-hand how sea transport and container shipping have supported the explosion in global trade.

Yet this event is all about looking to the future and not, as I alluded to at the beginning of my speech, dwelling on the past successes of the industry.

So, as we move further into the 21st century, it has become increasingly apparent that shipping will be at the heart of the most important international developments of our time, not only for our economic prosperity but also our security.

There is an increasing awareness that trade and security are intimately linked. An open free trading environment, social and political stability, and security are all part of the same continuum; you cannot disrupt one of these without disrupting the whole.

Maintenance of the world's sea lanes, and ensuring that they remain safe, open and navigable, will be essential to ensuring continued economic openness and global stability.

Using diplomatic and military resources to protect the world's maritime trade routes will become increasingly important; especially as melting summer sea ice opens up navigable lanes across the top of Russia and through the Canadian archipelago.

These northern sea routes represent a global opportunity, and are part of the ever-closer link between east and west. They are, after all, the first new sea trade routes since the end of the Age of Discovery.

This government entered office with the ambition to make Britain the world's greatest advocate of free trade, forging agreements with old allies and new friends to extend commercial freedoms across the globe.

And if the shipping industry is the keystone of global trade, then we will do everything we can to extend and support your operations here in the UK. As a government, and as a country, we are committed to strengthening this vital sector.

At the heart of our approach will be our Industrial Strategy. It is an ambitious blueprint for the industrial and economic future of this country, and will ensure that we are equipped to meet the challenges of the 21st century, and ready to take up a new place at the centre of global trade.

An essential aspect of this is, of course, our infrastructure. In the last decade, Britain's ports have prepared themselves for growth by investing billions of pounds in expansions, upgrades and modernisations.

Our National Policy Statement for Ports sets out a secure planning framework for yet further investment, including taking into account the economic benefits of ports and shipping when granting applications to expand.

And, as my friend the Secretary of State for Transport announced at Monday's International Shipping Week roundtable at No. 10 Downing Street, we will launch a renaissance in UK shipbuilding as part of the [National Shipbuilding Strategy](#), designed to make our maritime industry even more competitive, and export British ships to the world's merchant navies.

In all respects, we in the United Kingdom are opening a new chapter in our history.

We remain one of the best places in the world to start and grow a business, and the top destination for inward investment in Europe, commercially attractive, and with a fundamentally strong economy.

After we leave the European Union, we will work to build a close and special relationship with our European partners, based upon the ties of industry and commerce that have long united us, and ensuring that businesses will continue to trade as openly and freely as possible with the EU.

Yet, as a nation, we will also forge new trading partnerships across the world, promoting freedoms of commerce and partnering with those emerging economies that are the future of global growth.

In all our endeavours, the international shipping industry will be our vital partner.

Just as shipping supports the UK economy, so we will support your industry. I am here today because my department, and the whole government, will continue to do all that we can to support shipping and ensure its global success.

Yours is, after all, an industry that will shape the coming century.

The benefits of globalisation are enormous, and it is shipping that will ensure that they can spread to all humankind. There is vast potential to unlock, and government and industry must work in tandem to meet the challenges and realise the opportunities of the future.

Together, there is nothing we cannot achieve for ourselves and the world beyond.

Thank you.