

Speech: Speech celebrating the launch of the Export Strategy

The virtue of exports

This country has historically been a great, outwards looking trading nation. At our best we have sold what the UK has to offer to every corner of the globe. Exporting is as key a part of our economic international activity as it ever has been.

It is crucial to our prosperity, stability and security. Whether in creating jobs, raising wages or growing our economy, our exporters lead the way. They account for some 60 per cent of our productivity growth and have been a major component of the UK's strong economic performance since 2010.

This success spans the length and breadth of the UK, from oil extraction and financial services in Scotland, to transport and film producers in Wales, to aerospace and e-commerce pioneers in Northern Ireland, to FinTech and professional services firms across England.

In particular, exports build economic resilience and bring the higher skill, higher paying jobs that we will need to thrive in the world as a truly Global Britain.

In the last year we saw UK exports of goods and services rise by 4.4% – to a record £621 billion this year'. Yet although we punch above our weight, in many ways we are still short of our full potential. And whether or not we had decided to leave the EU, the UK would still have needed to up our game on exports. Why? Because we know that firms that export will have better productivity, better paid jobs and will be likely to operate for longer.

And we know that improved exports lead to greater profits and generate tax revenues to support the public services on which we depend – from health to defence.

A Changing World

The world around us is changing faster than we may realise.

New patterns of growth are altering the landscape of the global economy at a staggering pace.

In countries in the West which have long had economic and political dominance, the speed and scale of change can be difficult to comprehend.

Last year global exports were worth more than double what they were worth in 1997 – and that is despite the global financial crisis.

China is expected to have 220 cities with a population of more than a million

by 2030. The whole of Europe has just 35. And PWC has predicted that there will be 1.1 billion middle class Africans by 2060.

The shifts in global economic and demographic power – and the rise of collective wealth of developing countries that it is bringing – will shape future opportunities of free trade in the years to come.

Making the most of these changes – providing the jobs and prosperity the UK needs – means navigating this shift successfully.

We cannot wish away these inevitable changes – and nor should we.

UK businesses are superbly placed to capitalise on the rapid changes in the global economic environment.

Economies in South Asia, East Asia and Africa are becoming more and more prosperous, driving demand in precisely those sectors in which the UK excels.

I see examples of the demand for British goods and services on every overseas visit I make. UK products enjoy an unparalleled global reputation for quality, and the continued international demand for anything ‘made in Britain’, from luxury cars to business services, is only growing. Take China – which I will be visiting later today. According to research by Barclays, over 60% of people in China would actually pay more for a product, just because they knew it was made in Britain. That’s some reputation!

And across the world, the public and private sectors alike are seeking UK service exports, in the form of expertise on everything from improving education to delivering international sporting events.

The UK has the potential to be nothing less than a 21st century exporting superpower.

Our Strategy

Every day, fantastic UK businesses are succeeding in making new openings in overseas markets. However, there are still so many opportunities left unrealised. That is what this strategy is intended to change.

It builds on the Government’s Industrial Strategy, with the ambition of making exporting the norm, not the exception, and working with business to give them the tools they require to unlock our economic potential.

The innovation, ambition and hard work of UK businesses will help power the prosperity that underpins our social cohesion – and the political stability that is the foundation of our collective security, not only in the UK but around the world.

Currently, exports represent around 30% of our GDP – broadly similar to France, Italy and Canada, but substantially behind Germany. Given the strength of the UK economy, we should be reaching for the top of the pack – not lingering in the middle.

That is why today I am announcing a new national ambition to raise exports as a proportion of our GDP from 30% to 35%, putting us towards the top of the G7. This is challenging, but achievable as we build a truly Global Britain.

And the 35% target is just the first part of the story – this will be used as a tool for us to work with other Government Departments, Devolved Administrations and businesses to leverage more transformative proposals in Export Strategy 2.0.

Governments do not create wealth but we can help and support those who do. We will work with businesses – the drivers of exports and growth – to expand their global footprint and take full advantage of our trading relationships in every part of the world.

The government is determined to play its part to help support, connect and grow UK companies on the global stage. We will ensure that we use our international network and government-to-government relationships to the greatest advantage; helping to connect businesses, open markets and unlock opportunities overseas.

As well as continuing to work closely with industry, we will take a whole-of-government approach, collaborating with partners in the Devolved Administrations, across local government, and with industrial bodies, to put in place practical, promotional support and the very best in export finance. This will help firms – from start-ups to large multinationals – to maximise their export potential.

As I have said, it is business – not government – that must be at the forefront of this ambition. Governments generally do not break into new markets, invent new products, or win export orders – businesses do. That is why this is also a business-led strategy, developed in cooperation with firms across the UK to address the practical barriers they face to exporting.

Whether it is payment risk issues, a lack of working capital or simply not having the right contacts in markets overseas, this Export Strategy is about finding, addressing and overcoming these barriers.

Some barriers can be about perceptions. Some firms may believe they are not suited to overseas sales, or lack the confidence or knowledge in how to pursue them. They may not have the information they need about how to tackle market access issues, how to seek and get export and trade finance, or even where to go for help.

This strategy is about increasing awareness, making connections and working with business to help those that could export but don't – or are just at the beginning of their export journey.

UK Export Finance – often called the government's best kept secret – ensures that no viable UK export fails through lack of finance or insurance – a promise that we put at the heart of this Strategy.

One of the main lessons from our consultation is that businesses want to talk to their peers about their experiences. So our strategy creates a network of

Export Champions across the UK – business people offering expertise and guidance to support other businesses on their exporting journey.

As the slogan says, ‘if we can, you can’. That means so much more coming from business peers.

The Strategy builds our digital services to make it as easy as possible for businesses to navigate the export guidance, support and information government provides.

And it continues to strengthen our international trading relationships through ministerial visits, the Prime Minister’s Trade Envoys, and our new network of HM Trade Commissioners.

And when it comes to Ministerial visits, we have kept our promise to publish a list of the countries my Ministers and I will be visiting. This innovative approach gives businesses the opportunity to have their say on ‘in market’ issues, and let us know if they feel Ministerial engagement in a certain country can benefit them, whether in opening market sectors or getting business deals over the line.

Conclusion

Forging a new role for the United Kingdom on the world stage starts with addressing the export challenge.

Since the British people’s decision to leave the European Union, there has been much discussion on the UK’s economic future. Some have expressed doubts about our capacity and willingness to ensure this country remains at the very heart of international trade.

This is a view I fundamentally reject. Brexit is not the occasion to ‘pull up the drawbridge’ – but to embrace the opportunities that the changing pattern of global trade presents.

I truly believe that Brexit is an opportunity. At Chequers, the Government agreed its proposal for an economic partnership with the EU after the UK leaves on 29 March next year. It confirmed that the UK will leave the Single Market and the Customs Union and will seize new opportunities from trading with the rest of the world.

But to ensure we are at the forefront of global trade, we must do more. We must raise our ambitions, widen our horizons and expand our timescales. Europe is and will continue to be an important market for our goods and services, but there is a world beyond Europe and a time beyond Brexit.

And as we pursue our first independent trade policy in over four decades, we must maximise our global export potential, delivering benefits for business, workers and consumers around the UK. To do this, we must embrace the huge changes underway in global trade patterns, look to the future, and recognise that the time is now to set ourselves on this path to our collective prosperity.

I will repeat again – around 90% of global economic growth in the next 10 to 15 years is expected to be generated outside the European Union. We must adapt to be part of that change. And that is just what this Export Strategy aims to do.

To forge Britain's future as one of the 21st Century's great trading nations...

And to build a truly Global Britain.

Thank you.