

The UK-Japan Free Trade Summit

Good morning. Thank you, Sir David [Wright], for your introduction, and to City and Financial Global for organising today's event.

I am delighted to be here at this important summit alongside Hiroshi Matsuura and Graham Zebedee, the chief negotiators of the United Kingdom and Japan's great new trade deal.

We are here today to talk about the political, economic, and financial opportunities ahead for our like-minded island nations.

Political vision: Alliance of democratic nations

2021 is a crucial year. The UK is back as an independent trading nation, with a lower, simpler and greener tariff regime and deals done covering 63 nations plus the EU – securing £897 billion of trade.

Of these deals, our new Comprehensive Economic Partnership Agreement with Japan is the jewel in the crown as we go for the first time under the UK's independent trade policy further and faster in digital and data, the creative industries, rules of origin and legal protection for UK food and drink.

As we prepare to champion free and fair trade on the world stage, I cannot think of a better nation to be standing alongside us than Japan.

We can help the world build back better after the Covid crisis through the UK's hosting of the G7 this year and Japan's chairing of the Comprehensive and Progressive agreement for Trans-Pacific Partnership.

These are golden opportunities for us together to advance the cause of free and fair trade.

As the hosts of the G7, the UK will be inviting other leading democracies as guests to support our alliance of democratic nations. We need to work together with these countries, who alongside us cover 52 per cent of world GDP, to ensure free trade is not undermined by practices such as environmental degradation, non-market economies artificially subsidising goods or the violation of human rights.

We will work together in the run-up to the first WTO Ministerial Conference for three years, likely to be held in December.

Today, of course, sees the inauguration of President Biden, who has said he is committed to working with fellow democracies to set the rules of the road of international trade. I look forward to working with the newly appointed United States Trade Representative, Katherine Tai, to work on that alliance of democratic nations.

I know that Japan too is a close ally of the United States, and together we can support democracy, rules-based trade and a cleaner planet.

Bilateral relationship

Japan and the UK are natural partners in this mission.

As island nations, we both have to trade in order to improve the prosperity of our people and to secure the goods that we need. Autarky is not an option.

But we also know that trade has brought huge prosperity to our nations. Look at how Japan thrived from the 1960s by embracing exports and competitive taxes... and the benefits felt across the UK after Margaret Thatcher ushered in new Japanese investment.

Put simply, trade equals jobs... as Japanese investment supports over 150,000 jobs across the country from Nissan in Sunderland to Fujitsu in Birmingham.

As fellow democracies, we have a strong shared interest in ensuring trade does not undermine our values and the way of life we have built over generations.

We have a huge opportunity to set new standards in new areas like digital and data, intellectual property, services trade and environmental provisions.

We have seized this opportunity by agreeing a truly British-shaped trade deal, which delivers more for our key industries than before.

I am proud to say the terms of the deal are now live, which means that right now:

Our technological innovators can benefit from a joint digital market, built on cutting-edge provisions protecting the free flow of data, source code and banning data localisation.

Our services providers can do business in the third largest economy in the world even more easily through clear, transparent rules for visas and greater mobility arrangements.

And our creative industries will have their brands protected, as we go beyond the EU in tackling the online infringement of IP rights.

I am looking forward to delivering the full benefits of our deal this year... with over 70 of our fantastic products from Welsh lamb and Scotch beef to English sparkling wine set to be protected geographical indications, subject to domestic processes.

We will work to ensure all British businesses can access the opportunities on offer through our network of International Trade Advisers, the Export to Japan portal and our information on Gov.uk.

CPTPP

This agreement paves the way for the UK to join Japan in one of the world's most dynamic trading areas: CPTPP.

Japan was instrumental in making this high-standards agreement happen through

its vision of a group of like-minded nations wanting to shape global trade in the right way.

We will shortly submit our formal request to join this free trade area, and are delighted that Japan is ready to welcome the UK into the fold, alongside other vibrant members such as Chile and New Zealand.

The benefits are there to see, whether it is the deeper access to nearly £9 trillion of GDP covered by its members, the modern rules of origin, the 95% tariff-free trade on goods traded between members from cars to seafood, or the modern standards in services, data and digital trade.

These modern standards would play to the UK's strengths as a global hub for services and technology trade. We are already the second largest exporter of services globally, and third in the world for billion dollar "tech unicorn" success stories.

Together, we can help set the standard for trade in the 21st century, promote higher standards in green trade and pile pressure on the World Trade Organisation to reform.

The WTO Ministerial Conference later this year is a real opportunity for us to tackle the disputes and dysfunctionality that have riven the global trading system, as we build back a better trading environment.

UK-Japan: building back better

After a thorough and fair negotiation with my good friend and counterpart Toshimitsu Motegi and his team, I am proud to say Japan and the UK have a fantastic trading relationship.

We are perfect partners as island democracies. We share a desire for free and fair trade under cutting-edge rules, as promoted by CPTPP, while delivering jobs and opportunity at home.

But this alliance is not just about supporting our economies through trade. We are working together on security and defence; we are pushing new frontiers in innovation through our Global Partnership on AI and we are both committed to net zero in the run up to Cop26. On every front, Japan is showing itself to be a true friend of the United Kingdom.

My hope is that 2021 can be the year our two great island democracies weather the unprecedented challenges caused by this Covid crisis and build back better so we can seize the unparalleled opportunities ahead. Together, we can make that happen.