

UK and Commonwealth will champion free trade in face of growing global challenges

The UK will discuss with its Commonwealth partners the importance of promoting an open, fair and inclusive global rules-based system with the World Trade Organization (WTO) at its heart and underline the importance of fighting protectionism.

International Trade Secretary, Liz Truss has today addressed Commonwealth Ministers and High Commissioners at a reception to mark the start of the annual Commonwealth Trade Ministers Meeting.

Speaking at the reception in London, Ms Truss said:

We face a challenging global outlook in which protectionist tendencies are increasingly on the rise. But we can and must seize the opportunity Brexit presents to take advantage of new partnerships with some of our oldest allies across the Commonwealth.

The world is ready to sign free trade deals with Britain. Other countries want our voice at the WTO table, they want to work with our people and have better links with our industries.

Together, the 53 member states of the Commonwealth have the unique ability to be able to lead the defence of free trade, working together to shape new policies and approaches, showing the world a route to prosperity that lies through partnership, not protectionism.

The Commonwealth is one of the UK's largest trading partners and our trading relationship was worth over £100 billion in the twelve months to March 2019.

The UK currently trades with the majority of Commonwealth members on preferential terms, providing UK businesses with easy access to some of the world's largest markets.

The 53 member states in the Commonwealth boast a combined population of over 2.4 billion people and intra-Commonwealth trade is projected to reach \$700 billion by next year.

Thursday's meeting will be chaired by the UK and discussion will focus on strengthening multilateral trade, fighting protectionism, as well as the need to make trade more inclusive and sustainable, by engaging women and youth at all levels.

Ms Truss also announced an additional £2.5 million of funding for the Commonwealth Standards Network (CSN). The CSN works to increase use of international standards across the Commonwealth, in order to promote inclusive intra-Commonwealth trade. The additional funding will help the CSN continue its valuable work to break down non-tariff barriers to trade and support institutions and exporters in developing countries to use standards, so they can access new markets and attract investment.

International Development Secretary, Alok Sharma said:

UK aid is vital in reducing barriers to trade and investment across the Commonwealth.

Our work is helping developing countries to adopt international standards, attract inward investment that will see them become economically self-sustaining and, ultimately, our trading partners of the future.

The UK has also signed a new trade continuity agreement with the Southern African Customs Union and Mozambique (SACUM). This trade continuity agreement will see British businesses and consumers benefitting from continued trade with SACUM after the UK leaves the European Union.

The agreement will help to further strengthen the trading relationship between the UK and SACUM nations, which was worth £9.7 billion last year.

Background:

- Total UK exports to Commonwealth nations was worth £57 billion last year.
- The UK-SACUM agreement will eliminate tariffs on all goods imported from Botswana, Eswatini, Lesotho, Mozambique and Namibia into the UK, as well as on products covering around 96% of goods imported from South Africa.
- The agreement was signed by the UK, Botswana, Namibia, Eswatini, Lesotho and Mozambique on Wednesday 9 October 2019. South Africa are expected to sign the agreement shortly.
- A Memorandum of Understanding has also been signed to enable continued market access in the event that the UK leaves the EU without a deal on 31 October 2019, pending ratification of the agreement.

International Trade Secretary Address to Commonwealth Trade Ministers Reception

Welcome to Lancaster House for the sixth Commonwealth Trade ministers meeting.

I am delighted to welcome everybody here to London.

Nothing is more exciting than what we are doing here tonight, and what we will be doing tomorrow in our trade ministers meeting.

We are talking about the future prosperity for our nations and we are talking about how we can help all the people in our countries become more successful and better off, and alleviate the challenges we face.

After 45 years of being in the European Union, we as the United Kingdom are now setting our own path.

We are going to have our own independent trade policy for the first time, we will be able to strike new free trade deals with nations across the world and we are going to take up our independent seat at the World Trade Organization (WTO).

I know for 45 years at the WTO some people have been wondering where we were, but I want to reassure you Britain is back.

One of our biggest opportunities is a deeper relationship with some of our old friends and I don't think there are better friends than the people here in this room tonight.

The Commonwealth has a collective GDP of \$10 trillion, it represents one-third of the world's population and it represents half of the globe's top emerging cities.

I was looking at these cities and I realised I had only been to five of them, so you better watch out Nairobi, Bangalore, Calcutta, Chennai and Dhaka because I will be coming very soon.

As Chair in Office for the next six months, I think we have a real opportunity to drive an ambitious agenda. First of all, for more trade between our nations, secondly for working together as a fighting force to champion multilateralism and free trade and finally to advance areas like e-commerce and digital trade.

The fact is that trade between our nations is already worth half a trillion dollars. Whether it is lamb from Wales, wines from New Zealand, Australia, South Africa, Coffee from Kenya or Canadian maple syrup.

There are all types of fantastic products across the Commonwealth, Jamaica and Trinidad and Tobago, with their thriving chemicals industry.

The fact is that the Commonwealth grows the food that is on tables across the world. We design the clothes that appear on the catwalks in London, New York and Milan and we build the planes, trains and automobiles that mean we can travel where we want, when we want, whenever we want to. As trade ministers we know we have to do that all the time.

So I'm delighted that today before this event we have signed a new trade continuity agreement with the Southern African Customs Union and Mozambique, this will take the UK to the position that we have now protected £100 billion worth of continuity trade. This also means our hard working team at the Department for International Trade have pretty much conducted more trade negotiations than any other team at any point in history.

I am incredibly proud of our Commonwealth, our shared values of democracy, the rule of law and the belief in the power of free enterprise as a global force for good.

But the reality is that we do face growing tensions across the world, we do face tariff tit-for-tat. My belief that increased protectionism enables and overzealous regulation, stifles enterprise and it harms consumers. For example, the good people of America may now need to pay extra for a glass of Whiskey on current proposed tariffs.

The way to solve this is to de-escalate because trade wars benefit no one and I see the Commonwealth as a fighting force against protectionism at the World Trade Organization.

Together, the 53 member states of the Commonwealth have the unique ability to be able to lead the defence of free trade, working together to shape new policies and approaches, showing the world a route to prosperity that lies through partnership, rather than protectionism.

In that vein, I am delighted to announce £2.5 million worth of funding for the Commonwealth Standards Network, which will increase the use of international standards and will help break down non-tariff barriers that affect our enterprises.

But we are also future-facing and forward-leaning and we need to make trade fit for the 21st century. As I said this morning in Geneva, the WTO does need to reform for a new era. I believe the Commonwealth can play a leadership role in this, as we cover so much of the world's trade, we have a fantastic group of countries in our organisation.

One of the topics in discussion at the WTO was generation Z, how are we going to support the next generation to succeed in trade and the fact is right across the world, more of the next generation want to start their own businesses rather than be employees. We need to talk about how we can support SME's to be able to trade with other countries- this is incredibly important.

But also areas such as digital trade, we are leading the world and tomorrow we are going to be talking about our connectivity action plan and digital transformation.

Thank you so much for coming here and thank you so much for participating in tomorrow's meeting, thanks for all the work officials have done already.

This is a really important time for world trade and it is also a really important time for the UK as we leave the EU on the 31 October. This is an opportunity for us to really realise our potential in every corner of the UK. It's an opportunity for us to build deeper, stronger relationships with some of our oldest friends and new partners but also to modernise trade and to make sure all our countries are getting the maximum benefits whether they work for a small or big business. I really believe it is an opportunity for us to work together at the WTO to promote free trade and to fight protectionism.

We have ambitious plans for our remaining time as chair in office and I'm looking forward to working with all of you to achieve great things over the next few months.