

# Speech: Writing a new chapter in the Global Era

Thank you Minister Song Tao and Lord Mandelson for your kind words of welcome.

I am delighted to be here in Beijing this morning during what is my third official visit to China, leading the United Kingdom delegation to the tenth UK-China Senior Leadership Forum.

Having attended previous forums, it is with great pleasure that I am back here today with so many of my parliamentary colleagues, who share my keen interest in China and my determination to build the strongest possible partnership between our two countries.

I am also delighted to see many Chinese colleagues returning to the forum, as well as new friends. I remember literally 'breaking the ice' with Vice Minister Guo Yezhou at the very first forum at Ditchley Park in 2007.

Indeed, times haven't changed too much – the UK has only recently emerged from the latest 'Beast from the East' cold weather during the past week or so. The fact that Beijing also saw snow last week I take as a good omen for our deliberations – I believe you have a proverb here which says that heavy snow promises a good harvest.

And so it is a great pleasure to be back here this morning.

This forum specifically invites those delegates who are already influential and on a positive trajectory in their respective systems and parties.

I believe this approach fosters interest, understanding and friendship between our two countries – and I am confident and optimistic that these ties will remain with the delegates throughout their careers, as they have done with me.

Crucially, this understanding represents more than just warm words between like minds – it provides the cultural and social bedrock which underpins bilateral relations between any two countries, of any size and any political persuasion.

For that is what I want to discuss with you this morning.

How a healthy UK-China relationship is absolutely critical to the prosperities and fortunes of both of our countries, as we step forward together into a fast-changing world full of both challenges and opportunities alike.

And how it is not just our governments who need to work closely, but our businesses, people and societies too – they are the ones who will help us together write that new chapter in relations between our two countries.

# Importance of the UK-China relationship

For as you have just heard in the words from the Prime Minister, Theresa May, we are in a 'Golden Era' of UK-China relations – relations which are going from strength to strength, and an Era which we all hope continues long into the future.

And as number two in the British Government – and the first Cabinet Minister to visit Beijing after the Prime Minister's successful visit in January earlier this year – I hope my attendance here and my presence this week in China will help us to realise more mutual benefits from this relationship.

As the UK makes our preparations to leave the EU, we are determined to build on the Prime Minister's visit to realise our bold vision for a truly global Britain.

A Britain that is one of the most outward-looking, welcoming, and free-trading nations in the world – and a Britain that provides leadership on the global stage.

Indeed, it is encouraging to see the great work the UK Government is doing out here in China to promote the United Kingdom – through the work of the Foreign and Commonwealth Office, the Department of International Trade, and the GREAT campaign.

It is a reminder that when we stand united at home, we truly are a stronger country abroad.

And in order to deliver this vision of a global Britain, it is clear we must both forge new, and strengthen existing, relationships with our partners around the world.

That is why the Prime Minister made clear during her visit our aspiration for the UK and China to be partners for the long term – a goal that I hope I share with everyone here today.

For China has a major role to play in so many critical issues that affect the UK and the world at large.

From how we tackle global challenges and threats such as climate change and international terrorism, to how we grow our economies in the years ahead and deliver prosperity for all of our peoples.

However, cementing and building on this 'Golden Era' of bilateral relations and delivering on our goal for a long-term partnership is about much more than just our two governments working together.

It is crucially about bringing our peoples and our societies closer together as well.

By working with vital organisations such as the Great Britain China Centre, the China-Britain Business Council with offices across China, and of course

the Senior Leadership Forum itself.

We can ensure that our communities and our businesses work closer together than ever before, fostering the cultural, social and economic ties that transcend mere national boundaries and form the very essence of co-operation between nations.

It is worth remembering that there are more than 150,000 Chinese students studying in UK universities, as well as thousands of UK students here in China as well – many of whom are choosing to learn Mandarin.

For as the Prime Minister witnessed first-hand during her visit to Wuhan, Beijing and Shanghai, it is those teachers and students; those businesses, scientists and engineers; those innovators, pioneers and creators.

They are the ones in their everyday interactions who both ensure that our cultural and social links remain strong.

But who at the same time stand to benefit directly when our two countries work more closely together.

So that is why, during the Prime Minister's visit in January, we launched Global Partners 2020, a new programme to establish links between future leaders in the UK and China. Indeed, it is by building such links, that we can enhance and expand our ties well into the future, to the advantage of both our countries.

The Prime Minister's visit was also a chance to push forward our business to business links, as we together signed some £9 billion worth of trade deals.

But on broader concerns on market access issues and creating a level playing field for UK business to operate in China, there was more limited progress. I am heartened that President Xi has spoken on numerous occasions to stress his commitment to reform and continued opening of China's market. But at a time when global trade is increasingly under pressure, implementation and concrete action is necessary.

The UK has been and will continue to be a champion of free trade, globalisation and the rules-based international system, which provides a strong basis for resolving trade disputes. But like the US, the EU and UK have some concerns on areas like market access and the protection of intellectual property for our businesses in China, and we look forward to working with China to address these concerns.

That is why I believe there is a role here for the UK and China to work together, speeding up and implementing commitments China has already made, while demonstrating the advantages of a more open market.

In the pharmaceutical sector for example, we can look to speed up the registration process and improve access to British drugs. And on financial services, we should be looking to lift caps on securities and insurance sectors.

Indeed, moving forward on this agenda will build on what are already strong economic foundations between the UK and China.

Total trade in goods and services between the UK and China in 2017 was worth £67 billion – a 13.8 per cent increase from 2016. UK exports to China have grown by 68 per cent since 2010. And China is expected to be one of the UK's largest foreign investors by 2020.

At the government to government level, we also have a very strong foundation to build on. Both of our countries participate in a host of vital international organisations, such as the IMF and the G20 – and we are both permanent members of the United Nations Security Council. And during her visit, the Prime Minister and Premier Li agreed to resume the sequence of annual summits between the UK and China at their level.

There have been many excellent examples of recent co-operation between our countries, such as working together in the United Nations to sign the groundbreaking Paris climate change deal in 2016, and keeping up the pressure of sanctions on North Korea. And there is much we can do together in the future to combat threats such as modern slavery and human trafficking, serious organised crime, and the trade in illegal wildlife products.

It is also important to emphasise that the UK and China both benefit from the rules-based international system and both have a responsibility to uphold international norms and global interests.

Nowhere is this more important or urgent right now than in the fight against the use and proliferation of the most dangerous weapons. We in the UK have just suffered the first use of nerve agents on European soil since the Second World War. It is shocking that all the evidence points towards the direct involvement of the Russian state.

The UK has scrupulously followed our international obligations and is working with the Organisation for the Prohibition of Chemical Weapons to ensure that this attack is investigated. We look to our friends and international partners to respect this process and not to be misled by disinformation or attempts to shift responsibility from where it belongs.

And similarly, we have been shocked at the news of chemical weapons being used against innocent civilians in Syria. We must work together against the terrible scourge which these weapons represent and the suffering they cause, wherever such attacks occur.

The links between our two countries therefore remain strong: our Global Partnership is addressing those rising global challenges; building thriving economies of the future; and enhancing further the already strong links between our peoples and our businesses.

And while it is true that the UK and China haven't always seen eye-to-eye on everything, we recognise that, like all friends, our relationship is strong enough to express disagreement – and that is something to be valued and cherished.

But while it is clear our bilateral relationship is increasing in breadth and depth, I believe we can go further still.

As the Prime Minister outlined in January, I believe we are now opening a new chapter in the Golden Era of UK-China relations, in which co-operation between us is stronger than ever before, and in which we can tackle mutual threats together, and take advantage of the exciting new opportunities that await us both.

## **China's Belt and Road Initiative**

For China, the Belt and Road Initiative is ambitious and has the potential to drive global prosperity and development outcomes if implemented well – and could bring lasting benefits to the countries involved.

We welcome the opportunities presented by the Initiative as a means of global growth and connectivity, and enhancing development outcomes.

Through our industrial strategy at home, we want to ensure that our firms and companies that are well placed to trade and do business in growing markets around the world – such as here in China – and thereby propel Britain to global leadership of the exciting industries of the future.

For British businesses have vast experience in delivering prestige projects – and the City of London has a track record of raising capital and providing other financial and professional services that is second to none.

While we will be discussing the Initiative later, the Prime Minister rightly made clear two key points during her visit, which I would like to emphasise again:

The first is that the UK is a natural partner for the Initiative, and we are well placed to co-operate, having appointed Douglas Flint as the new Financial and Professional Services Envoy for the Belt and Road at the UK-China Economic and Financial Dialogue in December.

The second is the importance of international standards in order for the Initiative to reach its full potential in delivering benefits to all.

The Initiative therefore presents an excellent opportunity for our two countries to work closely together under our Global Strategic Partnership to deliver positive outcomes for the UK and China, and for third countries involved – and I look forward to following its development closely.

## **Building Global Britain**

And for the UK, we must focus our energies on delivering a successful departure from the European Union – minimising the risks and seizing the opportunities that await, while building that global country that is China's strong partner on the world stage.

The UK Government is absolutely clear that in June 2016, the UK took a

democratic decision to leave the European Union – and that is what we are delivering.

As Prime Minister May said to President Xi during her visit in January, we are seizing this opportunity to become an ever more outward-looking, global Britain.

A Britain that, united together and speaking with one strong voice, is free to strike our own comprehensive trade deals with nations around the world, including, of course, China, while continuing to work together with our international partners to tackle head on the global challenges we will face.

That is why we are seeking the broadest and deepest possible agreement with the EU, that covers more sectors and co-operates more fully than any other existing Free Trade Agreement.

While the negotiations have covered many complex issues, we are making good progress.

The UK and the EU recently reached an agreement on the terms of a time-limited implementation period from next year, providing certainty for both businesses and citizens.

This is a decisive step forward that not only provides stability in the short term, but represents the beginning of life outside the European Union – serving as a platform on which we build our future relationship not just with the EU, but with other countries too.

For we are absolutely clear that in leaving the European Union, the UK will not retreat from the global stage.

Far from it, we will continue to engage closely with our key partners around the world – and we are clear that China will remain an increasingly important partner to the UK.

During the implementation period, we will be free to negotiate, ratify and sign new trade deals while continuing to benefit from the EU's existing agreements.

The Prime Minister and President Xi made clear their view that we should be ambitious in considering our future bilateral trade and investment relationship. The joint trade and investment review which they agreed will map out opportunities and barriers, and help inform decisions on how best to strengthen and upgrade our links during that implementation period and beyond.

If we get this right, it will benefit not just the many British businesses looking for new growth markets, but Chinese firms too – boosting the prosperity of us all.

And so it is in this spirit that negotiations continue – with a positive, upbeat vision for life outside the EU that maximises the opportunities available not just to the United Kingdom – but to our global partners too.

## Conclusion

For if we are to truly deliver on our bold vision for a global, outward-facing nation.

If we are both to capitalise on the possibilities that the Belt and Road Initiative presents.

If we are to not simply maintain the strength of our existing partnership, but write a new chapter in the 'Golden Era' of UK-China relations.

It will be thanks not just to our governments, but in large part to the hard work and diligence of those of you gathered here today.

By fostering a sense of understanding and appreciation between our two countries, we can enhance further that cultural and social bedrock which underpins, and is so crucial to, our relationship.

Through regular dialogue, discussion and debate at fora such as these, we can move forwards together, confident in a better future for both of our peoples.

I therefore look forward to our talks this morning and hearing the outcomes of the talks this afternoon – as well as the Gala Dinner tonight.

I am grateful to the Great Britain China Centre for all their work on this initiative over the past ten years, and their commitment to developing ever-closer relations with China.

And I pass on my sincere thanks as well to the International Department of the Communist Party of China for building these links with us.

I wish all the participants here today the very best, and I hope that the discussions and the forum, like relations between our two countries, grow ever stronger in the years ahead.

Thank you very much.