

Speech: Why UK-ASEAN trade ties are thriving

It's been 50 years since the Association of Southeast Asian Nations (ASEAN) came together as a group of like-minded nations to promote regional trade and the benefits it delivers to all.

ASEAN has come a long way in the last half century, representing some of the world's most dynamic and fast-growing economies. Boosted by a young and growing population, the ASEAN region is already equivalent to the world's seventh largest economy with a growth rate of around 5%, which means that it is on course to be the fourth biggest by 2030.

Recently, I attended the UK ASEAN Business Council (UKABC) summer reception, a forum for trade representatives to discuss our rapidly growing trade ties.

Southeast Asia is a vital cog in the movement of goods and is essential for international trade to flourish. As such, ASEAN matters to Britain and is a key component in the UK's drive to increase trade with countries around the world. In 2016, UK-ASEAN alone trade increased by 9.1% and went above £30 billion (about \$40 billion) for the first time – and I expect this figure to continue to grow dramatically in the years to come.

Supporting and improving Britain's global trade links is a central priority as Britain leaves the EU, moving toward an independent trading future. In response, the Department for International Trade was created to support UK businesses to sell their goods and services trade around the world. And opportunities in fast growing markets are a key part of our future potential.

Highlighting the UK's commitment to growing our trade ties with ASEAN, so far, this year we've had 3 planned visits to the region by trade ministers: International Trade Secretary Liam Fox visited Thailand last month, a few weeks ago our Trade Policy minister, Greg Hands, went to Singapore for the ASEAN Leadership Forum a few weeks ago.

Today, nearly 25,000 UK businesses export to ASEAN-4 (Singapore, Malaysia, Thailand and Vietnam) alone – making the grouping the UK's second-largest global export destination after the United States. But, whilst this shows the significant scale of our current trade connections with ASEAN, there is still scope for much more scope for growth.

British businesses start from a strong base: we're already the second-biggest European investor in the region, supporting growth and jobs on both sides. In Singapore alone there are 4,000 British companies employing 50,000 people.

Today, services make up 44% of our total value of exports, a higher proportion of our GDP than any other major economy. Meanwhile, ASEAN countries imported \$311 billion of services in 2015, up almost 30% on 2010. The demand is there, and making it easier for firms here in London to work in

cities like Singapore, Bangkok and Jakarta will bring huge benefits.

But trade is key to the mutual progress of both sides of our ties, which is why the UK is determined to improve and develop trading relations, and we are making progress. Last year, UK global exports rose 9.2% (£52.8 billion) to £628.8 billion in the year between April 2017 and the end of March 2018, driven in large part by increased trade with fast-growing nations outside the EU, such as those in ASEAN.

Opportunities for increased trade between the UK and ASEAN will offer benefits to both our economies. That is why I am determined to help ensure that the people of both ASEAN and the UK continue to benefit over the next 50 years.