

Freeports and growth

Today the government's extended consultation on Freeport's closes. It is time to press on with this excellent idea to boost investment growth and trade.

The old idea of a Freeport was a limited land area around a seaport where planning controls were relaxed to encourage and allow value added processing of imports for their re export as finished goods. There could also be tax incentives to boost activity further.

Today we should be thinking of the virtual Freeport spreading out further from a seaport or airport to create an economic zone or area dedicated to manufacturing and adding value added through services to foster exports tax free. The free port zone could also be a place to manufacture or add value to goods and services for the home market, where any tax and regulatory compliance took place at the time of completion and transport to market.

I would like these wider zones to offer a five year business rates holiday, entrepreneur's relief from CGT, no Stamp duties and of course no VAT or tariffs on anything for re export. We need these industrial development zones in all parts of the country, so let's press ahead with 10 straight away with good geographical coverage.

Finding freedom

To some the full relaxations of rules imposed to fight Covid 19 cannot come soon enough. I have varied complaints from people who strongly object to what they call house arrest. They think it would be better to isolate people with the disease, and offer support to allow people most vulnerable to the disease to limit social contacts, rather than asking most of the population to stay at home. To them freedom is the freedom for the many to have a social life of their choosing, to travel as they wish, and to run their businesses as they see fit. They argue if we do not get back to this soon there will be unacceptable economic damage.

To others freedom is the discovery that they can work from home, draw their full salary, and avoid the 3 hour return commute each day. They say their lives have improved. They are no longer dependent on the erratic goodwill and competence of the train companies, and no longer have to push themselves into a crowded tube train or onto a bus to complete a city centre journey to work. They can mind their house, receive deliveries, see more of their children and still do their job using on line facilities. They say there can be compromise between fighting the virus and getting the economy moving. They want new working practices which can pay the bills and keep people safe.

To some the idea that their every move may be tracked, and they may be subject to a tracing system requiring them to self isolate because of a chance encounter with someone who had the disease is an unacceptable intrusion into their lives. They are suspicious of how likely you are to catch it from casual contact. To others a proper track and trace system is essential to give them more chance of escaping the virus. They wish to be free from disease.

So where does freedom lie? Have the anti Covid 19 measures simply taken freedoms away, leaving us with arguments about how successful this is in controlling the virus? Or are there some compensating freedoms some have gained? What should the new world of work look like?

Universities, free thought and peer reviewed research

Some universities are said to be in financial trouble. It has arisen because they have expanded, offering many places to overseas students, only to find that model poses difficulties at a time of retrenchment for international travel and exchange. Over reliance on Chinese students could be especially difficult. The deteriorating relations between the West and China over civil rights in mainland China, the new Hong Kong law and the intellectual property issues may put some Chinese students off coming . It would be good to hear from the university representative bodies what they think about the extent of China links, and how they respond to the current Chinese policies on human rights and intellectual property.

Universities have also entered the academic end of the leisure and entertainment business, offering informative conferences during the breaks between terms. These have stood empty for months with a substantial loss of income. They have invested in student accommodation, which has also been without tenants during the lock down period, leading to further income shortfalls.

The university establishments receive substantial research grants from governments, and some from companies for research that their sponsors wish them to carry out. The system of peer reviewing is said to be a strength, where research is assessed by other experts in the field who have the power to publish and recognise it or to mark it down and keep it out of the respected journals. Having a quality control in one sense is a good idea. There is however the danger that it encourages me too thinking, where a younger academic has to proceed around the work of a better established academic, without challenging the foundations of what the elder was doing. It can create groups of like minded people training up a new generation to think the same.

It also knocks on to governments procuring research. The senior academics are likely to influence the grant awarding and commissioning bodies in the public sector, pointing them in the way of research that bears a family resemblance to what they have already done. It can just be a case of the academics corralling around their fashionable theme or theory, seeking to prove it and extend it, whilst keeping out any serious challenge to it.

Government should look carefully at what research it is commissioning. There is no need to commission more research to extend or prove things academics claim to know. There is more need for research which pushes the boundaries and challenges some of the tired assumptions of current thinking.

Covid-19: Update

I have received this update from the Government:

Dear John

I would like to update you on the next steps in delivering the UK Government's COVID-19 recovery strategy.

Last week, on 4 July, we took the third step on the UK Government's roadmap, with the reopening of pubs and restaurants, hairdressers, and some leisure facilities and tourist attractions, providing they adhere to COVID-Secure guidelines. We also permitted increased social contact, with two households able to meet up in any setting with social distancing measures, and people able to enjoy staycations in England with the reopening of accommodation sites. The Prime Minister set out that, where it is not possible to stay two metres apart, guidance will allow people to keep a social distance of 'one metre plus'. This means staying one metre apart, plus mitigations which reduce the risk of transmission.

These important, and cautious, steps forward have been made possible by the sacrifices of the whole nation bringing the virus under control, and the continued efforts of businesses and the public to comply with COVID-Secure guidelines and clinical advice on testing to protect against resurgences. It is clear that the vast majority of people embraced their new-found freedoms in a responsible manner, and while there remains a long way to go in tackling this virus, every indicator shows that we continue to head in the right direction.

When the Prime Minister set out the 4 July changes, he said that the Business Secretary and I would work with industry and public health experts to help the remaining sectors and activities to become COVID-secure, and reopen as soon as possible.

Following this work, I can confirm that from Saturday 11 July organised

outdoor grassroots team sports and participation events will begin again, starting with cricket. Sports will only be able to resume once their return to play guidelines have been developed in line with government guidance. Outdoor water parks and swimming pools will also be able to open in England from this weekend. To further support the British people in getting active again, from Saturday 25 July, we will allow the safe and COVID-Secure reopening of indoor swimming pools, gyms, fitness and dance studios, leisure centres, and other indoor sports venues and facilities. As we have said all along, we will only allow any further easements if it is safe to do so in line with public health guidance. If it is not, then we will not proceed.

Furthermore, while we are not yet ready to get audiences back into indoor venues like theatres and concert halls, we will allow outdoor performances from Saturday. And while those outdoor performances get underway, we will be piloting a number of indoor performances to work out how we can confidently usher socially-distanced audiences indoors as soon as possible. Rehearsals and performances for broadcast are already permitted.

Having allowed hairdressers to reopen, we will go further, by reopening beauticians, tattooists, spas, tanning salons and other close-contact services from Monday. However, certain types of high risk treatment, such as threading and facial treatments, are advised against at this stage. Further details are available at <https://www.gov.uk/guidance/working-safely-during-coronavirus-covid-19/close-contact-services>.

As ever, we must proceed cautiously, to make sure that the commitment and sacrifice of the British people is not undone by a second peak which could overwhelm the NHS. These changes will be conditional on our ability to control the virus and respond effectively to outbreaks, as we have done so far.

We will remain cautious and measure the effect of changes we make. As stated by the Prime Minister, the Government will not hesitate to apply the brakes if that is what the situation requires as we have had to do in Leicester. For now, the changes outlined in this letter will not apply to those areas subject to local lockdown restrictions.

We know that these continue to be the most challenging of times for people and businesses across the United Kingdom. This Government is committed to supporting those in need, as shown in the Plan for Jobs set out by the Chancellor yesterday.

Everybody must play their part in observing and complying with COVID-Secure and social contact guidelines, if we are to continue to keep the virus under control and maintain our recovery. We are asking people to stay alert, maintain social distancing, keep washing hands, and follow any instructions received from NHS Test and Trace. In doing so, we will together all save lives and continue to rebuild our country.

Rt Hon Oliver Dowden CBE MP
Secretary of State for Digital, Culture, Media and Sport

The single market was never a level playing field

I have no problem with the idea that a quoted company can be bid for by potential new owners who value it more or who might run it better than the existing owners. I do have a problem with the U.K. offering this freedom to countries and companies who do not accept the same discipline. I particularly oppose the idea that nationalised industries or foreign states should be able to buy up U.K. based businesses.

One of the unfairnesses of the single market was we offered up most of our large businesses for sale to France and Germany but they offered up very little of theirs in return. Cultural obstacles, different ownership structures, EU rules and Court judgements and different national government approaches meant during our time in the market many of our companies were acquired from the continent whilst U.K. companies made little or no progress with either acquisition or organic growth strategies in the leading EU countries.

Just look at what happened to our building materials industry for example. In the 1970s we had large advanced companies mining China clay, producing cement and ready mix concrete, making tiles, kitchen units, glass, plasterboard, bricks and tarmac. They did pioneering work on ready mix, concrete tiles, glass and other processes. These items make sense to produce locally as transport costs are high and the travel intrusive. They created many jobs in the U.K. and did not add to the import bill.

Redlands tiles was bought up by French Lafarge. Marley Tiles was bought by Belgian Etex. BPB plasterboard was acquired by French St Gobain. Blue Circle Cement was bought by French Lafarge. Ready Mix Concrete was purchased by Mexican Cemex. Hanson Trust with wide ranging building material interests including bricks was taken over by German Heidelberg Cement. Magnet Joinery's kitchens and other wood products were snapped up by Swedish Nobia. Tarmac's aggregates and road materials were bought by French Lafarge. English China Clays was acquired by French Imetal. That just left Pilkington Glass with world leading technology to go to the Japanese, and our main scaffolding business to go to the USA.

In the case of the USA Hanson had acquired various materials companies as that is an open market. There were practically no successful U.K. bids for European companies given the constraints, apart from Braas bought by Redland only to be sold back to the continent as part of the sale of the larger group.

As we develop our own free trade and overseas investment policies we need to make sure there is reciprocal access for bids. In areas like defence, data and communications we also need to be aware of the needs of national

security. There are some basic competencies and essential areas where we need a domestic capability. The extraordinary story of how the U.K. sold out of practically all its leading building materials shows what can happen if our access is blocked. Once you lose control of the assets you can then be taken on a journey to much more dependence on imports, where you export the jobs elsewhere.