

Speech: Harriett Baldwin speech at Private Equity Africa Investor Summit

Thank you so much for that very kind introduction and for giving me this platform to speak to a room of investors in Africa.

As a former investment manager myself I am really excited now in my new role to be able to share with you the point of view of the UK Government in terms of working across this vast and exciting continent.

Because Africa really matters. And Africa really matters to the UK.

The UK and Africa – with our long-standing bilateral friendships – share common interests in inclusive growth, in increasing trade and investment, and in resilient economic partnerships that will help make people in the UK and people in Africa healthier, more secure, and more prosperous.

African success, in the form of better governance, greater peace, growing prosperity, stimulates a virtuous circle, for us here in the UK as well.

Together the UK and our African partners can advance our shared economic interests with a stronger focus on inclusive growth, trade, investment and economic partnerships.

Of course, rising prosperity is a virtuous circle. It has the power to create 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.

And, of course – when our African partners are prosperous and trading, this has many benefits here in the UK.

Huge strides have been made across the continent over the last few decades – these have helped to reduce poverty, reduce hunger and conflict, and improve education, health and democracy.

According to Africa In Data, literacy rates have risen dramatically for the younger generation across Africa and startlingly between 1950 to 2015, life expectancy in Africa has increased from 36 to 61 years.

But there are still significant challenges to overcome and vast potential to unlock.

On current trends, the populations of some African countries are expected to rise rapidly in the next few decades. And this can provide a fantastic opportunity to generate economic growth. But if Africa's youth cannot find decent jobs that improve their life-chances, we risk economic stagnation and social instability.

And so it is imperative that we support the ambitions of our partners across Africa to develop economies, build opportunities, and create the millions of jobs needed for the growing numbers of young people entering the job market every year.

As the UK Prime Minister said at last year's G20, we want long-term partnerships which support African countries' aspirations for trade, for investment, for jobs and growth.

It's about working with our partners across Africa to marry the UK's strengths to the continent's needs and ambitions.

To realise that potential we all need to work together to stimulate investment, create jobs, and bank the progress already made – placing particular emphasis on building markets in the growing number of middle-income countries in Africa, and others that are approaching that status.

All of these things will be vital if African countries are to fully realise the vision of the internationally agreed Sustainable Development Goals. These United Nation goals are the blueprint for a better future. They include ambitions spanning universal access to electricity and clean water, good health and a quality education for all, and – above all – more jobs.

Unlocking, mobilising and facilitating finance and investment is going to be crucial in achieving those goals – and British expertise in investment and finance offers a clear advantage to our African partners.

Estimates suggest that an additional \$2.5 trillion of investment per year is needed to make real progress towards those goals. To put that into perspective, total overseas development assistance to all developing countries in the world was just \$130 billion last year.

At the same time, there are an estimated \$12 trillion worth of investable opportunities and 380 million new jobs that can be supported by 2030. This brings enormous opportunities to the private sector.

And that is why we in the UK are focussed on unlocking investment opportunities and flagging them to business.

It is also why we are helping to mobilise more resources, by increasing access to export finance and development finance – you'll be hearing more from CDC, our private investment arm, later on today.

We know that private equity is a vital source of financing for growing businesses, yet the total fundraising into the African private equity market in 2016 was just \$1.6 billion.

This is less than 1% of the total UK financial flows into Africa. I think you will agree that there is clearly room for growth for the private sector and for private equity.

The good news is that we can see healthy signs of investor interest and an appetite for investment opportunities that make a difference to people's

lives: 12% of impact investing is in Sub-Saharan Africa and it is growing.

The CDC – which is very much one of the UK's best kept secrets, established some 70 years ago by Lord Reith and funded by the UK taxpayer – has an initial \$12 million investment in M-KOPA, for example, and M-KOPA's ability to raise a further \$80 million in debt highlights the attractiveness of certain sectors in Africa.

But sustainable growth requires much more than one-off transactions: investors need to be prepared to be in it for the long term.

We are confident that the kind of sustainable returns sought by institutional investors can be met by the growth and diversity of the African continent.

But I can't emphasise enough how important it is that investments are responsible, mutually beneficial, and that they support progress towards the Sustainable Development Goals.

That is why we are supporting Aviva, the Index Initiative and the UN Foundation to establish the Sustainable Development Goal Index.

This will rank companies on their contribution to achieving the Sustainable Development Goals, and will provide insights that companies themselves are seeking on their own impact. A key objective of our support for this initiative is that it builds on the best of the reporting already available and only suggests new benchmarks where there is a current lack of existing market information.

We are also developing new and flexible approaches to collaborating with business around the Sustainable Development Goals. The Business Partnerships Fund supports initiatives that generate commercial value whilst also improving the lives of poor people.

The fund is working with Pearson to pilot a mentoring programme in South Africa to help young people build skills and find secure jobs. And in Malawi we are collaborating with Unilever and Sainsbury's to pilot the use of Blockchain in the tea sector, helping companies to verify the source of their tea and help farmers to secure credit and demonstrate the viability of their businesses.

Put simply: Global Britain wants to develop modern, energetic and mutually beneficial partnerships across Africa. This is an historic moment in a conversation between UK government and investors about how we can best support the objectives and ambitions of nations and businesses in Africa.

We are working across Government to mobilise private investment into Africa in three key ways:

First, we are working with African partners to address risks, and improve the investment climate by encouraging regulatory reforms, tackling corruption, boosting transparency, and reducing the costs of cross-border trade.

For example, our support for reforms in Nigeria has helped the country climb

24 places in the 2018 Ease of Doing Business rankings.

On the other side of the continent, we have funded the TradeMark East Africa programme, which has significantly reduced the time it takes to clear and transport cargo through Mombasa port and beyond, encouraging trade in and out of the country.

The second thing we are doing is to leverage the capital and expertise of the City of London to help deliver our development objectives.

UK Aid has funded work by the Climate Bonds Initiative to develop green bonds markets in Kenya and Nigeria; and work by the Chartered Institute for Securities and Investment to introduce professional certification across Africa.

And at the Commonwealth Summit in April, the Development Secretary announced a package of new initiatives to deepen our partnership with the City. This included learning partnerships between the Bank of England and central banks in Sierra Leone, in Ghana and South Africa, as well as funding to help developing countries access global capital markets in their own currencies, building on the success of the Masala Bond market here in London.

Third – we are mobilising investment in Africa by putting our money where our mouth is and investing in challenging markets and new sectors ourselves, by providing new capital channelled through CDC.

CDC currently has a portfolio of £2 billion in Africa and has targeted its capital at the sectors that promote local business and support participation in global value chains.

To date it has invested £75 million of equity in African impact funds. That may not sound like very much to those of you sitting here today, but it is building the capacity to channel investment towards young, growing African businesses with strong social impact.

The Sustainable Development Goal investment gap that I mentioned earlier is most obvious in infrastructure, which is where we all know there is vital need to growing the private sector.

And that is why DFID is the largest investor in the Private Infrastructure Development Group, shortened to the unlovely acronym of PIDG. PIDG has invested nearly £1.5 billion in Africa since 2012 to support newer, higher risk projects, and to attract private capital to fill critical infrastructure gaps.

These efforts are creating that vital infrastructure to support the growth of other industries. Getting the basics like transport and electricity up and running will allow investments to flow through to other economically productive sectors.

The Department for International Development is already supporting these other productive sectors, especially through our wide range of research investments – from solar fridges, to mobile money, to ‘scuba rice’. These are

all brilliant inventions from Global Britain's brilliant boffins that can be taken up and commercialised by investors like you.

So, in conclusion, the UK Government is fully committed to supporting economic development across Africa. Our approach is guided by the needs and ambitions of the individual countries, and the Sustainable Development Goals.

You will certainly see Global Britain's footprint expanding in Africa in the next decade. Helping to mobilise private sector investment – including by mitigating some of the remaining challenges to investors – is a central part of our strategy, because we know that it will play an absolutely critical role in Africa's success.

Global Britain is the world's meeting place for the world's investors and the world's greatest investment opportunities.

We are confident that investing in Africa makes sense from a hard-headed business perspective. And I hope that today will encourage more of you to join us in supporting growing prosperity in Africa.

Press release: Green light for ultra-fast electric car charging innovation

A new pioneering technology to ensure a next generation of safer, high-powered electric car batteries can be charged by drivers in ultra-fast time is just one of 12 innovation projects to receive the green light from the government's [Faraday Battery Challenge](#).

The PowerDrive Line project being led by Southampton-based company Ilika is focusing on solid state battery cell development, in particular how to manufacture at scale in the UK and how to build in ultra-fast charging technology of less than 25 minutes for a vehicle as is seen in some current battery systems.

In total [£22 million grants](#) are being rewarded to consortia across the UK as part of the latest round of funding through the Faraday Battery Challenge, part of the government's [Industrial Strategy Challenge Fund](#).

The funding is key to realising the government's ambitions for innovative energy solutions as set out in our modern Industrial Strategy. The Faraday Battery Challenge brings together world-leading research and business to accelerate the research needed to develop battery technologies.

Other major R&D projects funded include:

- a revolutionary approach to battery management led by Williams Advanced

Engineering

- a McLaren Automotive led consortium project that aims to accelerate the development of electrified powertrains
- a revolutionary battery recycling project that will develop the first UK industrial scale capability to reclaim and reuse battery essential metals. This project is being led by Cheshire-based ICoNiChem and involves Jaguar Land Rover
- an Aston Martin Lagonda project into the development of better performance battery packs.

Business and Energy Secretary Greg Clark said:

Innovative battery technology is changing the way we live, travel and work and the Government is committed to putting Britain at the heart of this energy revolution.

Today's £22 million investment in world-leading R&D projects is an example of our modern Industrial Strategy in action and will help pioneering companies realise the economic benefits the global transition to a low carbon economy offers.

UK Research and Innovation chief executive Professor Sir Mark Walport said:

Effective, efficient and sustainable transport is key to addressing so many of today's challenges from industrial growth to social inclusion. Through advanced battery technology, we will unlock a new generation of electric vehicles, further improving vehicle performance and uptake, opening doors to innovative new transport ideas and significantly reducing environmental impacts. Today's investment shows we are catalysing collaboration between research teams and commercial partners across the UK to make this a reality.

Battery Challenge Director Tony Harper said:

This latest round of cutting-edge research and development projects illustrate the quality of innovations coming from our research and industrial base, and reinforce why the UK is a world-leader in battery technology development.

Press release: A14 Cambridge to Huntingdon: preview of plans for Huntingdon

The 43 year-old viaduct, which carries the existing A14 over the railway line and local roads currently dominates the skyline near the Huntingdon train station. Removing it, and creating link roads to and from the old A14, is an important part of the A14 Cambridge to Huntingdon scheme, which is upgrading 21 miles of the A14 to three lanes in each direction, including a brand new bypass south of Huntingdon.

The plans will enable a major redesign of the Huntingdon train station area. A new public transport hub will be created, with bus stops conveniently located for the railway station. Removing the viaduct will also reduce noise and air pollution and will facilitate further improvements in Huntingdon town centre.

Main construction work is expected to start in 2019.

Chris Bayliss, A14 project manager at Highways England, said:

Work to upgrade the A14 between Cambridge and Huntingdon is progressing well and we are on schedule to open the new road to traffic by the end of 2020.

The Huntingdon viaduct was built in 1975, and removing it will create new opportunities for Huntingdon. Once the new A14 is open to traffic, the old A14 will become a local road. The plans we are sharing today will make it even easier for people to travel around, as well as in and out of, Huntingdon.

We are holding six public events this June and encourage people to come see us for a chat and find out more about these exciting plans!

To find out more about the work in Huntingdon people are invited to come along to one of the events – details can be found on the [scheme webpage](#).

The £1.5bn A14 upgrade will add additional capacity, boost the local and national economy and cut up to 20 minutes off journeys.

The main construction work at Huntingdon will include a new Mill Common link road, the removal of the A14 viaduct and work around the train station, and a new Views Common link road. Preparatory work, such as archaeology and utility diversion, will start ahead of main construction work.

Chance to volunteer on the A14 community archaeology dig this summer

The A14 Cambridge to Huntingdon archaeology team is calling for volunteers to take part in a free summer community dig programme between 24 July and 25 August 2018.

This is a once in a lifetime chance for people to take part in one of the largest archaeological excavation projects ever undertaken in Britain.

Volunteers will work alongside archaeology experts from the A14 archaeology team and its contractors MOLA Headland Infrastructure, exploring evidence of industrial activity relating to the abandoned medieval village of Houghton, near Huntingdon, as well as Iron Age and Roman remains.

Each volunteer must be able to commit to five (not necessarily consecutive) days of excavation from 9am to 4pm.

To apply, email msearle@molaheadland.com before 25 June 2018, stating your preferred days.

For the latest information about the A14 Cambridge to Huntingdon improvement scheme, including job and training opportunities, visit the [scheme webpage](#) follow @A14C2H on Twitter and like our [Facebook page](#).

General enquiries

Members of the public should contact the Highways England customer contact centre on 0300 123 5000.

Media enquiries

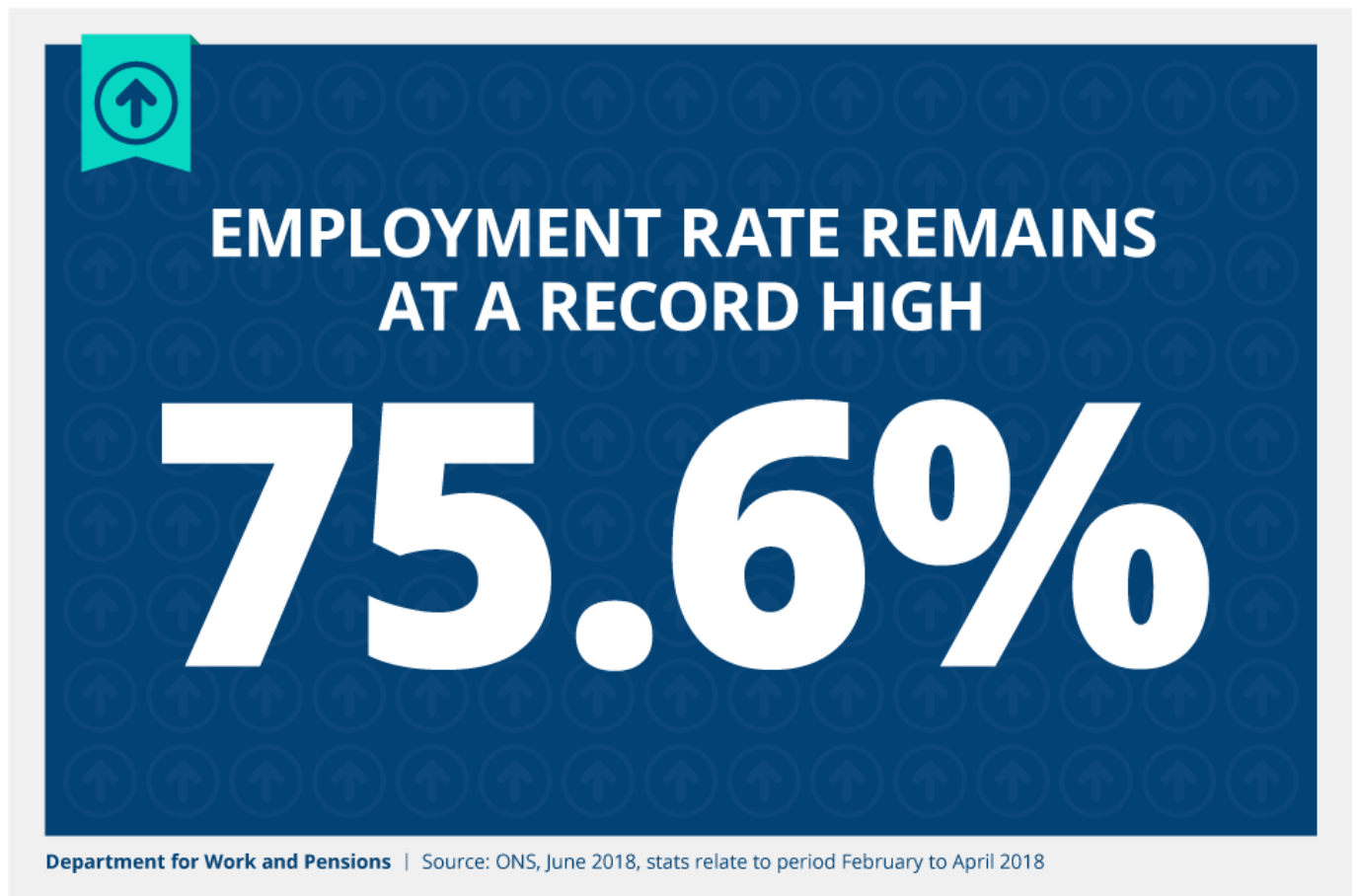
Journalists should contact the Highways England press office on 0844 693 1448 and use the menu to speak to the most appropriate press officer.

[Press release: Employment rate remains at record high](#)

The unemployment rate is now 4.2% – down 0.4% since last year – with the number of people out of work falling by 115,000.

The figures published by the Office for National Statistics (ONS) come as Black, Asian and minority ethnic employment (BAME) is at a record high. The BAME employment gap – the difference between the employment rates of the ethnic minority population and the overall population – is at an all-time low

of 10.1% points.



Secretary of State for Work and Pensions, Esther McVey said:

The employment rate has never been higher – with over 3.3 million people moving into work since 2010.

It's a great British success story with businesses from Exeter to Edinburgh creating jobs – helping, on average 1,000 people find a job each and every day since 2010.

And with the increase in the personal tax allowance, this government has ensured that people are keeping more of their money before they begin paying tax – meaning more take-home pay, that's more money in your pocket for you and your family.

Minister for Employment, Alok Sharma said:

At 75.6%, the employment rate has never been higher, with more people in work than ever before. And with a continued fall in unemployment, we have a strong jobs market that's set 17 new employment rate records since 2010.

It's also very welcome news that the ONS has reported that regular pay has outpaced inflation for the third month in a row.

The increase in personal allowances means that the typical basic rate taxpayer is now paying £1,075 less in income tax than in 2010. Thanks to the National Living Wage full time minimum wage workers have had an annual boost of £2,000 since 2016.

Today's figures also show:

- private sector employment is now at 27.04 million, up by over 3.7 million since 2010
- the number of women in work is at a record high of 15.26 million
- youth unemployment has fallen by over 40% since 2010
- the number of workers aged 50 plus has reached a record 10.18 million

Separate figures released today show that [more than 920,000 people are now receiving Universal Credit, with 37% in employment](#). The rollout of Universal Credit remains on track and the [business case summary](#) published last week confirms an estimated £8 billion boost to the economy every year when it is fully rolled out, with an additional 200,000 people moving into work.

The government has reformed welfare to make work pay, backed businesses to take more people on, and built a stronger, fairer economy. But we want to help even more people benefit from a well-paid job. That's why we are:

- introducing a [modern Industrial Strategy](#) to help businesses create better, higher-paying jobs in every part of the UK
- helping people stay in work longer with our [Fuller Working Lives strategy](#), which supports employers to recruit, retrain and retain older workers
- tackling inequalities in employment highlighted by the [Race Disparity Audit](#), through targeted support in 20 areas around the country and £90 million announced by the Prime Minister to help young people

We are also arranging work experience sessions for students through Jobcentre Plus in over 1,400 schools. The scheme is being rolled out across the country, to ensure young disadvantaged kids aged 12 to 18 get opportunities including work experience to learn about the world of work and consider future career options. So far, the partnership between Jobcentre Plus and local schools has resulted in around 12,000 sessions for pupils, parents and teachers helping to prepare pupils for the world of work.

Read the [Labour Market Statistics – June 2018](#) from the Office for National Statistics.

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News story: CMA raises concerns over towbar merger

The companies, Horizon Global Corporation (Horizon) and Brink International B.V. (Brink), design, produce and distribute towbars across Europe and – while they do not have any manufacturing facilities in the UK – they supply a large number of towbars to the UK market.

As part of its investigation, the Competition and Markets Authority (CMA) has found that there are very few comparable companies of a similar size offering all types of towbars.

The CMA found that the companies together control a large share of all towbar supply to the ‘original equipment’ sector – made up of large car manufacturers operating throughout the UK and Europe – and are strong rivals in this area. There is only one major competitor to Horizon and Brink in the supply of towbars to these businesses.

It also found issues in the supply of detachable towbars to the UK-wide ‘independent aftermarket’ sector, which is made up of smaller, independent businesses such as auto-repair centres. This is because Brink supplies a key

component for the manufacture of this type of towbar to 2 or more of its competitors in this market.

The CMA has therefore decided that the proposed merger may substantially lessen competition. The companies now have the opportunity to offer ways to address these concerns. If they do not make such an offer by the 19 June, or if what is suggested does not sufficiently address the CMA's concerns, the merger will be referred for a more in-depth 'phase 2' investigation.

More information about this merger inquiry can be found on the [Horizon / Brink case page](#)