

# Speech: Shipping industry is keystone of global trade

Good morning. It is a great pleasure to be here today to address London International Shipping Week.

When talking about shipping, it is often all too easy to drop into clichés or to rest on our laurels as Jeremy mentioned.

Those unfamiliar with the modern industry might hark back only to the United Kingdom's past as a 'great maritime power', with a 'long history of seaborne trade'.

Such statements are of course true, and our history is important. Yet where images of masted clippers and steam freighters are a part of our great heritage, and I have a few of them at the world of DIT, they bear little relation to shipping today.

The maritime industry is one of the most innovative on the planet, with a pace of development and willingness to embrace and adopt new technology that few can match.

From crewless ships to alternative power sources, advances in shipping continue to make headlines around the world.

And in the age of mass air travel and the digital economy, it is shipping that remains the foundation of the United Kingdom's prosperity.

As Secretary of State for International Trade, I lead a department that is tasked with boosting Britain's exports, combining a policy framework with practical and financial help to UK companies aiming to tap into new markets overseas.

All of our efforts, however, would be in vain without the continued strength of Britain's shipping and ports, which handle 95% of this country's imports and exports, by volume.

It is fortunate, then, that this country boasts the second-largest maritime cargo industry in Europe, handling 500 million tons of freight each year through 120 commercial ports.

The wider maritime sector in the UK, and its associated industries and business services, contribute £22 billion a year to our economy, and employ at least 360,000 people.

Many of these are in the UK's world-leading marine technology sector, allowing the industry to tap into, and support, Britain's vast research capabilities and pool of scientific talent.

In the year to July, UK exports rose by 11.5%, boosted by a strong

performance in the sales of physical goods into overseas markets.

Similarly, the UK manufacturing industry has also seen robust growth, with order books of British factories climbing to their highest level in over two decades.

Needless to say, these successes would not have been possible without the support of the international shipping industry.

Yet the real impact of shipping is far wider than these headline figures – it has facilitated the rise of globalisation.

New communication technology has done much to eliminate the barriers of time and geography, but it is shipping that has made it economically viable to transport materials and components across the world, and expedited the development of the global economy.

These value chains have had a very real impact on the lives of ordinary people across the world. In this country, living standards have climbed to their highest level in history, as more goods become available at better prices, and wages go further.

And in the world's developing economies, the impact has been greater still.

According to the World Bank, the 3 decades between 1981 and 2011 witnessed the single greatest decrease in material deprivation in human history.

The economic liberalisations of China and India could not have produced an economic boom without the ability to access global markets by sea. Without shipping, this great emancipation of the world's poor could not have taken place.

So the impact of the industry on the lives of ordinary people is important to remember and communicate through in expounding the vast economic benefits of shipping, at London International Shipping Week no less, I am well aware that I am preaching to the converted.

Everyone here today will have witnessed first-hand how sea transport and container shipping have supported the explosion in global trade.

Yet this event is all about looking to the future and not, as I alluded to at the beginning of my speech, dwelling on the past successes of the industry.

So, as we move further into the 21st century, it has become increasingly apparent that shipping will be at the heart of the most important international developments of our time, not only for our economic prosperity but also our security.

There is an increasing awareness that trade and security are intimately linked. An open free trading environment, social and political stability, and security are all part of the same continuum; you cannot disrupt one of these without disrupting the whole.

Maintenance of the world's sea lanes, and ensuring that they remain safe, open and navigable, will be essential to ensuring continued economic openness and global stability.

Using diplomatic and military resources to protect the world's maritime trade routes will become increasingly important; especially as melting summer sea ice opens up navigable lanes across the top of Russia and through the Canadian archipelago.

These northern sea routes represent a global opportunity, and are part of the ever-closer link between east and west. They are, after all, the first new sea trade routes since the end of the Age of Discovery.

This government entered office with the ambition to make Britain the world's greatest advocate of free trade, forging agreements with old allies and new friends to extend commercial freedoms across the globe.

And if the shipping industry is the keystone of global trade, then we will do everything we can to extend and support your operations here in the UK. As a government, and as a country, we are committed to strengthening this vital sector.

At the heart of our approach will be our Industrial Strategy. It is an ambitious blueprint for the industrial and economic future of this country, and will ensure that we are equipped to meet the challenges of the 21st century, and ready to take up a new place at the centre of global trade.

An essential aspect of this is, of course, our infrastructure. In the last decade, Britain's ports have prepared themselves for growth by investing billions of pounds in expansions, upgrades and modernisations.

Our National Policy Statement for Ports sets out a secure planning framework for yet further investment, including taking into account the economic benefits of ports and shipping when granting applications to expand.

And, as my friend the Secretary of State for Transport announced at Monday's International Shipping Week roundtable at No. 10 Downing Street, we will launch a renaissance in UK shipbuilding as part of the [National Shipbuilding Strategy](#), designed to make our maritime industry even more competitive, and export British ships to the world's merchant navies.

In all respects, we in the United Kingdom are opening a new chapter in our history.

We remain one of the best places in the world to start and grow a business, and the top destination for inward investment in Europe, commercially attractive, and with a fundamentally strong economy.

After we leave the European Union, we will work to build a close and special relationship with our European partners, based upon the ties of industry and commerce that have long united us, and ensuring that businesses will continue to trade as openly and freely as possible with the EU.

Yet, as a nation, we will also forge new trading partnerships across the world, promoting freedoms of commerce and partnering with those emerging economies that are the future of global growth.

In all our endeavours, the international shipping industry will be our vital partner.

Just as shipping supports the UK economy, so we will support your industry. I am here today because my department, and the whole government, will continue to do all that we can to support shipping and ensure its global success.

Yours is, after all, an industry that will shape the coming century.

The benefits of globalisation are enormous, and it is shipping that will ensure that they can spread to all humankind. There is vast potential to unlock, and government and industry must work in tandem to meet the challenges and realise the opportunities of the future.

Together, there is nothing we cannot achieve for ourselves and the world beyond.

Thank you.

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## **Statement to Parliament: Written ministerial statement on energy policy**

As part of preparations for EU Exit, the UK is establishing a domestic nuclear safeguards regime to ensure that the UK continues to maintain its position as a responsible nuclear state and that withdrawal from Euratom will not result in the weakening of our future safeguards standards and oversight in the UK.

This Government believes that it is vitally important that the new domestic nuclear safeguards regime, to be run by the Office for Nuclear Regulation, is as comprehensive and robust as that currently provided by Euratom. The government has therefore decided that it will be establishing a domestic regime which will deliver to existing Euratom standards and exceeds the standard that the international community would require from the UK as a member of the IAEA (International Atomic Energy Agency).

International oversight will be a key part of the future regime. The UK is seeking to conclude new agreements with the IAEA that follow the same principles as our current ones. This will ensure that the IAEA retains its right to inspect all civil nuclear facilities, and continue to receive all current safeguards reporting, ensuring that international verification of our safeguards activity continues to be robust.

Discussions with the European Union are on-going. We will be exploring a number of options for smooth transition from the current Euratom regime to a domestic one. The unique and important nature of the civil nuclear sector means that there is strong mutual interest in ensuring that the UK and Euratom Community continue to work closely together in the future. The UK's ambition is to maintain a close and effective relationship with the Euratom Community and the rest of the world that harnesses the UK's and the Euratom Community's expertise and maximises shared interests. By maintaining our current safeguards and standards we are providing the best possible basis for continued close cooperation with Euratom in the future.

Whatever the outcome of those discussions, the Government is committed to a future regime that provides at least the existing levels of assurance. The legislation to provide for this was announced in the Queen's speech and will be brought forward in due course. This policy statement provides important context both for parliamentary consideration of that Bill, and for the forthcoming talks with the European Union, which take place in the last week of September.

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## **Press release: New national innovation centre to put UK at forefront of big data**

- £15m Government investment in centre will be matched by £15m from Newcastle University
- UK economy will benefit from big data with potential growth of up to £241 billion
- Key part of Government's aim to make Britain best place to start and grow a digital business

The National Centre, whose funding has today been confirmed by Minister for Digital Matt Hancock, aims to link up leading academic talent in universities with industry and the public sector to help them develop the skills they need to solve real world problems using advances in data science.

This forms part of the Government's Digital Strategy which set out plans to boost the nation's digital skills, infrastructure and innovation, including measures to support Britain's world-leading artificial intelligence (AI) sector with an industry-led review.

The NICD will create a pipeline of talent to power the ground-breaking businesses of tomorrow and is further progress in the Government's Industrial Strategy which aims to create an economy that helps Britain secure a future as a competitive, global nation. Based in Newcastle, the centre builds on the strengths of great institutions in the Northern Powerhouse and forms an

integral part of the Government's approach.

Speaking at Nesta's Data Skills For The Future conference today, Minister for Digital Matt Hancock said:

We're determined to unlock the huge potential of big data which could add billions of pounds to our economy – from powering price comparison sites to improving the flow of transport around cities.

Our new National Innovation Centre for Data will help us achieve this aim by making sure the skills and talent in our universities is being transferred into industry and the public sector.

It will not only spark innovation among the next generation of tech experts but also help businesses across the whole country capitalise on the immense value of data.

Data science provides real benefits to everyday life. For example, it powers internet searches and apps, can predict and help treat health issues, and is behind new technology for maintaining cars and other machinery, allowing people to benefit from intelligent household appliances.

According to independent research, companies using data science are 10 per cent more productive on average than those that do not, and companies that exploit data can reduce costs, innovate and develop new goods and services faster than those that do not and make faster and better decisions.

Studies by Nesta, the innovation foundation, show UK firms who use data most effectively are 40 per cent more likely to launch new products and services ahead of their competitors.

The centre will have a programme of projects where academics and industry can share and develop their data skills to solve challenges – for example, industry wanting advice on how to develop the data analysis skills to predict when a machine may stop working to prevent costly breakdowns.

The £15m funding from Government, which is managed through the Engineering and Physical Sciences Research Council (EPSRC), will be matched by £15m from Newcastle University and will also help supply the next generation of skilled and educated researchers.

Newcastle has one of the largest and fastest growing digital clusters in the country with multi-national companies including Sage – the UK's largest software company – Hewlett Packard and Accenture, as well as significant public sector IT facilities, including the HMRC Digital Delivery Centre, and major commercial data centres.

Newcastle University has a core group of specialists who have expertise in working closely with a wide range of industrial organisations through its Cloud Innovation Centre, and it also hosts the EPSRC Centre for Doctoral Training in Cloud Computing for Big Data Analytics at Newcastle University.

Professor Nick Wright, PVC Innovation and Business, Newcastle University, said:

NICD will help to address the data skills gap by taking a practical hands-on approach. We will work with organisations on their domain related problems, transferring the skills into the organisation that will enable them to innovate through data.

### **Notes to editors:**

1. Media enquiries – accredited journalists only: DCMS News and Communications team – 020 7211 2210.
2. Public enquiries: DCMS enquiries team on 020 7211 6000 or enquiries@culture.gov.uk.
3. By providing world-class facilities and services under one roof, the NICD building will act as a ‘beacon’ for Data Innovation. It will accelerate innovation by delivering key technical and practical data skills into organisations, enabling them to improve their competitiveness and grow their business. Its activities will deliver economic growth and enable the UK to become a global leader in innovation through data.
4. A 2016 report by SAS estimated that from 2015 to 2020 the total benefit to the UK economy of big data analytics amounts to £241 billion, or £40 billion on average per year.
5. Nesta’s Data Skills For The Future conference also saw a new briefing by the Data Skills Taskforce setting out the benefits of using data and plans to boost the nation’s data skills.
6. Sources: Nesta, Rise of the Datavores (2012), Nesta and Universities UK 2015 report “Analytic Britain”, Tech Partnership, Employer Insights Skills Survey (2015), Nesta, Skills of the Datavores (July 2015)

The Data Skills Taskforce, chaired by Accenture, draws on best practice from the UK’s leading institutions. The taskforce was established to review and promote recommendations made in Analytic Britain across schools, universities and the labour market. It comprises UK businesses, data skills stakeholders and the Department for Digital, Culture, Media & Sport.

The Data Skills Taskforce will:

- Raise awareness of the value of data for UK businesses: work must be done to highlight where opportunities exist for UK businesses. Importantly, information is required on how companies could go about identifying and capitalising on these opportunities.
  - Raise awareness of data science career opportunities for young people: work must be done to build the perception that data skills are valuable for development of a dynamic, fulfilling and well paid career, so young people seek the skills that companies require.
  - Develop links between government, business and educators: the government's 2017 Digital Strategy outlines a commitment to working with the Data Skills Taskforce.
  - The approach identified by NICD to work with employers in the private and public sector to transfer essential skills into their organisations through concrete, industry-driven collaborations squarely addresses a key risk identified.
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## [News story: New bill to improve patient safety](#)

A safety organisation drawing on lessons from the airline industry will have new legal powers to investigate serious patient safety incidents in the NHS in England, under plans laid before parliament today (14 September 2017).

The draft [Health Service Safety Investigations Bill](#) will establish and enshrine in law the powers of the Health Service Safety Investigations Body (HSSIB).

The bill forms a key part of the Health Secretary Jeremy Hunt's plan to develop a more open, learning culture across the NHS.

The HSSIB will take forward the work of the current Healthcare Safety Investigation Branch (HSIB), which came into operation in April 2017 as a division of NHS Improvement.

Under the proposals, the HSSIB will be independent of the NHS and at arm's length from government. It will have far-reaching access to investigate serious safety incidents or risks to patient safety.

After each investigation is completed, the HSSIB will publish detailed reports which will:



- make recommendations for system-wide learning across the NHS
- help develop national standards on investigations
- provide advice, guidance and training to improve investigative practice across the health service

Secretary of State for Health, Jeremy Hunt, said:

This draft bill represents a landmark moment for patient safety across our NHS, and is a historic opportunity to achieve widespread cultural change in learning from mistakes.

When significant errors occur, it is vital that health organisations react quickly and decisively to share lessons and make improvements. To achieve this we need to create an environment where patients, public and healthcare professionals all feel able to speak out about their concerns, without fear or favour.

A key feature of the HSSIB would be its new approach to investigations, which will protect the information it holds from disclosure.

The aim is to create a 'safe space' in which participants, including patients, families and staff, can share information in the knowledge that it will not be disclosed except in limited circumstances, or by order of the High Court.

It is hoped that the safe space model will encourage more participants in investigations to speak out about safety concerns to help identify and address risks across the NHS. This approach is already used in the safety-critical rail, aviation and marine industries – all of which have achieved dramatic improvements in industry safety.

The draft bill also proposes to give the HSSIB the power to establish an accreditation system across the NHS – supporting trusts who receive accreditation to conduct safe space investigations. This will further reduce unsafe and costly practice, improve investigations, and embed a culture of learning and improvement throughout the health service.

Keith Conradi, the chief investigator of the Healthcare Safety Investigation Branch and former head of the Air Accidents Investigation Branch, said:

We very much welcome the introduction of the draft Health Service Safety Investigations Bill.

It's a key step towards HSIB's independence and as the bill progresses, we look forward to hearing the variety of views and comments on the bill's content.

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## [News story: Autonomy on the front line: Defence Minister announces world-leading UK innovation at DSEI](#)

During her keynote speech on DSEI's Innovation Day, the Defence Minister announced twenty-five winners of the MOD's "Last Mile" challenge.

Earlier in the year, the Minister challenged industry and academia to design pioneering technology to get vital supplies to soldiers on the front line. Developing systems for unmanned delivery of combat supplies will reduce the risk to troops and improve efficiency.

The challenge looked to draw on the rapid progress of the private sector in the development of delivery drones and automated deliveries. More than 140 organisations from small-and-medium-size-enterprises (SMEs) to large defence companies submitted entries.

Winning ideas include disposable supply trailers, autonomous hover-bikes and airborne vehicle 'swarms'. Twenty five projects were chosen with a total contract value for this phase of almost £2 million, which will produce demonstrator models of the concepts for testing by UK personnel.

Part of the MOD's £800m Innovation Initiative, and led by the Defence Science and Technology Laboratory (Dstl) with the Defence and Security Accelerator (DASA), the contracts are worth £3.5 million over three years.

Minister for Defence Procurement Harriett Baldwin said:

The Last Mile Challenge is a great example of how we are engaging with a real range of businesses and harnessing innovation to help our military right up to the front line. From these autonomous vehicles to next-generation body armour, we are investing our rising defence budget and £178 billion equipment plan in the technology that will keep our Armed Forces and the UK safe.

With 141 international delegates from 60 countries, DSEI showcases British business and innovation across security and defence on the world stage. The Defence Minister toured the exhibition and in a key note speech, announced the latest investment in advanced equipment for the UK's Armed Forces.

Building on ongoing work to cut red tape for SMEs, the Defence Minister also announced the launch of an overhauled Defence Suppliers Portal, which streamlines engaging and bidding for contracts with the MOD. Working more effectively with SMEs a key defence priority, and the MOD has committed to

spending 25% of procurement money with SME suppliers by 2020

The Defence Minister also highlighted advanced combat clothing and body armour on display at DSEI 2017, as part of the Army's "Future Soldier Vision". Working with partners including the Royal College of Art, the project is developing advanced textiles, stronger and lighter body armour, and a new high-tech helmet with state-of-the-art communication systems. [Read more about that announcement here.](#)

And finally, the Defence Minister also announced the transformation of the Disposal Services Authority (DSA) into the Defence Equipment Sales Authority (DESA). DESA will generate revenue for the UK and build closer collaboration between UK industry and international customers, providing the best possible financial return to the UK taxpayer.

Today's announcements come after [a range made by the Defence Secretary Sir Michael Fallon yesterday including bomb disposal robots.](#)