

# UK Government powers on with reforms to Solvency II

News story

The UK's world-leading insurance industry will be able to invest tens of billions of pounds more in long-term UK infrastructure and green projects under proposals published today.



- Solvency II consultation published today (28th April) as government powers on with post-Brexit reforms
- Proposals will unlock tens of billions of pounds of investment in UK infrastructure and green projects
- Move is part of government push to go further and faster to capitalise on the UK's Brexit freedoms and level up the country

The consultation on reforms to the Solvency II regime capitalises on the UK's post-Brexit freedoms to spur a vibrant, innovative and internationally competitive insurance industry.

It cuts EU red tape and unlocks investment, helping to create jobs while also maintaining a high level of protection for policy holders. The reforms will also help to increase access to market for new insurers and offer greater consumer choice.

The move is part of government commitment to go further and faster to capitalise on the benefits of Brexit.

**Economic Secretary to the Treasury, John Glen said:**

Today's consultation demonstrates our commitment to go further and faster to deliver the benefits of Brexit.

Our reforms will unlock tens of billions of pounds of investment in the UK economy, spur innovation in the market while protecting policy holders – and will cement the UK's position as a global hub for financial services.

The Economic Secretary announced the government's intention to reform Solvency II legislation in a speech to the Association of British Insurers in February 2022, with a commitment to consult in April. The consultation sets out detail on the reforms, including:

- A substantial reduction in the risk margin for long-term life insurers, including a cut of around 60-70%, and consulting on the appropriate level for general insurers. This step will release capital on insurers balance sheet.
- A more sensitive treatment of credit risk in the matching adjustment. The matching adjustment provides incentives for insurers to issue long-term life insurance products by 'matching' them against assets with similar characteristics, helping to increase the availability of this type of product on the UK market.
- A significant increase in flexibility to allow insurers to invest in long-term assets such as infrastructure.
- A meaningful reduction in the current reporting and administrative burden on firms, removing EU bureaucracy including by doubling the thresholds for the size of insurers before the Solvency II regime applies.
- Deliver further reforms to EU derived legislation, which will increase access to the market for new insurers and offer greater consumer choice. For instance, the government will introduce a new mobilisation regime to encourage new insurers into the market to boost competition, drive growth and create jobs.

The proposals outlined today form part of wider changes proposed by HM Treasury to the UK's financial services regulatory framework, so that we maintain a coherent, agile, and internationally respected approach to financial services regulation that is right for the UK.

They are just one of the ways the government is capitalising on its post-Brexit freedoms, ensuring our regulations are tailored to the needs of the UK economy, rather than the needs of 28 countries across the EU.

The consultation will run for 12 weeks closing on 21 July. The government will then consider and publish a response to the consultation in due course. The PRA will also publish a consultation of their own at a later date.

#### **Further information**

- Solvency II sets out the prudential regulatory requirements for insurance firms within the EU. This includes financial resources,

governance and accountability, risk assessment and management, supervision, reporting and public disclosure. It was introduced to harmonise EU-wide insurance regulation and came into force in 2016.

- A detailed technical consultation will be published by the PRA later in the year.
- The government recently published a policy document setting out how the UK is capitalising on the benefits of Brexit and how the government will use its new freedoms to transform the UK into the best regulated economy in the world: [The benefits of Brexit – GOV.UK](#)
- The Prudential Regulation Authority will also publish papers on the same day, including a statement and supporting documents.
- Read our consultation here: [Solvency II Review: Consultation – GOV.UK](#)

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## [Broadcasting reforms to create new golden age of British TV and help nation's public service broadcasters thrive](#)

- Plans to better protect viewers of video-on-demand services from harmful content with Ofcom to rule on new content standards and given new regulatory powers
- Government to pursue a change of ownership of Channel 4 to give it the tools it needs to succeed in the future as a public service broadcaster while protecting its distinctiveness

TV and radio lovers will enjoy a new golden age of programming as the government updates decades-old broadcasting regulations to give the UK's vital public service system a deal fit for the streaming age.

Rapid changes in technology, viewing habits and the emergence of global media giants have brought new challenges for UK broadcasters. More people are watching programmes on their phones, laptops, tablets, games consoles and on smart TVs. Competition for viewers and advertising revenue has intensified.

According to Ofcom, the share of total viewing for 'linear' TV channels such as ITV and the BBC fell by more than ten per cent between 2017 and 2020. The share for subscription video-on-demand services such as Netflix and Amazon Prime Video rose from six per cent to 19 per cent over the same period.

Plans in a new broadcasting white paper published on Thursday will boost domestic public service broadcasters (PSBs) which develop talent and skills, drive growth in the creative industries and deliver distinctive, diverse British content. It will allow them to compete fairly and continue to make shows loved at home and abroad and support the UK's booming production sector, which is worth £3 billion, even before accounting for the success of the BBC, ITV and Channel 5's own production studios.

UK public service broadcasters will no longer be subject to a complicated set of 'purposes' and 'objectives' from laws made in 2003. Their remit will be overhauled and simplified, with a new definition of what it means to be a PSB and a focus on creating distinctive shows which reflect British culture, support domestic film and TV production, and provide impartial and accurate news.

While making sure PSBs continue to serve audiences across the UK with universally-available high-quality programming, they will be given greater freedom and flexibility in how they can fulfil their public service obligations. They will be allowed to meet their public service requirements showing content on online platforms instead of just on their main channels as it stands today.

The government will legislate to make sure PSB content is always carried and easy to find for UK audiences on connected devices and major online platforms, including on smart TVs, set-top boxes and streaming sticks.

Proposals also include measures to protect audiences from a wider range of harmful material – such as unchallenged health claims – while watching programmes on video-on-demand services (VoDs). These services will be brought under UK jurisdiction and subject to a Video-on-Demand Code similar to the Broadcasting Code, enforced by Ofcom. Fines for breaches could be up to £250,000 or five per cent of annual turnover.

Culture Secretary Nadine Dorries said:

The UK's TV and radio industries are world-renowned for their creativity, driven by exceptional talent that is delivering groundbreaking public service programming.

Set against the backdrop of the digital transformation of our viewing habits, today's plans will revamp decades-old laws to help our public service broadcasters compete in the internet age and usher in a new golden age for British TV and radio. This will provide jobs and growth in the future along with the content we all love.

The white paper proposes that the opportunity to secure rights to air TV's major sporting events such as the FIFA World Cup and Wimbledon be made an exclusive PSB benefit via reforms to the listed events regime. A review will also look at adding digital and on-demand rights to the scheme to ensure free-to-view access for the nation when watching the 'crown jewels' of sport

on digital platforms.

Requiring it to continue to meet the obligations placed on PSBs, the government will move ahead with plans to move Channel 4 out of public ownership to become a privately-owned public service broadcaster like ITV and Channel 5. This will allow it to access greater investment to grow and create more great programming made by people who live and work in the UK without losing what makes it distinctive.

Under private ownership, the government will remove a restriction on Channel 4 which effectively prohibits it from producing and selling its own content. This will allow it to diversify its revenue streams and improve its long-term sustainability. Channel 4 will still be required to commission a minimum volume of programming from independent producers, in line with the quotas placed on other PSBs, to protect its contribution to the sector.

Channel 4's existing obligations in terms of regional production outside of London and England will be maintained, as will its remit to provide distinctive, educational, innovative and experimental programming that represents the breadth of society, and obligations to show 'original' programmes and provide high quality news and current affairs.

The government will look to use some of the proceeds from the sale of Channel 4 to deliver a new creative dividend for the sector.

The government intends to legislate as soon as the parliamentary timetable allows.

## **ENDS**

Further information on new measures in the white paper

### **A new public service remit for TV**

The UK's public service broadcasters (PSBs) are the BBC, ITV, STV, Channel 4, S4C and Channel 5. The PSB system makes sure viewers can access a wide range of public service content on a free-to-air basis. The government wants this to continue.

The PSB remit is from an analogue age. Its last update was reforms to the Communications Act in 2003 as a set of fourteen overlapping and outdated 'purposes' and 'objectives' for broadcasters.

These include, for example, a requirement for PSBs to provide programmes depicting 'leisure interests' like cooking and gardening. In addition, each broadcaster has a specific remit set out in legislation, together with further commitments established in their broadcasting licences, or in the case of the BBC, its Royal Charter.

A new remit, to be set out in further detail in legislation, will recognise public service content takes many forms, including culturally relevant content reflecting all parts and people of the UK; economically important

content produced by independent producers and across the UK; and democratically impactful content such as trusted, impartial news and current affairs. It will also be made clearer that PSBs must contribute to this remit and will be accountable for the extent of their contributions.

PSBs are required through a quota system to broadcast a minimum amount and variety of public service content (for example, programmes made outside of London), but they currently only get credit for this if they show it on their main linear channel (so in the case of ITV, on ITV1). The government will give PSBs greater flexibility to meet their obligations, including reaching audiences by delivering content on a wider range of services including via on-demand platforms.

British shows such as Dr Who, I May Destroy You, Great British Bake Off, Top Gear, Luther, Downton Abbey and Planet Earth have been huge international hits but also reflect a vision of a modern UK.

The globalisation of broadcasting means more of the content people watch is set in non-specific locations or outside the UK, with an international cast, communicating in US English. This risks TV made in the UK becoming indistinguishable from that produced elsewhere and less relevant for UK audiences, as well as reducing UK soft power abroad.

Research by Enders Analysis has shown that UK original programmes from international streaming services such as Netflix have had fewer British terms, expressions, reference points or idioms than equivalent broadcast programmes.

A consultation will be launched on new rules to make sure PSBs continue to commission 'distinctively British' programming – shows loved and admired not just at home but also around the world, because they could not have been made anywhere else. It will consider a range of options including incorporating requirements directly into the existing quota system.

## **A change of ownership for Channel 4**

Channel 4 is a great UK success story and the government wants it to remain so and to thrive over the long term. Since 1982 it has done an excellent job delivering its founding purposes: to provide greater choice for audiences and support the UK TV production sector.

Forty years on, independent production in the UK is a mature £3 billion industry, up from £500 million in 1995. 'Indies' are increasingly less reliant on Channel 4 for commissions. Only seven per cent of the sector's revenues come from Channel 4 and it spends significantly less in the north, as a percentage of total production spend, than ITV. In 2020, Channel 4 spent £210 million on external commissions, less than the BBC (£508 million) and ITV (£356 million), which have in-house production studios.

Channel 4 also spends less with the smallest independent producers than all other large PSBs – for example, only 16 per cent of Channel 4's average external commissioning spent between 2018 and 2020 was with producers with

turnover of less than £10m, compared to 37 per cent of Channel 5's.

Viewer choice is no longer a problem in the world of smart TVs and streaming sticks, catch-up and on-demand. This rapidly changing media landscape means Channel 4 is facing unprecedented competition for viewers, programmes and talent from global giants with deep pockets. Netflix spent £779 million on UK original productions in 2020 – more than twice as much as Channel 4.

Under public ownership, Channel 4 has limited ability to borrow money or raise private sector capital by issuing shares and its current setup effectively stops it from making its own content. This makes it heavily reliant on cyclical advertising revenues which are moving to digital platforms. Advertising made up 91 per cent of Channel 4's revenues in 2020. Linear TV ad revenues fell by a third (35 per cent) from 2015 to 2020.

Having fulfilled its original mission, Channel 4 is now at a unique turning point. The government has [consulted](#) on the best means of ensuring its future success and sustainability and in its response to the consultation today concludes now is the time to pursue a change of ownership.

Access to capital and the freedom to make and own content are important tools Channel 4 will need to succeed in the future, create new revenue streams and compete. The government believes the required investment to do this at scale and pace is best provided under private ownership, rather than asking taxpayers' to bear the associated risk.

## **Regulation of video-on-demand services**

Ofcom estimates three in four UK households use a subscription video-on-demand (VoD) service. But services like Disney+ and Amazon Prime Video are not regulated in the UK to the same extent as UK linear TV channels. Netflix and Apple TV+ are not regulated in the UK at all.

Except for BBC iPlayer, on-demand services are not subject to Ofcom's Broadcasting Code which sets standards for content including harmful or offensive material, accuracy, fairness and privacy. There are some protections for under-18s but minimal rules exist to protect audiences from, for example, misleading health advice or pseudoscience documentaries.

The government [will give Ofcom powers](#) to draft and enforce a new Video-on-Demand Code, similar to the Broadcasting Code and in line with its standards, to make sure VoD services, which target and profit from UK audiences, are subject to stricter rules protecting UK audiences from harmful material. This will primarily be aimed at larger 'TV-like' video-on-demand services such as Netflix, ITV Hub and NOW TV and level the rules between VoD services and traditional broadcasters.

UK viewers will be given new powers to complain to Ofcom if they see something concerning and will be better protected from harmful material. Ofcom will be given a strengthened duty to assess on-demand providers' audience protection measures such as age ratings and viewer guidance, with powers to force changes if necessary.

The maximum fine for regulated VoD services will be £250,000 or an amount up to five per cent of an organisation's revenue, whichever is higher.

## **Reforms to the listed events regime**

The current listed events regime ensures events of national interest are available to view live, and for free, by the widest possible audience. The list is set by the Culture Secretary and includes the 'crown jewels': major sporting events such as the Olympic Games, men's football World Cup, FA Cup Final, Grand National and Wimbledon finals.

Once listed, broadcasting rights to these events must be made available for purchase first to 'qualifying broadcasters' – those which reach 95 per cent coverage of UK viewers and at no additional cost to the viewer than the licence fee. All services which currently qualify are operated by the free-to-air terrestrial PSBs.

But the current regime was created via the Broadcasting Act in 1996, in a different media landscape where competition facing PSBs was limited. The consumption habits of viewers are changing rapidly and PSBs are now required to compete for sports rights with global media platforms.

In recognition of the role of PSBs bringing nationally-important moments to UK audiences, the government will look to designate listed events a PSB-specific benefit, instead of qualification being based on the requirement for services to be free to view and accessible to 95 per cent of the UK.

Digital rights, including on-demand rights, are now an important element in the sale of sports rights but they are not covered by the listed events regime – raising questions about its relevance.

If, for example, the Olympic 100m final was broadcast live in the middle of the night on the BBC but all streaming and catch-up rights were sold to a different broadcaster and kept behind a paywall, a culturally relevant event might not be available to a wide audience on a free-to-air basis.

The government will therefore launch a review looking at whether the scope of the listed events regime should be extended to include digital rights, ensuring that the public can view these sporting events of national significance free on digital platforms.

In 2020, the government added the Paralympics as a listed event, and this week it confirmed that the FIFA Women's World Cup and UEFA European Women's Championship Finals have now been added to Group A of the listed events regime.

## **Updating prominence regulation**

An important part of the UK's PSB system is ensuring public service content is readily available to as wide an audience as possible and easy to find. Current broadcasting legislation guarantees the first five channels the public find when they switch on their TVs are PSBs, by reserving these slots



in electronic programme guides on TV sets.

This provides cultural and societal benefits for viewers and provides commercial and economic benefits for PSBs. But the rules do not extend to on-demand platforms which enable viewers to select TV programmes beyond the TV guide, such as the user interfaces on Smart TVs.

PSBs are finding it increasingly difficult to secure their presence on global platforms, maintain their prominence on them and secure fair value for the services they provide. This challenges the long-term stability of the UK PSB system.

The government will update 'prominence' rules so popular online TV platforms, which likely include smart TVs, pay TV services, streaming sticks and set top boxes, are legally required to carry designated PSB on-demand services and give them prominence, as determined by Ofcom, so they are easy to find on user interfaces in the future.

The rules will require PSBs to "offer" their on-demand services (BBC iPlayer, ITV Hub, All 4, My5, STV Player, S4C Clic) to platforms while requiring platforms to "carry" these PSB on-demand services.

Ofcom will be given new enforcement powers, including information gathering powers and the ability to impose fines as appropriate. It will be given a dispute resolution function to intervene to support effective negotiations between platforms and PSBs.

## **Supporting independent TV producers**

UK TV production, fuelled by domestic and international investment, is booming. Revenues in the independent sector grew more than 50 per cent between 2010 and 2019. The combined spend by film and high-end TV production during 2021 reached £5.64 billion, the highest ever reported.

Government intervention during the pandemic allowed productions to continue. More than 1,100 productions signed up to its Film and TV Restart Scheme. More than £2.9 billion of production spend would not have been possible without the scheme, which has supported more than 95,000 jobs.

The government today commits to ensuring the UK remains a thriving TV production location by supporting screen industries through creative sector tax reliefs. Recent research shows every £1 of high-end TV tax relief delivers returns of £6.44.

DCMS is also funding the British Film Commission with £4.8 million over three years to support the growth of seven geographic production hubs – including one in each UK nation – and numerous new studio developments.

The sector's growth has facilitated the emergence of so-called 'super indies' which, while still classed as independent, are often larger than the broadcasters with whom they work. The government will review whether to introduce a revenue cap for 'qualifying independent' producer status to make sure it remains effective for promoting growth.

The government will also act to protect the UK's 'terms of trade' regime, a set of rules which exist to protect independent producers when negotiating deals for new shows, and update it to address the increasing importance of on-demand commissioning to both PSBs and independent producers. In addition, it will consider if there is a need to extend aspects of it to radio and audio producers which create programming for the BBC.

## **Response to the Digital Radio and Audio Review**

The government has today also published its response to the Digital Radio and Audio Review. The government will continue to engage with the radio industry to gain a better understanding of the policies and practices of smart speaker platforms, in order to ensure the UK has the best possible regime to allow radio to continue to reach its listeners well into the future.

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## **The return of geopolitics: Foreign Secretary's Mansion House speech at the Lord Mayor's 2022 Easter Banquet**

My Lord Mayor, Your Excellencies, Ladies and Gentlemen, according to some, this was destined to be the era of authoritarianism. Three years ago Vladimir Putin said Western liberalism was dead. Last year President Xi argued that the west is declining.

In April 2022 things look very different. Recent months have shown the deep resilience of the human spirit and of free societies.

Faced with appalling barbarism and war crimes, which we'd hoped had been consigned to history, the free world has united behind Ukraine in its brave fight for freedom and self-determination.

Those who think they can win through oppression, coercion or invasion are being proved wrong by this new stand on global security – one that not only seeks to deter, but also ensures that aggressors fail.

We cannot be complacent – the fate of Ukraine hangs in the balance. But let's be clear – if Putin succeeds there will be untold further misery across Europe and terrible consequences across the globe. We would never feel safe again.

So we must be prepared for the long haul. We've got to double down on our support for Ukraine. And we must also follow through on the unity shown in the crisis. We must reboot, recast and remodel our approach.

My vision is a world where free nations are assertive and in the ascendant.

Where freedom and democracy are strengthened through a network of economic and security partnerships. Where aggressors are contained and forced to take a better path.

This is the long term prize: a new era of peace, security of prosperity.

Let's be honest. The architecture that was designed to guarantee peace and prosperity has failed Ukraine. The economic and security structures that were developed after the Second World War and the Cold War have been bent out of shape so far, they have enabled rather than contained aggression.

Russia is able to block any effective action at the UN Security Council. Putin sees his veto as a green light to barbarism. He's walked away from the NATO-Russia Founding Act and the Treaty on Conventional Armed Forces in Europe. He's violated multiple measures on arms control. The G20 can't function as an effective economic body while Russia remains at the table.

The Soviet Union used to regularly use their UN veto, but, for all the many evils they inflicted, even they behaved with some kind of rationality on the world stage. They were able to stick to deals when they saw risks to strategic stability, as they did with the Anti-Ballistic Missile Treaty. They would de-escalate when they were confronted and called out, as with the Cuban Missile Crisis 60 years ago. And they had their eye on their global reputation.

None of these factors apply to Putin. We are dealing with a desperate rogue operator with no interest in international norms.

This is at a time when the world economy had never been more open to Russia.

During the Cold War western allies fuelled each other's prosperity, and we restricted flows of trade, investment and technology to the USSR. In the 1990s these constraints were removed but it didn't lead to the expected gains in economic openness and democracy. We took progress for granted instead of applying the necessary carrots and sticks.

And leaders like Putin spurned the opportunity to change because they feared losing control. Instead they took the money from oil and gas and used it to consolidate power and gain leverage abroad. 'Wandel durch handel' – the assumption that economic integration drives political change – didn't work.

We now need a new approach, one that melds hard security and economic security, one that builds stronger global alliances and where free nations are more assertive and self-confident, one that recognises geopolitics is back.

Britain has always stood up to bullies. We have always been risk takers. So we are prepared be bold, using our strength in security and diplomacy, our economic heft, and our will and agility to lead the way.

We are already stepping up in Ukraine. The war in Ukraine is our war – it is everyone's war because Ukraine's victory is a strategic imperative for all of us. Heavy weapons, tanks, aeroplanes – digging deep into our inventories,

ramping up production. We need to do all of this.

Our sanctions have already seen Russia facing its first external debt default for a century. We need to go further. There must be nowhere for Putin to fund this appalling war. That means cutting off oil and gas imports once and for all.

At the same time, we need to deliver [support to the Ukrainian people](#). It means helping refugees, it means delivery of food, medicine, and other essentials, and it means keeping the economy afloat.

It also means holding the Putin regime to account for the appalling crimes that have been committed.

And, when the guns finally fall silent in Ukraine, it means making sure Kyiv has the resources it needs to maintain security, deter further attacks, and rebuild. That's why we are working on our joint commission with Poland to ensure Ukraine is equipped with NATO-standard weapons. And it's why we are determined to work with the US, with the EU and other allies on a new Marshall Plan for the country.

Ukraine deserves nothing less than a landmark international effort to rebuild their towns and cities, regenerate their industries, and secure their freedom for the long term.

We are doubling down. We will keep going further and faster to push Russia out of the whole of Ukraine.

And this has to be a catalyst for wider change. We must also apply this tough stance to the threats that are emerging beyond Ukraine.

Our new approach is based on 3 areas: military strength, economic security and deeper global alliances.

## **Military strength**

Firstly, we need to strengthen our collective defence. In the words of President Zelenskyy: "Freedom must be better armed than tyranny."

Ahead of the NATO summit in Madrid, we need to lift our sights. We have long argued that NATO needs to be flexible, agile and integrated. The Eastern Flank must be strengthened, and we must support crucial states like Poland. That's why we are increasing our troop presence and we're deepening our defence cooperation.

We also have to learn the lessons of Ukraine.

The UK sent weapons and trained Ukrainian troops long before the war started. But the world should have done more to deter the invasion. We will never make that same mistake again.

Some argue we shouldn't provide heavy weapons for fear of provoking something worse. But my view, is that Inaction would be the greatest provocation. This

is a time for courage not for caution.

And we must ensure that, alongside Ukraine, the Western Balkans and countries like Moldova and Georgia have the resilience and the capabilities to maintain their sovereignty and freedom.

NATO's open door policy is sacrosanct. If Finland and Sweden choose to join in response to Russia's aggression, we must integrate them as soon as possible.

And we reject the false choice between stronger traditional defence and modern capabilities. We need to defend ourselves against attacks in space and cyberspace as well as by land, air and sea.

We also reject the false choice between Euro-Atlantic security and Indo-Pacific security. In the modern world we need both.

We need a global NATO. By that I don't mean extending the membership to those from other regions. I mean that NATO must have a global outlook, ready to tackle global threats.

We need to pre-empt threats in the Indo-Pacific, working with our allies like Japan and Australia to ensure the Pacific is protected. And we must ensure that democracies like Taiwan are able to defend themselves.

All of this will require resources. We are correcting a generation of underinvestment.

That's why the [Prime Minister has announced the biggest investment in our Armed Forces since the Cold War](#). We recognised Russia as the most acute threat in our [Integrated Review](#), adopting the same vigilance as NATO's Eastern Allies.

Others are now also stepping up as well. But we all need to go further. Spending 2% on defence must be a floor, not a ceiling. There is no substitute for hard military power, backed by intelligence and diplomacy.

## **Economic security**

Secondly, we need to recognise the growing role that the economy plays in security.

In the UK we are now using all of our economic levers – trade, sanctions, investment and development policy – in a much more assertive way.

We recognise that growth from cheap gas and money syphoned from kleptocracies is growth built on sand. It's not the same as real, sustained growth from higher productivity and greater innovation.

Free trade and free markets are the most powerful engine of human progress. We will always champion economic freedom.

But free trade must be fair – and that means playing by the rules. For too

long many have been naïve about the geopolitical power of economics. Aggressors treat it as a tool of foreign policy – using patronage, investment and debt as a means to exert control and coerce. They are ruthless in their approach. Our response won't mirror their malign tactics, but we will match them in our resolve.

It's time to wise up. Access to the global economy must depend on playing by the rules.

There can be no more free passes. We are showing this with the Russia-Ukraine conflict – Russia's pass has been rescinded.

We are hitting them with every element of economic policy.

We have raised tariffs on Russian goods. We've cut them off from WTO terms. We've banned their ships from our ports, we've banned their planes from our airports. We have sanctioned more individuals and organisations than any other nation, hitting Russia's banks, oligarchs, defence companies, Central Bank reserves, and oil and gas supplies.

We're cutting off the funding for Putin's war effort. We are also cutting investment ties with Russia – banning all new outward investment and ending the investor visa. At the same time, we are removing all import tariffs for Ukraine, and we're supporting the Ukrainian economy with loan guarantees, fiscal support and investment.

We are showing that economic access is no longer a given. It has to be earned.

Countries must play by the rules. And that includes China.

Beijing has not condemned Russian aggression or its war crimes. Russian exports to China rose by almost a third in the first quarter of this year. They have sought to coerce Lithuania. They are commenting on who should or shouldn't be a member of NATO. And they are rapidly building a military capable of projecting power deep into areas of European strategic interest.

But China is not impervious. By talking about the rise of China as inevitable we are doing China's work for it. In fact, their rise isn't inevitable. They will not continue to rise if they don't play by the rules.

China needs trade with the G7. We represent half of the global economy. And we have choices. We have shown with Russia the kind of choices we're prepared to make when international rules are violated. And we've shown that we're prepared to prioritise security and respect for sovereignty over short-term economic gain. Not least because we know that the cost of not acting is higher.

The fact is that most of the world does respect sovereignty. It is only a few pariahs and outliers that don't. So we are working more closely with allies and friends – old and new.

And the same assertive approach that can constrain our rivals, can be a

powerful driver of prosperity and security. That's why we're building new trade links, including working on free trade agreements with countries like India and Indonesia and joining the CPTPP.

We're sharing our expertise in science and tech, signing new partnerships around the world. And we're providing a better offer on development, with investment to low-income countries that comes without malign strings attached.

By being tough and united, by working together and expanding trade, we can deprive aggressors of their leverage and we can reduce strategic dependence.

We can help each other to weather the storm of soaring food and energy prices. At the World Bank last week we [secured \\$170 billion to help low income countries](#) deal with these challenges.

And we are getting ahead in other possible areas of strategic dependence. Whether it is minerals or rare earth metals, we are joining forces to prevent future problems before they emerge.

This is how we will strengthen our shared economic security.

## **Deeper global alliances**

That brings onto the final point, which is that our prosperity and security must be built on a network of strong partnerships.

This is what I have described as the [Network of Liberty](#).

The fundamental principle is that no matter the challenges, we should not turn inward and pursue autarky. We should reach out and embrace new partnerships, what the Dutch and others have called 'open autonomy'.

In a world where malign actors are trying to undermine multilateral institutions, we know that bilateral and plurilateral groups will play a greater role. Partnerships like NATO, the G7 and the Commonwealth are vital.

We should keep strengthening our NATO alliance with bonds around the world, like the UK-led Joint Expeditionary Force, the 5 Eyes, and the AUKUS partnership we have with the US and Australia. And we want to keep growing our ties with countries like Japan, India and Indonesia.

We also should build on the strong core that we have in the G7. During the UK's Presidency last year I was pleased to bring friends like Australia, Korea, India, South Africa and [ASEAN to the table](#).

The G7 should act as an economic NATO, collectively defending our prosperity. If the economy of a partner is being targeted by an aggressive regime we should act to support them. All for one and one for all.

And to the 141 countries, from all continents, who voted to condemn Russia's actions in the UN: I hear your voice. I share your outrage at Russia's illegal war. I share your fundamental belief in sovereignty, in fair play and

the rule of law.

So let's work together. Let's forge deeper bonds. Let's be better traders, investors, and partners than the aggressors.

The UK is prepared to do things differently, to think differently, and to work differently with you to get things done.

There is huge strength in collective action. And let me be clear, this also applies to alliances that the UK is not part of. We support the Indo-Pacific quad. We support an outward-looking EU and we're working closely together on Ukraine. We support ASEAN, the African Union, and the US-Mexico-Canada trade agreement. We reject the old ideas of hierarchical systems, exclusive groups and spheres of influence.

We want to see a network of partnerships stretching around the world, standing up for sovereignty and self-determination, and building shared prosperity. The UK will be an active and agile part of this network.

## **Conclusion**

Excellencies, ladies and gentlemen, geopolitics is back.

After the Cold War we all thought that peace, stability and prosperity would spread inexorably around the globe. We thought that we'd learned the lessons of history and that the march of progress would continue unchallenged.

We were wrong. But this is no counsel of despair.

In the face of rising aggression we do have the power to act, and we need to act now. We must be assertive. Aggressors are looking at what has happened in Ukraine. We need to make sure that they get the right message.

Together we have tremendous strength. Let's use it to forge a better, more secure world and a stronger global economy. This will take the energies of all the people in this room and beyond. It will be hard. But we have to step up and take responsibility.

The aggressors are prepared to be bold – we must be bolder. That is how we will ensure that Ukraine's sovereignty is restored. That is how we will ensure that aggression and coercion fail. That is how, across the globe, we will win this new era for peace, security and prosperity.

Thank you.

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# The multidimensional challenges facing the Great Lakes region require a multidimensional response: UK Statement at the UN Security Council

Let me begin by thanking Special Envoy Xia, Ambassador Caholo, and Mr Mahtani for their briefings today, as well as the Chair of the Peacebuilding Commission for the written advice provided to the Council on the Great Lakes region. I will focus this intervention on the security dynamics in the region.

The United Kingdom remains extremely concerned by the fragile security situation in the Great Lakes region – in particular, increased violence as a result of greater activity by armed groups including, the ADF, CODECO, RED Tabara, and the re-emergence of the M-23, and the reported links between the ADF and IS Central Africa Province. These are all stark reminders of the need to address the security vacuum in the eastern DRC.

We also remain concerned about the humanitarian situation in the Great Lakes region, with large-scale displacement of over 16 million persons, violations of international humanitarian law and human rights, mainly as a result of violence in eastern DRC. And, we are particularly concerned about the protection of civilians as a result of intercommunal violence in DRC's Ituri province, including the recent targeting of IDP camps.

The multidimensional challenges facing the Great Lakes region require a multidimensional response. The United Kingdom welcomes the positive trend of enhanced diplomatic outreach and dialogue among countries in the region. This includes steps towards normalisation between Rwanda and Uganda and the recent regional heads of State Conclave on Eastern DRC hosted by President Kenyatta in Nairobi.

We call upon countries in the region to intensify these efforts in order to improve regional cooperation, and turn commitments into tangible action to address shared security challenges, improve humanitarian access, and to reduce violence.

I also call upon Special Envoy Xia and the ICGLR to continue to work in close coordination, including with MONUSCO, in support of the countries of the region to tackle the threat posed by M23 and other armed groups, to foster confidence building amongst the states of the region, and to enable the implementation of the UN action plan for the Great Lakes.

The final point I would like to make is on natural resources, whose illegal exploitation, as we've heard across the Council today, are a source of funding for armed groups and a driver of conflict across the Great Lakes region. We strongly support the designation of sanctions on those individuals

and entities who are found responsible for the exploitation of natural resources.

We will continue to work with the international community, including through the DRC sanctions committee, to ensure those individuals and entities are held accountable for their actions.

Thank you.

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## [Professor Chris Gosden has been reappointed as a Trustee of the British Museum](#)

News story

The Secretary of State has reappointed Professor Chris Gosden as the Society of Antiquaries Trustee of the British Museum for a term of four years commencing 2 August 2022 until 1 August 2026.



Professor Chris Gosden has been at Oxford University for the last 27 years, first as a curator-lecturer at the Pitt Rivers Museum and then as Professor of European Archaeology. Professor Gosden has carried out archaeological fieldwork in Papua New Guinea, Borneo, Turkmenistan and Britain, among other places. He is currently setting up research collaborations with China and Mongolia.

While at the Pitt Rivers Museum, Oxford he worked on the history of collections and their relevance to post-colonial relations and identity, including two large projects – Relational Museum Project. More recently he has run research projects on the history of the English landscape published by OUP in 2021 as English Landscapes and Identities, and on Celtic art both in Britain and in Europe including Eurasian links. He has recently published a book called The History of Magic (Penguin, 2020).

He is currently writing a book called Humans: The First Seven Million Years. He is a trustee of the Art Fund, Oxford Archaeology and the British Museum, and a fellow of a number of learned societies, including the British Academy and the Society of Antiquaries. Trustees of the British Museum are not remunerated. These reappointments have been made in accordance with the Cabinet Office's Governance Code on Public Appointments. The process is regulated by the Commissioner for Public Appointments. The Government's Governance Code requires that any significant political activity undertaken by an appointee in the last five years is declared. This is defined as including holding office, public speaking, making a recordable donation or candidature for election. Professor Gosden has declared no activity.

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