

News story: David Davis' speech from The Times CEO Summit

Introduction

Politicians love to take credit for a national success, particularly national economic success.

The truth is over the last seven years, Britain's business leadership have knuckled down to turn the economy around.

Thanks to that hard work, I can stand here and talk about an economy that was the second fastest growing major advanced economy last year.

That has created over 3 million private sector jobs since 2010.

And that has a deficit that is now two-thirds less than it was seven years ago.

So it's an economy that is fighting fit.

Which is not to say that our society does not face the same challenges as every major Western economy.

Globalisation and competition from the Far East.

Technology and automation.

Demography and an aging population.

Pressure on public services and public spending.

And, uniquely for us, Brexit.

For all that, I know that our country stands on the verge of a very prosperous future.

As a fully sovereign United Kingdom, we will be stepping out into the world and seizing new opportunities.

As part of that we want to forge the closest possible relationship with our neighbours and friends in the European Union.

A deep and special partnership, to use the Prime Minister's phrase, that reflects our shared values and joint histories.

An open dialogue with business

But I am also clear that Britain will only be able to deliver that if Government and business work hand in hand.

Your expertise will be crucial over the next two years, if we are to get the right deal for the United Kingdom as we exit the European Union.

We will be introducing a significant amount of important legislation that will help us build a country that is ready for the future.

From customs to immigration we will need your input to ensure that we not only get the right deal with the European Union – but also lay the groundwork for a country that can compete around the world.

To do that we need a regular and open dialogue with businesses, up and down the country.

As the negotiations intensify, there is a clear need to equally intensify the dialogue with business.

That's why the Prime Minister, the Chancellor, the Business Secretary and I will shortly outline new proposals to ensure we have the right mechanisms in place across Government to do just that.

We will provide a clear forum for Government to engage across the board with all relevant sectors.

Certainty for business

Which brings me to my next point.

One of the key issues that businesses raise with me and my cabinet colleagues is the need to give them as much certainty and clarity as possible.

The more certainty we can give you, the more confident you will be to go out and invest.

That in turn will drive job creation and help boost living standards.

We have already done this work to provide you with that clarity.

Plan for Brexit

Firstly, you asked for more information over our approach to the negotiations ahead.

Six months ago the Prime Minister outlined a clear plan with business at its heart.

And that plan remains in place.

We are seeking a new deep and special partnership with the European Union, underpinned by an ambitious and comprehensive agreement on free trade and customs.

These will cover goods and services, and we want them to ensure the greatest possible tariff and barrier-free access to each other's markets. Tariff and barrier free, both those things.

To make sure such an agreement is properly enforced, we will seek a new dispute resolution mechanism. It won't be the European Court of Justice, it will be international.

We will also need to manage the evolution of our regulatory frameworks – to maintain a fair and open trading environment and minimise non-tariff barriers.

We also recognise the need for an implementation phase to allow businesses on all sides to adjust and provide a smooth and orderly glide path to our new arrangements.

As the letter invoking Article 50 said, it will “help both sides to minimise unnecessary disruption if we agree this principle early in the process.”

And, let us not forget, that such an approach is mutually beneficial for the UK and the EU. The EU itself has recognised the need for transition periods, signalling its desire to avoid any cliff-edge or unnecessary disruption.

That is exactly the point that the Chancellor is making at a conference in Berlin today.

We are entirely aligned on this point. It is an approach the Chancellor and I have designed over some months at the meetings we have every week to develop our strategy in this area.

I firmly believe our approach puts jobs and prosperity first. So much so I didn't have to say it at first.

We are undertaking this process in the national interest.

And the national interest obviously includes the economic interest and the business interest.

We have undertaken a widespread assessment of every sector of our economy; 60, all told.

This will inform the type of deal we are aiming for.

Putting jobs and prosperity first means not only securing the markets which we currently have.

It also means opening up to new, growing markets across the globe.

There is no doubt that the world's economic mass has been moving eastwards for some time. This is only likely to continue.

In 1980 the EU accounted for 30% of World GDP. According to the IMF this is forecast to have halved to 15% by 2022.

The European Commission itself admits that 90% of future global growth will happen outside Europe's borders.

As I said, there are challenges, opportunities and threats from both

globalisation and technology.

Disruptive change is becoming the norm in many markets.

The premium for agility in policy making has never been higher. Over the coming years and decades we, as a country, need to be flexible and nimble to take advantages of the changing landscape of the global economy.

The European Union has many virtues, but agility is not one of them.

We, however, start from an incredibly strong position.

We are already a world leader in engineering, life sciences, medicine, media, commerce, law.

From our skilled workforce to our world-class universities or the simple fact that English is the language of business across the world, we are well placed to take advantage of the new opportunities that are around.

Our approach to exiting the European Union is the first step to ensuring that remains the case.

Our actions will mean new trade deals around the world, and significantly enhance our ability to make the most of global growth outside the European Union.

Citizens' rights

You also asked for clarity over your workforces.

I know that the firms represented in this room together employ tens of thousands of EU citizens.

These workers are vital to your firms and are an integral part of our economy and our society.

Yesterday, we unveiled our proposal to secure their rights together with the rights of UK citizens living in the European Union.

We want them to continue to live their lives as they do now.

So we are going to create a status that is almost equivalent to that of British citizens, in everything except for the right to vote. If they want the right to vote, they can become British citizens.

In every other aspect it will give them the same employment rights, the same health rights, the same welfare rights, and the same pension rights.

It also means ensuring they can work here or run their own businesses here unimpeded. So we will continue to recognise the qualifications they've gained across the EU, and request that EU member states will do the same for our citizens in their countries.

But most importantly for you I want to be crystal clear that under our

proposal there will be practically no burden on business at all.

You will be able to keep on employing the EU citizens who are already here.

We also want this clarity to extend to immigration more broadly.

My job is to bring back control of migration to Westminster.

It is not to slam the door on immigration.

We will bring immigration down, but in a way and at a pace that does not cause labour shortages, or worse, undermine the nation's need for new talent.

Repeal Bill

Finally we said that we'd provide you with as much clarity over regulations and laws as we could.

So, we will convert all current EU law into UK law on the day we exit.

Across the board, the regulations you face today will be essentially the same you face on the day we leave.

Conclusion

So I have outlined some of the work the government is doing to provide you with the certainty you need.

Why I think the future for this country looks very bright.

John Williams was quoting that point from Winston Churchill, saying 'I'm an optimist', well I'm a determined optimist in this matter.

As we deliver on this national instruction from the referendum last year, business will always be the front of our mind.

We take seriously our duty to protect existing markets.

But I also firmly believe that there are significant upsides and significant opportunities for business in this country as we open up to the rest of the world.

I'm going to go off piste slightly and leave my speech for a moment, because I'm old enough to remember the great changes in British society that were brought about during the early years of the Thatcher government, in 1979 and the early eighties.

And I remember the controversy and the risk and the fear, and the uncertainty around those changes.

But one of the things that happened which I didn't expect, which nobody in that great change expected, was a revolution of expectation that took place in Britain.

We went from being something like 20th in the world and going down, to climbing back up to being fourth in the world in economic terms.

That occurred because of a series of things that people didn't predict, as I said, a revolution in expectations where people suddenly said: "We can do this. We can make something of this. We can be the best of what we're doing again."

And we weren't just about managing at the time.

Well I think there's a very very good chance that as we open up the rest of the world, as opportunities form, our businesses and our citizens here will see the same sort of revolution in expectations that we saw back in the eighties.

And if we do, the job of being a determined optimist will be worthwhile.

Thank you.