

Speech: Unlocking the full potential of the UK-GCC trade and investment relationship

Secretary General, Your Excellencies, Lords, Ladies and gentlemen.

Good morning. It gives me great pleasure to be here today to open the UK-GCC Public Private Partnership Conference and to welcome especially those who have travelled.

The conference is a celebration of the strong partnership already enjoyed by the United Kingdom and the nations of the GCC.

It is a partnership based not only upon defence and mutual security interests, but upon trade, commerce, and the bonds of friendship that span the geographic separation between Britain and the Gulf.

But it is not a time to rest on our laurels. Both the UK and the GCC nations stand on the verge of a bright, outward-looking future, where co-operation with international partners will be more important than ever before.

From the Qatar National Vision to Saudi Vision 2030, every country here today is embarking on an ambitious journey, enacting great transformations to safeguard prosperity, and ensure that every citizen has a stake in the future.

Britain too has a bold vision for the future.

When the Prime Minister formed her government in July last year, she made clear her ambition to build a global Britain, a country that is internationalist, open and outward-looking.

A Britain that will work with old friends and new allies across the globe to liberalise commerce, stimulate trade, and promote political stability.

My own Department for International Trade was created to help realise this vision, working to boost British exports, attract yet more foreign investment, and champion trading freedoms in the UK and across the world.

Our departure from the European Union will give the UK, for the first time in a generation, the tools to realise this ambition.

Of course, our European partners will always remain our close economic and political friends. The triggering of Article 50 marks the start of a new and deep partnership with the EU.

But the UK will also look beyond the borders of our continent, strengthening our trading ties with those nations, like the GCC states, who have long been our diplomatic and commercial allies.

Our trading relationship is about more than macroeconomic benefits. It is about shaping our economies to face the challenges of the future. It is about investing in infrastructure, healthcare and education. It is about creating the jobs that offer financial security to millions of our citizens.

Fortunately, the relationship between the UK and the Gulf states is starting from a position of great strength.

We have long been partners in defence. During the Cold War and in the decades since, the UK has been at the forefront of the security relationship between the Gulf States and the West, an alliance that time and time again has faced down regional and global threats.

The new Strategic Partnership between the UK and the GCC, announced when the Prime Minister attended the Council in December last year, will serve to strengthen these ties at a time of increasing global uncertainty. We each need to do our part, across the whole of government to ensure that this mission continues to grow and flourish.

In recent years, though, it is our economic and commercial relationship that has become the standout success story.

UK companies export over £30 billion worth of goods and services to the GCC nations every year, more than to China, and almost twice the value of our exports to India.

Thousands of British companies are active across the Gulf, creating jobs and helping to deliver projects from energy expansion to helping Qatar prepare to host the 2022 World Cup.

And the relationship is far from one-way. The Gulf is home to the world's largest wealth funds, and your investment has poured into the United Kingdom, transforming the fabric of our nation through scores of high-visibility development projects.

At a time when Britain is recasting its place in the world, GCC investment has been a great public vote of confidence in the intrinsic strength of the UK economy.

Yet for all this success, there remain a vast number of untapped opportunities to expand and deepen our trading relationship. There is much potential yet to unlock.

This conference is part of the drumbeat of the UK's wider engagement with the GCC. Our partnership is already flourishing, but we can be closer, on defence, on security, on culture, and of course on trade and investment.

Following the creation of the Department for International Trade, one of the first official visits as Secretary of State was to the Gulf.

This has set the pattern of engagement, with ministerial visits across the region, as well as high-level seminars and conferences in several countries.

Like our counterparts across the GCC, the UK government is embarking upon a bold industrial strategy, taking the big investment decisions required on capital projects to stimulate our economy and project our prosperity far into the future.

Our infrastructure plans include over £300 billion worth of investment by 2020 / 2021, over 50% of which will be financed and delivered by the private sector.

The UK has always had a strong reputation for innovative approaches to infrastructure financing, and for many years this country has been home to one of the world's largest and most experienced private public partnership markets.

Public private partnerships and private finance initiatives are not always a magic bullet, but they do work remarkably well to transfer the risk of capital projects, spreading the load between the government and their private sector partners.

They ensure that the private sector is free to bring its innovation and dynamism into public services and government projects, working in an appropriate partnership to realise national ambitions.

Governments, however, must be vigilant. If PPPs or other funding mechanism are carried out incorrectly, then the taxpayer can be locked into a significant burden.

The last Labour government, for example, have left the NHS hospitals owing over £80 billion in PFI loan unitary charges, leaving the taxpayer a legacy of debt repayment that will amount to up to 7 times the original capital cost.

Yet with care such risks are easily mitigated, and PPPs and PFIs have had a truly transformative effect on the UK's infrastructure and public services.

As of last month, there were 716 ongoing PPP and PFI projects in the UK, stretching across education, healthcare, housing and transport.

Across the country, the government and private enterprise are working side by side to build a better future for our citizens.

Today's conference will enable the countries of the GCC to tap into the UK's wealth of PPP and PFI expertise, helping you to finance and deliver your ambitious national visions.

It could be said that knowledge and expertise are some of the UK's chief exports. This applies not only to initiatives such as PPP, but to the companies the length and breadth of Britain who stand ready to help realise the GCC's ambitions.

From infrastructure to healthcare to education, UK companies with a proven track record are ready to share their expertise and invest in the future of the Gulf. Their capability can give your nations, and your citizens, the

tools to face the economic and social challenges of the 21st Century.

The connections that are made today between government and business will help to shape a better future for all our nations.

Great strides have also been made at governmental level.

I am delighted that the inaugural Joint Economic and Trade Commission with Qatar will take place in London next month, and I look forward to co-chairing the Joint Ministerial Commission with Saudi Arabia in the near future.

The UK's trade working group with the GCC has been established, and will soon start work on the future shape of our trading relationship, identifying barriers to trade and forging an ever-closer commercial relationship between the UK and the GCC.

Three Prime Ministerial [Trade Envoys](#) are currently active within the GCC, spearheading a whole-of-government effort to maximise Britain's trade and investment opportunities.

As well as this political and diplomatic progress, my own Department for International Trade is offering practical support to expand the UK-GCC trading relationship.

We believe that no trade between the UK and our partners in the Gulf should fail for lack of finance and insurance. That is why, through UK Export Finance, we can give buyers and project sponsors across the region attractive long-term finance to make sourcing from the UK more competitive.

We can provide billions in support for UK companies exporting to countries in the GCC, and for their buyers in the region in both the public and private sectors.

In addition UK Export Finance support will now be available in a number of the GCC's currencies, allowing the region's buyers to access finance in their own currency and making the UK's world-leading goods and services even more competitive.

At every level, from the highest reaches of government to individual businesses, we are striving to deepen the trading relationship between the UK and the GCC.

This conference is not only an opportunity for the GCC nations to capitalise on the UK's vast PPP knowledge and experience. It is also a springboard for our future trading relationship.

As the UK recasts its place in the world, our friendship with the GCC nations will become ever more important, as we work together to shape the future, realising our national visions and building a safer, more prosperous world for all our people.

The UK-GCC partnership is strong, and it will only grow stronger. When the drive and dynamism of the Gulf States meets the knowledge and expertise of

the United Kingdom, there is nothing we cannot achieve.

Thank you, and welcome to the conference.