

Atlantic Future Forum: Minister for the Americas Keynote Speech

National and Economic Security Policy in a Geopolitical Age: the UK's approach

Thank you very much indeed, Samira, who can follow that extraordinary exchange we had just had between Eric Schmidt and General Sir Patrick Sanders. What an education that was in itself and what a delight it is to listen to and speak to you on this fascinating topic.

I am responsible in the British government for the diplomatic interface with the technology of the kind we are talking about, it could be defence and security, or it could be other kinds and I will touch upon them a little bit later in my talk. Ladies and gentlemen, as you have heard and know this is not a world or a time for a grand strategy. We face a strained international order, characterised by state competition and mounting security threats as well as the kinds of non-state actors we have seen in recent years. As societies and economies have become more complex and more interconnected, new vulnerabilities have emerged and been exploited and they in turn damage the integrity of the open economic system which has underpinned our prosperity since the 1990s. We should think not in terms of two geographies, Europe and the Far East but also a third in the Middle East and that it going to impose new stresses and strains on that system.

Russia's invasion of Ukraine has brought that reality into the sharpest relief as we have just been hearing. This weaponisation of connectivity – whether grain or gas – has driven soaring global energy prices and plunged millions of the world's most vulnerable into hunger and famine. Many miles from the theatre of war potentially into hunger and famine . As Eric said this is the first broadband war, this is not just in technologies but in mind-set and leadership. Technology has been central to the response. But this comes in both directions, but the unity and resolve in Great Britain and United States, European Allies and others in responding to such an act of aggression has been very striking. We have imposed major macro-economic cost on President Putin, frustrated his war machine and strengthened Ukrainian leverage and power. And we know it caught Russia off-guard: our sanctions have already seen Russia facing its first external debt default potentially for a century. Above all, it demonstrated that the 'political west' has the economic weight to defend global stability and promote the values we cherish – openness, sovereignty and freedom.

Now this systematic competition that we have described is intensifying, and is growing in complexity. The geopolitical order is being superseded or placed within a wider new global order of opinion and connectivity and narrative. Our mission on economic security is clear and crystallising – at home and with partners, and I propose to touch on three aspects of that mission.

The first is learning from our Russia/Ukraine experience in order to do more to resist aggression and coercion. That means for us focusing on deepening co-operation with G7 allies to build a new economic security mechanism; what the Prime Minister has called an 'Economic NATO' that will improve our collective ability to assess, deter, and respond to threats from aggressive powers, including economic coercion. In the simplest terms if the economy of one partner is being targeted by an aggressive regime we should be prepared and we will be prepared through this new mechanism to support them. Having such defensive economic measures alongside traditional measures of resistance in a state of readiness builds credible asymmetric deterrence to aggression including threats of military force. It underscores our commitment to a world in which respect for international rules and sovereignty is the bedrock of good relations, good business and healthy society.

Secondly, we must build our own resilience to shocks – this has been a big theme of the last 24 hours – whether they are organic or come from outside. The most urgent part of this task is to build redundancies and to end our dependence on authoritarian states who would weaponise our very openness and integration and connectivity to hurt us. We have shown unprecedented resolve in this respect – divesting away from Russian energy supply is a signal of upmost importance in showing our willingness to bear short term economic costs in defending a sovereign free state from unprovoked aggression.

We are also getting ahead in other possible areas of strategic dependence. Whether it is vital new technologies or the critical minerals that will power those technologies and support them. We are working to strengthen trusted supply chains that can be relied on whatever the geopolitical weather. Supply chains that can operate on a cost basis that allows them to be effective, wide spread and support our wider aims. That will mean helping allies pursue and consolidate strategic advantage – a practice of “friend shoring” across key sectors. And as we think to our friends, there is no closer or more trusted bond than that between our two countries the United Kingdom and United States of America. It is often said that democracies are slower to respond to threats but more resilient over time. We must change that, we must be quicker to respond and more resilient. We must be highly rapid in our response in a highly changing environment as Eric Schmit has pointed out.

Finally, we must learn in this new world to “play offence” even better than we are at the moment. That means not to abandon but to practice and exemplify the values we are defending. That is to promote the liberal international trading order, whose transformative benefits we have seen for many decades across the world. And to be a dynamic, reliable and a trustworthy partner. This applies to the terms of trade. We are at a globally high standard. The free trade agreements we are developing are of the highest quality when it comes to transparency and trust. And our new independent trade policy allows us to do more for emerging economies including through the Developing Countries Trading Scheme – a scheme that will offer 65 developing countries greater opportunities from exporting to the UK.

It also means extending our collective economic offer to the world – in the sectors that matter most to them, and without the strings of coercion we have seen our adversaries use. At the highest level, the G7 Partnership for

Infrastructure and Investment (PGII) is an important leap forward. PGII will mobilise \$600bn of reliable finance for infrastructure investment in low and middle-income countries over the next five years. What it shows is that combating future adversaries is not just liberties as a value itself but it is something we must turn our strength to and our capacity to innovate in support for the global good – in a whole range of sectors from vaccines to the next generation of energy production and many others. And these are sectors I will be focusing my team on within government in the coming months.

Ladies and gentlemen, the war of the future is the war of hearts and minds as well as weapons. If it was ever thus, it is more so now than it ever before. But we need to build and maintain that trust. And we will. Thank you very much indeed.