

Speech: Speech by the Rt Hon David Lidington MP at Pontignano 2018

It is a pleasure to be back in Siena and back at another Pontignano Conference.

It is great to see such strong support from both UK and Italian business sponsors.

Meeting at this moment of major, political, geostrategic and technological change, affecting both Europe and the world, we need to bring together leaders and influencers to consider the right approach to the challenges we all face, in a world where:

- economic and military power is shifting away from Atlantic dominance
- we are confronting the threat of climate change, leading to the risk of civil disorder in Africa and elsewhere
- increasing migration is putting strain on state services and social cohesion in recipient countries
- international norms are being challenged, and what appeared to be the inevitable consensus about the advantages of democracy and globalisation has been faltering

So I believe that this is a critical time for our international rules-based system.

It is a system that we in Europe played a leading role in building.

And it is a system I believe we in Europe must endeavour to protect.

If we look back at those classic Italian films such as Rossellini's 'Rome, Open City' and De Sica's 'Bicycle Thieves', these remind us of the state to which Europe was reduced in the middle of the 20th century.

We cannot underestimate the importance of the international agreements that underpinned our recovery from that painful period.

We in Europe must work together to protect the international rules-based system, and to strengthen and reinvigorate the institutions which underpin it.

As the world's fifth largest economy, and a major economic power in its own right, the United Kingdom stands ready to play its part. As we have always done.

In March 2019, we are leaving the institutions of the European Union. But we are not leaving Europe; our geography, our history, our shared cultural traditions do not change.

The UK will always remain a European nation committed to European security,

European trade and European values.

In our exit negotiations, we are seeking a deal that keeps us as close as possible to our European partners.

The trade agreement and security cooperation that we have proposed in our White Paper are ambitious and unprecedented. They challenge established habits of thought in the Commission and in certain Member States. The deal we are seeking was always going to be tough and complex.

Let us be clear, what we are not proposing is a single market for goods, cherry picking or dividing up the four freedoms.

We are leaving the Single Market. We will no longer have the rights of a member state, nor the same market access or influence.

What we have, instead, put forward is a proposal for a new and fair balance of rights and obligations.

They include what President Juncker described, last week, as a free-trade area for goods, consisting of a common rulebook for goods, including agri-food, for those rules necessary to provide frictionless trade at the border.

And we are proposing new customs arrangements to remove the need for customs checks and controls between the UK and the EU, with those underpinned by new provisions to ensure that competition between us is open and fair, through level-playing-field commitments on environmental standards, social and employment protections, and state aid which go well beyond commitments in traditional FTAs.

Alongside this, we are proposing new joint-institutional arrangements to provide for regulatory co-operation and dispute resolution, which includes a role for the CJEU as the interpreter of EU law.

We believe that this is the only credible response currently on the table to the guiding principles put forward by both sides.

It meets, critically, the commitments in the Joint Report on Northern Ireland agreed last December. These proposals are also in both sides' economic interests.

We value our close economic and historic relationship with Italy and want to preserve these as part of our EU exit negotiations.

An agreement is in all of our economic interests.

Italy is the world's eighth largest economy and the UK's sixth biggest trading partner; bilateral trade in goods and services was estimated to be over £50 billion in 2016.

There are around 1,000 Italian companies active in the UK. Among the largest, including tyre company Pirelli and defence contractor Leonardo, formerly Finmeccanica, frictionless trade is crucial for them and their cross-border

supply chains.

Our proposals are pragmatic.

The EU's relationship with the UK is not the same as that of any other third country.

We are already aligned with the acquis. We already have frictionless trade. We already cooperate on security issues.

Nowhere is this truer than in Northern Ireland.

Our Prime Minister has said, repeatedly, that she feels a 'special responsibility' to the people of Northern Ireland, and that there should never be a hard border between Northern Ireland and the Republic of Ireland.

So we agree that any deal we reach with the EU will have to provide for the frictionless movement of goods across the Northern Ireland border, and we believe our proposals do this.

We remain absolutely committed to including a legally operative backstop in the withdrawal agreement. The problem with the Commission's proposed 'backstop' text is that it will breach the Joint Report agreed last December and thus, the Good Friday Agreement.

As a United Kingdom government, we could never accept that the way to prevent a hard border with Ireland is to create a new border within the United Kingdom.

The proposals in our White Paper provide the clearest, realistic solution to avoid a hard border in Northern Ireland. They avoid the need for customs and regulatory checks at the border and mean that products only need to undergo one set of approvals and authorisations in either market, before being sold in both.

They also, critically, reduce risks to peace and security to a very fragile environment in Northern Ireland, which a hard border, either on land or on sea, would bring.

Our close cooperation is just as crucial when it comes to security, and my country remains unconditional in its commitment to the security of Europe and our desire for the closest possible future security partnership.

Terrorism and serious organised crime do not respect national frontiers. Our current excellent cooperation at expert level is facilitated by access to EU databases and agencies.

For example:

- The UK, along with Italy and Germany, is one of the most active users of the Schengen Information System II. Between 2016 and 2018, there were 644 occasions where the UK used that system and information to alert

European partners that their counter-terrorism suspects had travelled to the UK.

- Europol has allowed the UK to identify human trafficking operations, where migrants have been smuggled into and through Italy.
- And when Hussain Osman fled to Italy after the failed London bombings in 2005, we could issue a European Arrest Warrant and he was extradited to the UK to face justice, just 56 days later, leading to his imprisonment.

We are working closely with Italy, too, on seizing the assets of criminals.

As of November 2017, the UK had restrained assets worth just over £25.5 million following requests from the Italian authorities for asset recovery assistance.

This kind of cooperation has saved many lives.

An unambitious deal that led to our loss of access to these EU tools and measures, and the EU's access to ours, would have serious implications for the safety of both UK and EU citizens.

The need for international solidarity was demonstrated clearly by the attack in Salisbury in July.

Russia's deplorable use of a nerve agent on British soil to carry out an assassination that tragically resulted in the death of a British citizen.

The solidarity that Italy and other allies showed by expelling Russian diplomats was the best response to attempts to challenge the rules of the international order.

Italy remains a key partner for us. Since the Cold War, Italy has been on more operations with the UK than any other nation.

Today, our armed forces are still working "fianco a fianco" in Afghanistan, Iraq, Kosovo, Somalia and in other parts of Africa.

They have a high degree of interoperability and our defence planners see eye to eye – including on the importance of NATO reform and the framework for the south.

In July, Italian Minister for Defence, Trenta, and our Defence Secretary, Williamson, signed a Joint Statement of Intent to work more closely together to both reinforce our strategic partnership and to tackle, together, capability gaps in facing future threats.

Together, along with Germany and Spain, we developed the Eurofighter Typhoon.

Sustaining 100,000 highly-skilled jobs across Europe and has generated £15 billion in exports.

So why are we doing all this? Wouldn't it be easier for the UK just to stay in the EU?

The answer to that is clear. The British people have made a democratic choice in a referendum. And in a democracy, a democratic choice has to be respected, even if you disagree. Otherwise, what is pretty fragile public confidence in the political process would be damaged still further.

With the end of the Article 50 process rapidly approaching, there are decisions to be made. We need to inject all our energy, creativity and determination into agreeing a deal.

Because with only around 190 days to go until our departure, we have a choice between a deal based on the pragmatic proposals that we are discussing now with the European Commission, or leaving without a deal.

A deal is in both the UK and EU's interest. So as we enter this final phase, we ask our European partners to respond with ambition, pragmatism and urgency to our proposals, and get into the detail of discussion where there are real problems to overcome.

For if we forget our common interests and accidentally slide into a no-deal separation and an acrimonious divorce, I am afraid that we risk losing our sense of common destiny, undermine our ability to cooperate, and will have to face the challenges of the 21st Century divided. So I believe that it is in all our interests that we concentrate on the task ahead and complete this task in the interests of all our citizens – and of future generations.