

# Speech: Greg Hands: the best and most sustainable way out of poverty is through trade

We're at the cusp of an historic opportunity – and an historic challenge.

According to the World Bank, the last 3 decades have seen the greatest fall in material deprivation in human history.

China is now the world's second-largest economy – unimaginable 40 years ago.

But there are still enormous challenges to overcome.

Rapid growth cloaks deep deprivation – for the poor, for rural areas, for women, or for minorities.

We have a duty to help ease that poverty. And the best and most sustainable way out of poverty is through trade.

Trade has built unparalleled prosperity. It propelled Britain from poverty in the early-19th century. It is propelling China now. And it will propel the developing world and the world's poor in the decades to come.

It would be wrong for us to pull up the ladder. The government wants to make sure the benefits of trade are felt by the world's poorest, and we're acting right now to make that happen.

On tariffs, the government has committed to providing, as a minimum, the same level of access for developing countries as the EU, and we're putting legislation through Parliament to let us do that.

That is a minimum – we'll also look at ways to improve on the EU's system, by making ours more generous and easy to use.

On trade support, we're beefing up our emerging market capacity and expertise.

The Department for International Trade now has advisers in 108 countries across the world, including many emerging markets.

I'd like to welcome our recent appointment of the first Trade Commissioner for Africa – Emma Wade-Smith, someone with over 20 years' experience in trade and diplomacy.

Our £50 billion export financing capacity can now help British businesses trade in over 60 currencies – so those in emerging markets can buy British, but pay local.

And – the reason we're here today – the Prosperity Fund is a key tool in our

armoury.

£1.2 billion, to deliver everything from training government finance officers in Indonesia, to widening access to financial services in Mexico.

From improving public health provision in Brazil to building low carbon economies in South-east Asia. And this could create opportunities for you, too.

Fund programmes are designed to answer stubborn development problems and create business opportunities – growing sectors where the UK has a comparative advantage, removing trade barriers, standardising regulations and improving the legal and business environment.

For example, healthcare is a vital component to any country's development. Healthy populations live longer and are more productive.

Well, we have world-beating life sciences and pharmaceutical industries, anchored by the NHS and built on our science base – Britain has 4 of the world's top ten universities, one less than the US.

And no economy can sustain growth without the right infrastructure. The UN estimates that three fifths of the world's population will live in cities by 2030. Energy, transport, water and communications are vital for private sector investment to stimulate growth.

Yet a great deal of the infrastructure developing countries will need in 20 years has not yet been built.

This is an opportunity for our world-leading architects, urban planners, construction contractors and energy specialists.

And this applies more broadly – we have a stake in helping emerging countries grow.

Better-run economies have better-run companies, and well-functioning legal systems. Well, British lawyers, accountants and consultants have a worldwide reputation.

Faster-growing economies need finance to fuel that growth – the City of London is ranked as the world's leading financial centre, speaking the global language of business, in the world's most convenient timezone – particularly for Africa and the Middle East.

Larger economies trade more, in absolute terms – and we're the world's fifth-largest exporter.

And as economies develop they spend more on services – we're the second-largest services exporter.

Better-run economies benefit everyone – more trade for us, more business for you, and a route out of poverty for hundreds of millions overseas.

And the biggest benefits come from freer economies and freer trade.

There is no reason why the plunge in poverty we've seen in recent decades should be a one-off – that's not something we have to accept.

It is by people's own innovation and endeavour that developing countries can be lifted out of poverty.

Free trade means nothing more than letting that endeavour run free.

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## **Speech: Minister Mark Field speech at the Prosperity Fund Business Forum**

### **Introduction**

All over the world we see evidence of the virtuous circle stimulated by rising prosperity.

It has the power to build an environment that's more conducive to trade, creating the jobs that enable people to work, do business and fulfil their potential – helping communities and countries move into a future free from a dependence on aid.

### **Prosperity Fund and Global Britain**

This is the logic that underpins the UK Government's Prosperity Fund: £1.2 billion of our aid budget ring-fenced to promote inclusive economic growth needed to reduce poverty in middle income countries.

You may be wondering 'why middle income countries?'

Of course the answer is that we continue to support the world's poorest countries too, through our aid programmes.

But we know that 70% of the world's poorest people live in middle income countries, and this is where we think the greatest potential benefits could be derived from supporting and promoting the transformative power of trade.

What we also know from 5,000 years of trading experience is that open markets, and free and fair trade are a win-win for companies and countries on both sides of the deal.

As Minister for Asia and the Pacific, and as the constituency MP for the city of London, I certainly have a huge personal interest in seeing British businesses thriving in developing markets.

These are the markets that will grow most dynamically in the coming years.

And I have seen, during my working visits, the important role being played by the Prosperity Fund in rolling the pitch for British business success.

These twin objectives – supporting middle income countries' aspirations for trade, investment, jobs and growth – while also helping international, including British business to benefit from the fruit of that trade – are key elements of our vision for Global Britain.

A vision of a country that is outward-looking, confident and making a positive difference to lives right across the world.

In practical terms, rolling the pitch for business means helping to remove barriers to trade, promote business environments more conducive to investment, and facilitate export and development finance.

## **Prosperity Fund Examples**

The impact of our support is being felt far and wide, and it is already delivering opportunities for British companies.

On my patch, in Asia, we are working with the UN Development Programme to promote fairer, more transparent and more predictable business environments in the dynamic, emerging ASEAN economies.

In Colombia our Prosperity Fund work led to a British sustainable construction firm sealing a £3.5 million deal and opening a new office as their regional hub.

Working with China, the Prosperity Fund is being used to help promote more sustainable investment in infrastructure projects that meet international standards, in ODA-eligible countries that are part of China's Belt and Road Initiative.

Thanks to the Prosperity Fund, these infrastructure projects have already delivered UK commercial wins worth over £48 million; and have created a pipeline of further work, potentially worth up to £1.6 billion for the UK.

In South Africa, our Future Cities programme team is helping city authorities in Cape Town to make better use of 'Big Data' to improve the city's response to its ongoing water crisis.

This, along with further projects that the Programme is scoping – related to transport, urban planning, and sustainable development – should result in significant commercial opportunities for UK companies.

These examples show how the Prosperity Fund is already achieving its twin aim of reducing poverty and delivering business opportunities for international and UK companies.

## **Infrastructure programme**

These opportunities are about to expand into the field of infrastructure.

I'm delighted that we are launching our Global Infrastructure Programme today.

This programme recognises the colossal infrastructure gap that has opened up, particularly in Asia and Africa, between current capacity and future need.

The programme aims to help bridge that gap by enhancing the capacity of middle income countries to develop major infrastructure projects.

We are confident that the training provided by the programme – in project planning, preparation and delivery – will achieve this aim.

We are equally confident that it will also unlock business opportunities for our experts and companies in sectors in which this country excels, including project management, sustainable infrastructure development, and financial and professional services.

## **Conclusion**

My final point is that these opportunities can only be fully realised with help from the private sector.

To ensure that we all get the most from the Prosperity Fund we want to work with you: our businesses and our experts.

I urge you to use your time here today to consider what you can offer to our Prosperity Fund agenda, and what it can offer to you and your business.

Tell us about the barriers to trade that we should focus our resources on dismantling.

Wire your business into our network of embassies with Prosperity Fund projects, so that you can take advantage of the doors it is opening.

Together, though open markets and free and fair trade, we can strengthen the global economy for the benefit of all – that is what the Prosperity Fund is all about.

## **Further information**

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## **[Speech: Lord Bates speech at the Prosperity Fund Business Forum](#)**

Good morning everyone. I am very pleased to be part of this event. It is great to see so many businesses in the room.

The Prosperity Fund is primarily focused on removing barriers to economic

growth and building bridges to prosperity. It is playing an important role in delivering the UK aid strategy, contributing to the UK's efforts to deliver the UN Sustainable Development Goals, and complementing DFID's own Economic Development Strategy.

The UK Aid Strategy, published in 2015, recognised the importance of boosting global prosperity – not only because it is the right thing to do, but also because it is in our interest so to do. Promoting global growth and prosperity will not only contribute to poverty reduction abroad, but also open up increased trade and investment opportunities for the UK as well.

We also know from experience in DFID that if we want to see real and lasting change, it is vital to see productive economies that spread benefits and opportunities right across society. No country has ever succeeded in lifting itself out of poverty while leaving half its population behind. Eliminating the barriers women face in some sectors and occupations could increase labour productivity by as much as 25% in some countries through better allocation of skills and talent – a huge boost to economic growth.

The Prosperity Fund also recognises that it is in our and the rest of the world's interest to build inclusive and sustainable growth in better off countries.

Growth in countries like China, India, Brazil, Mexico, and South Africa contributes to vital economic development beyond their borders as they become key markets for global goods and services and an increasingly important sources of investment into other developing countries.

Yet for many, growth that is sustainable and beneficial to all remains a major challenge. Countries are constrained from attaining their full potential by persistent development challenges such as inequality, rapid unplanned urbanisation, climate change and conflict.

What poor countries need is access to our knowledge, and access to our markets. The UK has world leading expertise in areas such as education, healthcare, finance, insurance and infrastructure, and we should be ready to offer support and to share that knowledge.

Let me give you one example of what the Prosperity Fund is doing. The Centre for Global Disaster Protection, which I launched last July, is about leveraging the skills, expertise and the financial capacity of the City of London to improve disaster resilience. It works with governments to strengthen pre-disaster planning, catalyse innovative finance for resilience, and uses tools like insurance – for which we are a world-leader – to provide cheaper finance, faster and more reliable responses to disasters, such as cyclones in Bangladesh or hurricanes in the Caribbean or droughts in Somalia.

As countries' economies grow and diversify, what they want from the UK evolves. In response, we need new economic partnerships to support developing countries to overcome the need for aid and become our trading partners for the future, standing on their own two feet.

But we know that aid programmes and government strategies can't do it alone.

If we are to achieve the Sustainable Development Goals it's estimated by the World Bank that we need 2.5 trillion dollars per year additional to what we actually have at the present time. Global aid flows are 140 billion dollars. We cannot do it alone. Increasingly, aid needs to be about catalytic opportunities, about leveraging investment.

The aid system needs to look beyond aid projects and towards long-term economic growth.

Government needs to foster greater collaboration and coordination to maximise our impact.

We all need to be pulling together, and that includes the private sector. It is, ultimately, you – the private sector – who will create the jobs and growth that countries need. It is in the private sector where the UK's skills and expertise are to be found. And it is of course private sector finance which will play such an important role in supporting countries to transition onto a long-term stable financial footing.

DFID is one of the departments delivering the Prosperity Fund with proposed or active programmes in digital access, global finance, skills, and disaster protection.

It is through the Prosperity Fund that the Green Growth Equity Fund will be delivered. Following an agreement in principle between the Governments of UK and India, the anchor fund will look to increase the flow of funds to India's infrastructure sector and provide global, including UK, investors in green infrastructure.

We know that mobilising and facilitating finance and investment will be crucial to achieving long term sustainable growth. Which is why in the UK we are utilising our world-leading financial services industry to unlock investment and support the City of London to share its expertise with emerging markets in Africa.

We support institutional investors, managers of trillions of pounds, to make the most of opportunities that can deliver the returns for the impact they are seeking.

And we also work to catalyse private sector investment through CDC, the UK's development finance institution. Over the past three years, companies backed by CDC in Africa and South Asia have created more than three million new jobs, and generated \$9 billion in taxes for national governments, helping governments to stand on their own two feet.

It is this sharing of knowledge, championing of innovation, and working together to solve problems that we need more of across government.

And that's what this Fund represents. It represents an opportunity for us to work together to achieve that alluring and fantastic goal of seeking to eradicate poverty.

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## Press release: UK Export Finance publishes its annual report and accounts

UK Export Finance (UKEF) has published its annual report and accounts, revealing it provided £2.5 billion in support for UK exports in 2017 to 2018.

Rt Hon. Dr Liam Fox MP, Secretary of State for International Trade, said:

As an international economic department, our priority is to do all we can to support UK businesses as they seize the opportunities of global trade. UK Export Finance is at the heart of our offer to help them do so, and this report shows that it has been a landmark year for the UK's award-winning export credit agency.

Baroness Fairhead, Minister of State for Trade and Export Promotion, said:

UKEF's results for 2017 to 2018 once again show that when companies take advantage of its support, the effects on their business can be transformative. By providing innovative and flexible finance and insurance, the government is helping British businesses, big and small, realise the value they bring to the international marketplace.

The range of exports supported by UKEF demonstrates that the UK's exporters have a truly world-class export credit agency behind them – and that's why the government's forthcoming Export Strategy will deliver on our commitment to put UKEF at the heart of trade promotion.

The report revealed UKEF has supported £4.1 billion in export contracts through its trade finance products since 2011, which were introduced to help give smaller businesses an exporting edge.

During 2017 to 2018, UKEF was also awarded 'best export credit agency 2017' by Global Trade Review magazine and Euromoney's Trade Finance.

UKEF's other business highlights included:

- UKEF confirmed increases in, and in many cases doubled, its capacity to support UK exports to over 100 markets worldwide.



- UKEF added 22 new currencies to its list of pre-approved local currencies in which UKEF can lend or guarantee loans to overseas buyers of UK goods – taking the total to a world-leading 62 among its international counterparts.
- UKEF expanded eligibility for its short-term trade finance to include UK suppliers of exporters, enabling even more countries to benefit from UKEF support even if they're not yet themselves directly exporting.
- UKEF secured at least \$250 million of UK exports in support of the construction of two power plants in Iraq, led by Enka UK and General Electric.
- UKEF guaranteed a 1 billion Mexican peso loan in support of Scottish bus manufacturer Alexander Dennis' major export contract to Mexico City – UKEF's first ever deal in the currency.
- UKEF provided a €270 million loan to the Ugandan government to finance the construction of a new international airport in Kabaale by Colas UK, with further supplies and services for the project expected to be sourced from the UK too.

To find out more about UKEF, or see if finance and insurance from UKEF could give you an exporting edge, [visit great.gov.uk](http://visitgreat.gov.uk).

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## [News story: DHM Lindsay Skoll's speech at the Hall of Military Glory in Volgograd](#)

Deputy Ambassador Lindsay Skoll said:

As you know, the links between the UK and this great city [Volgograd] are strong and enduring.

They were forged during the Second World War through shared experiences of destruction, devastation and immense bravery. They were started by 900 women in Coventry who sent messages of support and solidarity to their sisters in Stalingrad. The late Queen Mother is an honorary citizen of Volgograd in recognition of the supplies and relief efforts that she organised after the war. The cities of Coventry and Volgograd were the first cities to be twinned in 1944.

And 75 years after the Battle of Stalingrad the mayor of Coventry came here to pay his respects. It is impossible to think how immense the suffering was for the people here in Volgograd and in Stalingrad as it was then called. It was immense suffering with bravery, dignity and the best of human spirit at the worst of

times. These are values and shared history we hold really deeply and really dearly. Given the immense suffering of Volgograd and pivotal part it played in the route towards victory, I think it's only fitting that the 2018 World Cup should have Volgograd as one of its host cities.

After all, Volgograd today plays host to people from all over the world including Great Britain who are here in peace and with a common purpose. Thank you.

Q: Is this ceremony a step towards improving ties between Russia and the UK?

A: I think what today demonstrates more than anything is that the enduring nature of the relationship between the UK and Volgograd outweighs any political ups and downs in our relationship.

Q: Record low ticket sales to UK-based England fans for this match tonight. Do you think some fans stayed away because of those political tensions?

A: It's really hard to say. There are a number of factors. Volgograd is quite a distance you get to as I'm sure a lot of you know. But what I do know is that the warmth of the welcome here has been absolutely outstanding. And all the fans have commented on that. Volgograd has just seemed delighted to welcome everybody.

Q: How do you rate sort of the welcome the England fans got? We've talked about Volgograd, but generally here in terms of LGBT fans here as well... there are Black and Asian minorities and ethnicity fans as well. Are you confident that they will be able to have safe and pleasant visit here in Russia?

A: Absolutely. I know that the Russian government and people have made a commitment to FIFA after being selected to host the World Cup here. Everything we've seen has been outstanding in terms of welcome. All the fans I've met have had an absolute terrific time. Volgograd could not be a better host.