

Speech: Trade and tariffs: Brexit and beyond

Thank you. And thanks to DWF and Hume Brophy for hosting us this morning.

Trade policy is all about playing to your strengths – it's called comparative advantage for a reason. So I think it's particularly apt that we're being hosted by a purveyor of one of our finest exports – legal services. Especially one based in Manchester.

The work of the Department for International Trade

As you've heard, I'm the Minister for Trade Policy.

In crude terms, that makes me minister for trade agreements, as well as things like trade preferences for developing countries, agreeing WTO schedules, and establishing our own independent trade remedies regime, so we can protect industry against dumping and other unfair practices.

Today I've been asked to talk about our priorities in some of those areas.

But before I start I should emphasise that my department, the Department for International Trade, has a range of other priorities: things like encouraging small businesses to export, securing foreign direct investment from firms overseas, and providing export finance.

People often assume that DIT is a purely Brexit department, but this kind of bread-and-butter work is equally important and has been going on since long before the referendum: [UK Export Finance](#) is actually the world's oldest export credit agency.

What Brexit has done is give this work renewed emphasis, which is why we now have a dedicated Department for International Trade, so that all trade-related work is done under one roof, and so trade has its own voice at the Cabinet table for the first time in over 30 years.

To give one example: UK Export Finance can now give support in over 60 currencies. We'll also be launching a new Exports Strategy in the coming months.

A lot of that support is about helping us export more to the EU, and I've made numerous trips across Europe to promote UK exporters and the UK as an investment destination.

Our negotiations with the EU

I think that's an important reminder that we shouldn't see European trade purely through the prism of Brexit negotiations – trade isn't all about trade agreements.

Nonetheless, I will touch on those negotiations.

As the Prime Minister has said, the government wants a deep, comprehensive and unique free trade agreement with the EU.

We want that because we value EU trade.

When I talk about the opportunities that lie outside the Customs Union, people often accuse me of ignoring the opportunity right on our doorstep. But I can assure you that the government is fully cognisant of that.

The EU takes two fifths of our exports; they're a developed market of half a billion people starting 20 miles from Dover.

That will always be important – it's simply that I don't see this as an either/or choice.

As a British MP, born in New York with a German wife, I've always seen the choice between Britishness, globalism and Europeanism as a false trichotomy, and so it is here.

By leaving the Customs Union, we will have the ability to sign new trade agreements. But I believe we will also get a good deal with the EU.

By the Commission's own estimates, trade with the UK are worth over EUR 800 Billion to the EU27. On the day we leave, we will immediately become the EU's second-largest trading partner, only slightly behind the US, and well ahead of third-placed China. It is strongly in the EU's interests to sign a deal.

Yes, in relative terms the trading relationship is worth even more to us than it is to them. But it's not a zero-sum game.

And in technical terms this is more straightforward than most trade agreements: this will be the only trade agreement in history where the 2 sides start from a position of already being aligned.

Our priorities for non-EU trade

So I think we will get a strong, mutually-beneficial trade agreement with the EU. But what of trade agreements outside the EU – what of our priorities and our progress there?

We can split this out into our overall aims, how we're achieving those aims, and how we're prioritising them.

Our overall aim is to ensure continuity and certainty for UK businesses, by transitioning the 40 or so trade agreements the EU has in place with third countries.

We will also take advantage of the great opportunities outside the Customs Union – the IMF has predicted that 90% of global growth will be outside the EU in the coming years – by agreeing new trade deals.

We're already making strong progress towards achieving these aims. Last month's draft text on the withdrawal agreement included the ability for the UK to negotiate and sign new trade agreements during the implementation period.

And although we can't do that yet – we're bound by the EU's principle of sincere cooperation – we're laying the groundwork.

We're laying the groundwork domestically. I am currently taking the [Trade Bill](#) through Parliament, which will, amongst other things, give us the power in domestic law to transition the EU's existing third-party trade agreements.

And we're laying the groundwork with our trading partners: we have set up trade working groups with 21 countries.

As for prioritising trade agreements: as you would expect, this is a holistic process; we look at things like the ease of achieving a deal and the size and compatibility of the other country's economy.

But there's no algorithm that will tell you what to do.

Our world-leading services

As you would expect, whoever we discuss trade with services are important.

Services make up 44% of our exports. That's equates to a higher-proportion of GDP than for any G7 country and makes us the world's second-largest services exporter; second only to the US.

And if anything that underestimates the importance of service exports: when you look at value-add – taking into account re-exports – services are worth around two-thirds.

That's led right here, by the financial, professional and business services of the City of London: a sector close to my heart, given the time I spent on trading floors here before I went into politics, and the number of my Chelsea and Fulham constituents who work here.

Given our hosts, I specifically want to mention our 'Legal Services are GREAT' campaign, launched in October in Singapore.

This is spreading the word worldwide about our legal system's predictability, commercial adaptability and certainty; our judges' integrity and experience; and the depth and breadth of expertise that has made to UK such an exceptional global legal hub.

We want to protect our services trade as we leave the EU. But we also want to do much more. Trade in services has historically resisted liberalisation much more than trade in goods.

The UK: a voice for free trade

So trade policy post-Brexit will be about much more than individual trade deals. It will also be about Britain becoming a voice for free trade, at the World Trade Organization and other international fora.

We are currently working to ensure we have our own WTO tariff schedules. We're already a member in our own right, but we're currently covered by the EU's schedules, so we've taken the decision to replicate these for the time being, partly so business has maximum certainty.

We're already a World Trade Organization member in our own right. But not one with our own voice, as the EU speaks for all member states.

The IMF estimated that we were the world's fifth largest economy at the end of last year, and in today's world, where there's so many forces in favour of protectionism, it is to everyone's benefit to have a nation of Britain's stature making the case for free trade.

[Press release: UK increases commitment to protect oceans from plastics and fight illegal wildlife trade](#)

The UK is stepping up its support to fight global environmental challenges, with a greater focus on protecting the world's oceans and tackling the illegal wildlife trade, International Development Secretary Penny Mordaunt and Environment Secretary Michael Gove have announced today (Thursday 26th April).

At the Global Environment Facility conference in Stockholm, the UK joined 29 other international donors to recommit for a further four years to help developing countries tackle global environmental degradation.

Following pressure from the UK, this year's Global Environment Facility replenishment will result in more funding to protect the marine environment, including from plastic waste pollution, and to tackle the illegal wildlife trade.

With this seventh round of support, the GEF is planning to protect around 600 million hectares of land and marine habitats – an area equivalent to 24 times the size of the UK – and reduce greenhouse gas emissions by 1600 million metric tonnes – the equivalent of an average car driving 4 million miles.

The UK's commitment of up to £250 million over the next four years is an increase on the last pledge of £210 million from 2014-2018, and maintains the

UK's leadership on tackling environmental challenges that threaten global stability and security. Twenty per cent of the UK's support is also conditional on GEF making continual improvements to achieve maximum impact.

International Development Secretary Penny Mordaunt said:

The world's poorest communities are often the worst affected by environmental change. Extreme climates cause devastating drought and hunger, while deforestation and pollution destroy people's livelihoods and health.

The UK's long-running partnership with the Global Environment Facility has already achieved great change – cutting greenhouse gas emissions and protecting land – and now, we're working with our international partners to do more so that together we can clean our oceans of plastic waste and fight the illegal wildlife trade.

This will help developing nations, but, as we are all affected by the environment, it is a win for us in the UK too.

Environment Secretary Michael Gove said:

Environmental challenges do not respect borders. It is only through co-ordinated international action that we can clean up our oceans and protect wildlife. Our funding to the Global Environment Facility makes a vital difference.

The 25 Year Environment Plan demonstrates a commitment to global leadership. It makes clear our priorities of ending the illegal trade in wildlife and reducing plastic waste. These efforts will prevent damage to our seas and the wider natural environment.

Notes to editors

- The UK Government – through the Department for International Development (DFID) and Department for Environment, Food and Rural Affairs (DEFRA) – has pledged £250 million to the Global Environment Facility (GEF) for its seventh replenishment.
- The UK's commitment of up to £250m over 2018-2022 is an increase on the last pledge of £210m for the 2014-2018 replenishment, and maintains the UK's leadership on tackling global environmental challenges and our position as the fourth largest contributor to the fund.
- To incentivise GEF to achieve the targets, we are making 20% of our overall replenishment funding contingent on GEF's continual improvement and achieving maximum impact.
- The UK has sought and successfully achieved a substantial increase in GEF funding for a range of priority topics, including:

- an increase for the Global Wildlife Programme tackling the illegal wildlife trade;
- increases for managing chemicals and waste – including plastic;
- an increase for international waters in recognition of pressures on the marine environment.
- The Global Environment Facility (GEF) was set up in 1991, and supports developing countries to tackle major environmental challenges including wildlife loss, land degradation, deforestation, chemical pollution, marine and freshwater degradation, and climate change.
- Since its inception in 1991 the Global Environment Fund has successfully protected 860 million hectares of land – an area larger than Brazil – and contributed to 2.7 billion tonnes of greenhouse gas emission reductions through 760 climate change protection projects.

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Press release: Defence Secretary launches first ever Veterans Strategy and new cross-Government Veterans Unit

The ground-breaking strategy has been commissioned by the Defence Secretary and today it will be confirmed that a new Veterans Unit with input from across Whitehall will be created.

The Veterans Unit will champion the changing needs of the ex-service community and ensure action is taken to meet these.

Defence Secretary Gavin Williamson said:

We have a golden opportunity to ensure our veterans get a fair deal for their service and sacrifice to our country.

The vast majority of those leaving the Armed Forces go on to lead fulfilling and rewarding lives, which is a testament to their professionalism and resilience. However, for those who need help it is right that we step forward, create new opportunities, and remind them that they are not alone.

Everybody across our society has a responsibility to make sure we protect those who protected us.

Mr Williamson today urged other departments and the devolved administrations to meet the evolving needs of former service personnel from across the UK.

The Defence Secretary announced his new initiatives during a meeting of the Ministerial Covenant and Veterans Board, which was established last year to get the whole of Government behind the Armed Forces Covenant.

Over the next decade, the veterans population will experience a dramatic generational shift from the Second World War and conscripted generation to the younger, all professional cohort both with vastly differing needs. A dedicated team will now begin engaging with stakeholders and the veterans' community ahead of releasing the strategy in the autumn.

The Defence Secretary has identified several key pinch-points that affect a small but significant number of veterans and asked the new team and Ministerial Board to prioritise these issues:

- Debt – How we can best help veterans meet the financial demands of civilian life. This issue represents the highest percentage of calls to the Veterans Gateway.
- Housing- How to offer the best advice for those leaving the Armed Forces. Whilst the Covenant already puts an obligation on local authorities to ensure they provide fair access to housing for veterans there are still a small number of individuals that require further support.
- Social Isolation – Supporting community integration for those who feel a loss of camaraderie upon leaving the Armed Forces. Younger veterans can struggle with a disassociation from civilian life so the new strategy will focus on connecting with the Loneliness Strategy to help address this.
- Mental and Physical Wellbeing – Ensuring this is maximised, especially for those with lasting physical or mental health issues as a result of their service.
- Public Perception – Improving how veterans are viewed, perceptions are often inaccurate, outdated or clichéd and do not recognise that most veterans are proud members of our society with a huge amount to offer.

At the inaugural meeting of the Ministerial Board last autumn each Department represented was asked to nominate a Minister to lead on veterans issues and the Armed Forces Covenant. These were announced at today's meeting and will help to ensure the new Veterans Strategy is implemented across Government.

Minister for Defence People and Veterans, Tobias Ellwood said:

I am pleased to have seen real progress made since the last meeting of the Ministerial Board, including a significant cross-government effort to ensure our veterans are in no way disadvantaged by their previous career.

Recent initiatives, such as the troops to teachers bursary, the new veterans ID cards and the growing popularity of the Veterans Gateway are all making a practical difference and I look forward to seeing how this new strategy can help build on the Armed Forces Covenant to show that our commitment to our brave men and women lasts long after they have left service.

Press release: Statement by International Development Secretary on Save the Children

Following the launch of a statutory inquiry by the Charity Commission, Save the Children UK has decided to withdraw from bidding for new UK Government funding until DFID is satisfied that they can meet the high standards we expect of all our partners.

I am committed to driving up standards across the aid sector and I expect every organisation that we work with to have rigorous reporting and complaints mechanisms in place to protect beneficiaries and employees alike.