

[Press release: Foreign Secretary marks 20 years since Hong Kong handover](#)

The first of July marks 20 years since Britain returned Hong Kong to China.

And it's a moment to reflect on Hong Kong's immense achievements as a thriving and dynamic city, serving as a gateway to the biggest and fastest-growing markets in the world.

The rule of law, an independent judiciary, and a free media have all been central to Hong Kong's success.

As we look to the future, Britain hopes that Hong Kong will make more progress towards a fully democratic and accountable system of government.

And I want to stress that Britain's commitment to Hong Kong – enshrined in the Joint Declaration with China – is just as strong today as it was 20 years ago.

I've no doubt that Hong Kong's future success will depend on the rights and freedoms protected by that treaty.

In that spirit, it's essential that the principle of 'One Country, Two Systems' should continue to provide the basis of Hong Kong's way of life into the future.

[Speech: Chile Day 2017 speech by Sir Alan Duncan](#)

Thank you, for that warm welcome, and good morning to all of you. Thank you President Aznar for your opening address. My thanks also to the organisers for putting together such an excellent programme of events. I do not doubt you will enjoy the next two days. Ladies and Gentlemen, it is an honour to be here to address you today.

It is a real pleasure to welcome you to London. Because I am delighted that Chile has once again chosen our great capital city as the location for this now well-established investment showcase. And that Chile has done so is testament both to London's status as an international financial capital, and also to the long-standing friendship between our two countries.

Now, as some of you may know, the room we are seated in takes its name from the great 19th century Prime Minister William Gladstone, who was not only a

champion of free trade but also an admirer of George Canning who, as Foreign Minister, promoted independence and free trade in Latin America 200 years ago. So this seems a particularly appropriate place to be celebrating the two-hundred year relationship between our two countries, and to be demonstrating opportunities for future trade and cooperation.

So in that vein, this year we celebrate the 100th anniversary of the British-Chilean Chamber of Commerce – and it is proof of the long standing links between our two nations exist and are very real. And what began as a focal point for British businesses seeking to develop links with the local community is now a vital engine of bilateral trade.

Indeed, in the last decade alone, the British commercial presence in Chile has expanded dramatically both in scale and in scope. It is active in sectors as diverse as energy, food and pharmaceuticals. Last year alone our commercial team in Chile secured £75 million in export wins relating to mining.

But it's not just about exports – we work together to produce world-beating goods and services and to improve the conditions and technological standards in a whole range of industries.

And one such example is the partnership between the UK's Building Research Establishment and the University of Chile.

Together they are working to develop a technological innovation centre in Santiago focussed on construction techniques that are environmentally friendly and which design resource-efficient buildings. It will give the Chilean construction industry access to the latest innovations and help users to design buildings which are the very best for those who inhabit them. In time it has the potential to drive real advances in construction in Chile and will, no doubt, lead to the creation of cleaner cities, thus addressing one of the major challenges of the modern world.

And through our Newton Picarte Fund we work closely with various Chilean institutions on more than 200 science and innovation projects. From agriculture to engineering, social sciences to medical research, these projects have led to new partnerships, increased knowledge, insights and deeper impact in key economic areas. They give unprecedented visibility, influence and impact to the work of Chilean and British scientists and are making a real difference in a number of areas.

One such project is 'Hephaestus', which is showing the extractive industry, indeed the industry in which I used to work, how to use innovative satellite technology to increase productivity while minimising the negative social and environmental impact of mining.

And these are just a few examples of the many ways in which the UK and Chile are working together. There are opportunities for much more cooperation and investment ahead.

Now, this Chile Day comes at a time of important change and opportunity for

the UK as well. As we face the challenge of negotiating our exit from the European Union, the opportunities presented by our new status outside the EU will bring benefits to both of our countries. With elections coming in the next few months, Chile faces the prospect of change and opportunity too. I just hope that the outcome of your election is more definite and pleasing than the outcome of ours!

Negotiating our exit from the EU will be the biggest challenge we have faced in the UK in a generation. But our approach to negotiations will be responsible, it will be considered and it will be strategic. And I am confident the commitment the UK and Chile share towards free trade and our outward-looking approach to the world will help us both make the most of the opportunities together.

In negotiating our exit from the EU, our objective is to make our economy work for all our citizens. So, the UK will be more active, more outward-facing, and more energetic on the world stage than ever before – and we greatly appreciate your support in this endeavour.

And like Chile, we will continue to focus on removing barriers to trade, even while others seek to build them up.

So in order to ensure continuity in our trade and investment relationships with third countries following our departure from the EU, we will seek to replicate all existing EU Free Trade Agreements and other EU preferential arrangements. Chile has significant trade expertise in this area, and will remain a natural partner.

The UK and Chile are not only allies, we're also friends. Chile is and will remain one of our closest partners in Latin America. Our companies do business together; our scientists carry out research together; our governments tackle global challenges together. It is a hugely successful partnership and one that benefits both sides. So I look forward to working with my Chilean counterparts to enhance it further. And I wish you a productive Chile Day, and look forward to welcoming you back in 2018.

Thank you.

Further information

[Statement to Parliament: Hong Kong Special Administrative Region 20th anniversary: written ministerial](#)

[statement](#)

1 July marks the 20th anniversary of the establishment of the Hong Kong Special Administrative Region (SAR). The UK joins Hong Kong in celebrating the success of the SAR, and its continued prosperity and vitality. Hong Kong is dynamic, innovative and forward-looking. Hong Kong's success is built on its high degree of autonomy, as enshrined in the Sino-British Joint Declaration and Basic Law (Hong Kong's Constitution), centred on key freedoms, strong rule of law, and an independent judiciary.

As set out in the [government's latest 6-monthly report to the House on 24 February](#), the government's assessment remains that the 'One Country, Two Systems' principle is functioning well in the vast majority of areas. 'One Country, Two Systems' has allowed the UK's relationship with Hong Kong to flourish across a whole range of areas, including trade and investment, education, science, innovation and technology. Hong Kong is our second biggest export market in Asia with UK exports worth just over £8 billion and over 630 British companies have offices in the territory. Both the UK and Hong Kong SAR governments share the same commitment to making global trade easier and more transparent.

The UK recognises the specific concerns over the implementation of 'One Country, Two Systems', as set out in the [government's six-monthly reports to the House](#). The UK believes that it is vital for Hong Kong's continued success that the SAR's high degree of autonomy and rule of law are preserved and that the principle of 'One Country, Two Systems' is fully upheld. The UK therefore welcomes statements by the Chinese government and the Hong Kong SAR government expressing commitment to the faithful implementation of 'One Country, Two Systems'.

The UK continues to believe that it is in Hong Kong's best interests that discussion resumes between all parties in Hong Kong in order to make further progress towards a more democratic and accountable system of government, as provided for in the Basic Law.

The UK government congratulates the new Chief Executive of the Hong Kong SAR government, Carrie Lam, on her forthcoming inauguration on 1 July, and wishes her a successful term in office. The UK government looks forwards to working with the Chief Executive to deepen UK-Hong Kong relations and support Hong Kong to prosper long into the future.

[News story: Statement by Secretary of](#)

State for Northern Ireland James Brokenshire on Thursday 29 June 2017.

The parties here are continuing to engage intensively with a view to agree the formation of an Executive.

Much progress has been made but a number of outstanding issues remain.

I believe that a resolution can be found and I am urging the parties to continue focusing all their efforts on achieving this.

The UK Government will work with the parties toward their critical objective of forming an Executive. But I have made clear to party leaders that it is for them to reach the agreement which will pave the way for this. And their focus must be on this.

All efforts of both the UK Government and the Irish Government continue to be directed towards supporting the parties on this issue, to provide for the restoration of devolved government in Northern Ireland as soon as possible.

That prize is achievable and remains my firm priority.

Statement to Parliament: Sky/Fox Merger

CHECK AGAINST DELIVERY

I came to this House, on 16 March, to confirm that I had issued a European Intervention Notice (EIN) in relation to the proposed merger between 21st Century Fox and Sky Plc on the grounds of media plurality and commitment to broadcasting standards.

The EIN triggered a requirement for Ofcom to report – initially by 16 May but extended to 20 June – on the media public interest considerations and the Competition and Markets Authority (CMA) on jurisdiction. I issued a statement last week to confirm that I had received those reports and undertook to both publish them, today, and to come to the House to set out my minded-to decision on the next step in this process: whether or not to refer the merger to a fuller Phase 2 investigation.

In line with my commitments, I am today publishing both documents, copies of which will also be deposited in the libraries of both Houses. I will also be publishing later today the letter to both parties with my decision, which I

sent them this morning.

Separately, Ofcom is today publishing its fit and proper assessment of the merged company. This reflects its ongoing responsibility as the independent regulator under the Broadcasting Acts to monitor who is fit and proper to hold a broadcast licence.

Quasi-judicial process

Decisions made by the Secretary of State on media mergers under the Enterprise Act 2002 are made on a quasi-judicial basis. I want to be very clear about what that means. When taking a quasi-judicial decision I am tightly bound. I must take my decision only on the basis of the evidence that is relevant to the specified public interests. My decision cannot be based on opinion, speculation or conjecture. Any decision I take must be objectively justified by the facts before me. I must set aside wider political considerations going beyond the scope of the legislation. I must act independently and follow a process that is scrupulously fair and impartial. This is what I am doing.

Media plurality

On the question of whether the merger gives rise to public interest concerns in relation to media plurality, Ofcom's report is unambiguous.

It concludes, "The transaction raises public interest concerns as a result of the risk of increased influence by members of the Murdoch Family Trust over the UK news agenda and the political process, with its unique presence on radio, television, in print and online. We consider that the plurality concerns may justify the Secretary of State making a reference to the Competition and Markets Authority".

On the basis of Ofcom's assessment, I confirm that I am minded-to refer to a Phase 2 investigation on the grounds of media plurality.

The reasoning and evidence on which Ofcom's recommendation is based are persuasive. The proposed entity would have the third largest total reach of any news provider – lower only than the BBC and ITN – and would, uniquely, span news coverage on television, radio, in newspapers and online.

Ofcom's report states that the proposed transaction would give the Murdoch Family Trust material influence over news providers with a significant presence across all key platforms.

This potentially raises public interest concerns because, in Ofcom's view, the transaction may increase members of the Murdoch Family Trust's ability to influence the overall news agenda and their ability to influence the political process and it may also result in the perception of increased influence.

These are clear grounds whereby a referral to a Phase 2 investigation is warranted – so that is what I am minded-to do.

There, is, however, a statutory process that I must follow. I am required by legislation to allow the parties the opportunity to make representations to me on this position before I reach a final decision. I will now do that and have given them until Friday 14 July to respond.

Commitment to broadcasting standards

The second question concerns whether after the merger the relevant media enterprises would have a genuine commitment to broadcasting standards. Ofcom is unequivocal.

It concludes, "In light of Fox's and Sky's broadcast compliance records and taking account of our separate assessment of whether Sky remains fit and proper to hold broadcast licences following the transaction, we do not consider that the merged entity would lack a genuine commitment to the attainment of broadcasting standards. Therefore, we consider that there are no broadcasting standards concerns that may justify a reference by the Secretary of State to the Competition and Markets Authority".

Ofcom's approach sought to measure commitment to broadcasting standards by reference to breaches of regulatory codes. It found that Fox's compliance with the UK's Broadcasting Code is in line with comparable broadcasters. Nor did Fox's compliance record in relation to overseas broadcast jurisdictions (where Ofcom's analysis focused largely on the EU) give cause for concern.

I also asked Ofcom to consider the effect of any failure of corporate governance on this public interest consideration. Ofcom did this in the context of its separate assessment of whether Fox and Sky would remain fit and proper to hold broadcast licenses following the transaction. It concluded that behaviours alleged at Fox News in the US amount to 'significant corporate failures'. However, these did not in its view demonstrate that the merged company would lack a genuine commitment to broadcasting standards.

In reaching a view I have to be guided only by the evidence before me. As such – based on the Ofcom report – I am currently minded-not-to-refer to a Phase 2 investigation in relation to a genuine commitment to broadcasting standards.

Representations

As required by legislation, I am giving the parties an opportunity to make representations in relation to media plurality grounds – where I am minded to refer for a phase two investigation by the CMA. In the interests of transparency and ensuring all the evidence has been considered, I will also invite wider representations on the question of commitment to broadcasting standards – where I am currently minded-not to refer for a phase two investigation.

Parties responding to the consultation should not simply duplicate any representations previously made to Ofcom. Instead, responses should be limited to setting out any new and substantial evidence and any comment on Ofcom's assessment.

While there are strong feelings among both supporters and opponents of this merger, in this quasi judicial process, my decisions can only be influenced by facts, not opinions – and by the quality of evidence, not who shouts the loudest.

The invitation to make representations will open today and close on Friday 14 July and can be found on the DCMS website.

Ofcom's recommendation on UILs and UIL process

Under the process set out in the Enterprise Act, it is open to the parties to propose undertakings in lieu of a reference to the CMA for a more detailed investigation. In other words, the parties may seek to avoid a Phase 2 reference by proposing remedies to address the public interest concerns that have provisionally been identified.

The decision as to whether or not to accept undertakings in lieu is for the Secretary of State alone. However – and somewhat unusually – the parties proposed a set of undertakings to Ofcom and Ofcom commented on them in its report. The proposed undertakings centred around Fox maintaining the editorial independence of Sky News by establishing a separate Editorial Board – with a majority of independent members – to oversee the appointment of the Head of Sky News and any changes to Sky News Editorial Guidelines. They also include a commitment to maintain Sky branded news for five years with spending at least at similar levels to now.

Ofcom's view was that these remedies would mitigate the – serious – media plurality public interest concerns. They also suggested that the remedies could be further strengthened.

The parties last week – without prejudice to my decision today, of which they only learned this morning – formally submitted undertakings in largely the same terms to me. In accordance with the legislation, if I still intend to refer the merger after having considered representations from the parties, I am required to consider whether or not these remedies are appropriate.

Given the parties have offered these undertakings, and Ofcom have commented on them, I have taken an initial view. I can confirm that I have, today, written to the parties indicating that I am minded-not-to accept the undertakings that have been offered.

While Ofcom suggests that they mitigate its concerns, it is for the Secretary of State to decide whether they sufficiently mitigate – or ideally fully remedy – what are serious public interest considerations.

I note that Ofcom's report says 'we recognise that behavioural undertakings can be difficult to monitor and enforced and that there are areas in which the proposed undertakings could be strengthened.' It cites questions regarding 'the ongoing arrangements for the appointment of the independent members of the Sky News Editorial Board and the period of Fox's commitment to maintaining its investment in Sky News'.

I also note the guidance of the Competition and Markets Authority which – in

the context of competition cases, says that UIIs are appropriate where the remedies are 'clear cut... effective and capable of ready implementation' and that, in ordinary cases, it is 'highly unlikely to accept behavioural remedies at phase 1'

I have given the parties 10 working days – until Friday 14 July – to make representations on the minded-to decisions I have reached. If I receive further offers of undertakings as part of those representations, I will keep the House informed on how I intend to structure the statutory process I must follow when considering them.

Next stage of the process

As I have set out – I will now be taking representations on my minded to positions. The call will remain open for ten working days and I will then consider the evidence received before coming to a final decision on both grounds. To be clear, the minded-to decisions I have outlined today are not my final decisions.

A word before I close on Ofcom's fit and proper assessment. As the independent regulator, this is a matter for Ofcom, and my understanding is they will publish their report today. I have seen the report and know many members in this house will want to comment on it. Given my current quasi-judicial role in the merger I will not be commenting on the findings.

It is rightly not for Government to determine who should, and should not, hold TV broadcasting licences. Ofcom has an on-going duty to ensure all UK broadcasters are fit and proper to hold TV broadcasting licences. I am clear that if any evidence comes to light then it is for Ofcom to take account of that evidence.

I trust – as before – that this update is helpful to Honourable and Right Honourable Members and that this statement gives an opportunity to debate this important issue, while at the same time, respecting the limits of what I can say given my ongoing quasi-judicial role in relation to this merger.

I commend this statement to the House.