

Speech: Why British trade with Africa, Caribbean and Pacific nations can boom after Brexit

Thank you for inviting me to speak here today.

As a trade minister it is rare to be able to talk trade with representatives from so many countries, in the same room.

And African Caribbean and Pacific (ACP) countries are important for British commerce.

Total trade between us, going both ways, amounted to £22 billion last year. That touches thousands of businesses and creates thousands of jobs.

And I predict that trade is going to increase, substantially.

Why do I think that?

Partly because it already has been increasing – up by a fifth in the last decade.

Partly because of the economic transformation of ACP countries – 6 of the world's 20 fastest growing economies.

But also because as we leave the EU, we will be seeking to increase that trade.

As you all know, we are currently negotiating our withdrawal from the EU. Of course, we are making preparations for all eventualities, including a so-called “no deal”. But we are still confident of a deal – 95% of the draft has already been agreed.

This deal will involve an implementation period in which we will remain within the common policies of the EU, providing important stability for business. But in time, we will be setting our own independent trade policy.

This will mean that we will be able to set our own tariffs, our own rules and have our own voice at international bodies like the World Trade Organisation (WTO).

And let me be clear: we want to use this to do more trade with the rest of the world, including ACP countries.

Brexit was not and never has been about the UK turning in to ourselves – it is about facing out to the world.

Non-EU trade has become more and more important to the UK. A decade ago, most of our exports were to the European Union. Now it's the other way around.

And we now want to increase our trade across the world.

So what does that mean in practice?

It certainly does not mean changing things for the sake of it. We support a lot of what the EU does, and that's especially true in the immediate term – we understand that business needs continuity.

Instead it means building on what we already do, as a member of the EU.

I think there are 4 specific areas to mention here.

Firstly, unilateral preferences. Of all the members of the EU we have consistently been one of those pushing hardest for better trade arrangements for qualifying countries and more favourable rules and tariffs.

So once we leave we will continue offering preferential tariff rates: indeed, the Taxation (Cross-border Trade) Act 2018, which gives us the power to set preferential tariff rates, was signed into law by the Queen last month – one of the first pieces of Brexit legislation to become law.

In the immediate term we will simply be replicating the access the EU already gives – that is the only way to guarantee businesses the continuity they need, in the time available. But we will be looking at how we can improve our trade preference scheme by making it more generous, simpler to attain and easier to use.

We will also continue to offer preferential access to the UK in other ways.

For instance, we will maintain the Least-Developed Countries Services Waiver, guaranteeing that companies based in those countries that need our help most can continue trading in one of the world's largest and most sophisticated services markets.

Second, Economic Partnership Agreements (EPAs), which I know apply to a large number of countries here today.

I recognise that EPAs have not always been universally popular, and we want to work with you to improve them.

But we value their ambition, and in the immediate term our priority is to roll them over – given the timeframe, this is the only viable way of making sure you keep the same access to the British market, on day one of Brexit.

Under our draft Withdrawal Agreement with the EU these agreements would continue to apply to the UK during the Implementation Period – in other words, there will be no change until at least January 2021.

But good governance demands that we can all carry on using those agreements should a deal not be agreed between the UK and the EU.

That's why I was particularly pleased to be with Prime Minister Theresa May in South Africa, where Minister Kennewendo and I signed a [joint statement](#)

between the UK and Botswana, Eswatini, Lesotho, Namibia, South Africa, and Mozambique, confirming our joint desire to transition the existing EU agreement in time for Brexit.

It's important that we resolve any technical issues soon, so our businesses can carry on trading with each other regardless of the outcome of the Brexit negotiations.

The British government is taking this very seriously, and a lot of our best trade experts are working right now to make sure that happens.

Third, as well as reducing technical and tariff barriers to trade, there is the practical support we give to help our and your businesses trade and invest, and to create the right background conditions to trade through things like infrastructure, skills and regulation – all things already separate from our EU membership.

For example, we are encouraging British firms to invest in ACP countries.

The UK is already one of the world's biggest overseas investors – we had £1.2 trillion invested abroad at the end of last year.

Lots of governments encourage inward foreign direct investment, from companies abroad, but we are one of the few to give government help for outward direct investment – our companies investing overseas. Our Prime Minister, Theresa May, has now set a target for the UK to be the biggest investor in Africa, in the G7, by 2022.

And we are helping your firms to trade overseas.

Our £1.4 billion per year Aid for Trade programmes support critical trade infrastructure like ports and roads and strengthen export competitiveness in key sectors.

They also reduce trade costs – such as our Trademark East Africa programme, which I have seen in action, that reduced border crossing times by two-thirds.

We also build skills and capacity for trade negotiations, including supporting the ACP group for the WTO Ministerial Conference last year. Indeed, we recently made grants to both the Caribbean and Pacific groups to support engagement at the WTO.

So, we want to build on unilateral preferences and EPAs, and continue the work we're doing on Aid for Trade and investment.

But, fourthly and finally, we will not simply be thinking about the direct trade between our two countries.

We will also be thinking about the indirect benefit of upholding the global rules-based economic system that helps all our economies to thrive.

The UK was a key player in establishing the current international rules-based

economic system, including as a founding member of the World Trade Organisation.

We are already a WTO member in our own right. Soon we will be a member with our own voice – and as one of the world's largest economies, we are going to use that voice to fight for free and mutually-beneficial trade, for the rules-based international trade order, and for the better access to world markets that your countries deserve.

That is going to be most effective when we work together – including, in many cases, working with the EU.

So once again – Brexit is not about the UK turning in on itself. It is about us turning out to the world.

We want to work with you to increase trade between us, and to increase all our trade with the world.

We have a real commitment to make that happen.